
Invesco True Balance Fund

Annual Information Booklet

Period ending 30 June 2023

On an annual basis we provide additional information for the Invesco True Balance Fund (“the Fund”).

The Fund’s assets are almost wholly invested in the underlying fund, the Invesco Balanced-Risk Allocation Fund – Class I, a sub-fund of Invesco Funds, SICAV, that is hedged in Australian Dollars (the “Underlying Fund”) - with the remainder in cash. The Fund has Class A, Class I, Class M and Class P unit classes. The investment performance in this report is that of the Class A unit class.

Asset Allocation

The Underlying Fund invests in a range of assets as disclosed in the Product Disclosure Statement including equities and debt either directly or through the use of exchange traded and OTC derivatives, which may include future or option strategies. The Underlying Fund will also invest in commodities through holding exchange traded commodities, exchange traded notes, exchange traded funds and swaps on eligible commodity indices.

Figure 1. Total notional weights by asset class as at 30 June 2023

| Asset class | Fund % |
|--|---------------|
| International Listed Equities | 40.21 |
| Exchange Traded Derivatives | 17.38 |
| International Government Bonds | 69.64 |
| Other (Commodities) | 21.28 |
| Total notional weights by asset class | 148.51 |

Total portfolio asset weight greater than 100% is achieved through derivatives and other instruments that create leverage.

Figure 2, the Underlying Fund focuses on risk in two primary dimensions: marginal levels of risk and its contribution. Both risk dimensions are explicitly targeted within the portfolio construction process and have equal importance. The Underlying Fund estimates historical risk and co-movement of the assets based on historic returns and with an emphasis on recent observations. The Underlying Fund balances the risk across the three macro factors: growth, defensive and real return.

Figure 2. Risk Allocation as at 30 June 2023

| Target Marginal Risk | |
|----------------------|--------------|
| Growth | 2.84% |
| Defensive | 3.10% |
| Real Return | 1.65% |
| Total | 7.59% |

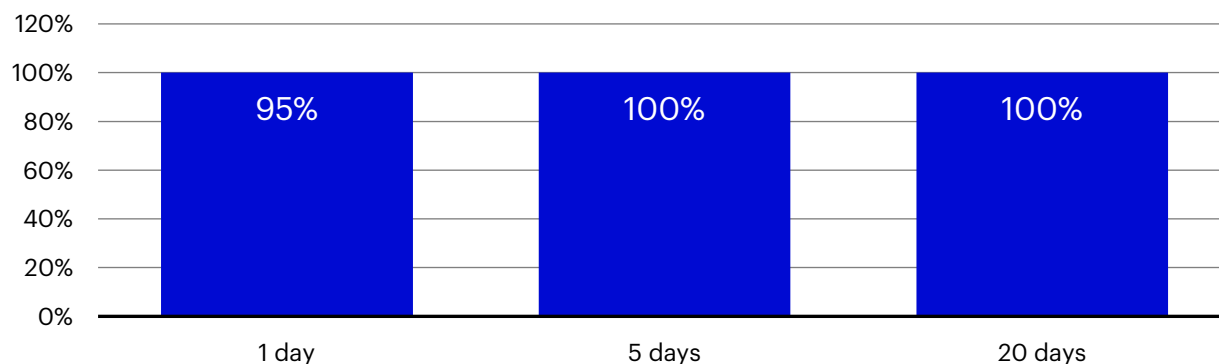
| Target Risk Contribution | |
|--------------------------|----------------|
| Growth | 37.42% |
| Defensive | 40.85% |
| Real Return | 21.73% |
| Total | 100.00% |

- Growth represents cap-weighted equity beta and long put options
- Defensive represents bonds and equity factor premia (TAA Defensive is bonds only)
- Real Return represents commodities.

Liquidity profile of assets

The liquidity of the Fund is predominately determined by the liquidity of the Underlying Fund. The vast majority of investments of the Underlying Fund will be liquid assets and Invesco expects such investments can be liquidated within 30 days in the ordinary course.

Liquidity estimates across time horizons in normal market conditions



Source: Invesco as at 30 June 2023. The liquidation size represents an estimate of the portion of the portfolio that can be liquidated within a given number of days, with transaction cost limits applied to simulate an orderly sale process without significantly impacting the market value of each position. The calculation is an estimate using the MSCI LiquidityMetrics model based on historically informed trading volumes and transaction costs.

Maturity profile of liabilities

In general, the Underlying Fund only incurs liabilities for derivatives that are used for investment purposes. These instruments which may have short term obligations (< 24 hours) are generally supported by liquid cash which is used as collateral against the derivative positions.

Leverage ratio

The leverage ratio of the Underlying Fund as at 30 June 2023:

| Economic leverage rates | |
|-------------------------|---------|
| Total | 148.51% |

Derivative Counterparties

The Fund has no counterparties. The Underlying Fund currently has 8 counterparties used for derivatives, these counterparties are:

| |
|---------------------------------------|
| Merrill Lynch International |
| BNP Paribas Sa |
| Morgan Stanley & Co International Plc |
| Canadian Imperial Bank of Commerce |
| Citigroup Global Markets Limited |
| Royal Bank of Canada |
| Goldman Sachs International |
| Macquarie Group |

Counterparty risk for the Underlying Fund is managed by:

- Having appropriate processes for the selection and approval of counterparties and on-going monitoring of the approved counterparties;
- Having minimum standards for counterparty quality considering both internal as well as external credit analysis;
- Requiring appropriate legal documentation to be in place before entering into derivatives transactions; and
- Setting and monitoring appropriate counterparty risk limits.

Investment performance

On 31 October 2022 the Fund was renamed to Invesco True Balance Fund, changed investment strategy and Investment Management was delegated to Invesco Global Asset Allocation team.

Invesco True Balance Fund– Class A

Net Performance (Periods to 30 June 2023)

Inception date: 28 February 2015

| Periods | Fund % |
|----------------------|--------|
| 1 year | 6.75 |
| 2 years p.a. | -0.45 |
| 3 years p.a. | -0.62 |
| 5 years p.a. | -0.18 |
| 7 years p.a. | 0.67 |
| Since inception p.a. | 0.95 |

Note: Fund returns are shown after ongoing fees and assumes reinvestment of income. Past returns are not a reliable indicator of future returns. Future returns may be affected by a range of factors including economic and market influences.

Important Information

This document has been prepared by Invesco Australia Ltd (Invesco) ABN 48 001 693 232, Australian Financial Services Licence number 239916, who can be contacted on freecall 1800 813 500, by email to clientservices.au@invesco.com, or by writing to GPO Box 231, Melbourne, Victoria, 3001. You can also visit our website at www.invesco.com/au

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