

# Invesco Pan European High Income Fund

The largest European-focused multi-asset balanced fund\* using active asset allocation to achieve income and capital growth



Morning Star  
5 Star  
rated fund<sup>^</sup>



Flexible  
allocation in equities and  
fixed income



A (USD Hgd)-MD1  
share class yielded  
7.61%

Record date: 30/06/2025

<sup>\*</sup>Aims to pay dividend on monthly basis. **Dividend is not guaranteed.** For MD-1 shares, **dividend may be paid out of capital.** (Please refer to Note 1 and/or Note 2 of the "Important information")

## Important Information

- The Fund invests primarily in European securities (debt and equity).
- Investors should note the dynamic asset allocation risk, liquidity risk, risk of Eurozone crisis, risk of investing in convertibles/convertible bonds/convertible debts, sovereign debt risk, concentration risk of investing in higher yielding European debt securities and equities, risk of investing in perpetual bonds, risk associated with investments in debt instruments with loss-absorption features including senior non-preferred debts, contingent convertible bonds which are subject to the risk of being written down or converted to ordinary shares upon the occurrence of pre-defined trigger events and may result in a significant or total reduction in the value of such instruments, currency exchange risk, RMB currency and conversion risks of RMB hedged share classes, equities risk, credit rating risk, volatility risk, general investment risk. Investment in bonds or other fixed income securities is subject to (a) interest rate risk (b) credit risk (including default risk, downgrading risk and liquidity risk) and (c) risks relating to high yield bonds/non-investment grade bonds and/or un-rated bonds.
- Financial derivative instruments (FDI) may be used for efficient portfolio management and hedging purpose and for investment purposes. Risks associated with FDI include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. As a result of the use of FDI for investment purposes, investors should note the additional/high leverage risk. Also, the active FDI positions implemented by the Fund may not be correlated with its underlying securities positions held by the Fund which may lead to a significant or total loss to the Fund.
- For certain share class(es), the Fund may at discretion pay dividend out of capital and/or effectively out of capital, which amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the net asset value per share in respect of such share class after the monthly distribution date. (Note 1)
- In addition, investors of Monthly Distribution-1 share classes that are currency hedged (MD-1 hedged) should be aware of the uncertainty of relative interest rates. The net asset value of the MD-1 hedged may fluctuate and may significantly differ from other share class due to fluctuation of the interest rate differential between the currency in which the MD-1 hedged is denominated and the base currency of the Fund and may result in a greater erosion of capital than other non-hedged share class. (Note 2)
- The value of the Fund can be volatile and could go down substantially.
- Investors should not base their investment decision on this material alone.



<sup>\*</sup>Source: ©2025 Morningstar as of 30 June 2025. The largest fund in Morningstar Category - EAA Fund EUR Cautious Allocation.

<sup>^</sup>Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time.

<sup>\*</sup>Annualized dividend (%) = (Amount/Share X Frequency) ÷ Price on record date. Upon dividend distribution, the Fund's net asset value may fall on the ex-dividend date. For Frequency, Monthly = 12. All distributions below USD 50 will be automatically applied in the purchase of further shares of the same class. **Positive distribution yield does not imply a positive return.**

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# Invesco Pan European High Income Fund

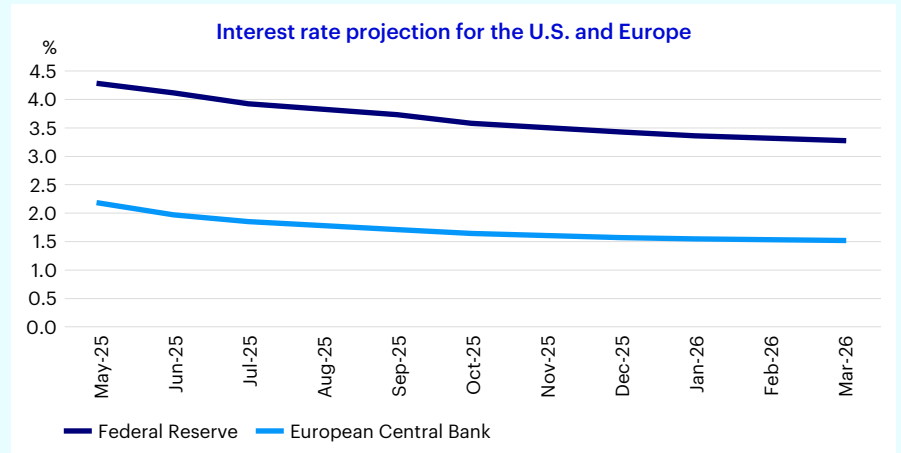
The largest European-focused multi-asset balanced fund\* using active asset allocation to achieve income and capital growth

## Why Europe?



### Accommodative monetary policy

With Eurozone inflation being under controlled, the market is expecting 3 to 4 interest rate cuts by the European Central Bank this year. The low-interest environment could boost corporate earnings and bond prices.

