

Fund performance analysis in AUD (periods to 30 November 2021)

Net performance

Periods	Fund %	Benchmark %	Value added %
1 month	0.03	0.01	0.02
3 months	0.96	0.01	0.95
6 months	2.32	0.01	2.31
1 year	9.04	0.02	9.02
2 years p.a.	4.80	0.23	4.57
3 years p.a.	3.93	0.68	3.25
5 years p.a.	3.97	1.14	2.83
10 years p.a.	4.06		
Calendar year to date	7.48	0.02	7.46
Financial year to date	1.70	0.01	1.69
Since inception p.a.	5.51		

Fund Managers



Scott Baskind
Head of Senior Secured Bank Loans, Invesco Fixed Income



Kevin Egan
Senior Portfolio Manager, Invesco Fixed Income

The 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.

The Invesco Wholesale Senior Secured Income Fund changed its strategy on 14th August 2014. Previously, the Fund was a diversified defensive portfolio with a capital protection strategy. The current Fund strategy aims to provide a regular monthly income by investing in senior secured loan securities.

Senior Secured Loans Strategy performance analysis in USD (periods to 30 November 2021)

Gross performance

Periods	Strategy %	Benchmark %	Value added %
1 month	-0.11	-0.15	0.04
3 months	0.94	0.73	0.21
6 months	2.44	1.63	0.81
1 year	9.65	6.10	3.55
2 years p.a.	5.98	4.59	1.39
3 years p.a.	5.39	4.40	0.99
5 years p.a.	5.04	4.43	0.61
10 years p.a.	5.56	4.82	0.74
Calendar year to date	7.96	4.74	3.22
Financial year to date	1.77	1.22	0.55
Since inception p.a.	5.28	4.38	0.90

Returns can go up and down. 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.

The Senior Secured Loans Strategy returns shown in the table above is for representation purposes only and shows annualised gross performance in USD since Strategy inception (31/8/06) versus its stated benchmark (Credit Suisse Leveraged Loan Index in USD).

Fund ratings



1



2

Annual distribution return³

4.48%

Fund facts at a glance
Asset class

Senior secured loans

Objective⁴

The Fund aims to provide a high level of stable monthly income, preserve capital and achieve a gross return of cash plus 4% p.a. over rolling three year periods.

Management style

Core, active management combining bottom-up credit selection with top-down macro risk positioning, tied to broader economic trends.

The Fund provides floating rate protection in a rising rate environment.

Benchmark⁵

From 14/8/14 = Invesco Wholesale Senior Secured Income Fund was managed against the Bloomberg AusBond Bank Bill Index.

Risk profile

Medium

Time horizon

3 years

Distribution frequency

Monthly

Inception date⁶

31/12/90

Strategy Inception date⁷

31/08/06

Minimum investment

\$20,000

MER/ICR

0.75%

Buy/Sell Spread

0.10%/0.10%

APIR code

CNA0805AU

³ Distribution return for the previous 12 months and has been calculated as the difference between Total Return and Growth Return.

⁴ Invesco does not guarantee that the Fund will achieve its objective.

⁵ The Fund is managed on a benchmark-unaware basis.

⁶ The Fund originally commenced on 31/12/90. The Fund benchmark and strategy changed on 14/8/14.

⁷ The underlying Strategy commenced on 11/8/06.

Fund analysis (as at 30 November 2021)
Assets under management

	A\$ ^m
Fund AUM:	32.13
Strategy AUM:	8,850.30

Asset breakdown

Asset	Fund %
Senior Loans	89.88
High yield bonds	5.93
Equities	3.32
Cash and outstanding settlements	0.78
Structured Products (CLOs)	0.08

Fund income history in AUD

Year ended:	Distribution	Distribution	Unit price
	%	CPU	\$
31/12/2014	4.39	5.3330	1.1959
31/12/2015	4.83	5.8717	1.1463
31/12/2016	5.59	6.0301	1.2174
31/12/2017	3.82	4.5549	1.2217
31/12/2018	4.14	5.1710	1.1698
31/12/2019	5.36	6.1457	1.1859
31/12/2020	4.65	5.2140	1.1368
Month ended:			
31/01/2021	0.45	0.5045	1.1536
28/02/2021	0.42	0.4778	1.1584
31/03/2021	0.33	0.3841	1.1622
30/04/2021	0.52	0.5987	1.1630
31/05/2021	0.29	0.3369	1.1706
30/06/2021	0.29	0.3408	1.1743
31/07/2021	0.28	0.3252	1.1710
31/08/2021	0.33	0.3807	1.1759
30/09/2021	0.28	0.3241	1.1821
31/10/2021	0.30	0.3541	1.1800
30/11/2021	0.32	0.3744	1.1766

