

An Investment Trust that delivers income without giving up yield - Invesco Bond Income Plus Limited

London, 2 September 2025 - In August, the Bank of England cut interest rates by 0.25% – the fifth reduction since July 2024. As rates trend lower, many savers are seeing their cash returns dwindle and are starting to look for alternative ways to generate regular, reliable income. One option is corporate bonds. But today's credit markets aren't straightforward. Credit spreads – the premium investors earn for taking on credit risk – have tightened sharply in recent years. That means while yields may look attractive, the cushion for error has shrunk and investors need to be careful about where they invest.

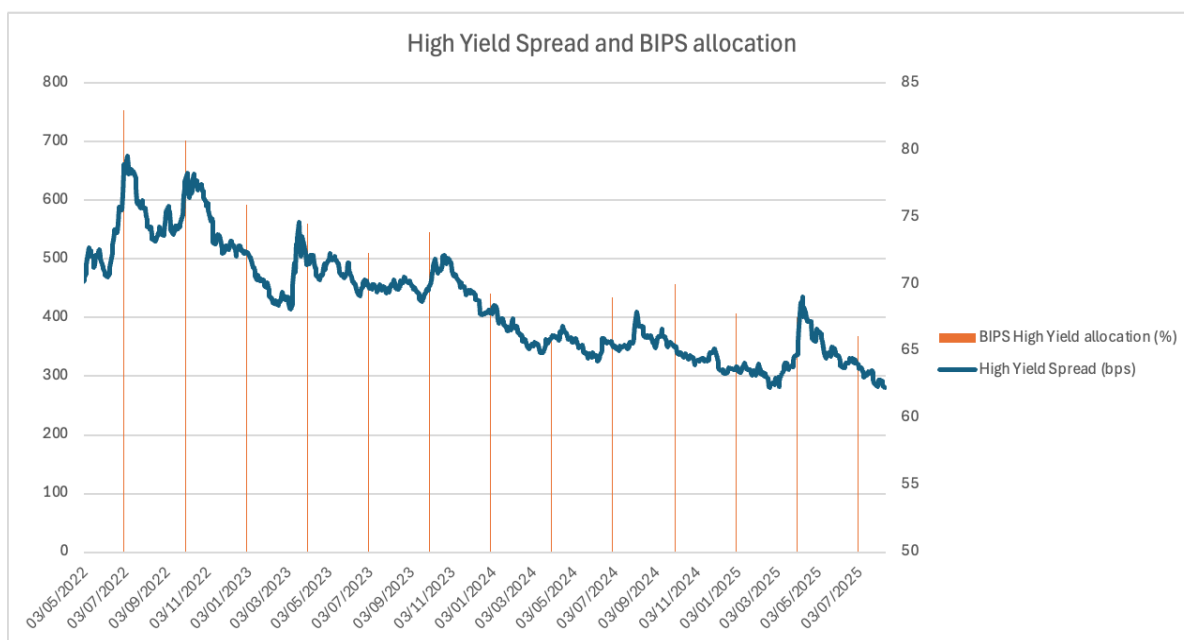
A closed-ended structured product like an investment trust can access income streams that may pose too much liquidity risk for open ended funds. They enable tactical use of gearing, no redemption pressure, and the ability to hold smaller, less liquid bonds that offer attractive yields.

Defensive positioning in practice

Credit spreads in the high yield market have halved, from around 600 basis points in 2022 to around 300 basis points today (in the ICE BofA European Currency High Yield Index).

Invesco believes that this is not just a technical detail, but a major shift in the market's risk/reward dynamic. With less compensation for taking on credit risk, Invesco has leaned into a more defensive stance in the Invesco Bond Income Plus (BIPS) investment trust.

- High yield exposure reduced:** The trust has steadily rotated away from high yield, reducing exposure from 83% to 66% in recent years – even while maintaining its strong income profile.



Source: Invesco. Reference index for High Yield Spread is ICE BofA European Currency High Yield Index



Rhys Davies, Manager of Invesco Bond Income Plus says: “We have nearly halved our gearing to 10% from 18% three years ago, as we believe that valuations no longer justify taking on added risk.

