

**SHINING A LIGHT ON THE.....
Invesco Monthly Income Plus Fund**

AT A GLANCE

Investment Objective	
The Fund aims to achieve income and capital growth over the medium to long term (3 to 5 years plus). The Fund invests at least 80% of its assets globally in corporate and government debt securities (including investment grade, non-investment grade and unrated) and shares or other equity related securities of companies.	

Inception Date	6 February 1999
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=FOGBR04RXD

Management	
Manager Name	Start Date
Paul Causer	6 February 1999
Paul Read	6 February 1999

Investment Style Details	
Equity Style	
Market Capitalisation	% of Equity
Giant	15.72%
Large	31.32%
Medium	23.26%
Small	28.78%
Micro	0.93%

Top 10 Holdings		
Total number of holdings		288
Assets in Top 10 Holdings		16.85%
Name	Sector	% of Assets
Lloyds Bank plc 13%	-	2.49%
Mexico (United Mexican States) 7.5%	-	2.13%
UniCredit S.p.A. 8%	-	1.93%
Nationwide Building Society	Financial Services	1.67%
United States Treasury Notes 2.38%	-	1.59%
Virgin Media Sec Finance PLC 4.88%	-	1.55%
United States Treasury Notes 2%	-	1.54%
United States Treasury Notes 1.88%	-	1.48%
HBOS Capital Funding No. 1, L.P. 6.85%	-	1.25%
United States Treasury Notes 0.25%	-	1.22%

Volatility Measurements	
3-Yr Std Dev (volatility)	3.04%
3-Yr Mean Return (average)	3.54%

LWM Consultants Ltd

FUND PERFORMANCE

Performance from 1 January 2014 to 29 February 2020:

	2014	2015	2016	2017	2018	2019	2020
Invesco Monthly Income Plus Fund	4.65%	0.80%	5.28%	7.56%	-4.76%	9.94%	0.42%
Vanguard Global Bond Index	7.97%	1.25%	3.51%	2.00%	-0.11%	6.63%	3.09%

Performance over 12 months, 3 years, 5 years and 10 years

	1 year	3 years	5 years	10 years
Invesco Monthly Income Plus Fund	7.34%	10.99%	16.77%	78.99%
Vanguard Global Bond Index	8.84%	11.55%	15.70%	42.99%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

UPDATE....

These updates have been written at the time of Coronavirus Pandemic in 2020 which has impacted the global financial markets in a way that has never been seen before.

This was our introduction to the team. Much of the conversation covered the markets but we also had an introduction to the fund.

We will start with the fund which falls into the strategic bond index. The primary focus is on delivering an income by holding more credit and less government bonds. It can invest in equities, up to 20%. The current level is around 7.5% and they are positioning the fund back to this level with the recent falls in the market. The highest level of equity weighting the fund has had is 12%.

The fund has been managed by the same team since its launch and draws on the experience of the UK equity for equity holdings. The Vanguard Global Bond Index which we use as a comparison holds mainly government bonds and therefore this strategy is different because it provides greater diversification across the bond market.

Risk assessment plays an important part of the strategy; they actively look to avoid those sectors which they feel carry significant risk. Areas of interest include telecoms and technology, and they see some opportunities in emerging markets. The fund has around 30% in financials, 28% in corporates and the balance in other areas like emerging markets, equities and government bonds.

The recent sell-off has produced opportunities for the fund and other strategies that they manage. They do not know when the market will recover but what they do see now as an opportunity to pick up bargains with the market coming to them to offload bonds. This means that bonds they were offering to buy at a discount a few weeks ago are now being offered at great discounts. When the market bounces these discounts will narrow, producing good returns for the fund.

LWM Consultants Ltd

We discussed active vs passive and they believe that they can add value in this area due to their experience and ability to understand market risks which passive do not. They also feel that in a period of increased volatility there is greater risk within some passive strategies.

In summary, what is available to investors is a strategy that has been in place for many years. It is different to the index we use but it could be complementary due to its lower weighting to government bonds. It can invest in equities, but this tends to be a small part of the overall portfolio. Where the market was down nearly 30%, this fund was down around 4%, so it does provide some protection in down markets and this might appeal to investors.

The source of information in this note has been provided by Invesco and is correct as at March 2020. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.