

# Invesco AT1 Capital Bond UCITS ETF Dist

As of 31 August 2023

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## Fund objective

The Invesco AT1 Capital Bond UCITS ETF Dist aims to track the total return performance of the iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap) Index, less fees.

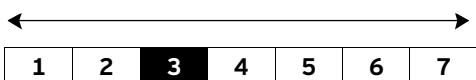
An investment in this fund is an acquisition of units in a passively managed, index tracking fund rather than in the underlying assets owned by the fund.

## ETF information

Fund launch date	19 June 2018
Share class launch date	24 September 2018
Ongoing charge <sup>1</sup>	0.39% p.a.
Fund base currency	USD
Share class currency	USD
Currency hedged	No
Index	iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap) Index (USD)
Index currency	USD
Index Bloomberg ticker	IBXXC1D3
Replication method	Physical
UCITS compliant	Yes
Umbrella fund	Invesco Markets II plc
Investment manager	Invesco Capital Management LLC
Domicile	Ireland
Dividend treatment	Distributing
Dividend schedule	Quarterly
ISIN code	IE00BG0TQB18
WKN	A2N38K
VALOR	43227399
SEDOL	BG0TQB1
Bloomberg ticker	AT1D SW
Fund size	USD 1,157.51m
NAV per share	USD 17.19
Shares in issue	2,595,480
Distribution yield	6.91%
Yield to maturity	9.01%
Yield to call	8.94%
Effective duration	2.00
SFDR Classification	Article 8

## Risk indicator

Lower risk Higher risk



The Risk Indicator is subject to change and is correct based on the data available at the time of publication.

<sup>1</sup> Ongoing charge includes management fee, custody and administration costs but excludes transaction costs such as swap costs. Costs may increase or decrease as result of currency and exchange rate fluctuations. Consult the legal documents for further information on costs.

## Investment risks

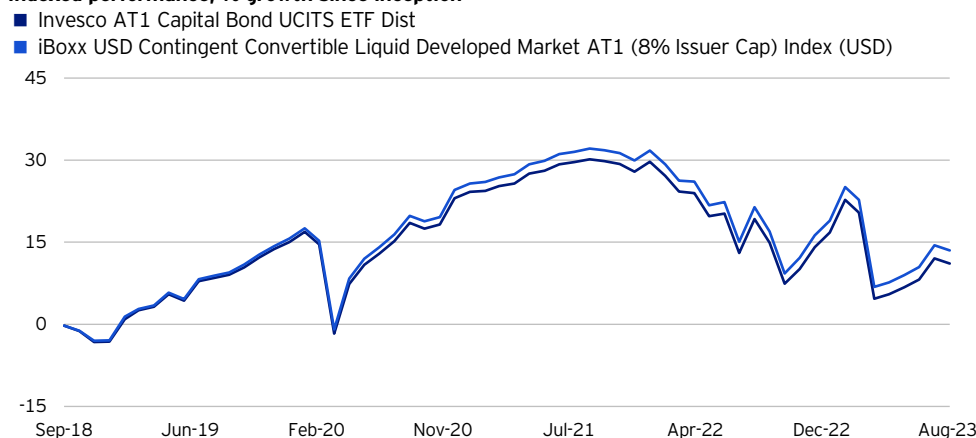
For complete information on risks, refer to the legal documents. The value of investments, and any income from them, will fluctuate. This may partly be the result of changes in exchange rates. Investors may not get back the full amount invested. The creditworthiness of the debt the Fund is exposed to may weaken and result in fluctuations in the value of the Fund. There is no guarantee the issuers of debt will repay the interest and capital on the redemption date. The risk is higher when the Fund is exposed to high yield debt securities. Changes in interest rates will result in fluctuations in the value of the fund. This fund invests in contingent convertible bonds, a type of corporate debt security that may be converted into equity or forced to write down of principal upon the occurrence of a pre-determined event. If this occurs, the Fund could suffer losses. Other notable risks of these bonds include liquidity and default risk. The Fund may be exposed to the risk of the borrower defaulting on its obligation to return the securities at the end of the loan period and of being unable to sell the collateral provided to it if the borrower defaults. The Fund might be concentrated in a specific region or sector or be exposed to a limited number of positions, which might result in greater fluctuations in the value of the Fund than for a fund that is more diversified.