“We are also positioned to benefit from falling interest rates but through risk control, we’re able to manage volatility as we aim to protect capital while still delivering a high level of income.”

- The Trust has over 200 holdings across 150+ issuers, spanning high-yield corporates, subordinated financials, and investment-grade credit, with a limited single-issuer risk, with the largest positions accounting for just over 2% of NAV, as the managers don’t believe in risky concentrated positions in this environment.
- The Trust can also target high-coupon, subordinated debt from well-capitalised financials and niche issuers. These are assets that offer strong income but aren’t easily accessed by open-ended funds, which must manage daily liquidity and redemption risk.

The proof is in the payout

BIPS currently delivers a 7.1% yield and continues to trade at a premium, which allows for new share issuance and continued growth.

Rhys Davies concludes: “We believe BIPS offers income with resilience. As rate cuts continue, many investors will find it harder to sustain the levels of income they may have been used to. We have developed a portfolio that maintains flexibility to increase credit exposure when valuations become more compelling, without taking unnecessary risks. Our goal is to be able to deliver investors the income they seek without giving up yield”.

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Notes to Editors:

Full details of the trust can be found here: [Invesco Bond Income Plus Limited](#)

With over £400 million in assets, BIPS is the largest fund in the AIC Bond & Loan sector. That scale, combined with a highly experienced management team and institutional-grade credit research, gives the trust credibility and a strong operational edge.

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Notes to editors:



About Invesco Ltd.

Invesco is a global independent investment management firm. Our distinctive investment teams deliver a comprehensive range of active, passive and alternative investment capabilities. With offices in more than 20 countries, Invesco managed US\$2 trillion in assets on behalf of clients worldwide as of June 30, 2025. For more information, visit invesco.com/uk.

Investment risks

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Invesco Bond Income Plus Limited has a significant proportion of high-yielding bonds, which are of lower credit quality and may result in large fluctuations in the NAV of the product. Invesco Bond Income Plus Limited may invest in contingent convertible bonds which may result in significant risk of capital loss based on certain trigger events. The use of borrowings may increase the volatility of the NAV and may reduce returns when asset values fall. Invesco Bond Income Plus Limited uses derivatives for efficient portfolio management which may result in increased volatility in the NAV.

Past performance does not predict future returns.

Standardised rolling 12-month performance (% growth)

Category	30.06.20 30.06.21	30.06.21 30.06.22	30.06.22 30.06.23	30.06.23 30.06.24	30.06.24 30.06.25
Ordinary Share Price	14.0	-12.6	10.5	13.7	7.7
Net Asset Value	14.3	-11.2	3.6	13.3	8.2

Ordinary share price performance figures have been calculated using daily closing prices with dividends reinvested. NAV performance figures have been calculated using daily NAV with dividends reinvested. The NAV used includes current period revenue and values debt at fair. All performance figures are in sterling as at 31 July 2025 except where otherwise stated. Standardised past performance figures are updated on a quarterly basis. Source: Morningstar.

Important Information

This marketing communication is for trade press only.

All data is as of 31 July 2025, sourced from Invesco unless otherwise stated.

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Views and opinions are based on current market conditions and are subject to change.

Telephone calls may be recorded.



Current tax levels and reliefs may change. Depending on individual circumstances, this may affect investment returns.

The yield shown is expressed as a % per annum of the current NAV of the fund. It is an estimate for the next 12 months, assuming that the fund's portfolio remains unchanged and there are no defaults or deferrals of coupon payments or capital repayments. The yield is not guaranteed. Nor does it reflect any charges. Investors may be subject to tax on distributions.

For more information on our products, please refer to the relevant Key Information Document (KID), Alternative Investment Fund Managers Directive document (AIFMD), and the latest Annual or Half-Yearly Financial Reports. This information is available on the website: <https://www.invesco.com/uk/en/investment-trusts/invesco-bond-income-plus-limited.html>.

Further details of the Company's Investment Policy and Risk and Investment Limits can be found in the Report of the Directors contained within the Company's Annual Financial Report.

Invesco Bond Income Plus Limited is regulated by the Jersey Financial Services Commission.

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