

SCHEME OF ARRANGEMENT

RNS Number: [●]
Invesco Markets II plc
17 December 2018

RNS ANNOUNCEMENT

Invesco Markets II public limited company (the “Company”) - Announcement of Effective Date in relation to a Scheme of Arrangement to change the share settlement structure of the Company to centralise the settlement of shares of the Company within an International Central Securities Depository (“ICSD”) model

17 December 2018

The scheme of arrangement (the “**Scheme**”), as described in the circular issued to shareholders of the Company dated 19 October 2018, has been approved by the High Court of Ireland. The Scheme is scheduled to become effective at 00.01 a.m. on Monday 25 February 2019 (the “**Effective Date**”).

Currently sub-funds of the Company (the “**Sub-Funds**”) operate under different settlement structures: there is a mix of Sub-Funds that do not use the ICSD model (the “**Converting Sub-Funds**”) and Sub-Funds that already, or will upon launch, use the ICSD model (the “**ICSD Sub-Funds**”). The Converting Sub-Funds, as listed below, will convert to the ICSD model on the Effective Date.

(1) The Converting Sub-Funds

Converting Sub-Funds	IE ISIN
Invesco AT1 Capital Bond UCITS ETF	IE00BFZPF322 IE00BG0TQB18 IE00BFZPF439 IE00BYZLWM19
Invesco Emerging Markets USD Bond UCITS ETF	IE00BF51K132
Invesco Euro Corporate Bond UCITS ETF	IE00BF51K249
Invesco Euro Floating Rate Note UCITS ETF	IE00BDRTCP90
Invesco Italian PIR Multi-Asset Portfolio UCITS ETF	IE00BF51JZ00
Invesco Preferred Shares UCITS ETF	IE00BDT8TZ34 IE00BDVJF675 IE00BDT8V027
Invesco USD Corporate Bond UCITS ETF	IE00BF51K025
Invesco USD Floating Rate Note UCITS ETF	IE00BDRTCQ08 IE00BFZ11324

(2) ICSD Sub-Funds

ICSD Sub-Funds	IE ISIN
Invesco Variable Rate Preferred Shares UCITS ETF**	IE00BG21M733
Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF**	IE00BG0NY640
Invesco US Treasury Bond UCITS ETF*	IE00BF2GFH28
Invesco US Treasury Bond 1 – 3 Year UCITS ETF*	IE00BF2FNG46
Invesco US Treasury Bond 3 – 7 Year UCITS ETF*	IE00BF2FNQ44 IE00BF2GC043
Invesco US Treasury Bond 7 – 10 Year UCITS ETF*	IE00BF2FN646

* As at the date of this announcement, these Sub-Funds have not yet been launched. It is intended that they will use the ICSD model upon launch. They will not be impacted by the corporate action to convert the above non-ICSD Sub-Funds on the Effective Date.

** These sub-funds are live and currently use the ICSD model. They will not be impacted by the corporate action to convert the above non-ICSD Sub-Funds on the Effective Date.

Impact of the Scheme on Holdings at Each Local Central Securities Depository (“CSD”)

The table below shows the anticipated effects of the Scheme where there are direct holdings at local CSDs.

Note: it is possible that some CSDs hold shares indirectly through their accounts at other CSDs

Current Local CSDs	Impact of the Scheme on the Effective Date
Euroclear UK & Ireland (“CREST”)	Domestic shares will be exchanged for international shares (with the same IE ISIN) on a 1:1 basis via CREST’s account at Euroclear Bank (“EB”). Account holders in CREST will receive CREST Depository Interests in CREST.
Clearstream Bank Frankfurt (“CBF”)	Investors who held their shares in Clearstream Bank Frankfurt in their ‘Cascade’ accounts as of close of business on Friday 22 February 2019, will receive international shares at Clearstream Banking S.A.,Luxembourg in their 6-series ‘Creation’ accounts on Monday 25 February 2019. These international shares will have the same IE ISIN. The IE ISINs will leave German collective safe custody (“Girosammelverwahrung”) as at the close of business on Friday 22 February 2019. As of Monday 25 February 2019, the international shares will be settled under the Foreign Securities Depository model, also known as “Wertpapierrechnung”.
Euroclear Netherlands	Domestic shares will be exchanged for international shares (with the same IE ISIN) on a 1:1 basis. Holdings in Euroclear Netherlands will be in Euroclear Netherlands’ account at EB.

SIX Securities Services (“SIS”)	Domestic shares will be exchanged for international shares (with the same IE ISINS) on a 1:1 basis. Holdings in SIS will be in SIS’ account at either EB or CBL (as SIS’s discretion).
Monte Titoli* *trading of the shares of the subfunds on Borsa Italian Secondary Market will continue to be regulated through Monte Titoli, which adheres to the ICSD System. No changes for the final investors trading the shares on the secondary market in Italy	Domestic shares will be exchanged for international shares (with the same IE ISIN) on a 1:1 basis. Holdings in Monte Titoli will be in Monte Titoli’s account at either CBL or EB (at Monte Titoli’s discretion).

Further guidance on the implementation and expected changes will be published on www.etf.invesco.com.

Further Enquiries

Please contact legaletf@invesco.com

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