## About the index

The Reference Index is a customized version of the iBoxx USD Contingent Convertible Liquid Developed Market AT1 Index in which business involvement eligibility screening criteria is applied and the weight of an issuer is capped at 8%. It measures the performance of financial institutions' AT1 contingent convertible debt and aims to offer a broad coverage of the USD AT1 capital bond universe whilst upholding minimum standards of investability and liquidity.

**Past performance does not predict future returns.**

## Indexed performance, % growth since inception



## Cumulative performance as at 31 August 2023 (%)

	3M	1Y	3Y	5Y	10Y	Fund inception
ETF	4.06	-3.30	-6.26	-	-	11.11
Index	4.13	-2.97	-5.30	-	-	13.49

## Calendar year performance (%)

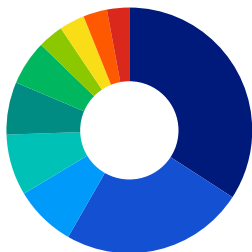
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
ETF	-9.96	4.42	7.95	18.79	-	-	-	-	-	-
Index	-9.72	4.80	8.70	19.13	-	-	-	-	-	-

## Standardised rolling 12 month performance (%)

	08.22	08.21	08.20	08.19	08.18	08.17	08.16	08.15	08.14	08.13
ETF	-3.30	-11.72	9.81	8.68	-	-	-	-	-	-
Index	-2.97	-11.48	10.24	9.46	-	-	-	-	-	-

Source: Invesco, Bloomberg L.P., FactSet. ETF performance shown is calculated with reference to the Net Asset Value, inclusive of net reinvested income and net of ongoing charges and portfolio transaction costs, in USD. The figures do not reflect the actual share price, the impact of the bid/offer spread or broker commissions. Returns may increase or decrease as a result of currency fluctuations. ETF NAV performance differs from that of the index due to the ongoing charges and portfolio transaction costs and due to the fact that the ETF does not necessarily always hold all the securities in the index in their respective weighting. This ETF does not charge an entry fee.

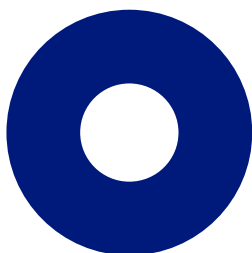
## Geographic allocation (%)



United Kingdom	34.16
France	24.14
Netherlands	8.11
Switzerland	8.05
Germany	6.91
Spain	5.90
Denmark	3.34
Australia	3.34
Finland	3.14
Others	2.93

Source: Invesco, as at 31 Aug 2023

## Sector allocation (%)



Financial Institutions	100.40
Cash and/or Derivatives	-0.40

Source: Invesco, as at 31 Aug 2023

Please see [etf.invesco.com](http://etf.invesco.com) for ETP holdings information. Holdings are subject to change.

## Top exposures (%)

Name	Coupon	Maturity	Weight
Credit Agricole SA VAR 23/03/72	7.88	23 Mar 2172	2.71
Lloyds Banking Group PLC VAR 27/06/72	7.50	27 Jun 2172	2.62
Barclays PLC VAR 15/12/71	7.75	15 Dec 2171	2.34
UBS Group AG VAR 31/07/72	7.00	31 Jul 2172	2.25
Lloyds Banking Group PLC VAR 27/12/71	7.50	27 Dec 2171	2.24
NatWest Group PLC VAR 30/09/71	6.00	30 Sep 2171	2.19
Deutsche Bank AG VAR 30/04/72	7.50	30 Apr 2172	2.17
UniCredit SpA VAR 03/06/72	8.00	03 Jun 2172	1.97
Credit Agricole SA VAR 23/03/72	8.13	23 Mar 2172	1.96
Credit Agricole SA VAR 23/03/72	6.88	23 Mar 2172	1.94

(Total holdings: 84)

Please note that the majority or all of bonds in this ETF are perpetual and do not have a specific maturity date.