Portfolio statistics

Current yield	4.66%
Yield to maturity	5.78%
Market price	\$97.72
Effective duration	0.29



Top 10 holdings

Holdings	Fund %
Crown Finance US, Inc.	1.26
HotelBeds	1.16
Carnival Corp.	0.97
McGraw-Hill Education, Inc.	0.90
Intelsat Jackson Holdings S.A.	0.89
Zeus Bidco Limited	0.85
QuarterNorth Energy, Inc (fka Fieldwood Energy)	0.85
PetSmart, Inc.	0.82
Monitronics International, Inc.	0.82
Spin Holdco Inc.	0.82

Top 10 industries

Industry	Fund %
Business Equipment and Services	9.65
Chemicals and Plastics	4.57
Electronics/Electrical	11.25
Health Care	5.70
Insurance	3.59
Leisure Goods/Activities/Movies	7.58
Lodging and Casinos	4.33
Retailers (except food and drug)	3.55
Surface Transport	4.00
Telecommunications	4.86

Regional allocation

Region	Fund %
USA	77.93
Europe	18.65
Other	3.42

Maturity allocation

Maturity	Fund %
Less Than 1 year	0.95
1 to 3 years	14.99
3 to 5 years	31.03
5 to 10 years	52.95
10 to 20 years	0.07



Quality distribution

Rating	Fund %
Aaa	0.00
Aa1	0.00
Aa2	0.00
Aa3	0.00
A1	0.00
A2	0.00
A3	0.00
Baa1	0.35
Baa2	0.39
Baa3	0.33
Ba1	1.09
Ba2	6.06
Ba3	7.53
B1	17.56
B2	33.87
B3	12.53
Caa1	6.03
Caa2	4.23
Caa3	0.51
Ca	0.00
C	0.14
Not rated	6.04
Equity	3.35

Notes:

Security selection will change. You should not rely on this statement in making an investment decision about any security, but should make your own independent inquiries.

All Fund analysis tables reflect the effective exposure by the Fund investing in to the underlying fund - the Invesco Zodiac Fund.

The table for Top 10 Industries uses the Standard & Poor's industries.

The table for quality distribution uses Moody's ratings.

The table for maturity allocation uses maturities based on the value of loan/note holdings.

Portfolio statistics definitions:

'Current yield' - the annual income (interest or dividends) divided by the current price of the security and represents the return an investor would expect if he or she purchased the bond and held it for a year.

'Yield to maturity' - the rate of return anticipated on a bond if held until the end of its lifetime; takes into account the bond's current market price, par value, coupon interest rate and time to maturity.

'Effective duration' - takes into account that expected cash flows will fluctuate as interest rates change.



Monthly commentary

Market review

Loans finished November down 0.16% on a USD basis as Omicron fears overtook markets during the final week of the month, lowering year-to-date total returns to 4.53%.

Leading up to Thanksgiving, loan prices had steadily advanced on robust Q3 earnings reporting and continued strong demand for the asset class. However, once news of the Omicron variant broke, risk assets retreated as investors weighed the potential implications for economic activity. Reopening sectors such as travel and leisure were the most sensitive to renewed pandemic concerns, contributing disproportionately to the month's -0.49% overall price decline.

While loans buckled amid the uncertainty, the volatility was muted relative to high yield and equities. Loans outperformed high yield bonds (-1.02%) but underperformed investment grade (0.09%) in November on a USD basis. Lower credit quality underperformed as BBs (-0.13%) lagged Bs (-0.11%), but both beat CCCs (-0.68%) in total return on a USD basis. The average price in the loan market dropped to USD \$98.23.

At the current average price, senior secured loans are providing a 5.28% yield inclusive of the forward LIBOR curve.

Fund rating disclaimers

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Contact

Tel: **1800 813 500**
Email: **clientservices.au@invesco.com**
Website: **www.invesco.com.au**

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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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