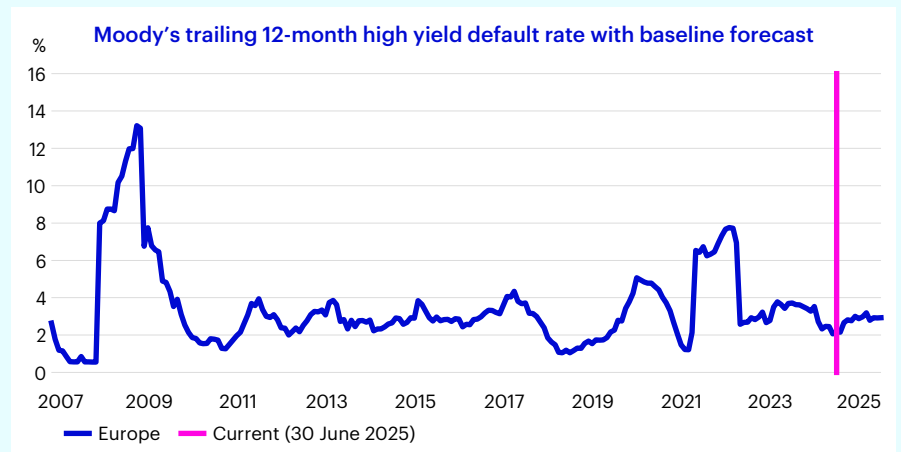


Source: Bloomberg as of 13 April 2025.



### Default rate remains at a low level

A lower interest rate environment helps reduce borrowing costs, making it easier for companies to repay loans.

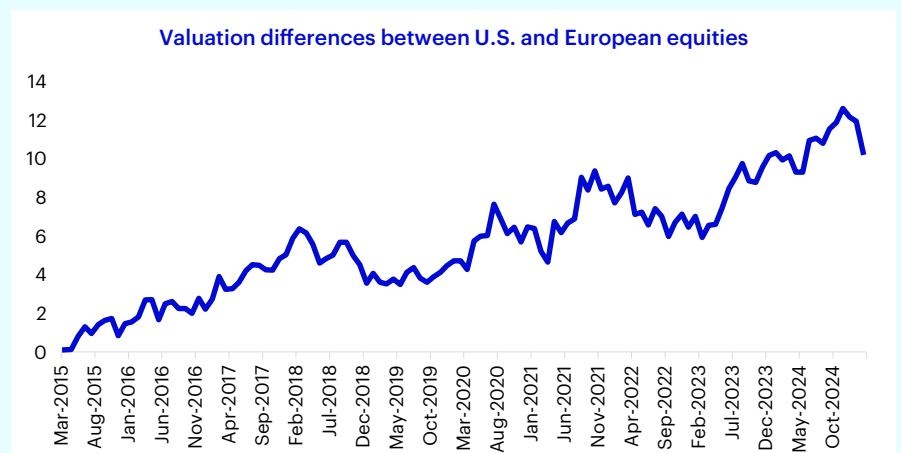


Source: Moody's Default Trends – Global, May 2025.



### Attractive valuation

The valuation gap between U.S. and European stocks remains high. Additionally, the European market is more cyclical than the U.S. market, offering better potential returns during economic recovery.



Source: Bloomberg as of 28 February 2025. U.S. equities are represented by the MSCI USA Index; European equities are represented by the MSCI Europe Index. Investments cannot be made directly into an index. **Past performance does not guarantee future results.**

\*Source: ©2025 Morningstar as of 30 June 2025. The largest fund in Morningstar Category - EAA Fund EUR Cautious Allocation.

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## Why Invesco Pan European High Income Fund?

Source: Invesco as at 30 June 2025.