## Credit ratings (%)

BBB	41.89
BB	58.51
Cash and/or Derivatives	-0.40

Source: Invesco, as at 31 Aug 2023

## Maturity (%)

20+ Years	100.40
Cash and/or Derivatives	-0.40

Source: Invesco, as at 31 Aug 2023

## Important information

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For the full objectives and investment policy please consult the current prospectus.

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## Glossary

**AT1 Contingent Convertible Bonds:** Additional Tier 1 (AT1) capital bonds are securities issued by banks that contribute to the total amount of capital required for regulatory purposes. They have a predefined trigger which means that they will automatically be converted into equity or cash to return capital back above the regulatory minimum if an issuer's capital falls below that level.

**Benchmark:** An index against which the ETF is measured, in terms of relative performance, risk and other useful comparisons.

**Distribution Yield:** The distribution yield is a measurement of cash flow being paid. It's the sum of the distributions over 12 months divided by the net asset value (NAV) of the fund.

**Effective Duration:** Effective Duration is a measure of the potential impact on a bond's (or a portfolio of bonds') price of a 1% change in interest rates, across all maturities. This measure takes into account the possible changes in expected bond cash flows for bonds with embedded optionality (for example, the bond issuer's right to redeem bonds at a pre-determined price on certain dates) due to the 1% change in interest rates.

**ESG:** Environmental, Social and Governance, three key factors in measuring sustainability and societal impact of a company.

**ETF:** Exchange traded fund. A type of fund that is traded on the stockmarket like ordinary shares. ETFs can be bought and sold during trading hours, like ordinary shares, whereas other types of funds are priced once a day only.

**Factors:** An investment approach that seeks to identify and invest in securities that display certain quantifiable characteristics. Common examples of factors include Value, Quality and Momentum. A factor strategy may seek to target just one factor or combine multiple factors.

**Hedged:** The intended result of reducing the portfolio's exposure to a specific risk, such as the risk of fluctuations between currency exchange rates ("currency hedging").

**Investment Grade:** Refers to the quality of a company's credit. To be considered an investment grade issue, the company must be rated at 'BBB' or higher by a recognized credit rating agency. Companies with an investment grade credit rating are generally considered to be lower risk than those with sub investment grade ratings, also known as high yield issuers.

**Physical Replication:** Physical funds invest directly in constituents of the benchmark index.

**Replication Method:** Strategy employed by the fund to achieve its objective.

**UCITS:** Undertakings for Collective Investments in Transferable Securities. European regulatory framework for an investment vehicle that can be marketed across the European Union.

**US Treasuries:** US Treasury bonds are government debt securities issued by the US Federal government.

**Yield To Maturity:** The rate of the return anticipated on a bond if it is held until the maturity date.

**Yield To Worst (YTW):** is the most conservative measure of yield that can be received on a bond assuming that it doesn't default on its payments. For a callable bond, it will be the lower of the yield to maturity (YTM) or yield to call (YTC).

**Yield to Call (YTC):** is the yield on a callable bond that assumes a bond is called by the issuer at the earliest opportunity.



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## Glossary

**MSCI ESG Fund Rating:** Designed to measure the ESG risks and opportunities of a fund's underlying holdings, making it possible to rank or screen mutual funds and ETFs and on a AAA to CCC ratings scale. This rating aims to provide fund level transparency and measure the ESG characteristics of the total portfolio. It is calculated as a direct mapping of MSCI ESG Quality Scores to letter rating categories. ESG Leaders are companies with an ESG rating of AAA or AA (best in class), and ESG Laggards are companies with an ESG rating of B or CCC.

**MSCI ESG Quality Score:** Calculated as the weighted average of the underlying holding's ESG Scores. It is provided on a 0-10 scale, with 0 and 10 being the respective lowest and highest possible scores. MSCI scores underlying holdings according to their exposure to 20 industry specific material ESG risks and their ability to manage those risks relative to peers. These issuer-level ESG scores correspond to an issuer-level ESG rating. The scores are based on industry-adjusted company ratings from MSCI.

