

Key investor information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.



Invesco Variable Rate Preferred Shares UCITS ETF (the "Fund")

A sub-fund of Invesco Markets II plc
Dist (the "Share Class")

Exchange Traded Fund (ETF)
ISIN: IE00BG21M733
Manager: Invesco Investment Management Limited

Objective and Investment Policy

The Invesco Variable Rate Preferred Shares UCITS ETF aims to achieve the performance of the Wells Fargo Diversified Hybrid and Preferred Securities Floating and Variable Rate Net Total Return Index (the "Reference Index")¹.

In order to achieve the investment objective, the Fund will employ a replication method that looks to invest predominantly in securities that as closely as possible match the constituents of the Reference Index.

The Fund's shares are listed on one or more Stock Exchange(s). Generally, only Authorised Participants may subscribe or redeem shares directly with the Fund. Other investors can buy or sell shares daily through an intermediary directly or on Stock Exchange(s) on which the shares are traded. In exceptional circumstances other investors will be permitted to redeem their shares directly from Invesco Markets II plc in accordance with the redemption procedures set out in the prospectus, subject to any applicable laws and relevant charges. The Fund's base currency is USD.

Dividend Policy: This Fund declares and distributes a dividend on a quarterly basis.

Net Asset Value: This is calculated daily and the Fund is open for subscriptions and redemptions on each day the United States Federal Reserve System is open. Please refer to the prospectus for further information.

The Reference Index: The Reference Index aims to measure the performance of the US trading market for floating and variable rate preferred and hybrid securities. The Reference Index includes preferred securities and hybrid securities that Wells Fargo deems to be comparable to preferred securities based on the inclusion of equity features such as deferral of interest payment obligations and the extendibility of maturity dates. In order to be included in the Reference Index, a preferred security or hybrid security may be issued by a US or foreign issuer, must pay a floating or variable rate dividend or coupon and must satisfy the capitalization and other selection criteria. In order for a class of hybrid and preferred securities to be eligible for inclusion in the Reference Index, it must be USD denominated with at least \$100 million par value or 10 million shares of the class outstanding, and a tranche that is offered in the US.

Risk and reward profile



This Fund is rated 3. This rating is not a measure of the risk of capital loss, but a measure of the Fund's price movement over time. This rating:

- is based on historical data, which may be comparative, and may not be representative of future ratings.
- as a result, this risk estimation may not be a reliable indicator of future risk and may be subject to change over time.
- is classified in the category indicated above due to its past behaviour, which may be comparative. The lowest category does not mean risk free investment.
- is designed to help investors understand the uncertainties both for loss and for growth that may affect their investment.
- does not provide its investors with any guarantee on performance, nor on the performance of monies invested in it.

Main risks not covered by the above indicator which could negatively affect the net asset value of the Fund:

- **Capital is not guaranteed:** The value of investments, and income from them, can go down as well as up and you may not get back the full amount you invested.
- **Sector concentration risk:** In tracking the Index, the Fund may

be concentrated from time to time in a small number of sectors. Investors should be prepared to accept a higher degree of risk than for a fund that is more widely diversified across different sectors.

- **Liquidity on secondary market risk:** Lower liquidity means there are insufficient buyers or sellers to allow the Fund to sell or buy investments readily. On-exchange liquidity may be limited due to Reference Index suspension, a decision by one of the relevant stock exchanges, a breach by the market maker or respective stock exchange requirements and guidelines.
- **Value of securities:** The value of securities can be affected by daily stock market movements. Other influential factors include political, economic news, company earnings and significant corporate events.
- **Credit risk:** Debt securities are exposed to credit risk which is the ability of the borrower to repay the interest and capital on the redemption date.

For more information on risks, please see the Fund prospectus under "Risk Factors", which is available at etf.invesco.com (select your country and navigate to Library/Supplement)

¹ Investors should note that the Reference Index is the intellectual property of the index provider.

The Fund is not sponsored or endorsed by the index provider and a full disclaimer can be found in the Fund's prospectus

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest:

- Entry charge: None*
- Exit charge: None*

Charges taken from the Fund over each year:

Ongoing charge: Up to 0,50% per annum

Charges taken from the Fund under certain specific conditions:

Performance fee: None.

* Authorised Participants dealing directly with the Fund may pay an entry charge up to a maximum of 5% and an exit charge up to a maximum of 3%. Although not charged directly to investors who are not Authorised Participants, these charges may have an

impact on brokerage fees, transaction fees and / or the bid-ask spread.

As the Fund is an ETF, investors will typically only be able to buy or sell shares in the secondary market. Accordingly, investors may incur brokerage and / or transaction fees in connection with their dealings. Investors may also bear the costs of "bid-ask" spreads; meaning the difference between the prices at which shares can be bought and sold. You should discuss these fees and costs with your broker before you invest, as they may reduce the amount of your initial investment and the amount you receive on disposal.

For more information on charges, please see the relevant charges section in the Fund supplement under "General Information Relating to the Fund", which is available at etf.invesco.com (select your country and navigate to Product/Supplement)

Past performance

- The Fund was launched on 17 September 2018.

This chart has been left intentionally blank as there is less than one calendar year's performance

Practical information

Fund Depository: BNY Mellon Trust Company (Ireland) Limited, Guild House, Guild Street, IFSC, Dublin 1, D01 K2C5, Ireland.

Tax: This Fund is subject to the tax laws and regulations of Ireland. Depending on your home country of residence, this might have an impact on your investment. For further details, please speak to an adviser. Local taxes may have an impact on the personal tax of your investment in the Fund.

Additional Information: The share prices are published in USD, on each business day. The prices are available from the administrator during normal business hours and on the following website etf.invesco.com. Details of the Manager's remuneration policy are available at etf.invesco.com and a paper copy is available to investors free of charge upon request.

Find out more: The prospectus, the key investor information documents (KIIDs), the articles of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland. The representative and

paying agent in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland.

Pursuant to Irish law, the assets of this Fund are segregated from other sub-funds in the umbrella fund (i.e. the Fund's assets may not be used to discharge the liabilities of other sub-funds of Invesco Markets II plc). In addition the assets of this Fund are held separately from the assets of other sub-funds.

The exchange of shares between sub-funds is not available to investors trading on exchange. Switching may be available to authorised participants trading directly with the Fund. Further information detailing the process is set out in the prospectus.

Invesco Markets II plc may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus.

This Fund is authorised in Ireland and regulated by the Central Bank of Ireland.

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This Key Information Document is accurate and up to date as of 13 September 2018.