\*Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time. Performance is sourced from ©2025 Morningstar, data as of 30 June 2025. **Past performance is not indicative of future performance.** Investors may not get back the full amount invested. A (EUR)-QD Shares (Cumulative performance: Year-to-date: 1.22%, 1 year: 4.79%, 3 year: 9.48%, 5 year: 30.36%, 10 year: 26.49%; Calendar year performance: 2024: 5.17%, 2023: 9.43%, 2022: -9.81%, 2021: 5.02% and 2020: 2.10%). Peer group: EAA Fund EUR Cautious Allocation.



### Stellar performance

A (EUR)-QD share class is ranked in the 1st quartile over 3 years, 5 years and 10 years.^



### Active asset allocation

Flexible allocation between bonds, equities and cash at different stages of economic cycle



### Attractive income

In June, A (USD Hgd)-MD1 and A (HKD Hgd)-MD1 share classes yielded 7.61% and 6.95% respectively.

Record date: 30/06/2025

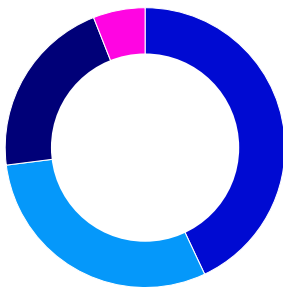
\*Aims to pay dividend on monthly basis. Dividend is not guaranteed. For MD-1 shares, **dividend may be paid out of capital.** (Please refer to Note 1 and/or Note 2 of the "Important information")

## Flexible active asset allocation

### 2016: European Central Bank Implemented Quantitative Easing and Negative Interest Rates to Stimulate Economy

The European Central Bank started quantitative easing in 2015 and further lowered interest rates to -0.4% in 2016.

The fund adopted a risk-on approach by overweighting equities.

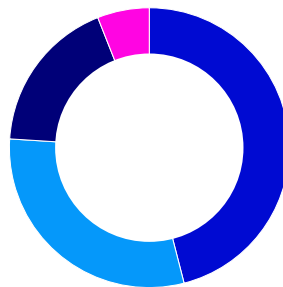


■ High yield (43 %) ■ Equity (21 %)  
■ Investment grade (30 %) ■ Cash (6 %)

### 2019 US-China Trade War: Europe Less Affected by Tariffs

In July, the Federal Reserve started cutting interest rates, and by September, the European Central Bank had lowered rates to -0.5%.

With global credit risk decreasing, the fund increased its allocation to high-yield bonds.

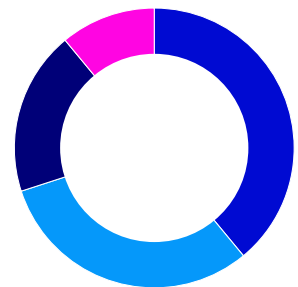


■ High yield (46 %) ■ Equity (18 %)  
■ Investment grade (30 %) ■ Cash (6 %)

### 2023: The Collapse of Silicon Valley Bank and First Republic Bank

The regional banking crisis tightened credit conditions.

The fund adopted a defensive approach by overweighting investment-grade bonds and cash.



■ High yield (39 %) ■ Equity (19 %)  
■ Investment grade (31 %) ■ Cash (11 %)

Source: Invesco as at 28 February 2025. Portfolio holdings are subject to change without notice.

\*Source: ©2025 Morningstar as of 30 June 2025. The largest fund in Morningstar Category - EAA Fund EUR Cautious Allocation.

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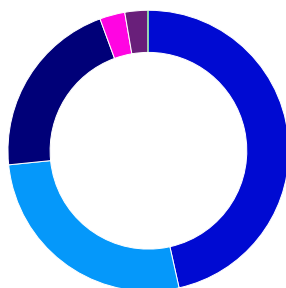
## Portfolio characteristics



### Snapshot

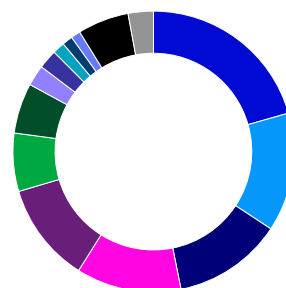
Fund size	€6.75 billion
Average credit rating	BB-
Duration#	3.13
Total holdings	482

### Asset breakdown



	%
High yield	46.5
Investment grade	26.9
Equity	21.0
Cash	2.9
Not rated	2.6
Fund	0.1

### Geographical weightings



	%
United Kingdom	20.6
France	13.7
United States	12.6
Germany	12.1
Italy	11.5
Spain	6.7
Netherlands	5.8
Switzerland	2.4
Luxembourg	2.2
Sweden	1.4
Ireland	1.2
Denmark	1.1
Others	5.9
Cash	2.9

\* The yield to maturity measures the sum of the fund's bond income and the expected capital return on the bonds as a percentage of the total market value of the fund. It also includes dividend income. The calculation is gross of the fund's total expense ratio (TER). For official, custodian calculated, yields please see the relevant factsheet.