**ESG % Coverage:** The percentage of the fund and benchmark where MSCI ESG Research is available.

**CO<sub>2</sub> Scope 1 Emission:** A company's Scope 1 direct emissions (tCO<sub>2</sub>e) from operations. The direct emissions data represents the final, MSCI reviewed and approved value based on the MSCI methodology, which selects the accurate value from available sources.

**CO<sub>2</sub> Scope 2 Emission:** A company's Scope 2 energy indirect emissions (tCO<sub>2</sub>e) from operations. The energy indirect emissions data represents the final, MSCI reviewed and approved value based on the MSCI methodology, which selects the accurate value from available sources.

**Total Carbon Intensity:** Measures the fund or index's overall carbon intensity and carbon efficiency associated with its holdings, based on carbon expertise and research provided by MSCI. It uses the carbon intensity metrics at the company level (Scope 1 + Scope 2) per USUSD1 million of revenue. For government bonds, it uses total country carbon emissions per USUSD1 million GDP.

**Wtd Avg (Weighted Average) Carbon Intensity:** The underlying funds' exposure to carbon intensive holdings, calculated as the weighted average of the constituent's intensity metrics: Scope 1 + 2 Emissions per USD 1M revenue for corporates and total country carbon emissions per USD 1M GDP for government bonds.

**Board Independence:** Weighted average percentage of board members that meet the MSCI criteria for independence.

**Female Directors:** Weighted average percentage of female board members.

**SFDR:** Part of the EU's Sustainable Finance Action Plan, the Sustainable Finance Disclosure Regulation (SFDR, also known as Disclosure Regulation) aims to promote transparency on sustainability by ensuring that participants in the financial services sector provide consistent information to clients in relation to the sustainability of the products and services they provide. The supplement of the fund and the management company website contain further information on compliance with SFDR.

**Article 6:** The requirement under SFDR to describe the manner in which sustainability risks are integrated into investment decisions, or to provide an explanation of reasons why sustainability risks are deemed not to be relevant.

**Article 8 Fund:** A fund that, in accordance with the criteria outlined in Article 8 of SFDR, promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and provided that the companies that the fund invests in follow good governance practices.

**Article 9 Fund:** A fund that, in accordance with the criteria outlined in Article 9 of SFDR has sustainable investment as its objective.

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<sup>1</sup> The ESG rating distribution table does not include cash positions and therefore may not total 100%.

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**MSCI ESG Business Involvement Screening Research:** Provides research on company involvement in products and services, which allow investors to screen companies according to specific criteria motivated by ethical, impact, compliance or ESG risk considerations.

**Summary definitions of each business screening are as follows:**

**UN Global Compact (UNGC) Violations:** Percentage of companies in the fund or index that have been identified to have violated United Nations Global Compact principles. Data is based on MSCI ESG Controversies Research and MSCI ESG Global Norms Screening.

**Controversial Weapons:** Percentage of companies in the fund or index that have been identified to have ties to controversial weapons, including cluster munitions, land mines, biological and chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non detectable fragments.

**Conventional Weapons:** Percentage of companies in the fund or index that have been identified to have ties to conventional weapons, weapons systems, component. and support systems and services.

**Nuclear Weapons:** Percentage of companies in the fund or index that have been identified to have ties to production of nuclear warheads and/or whole nuclear missiles, manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles), manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons, provide auxiliary services related to nuclear weapons.

**Civilian Firearms:** Percentage of companies in the fund or index that have been identified to have ties to firearms, small-arms ammunitions including automatic and semi-automatic for the civilian market. The research excludes products exclusively sold for the military, government. and law enforcement markets.

**Tobacco:** Percentage of companies in the fund or index that have been identified to have ties to tobacco products, such as cigars, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco. This also includes companies that grow or process raw tobacco leaves.

**Thermal Coal:** Percentage of companies in the fund or index that have been identified to have ties to power from coal or derive revenue from thermal coal mining.

**Oil Sands:** Percentage of companies in the fund or index that have been identified to have ties to oil sands, in particular, reserve ownership and production activities.

**Recreational Cannabis:** Percentage of companies in the fund or index that have been identified to have ties to or derive revenue from recreational cannabis.

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## Contact Information

### Client services

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