Source: Invesco as at 30 June 2025. Geographical weightings, sector weightings and portfolio holdings are subject to change without notice. The weightings for each breakdown are rounded to the nearest tenth or hundredth of a percent; therefore, the aggregate weights for each breakdown may not equal 100%. #Only calculate the bond sector.

\*Source: ©2025 Morningstar as of 30 June 2025. The largest fund in Morningstar Category - EAA Fund EUR Cautious Allocation.

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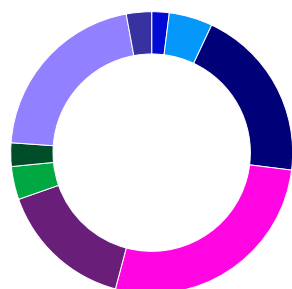


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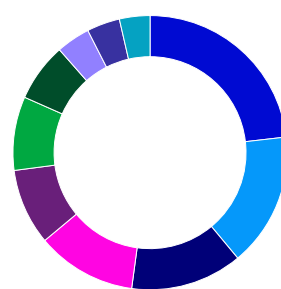
## Portfolio characteristics

Credit ratings



	%
■ AA	2.0
■ A	5.0
■ BBB	20.0
■ BB	27.2
■ B	15.5
■ CCC and below	3.8
■ Not rated	2.7
■ Equity	21.0
■ Cash	2.9

Equity - Sector breakdown



	%
■ Financials	23.2
■ Industrials	15.8
■ Consumer Staples	13.2
■ Health Care	11.8
■ Utilities	9.0
■ Information Technology	8.7
■ Materials	6.9
■ Energy	4.0
■ Consumer Discretionary	3.9
■ Communication Services	3.6

\* The yield to maturity measures the sum of the fund's bond income and the expected capital return on the bonds as a percentage of the total market value of the fund. It also includes dividend income. The calculation is gross of the fund's total expense ratio (TER). For official, custodian calculated, yields please see the relevant factsheet.

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	Cumulative performance					Calendar year performance				
	YTD	1 year	3 year	5 year	10 year	2020	2021	2022	2023	2024
A (EUR)-QD Shares	2.51	4.83	20.45	19.56	31.23	2.10	5.02	-9.81	9.43	5.17
Peer group ranking – Quartile^	2	2	1	1	1	2	2	2	1	2

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Source: Performance is sourced from ©2025 Morningstar, data as of 30 June 2025. Past performance is not indicative of future performance. Investors may not get back the full amount invested. Performance data of the share class has been calculated in the respective currency stated above including ongoing charges and excluding subscription fee and redemption fee you might have to pay. Peer group: EAA Fund EUR Cautious Allocation.

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## Distribution information\*

\*Aims to pay dividend on monthly basis. **Dividend is not guaranteed**; For MD-1 shares, **dividend may be paid out of capital**. (Please refer to Note 1 and/or Note 2 of the "Important information")

	Intended frequency	Record date	Amount/Share	Annualized dividend (%)
A (EUR)-MD1 Shares	Monthly	30/06/25	0.0400	6.12%
A (AUD Hgd)-MD1 Shares	Monthly	30/06/25	0.0460	6.81%
A (CAD Hgd)-MD1 Shares	Monthly	30/06/25	0.0510	7.19%
A (HKD Hgd)-MD1 Shares	Monthly	30/06/25	0.4790	6.95%
A (NZD Hgd)-MD1 Shares	Monthly	30/06/25	0.0530	7.69%
A (USD Hgd)-MD1 Shares	Monthly	30/06/25	0.0580	7.61%

Source: Invesco as at 30 June 2025.

Annualized dividend (%) = (Amount/Share X Frequency) ÷ Price on record date. Upon dividend distribution, the Fund's net asset value may fall on the ex-dividend date. For Frequency, Monthly = 12. All distributions below USD 50/EUR 50/AUD 50/NZD 50/CAD 50/HKD 400 will be automatically applied in the purchase of further shares of the same class. **Positive distribution yield does not imply a positive return.**

## Important Information

The investment performances are denominated in EUR. US/HK dollar-based investors are therefore exposed to fluctuations in exchange rates.

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