



# **Invesco Markets III Public Limited Company**

## Country Supplement for Investors residing in Denmark

**14 February 2020**

This Country Supplement forms an integral part of the Prospectus of Invesco Markets III public limited company.

The Prospectus and any Key Investor Information Document may only be distributed in Denmark together with this Country Supplement.



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## Information for Investors residing in Denmark

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### **Invesco Markets III public limited company (the “Company”)**

An open-ended investment company with variable capital structured as an umbrella fund with segregated liability between its Funds authorised in Ireland by the Central Bank of Ireland as a UCITS for the purposes of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No. 352 of 2011) as may be amended or replaced under registration number 352941.

**This country supplement (the “Country Supplement”) is intended for Danish investors that subscribe for shares in Denmark and forms an integral part of the prospectus of the Company dated 12 February 2020 (the “Prospectus”).**

**This Country Supplement forms part of and should be read in conjunction with the general description of the Company contained in the Prospectus. Unless otherwise stated, capitalised terms in this Country Supplement should have the same meaning as in the Prospectus.**

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# 1 Taxation regulation applicable to Danish Investors

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## 1.1 General

The following statements are by way of a general guide to potential investors and Shareholders only and do not constitute legal or taxation advice. Shareholders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this Country Supplement and are not exhaustive. As is the case with any investment, there can be no guarantee that the tax position prevailing at the time an investment is made in the Company will endure indefinitely.

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## 1.2 Taxation of Danish Investors

Gains and losses on the Shares are assumed to be comprised by the provisions of Section 19 of the Danish Capital Gains Tax Act (Consolidation Act No. 1148 of 29 August 2016, as amended), which means that investors are taxed in accordance with the mark-to-market principle. This means that an investor is subject to current taxation of both realised and unrealised gains and losses. Individuals must pay tax on gains, losses and dividends as capital income which means taxation between 37.7% and 42.7% (2018) depending on the individual investor's situation whereas negative capital income (on an annual net basis) is deductible at a rate between approximately 26.6% and 33.6% (2018) again depending on the individual investor's situation. If the investor is a professional trader, the investor must pay tax on gains and deduct losses as personal income.

In case of pension funds, the taxation will be in accordance with the Danish Act on Taxation of Pension Yields (Consolidation Act No. 1126 of 10 October 2014, as amended) which means that the yields and dividends from shares are taxed in accordance with the mark-to-market principle at an annual tax rate of 15.3%.

As for corporate investors, including banks, capital gains/losses are also taxed in accordance with the mark-to-market principle, but the general provisions of the Danish Capital Gains Tax Act do not apply. As a consequence, capital gains/losses and dividends will be fully included in the investor's taxable corporate income and is taxable by 22%.

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## 2 Selling restriction

The Company has only been registered for marketing in Denmark to professional investors and to retail investors indirectly via unit-link schemes established by undertakings under supervision by the Danish FSA. Each purchaser of shares in the sub-funds of the Company therefore represents and agrees that it has not offered or sold and will not offer or sell, directly or indirectly, any of the shares in the sub-funds of the Company to retail investors in Denmark unless via a unit-link scheme established by an undertaking under supervision by the Danish FSA or otherwise in accordance with the Danish Act on Investment Associations etc. (Consolidation Act No. 1051 of 25 August 2015, as amended from time to time) and Executive Order No. 786 of 17 June 2014 (as replaced from time to time).

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## 3 Documents which are generally available

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays), free of charge, at the registered offices of the Company in Ireland and at the offices of Invesco Investment Management Limited in Ireland:

(a) the Prospectus and any Supplements; (b) any KIIDs; (c) the Memorandum and Articles of Association of the Company; and (d) the latest annual and half-yearly reports of the Company.

Copies of the documents listed at (a), (b), (c) and (d) will be sent free of charge on request by the Company or Invesco Investment Management Limited.

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## 4 Cessation of marketing in Denmark

In case the Company ceases marketing in Denmark, the Danish holders of shares in the sub-funds of the Company will be notified in writing and informed about the termination.

Redemption procedures will continue unchanged, in case the Company ceases marketing in Denmark.

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## 5 Danish rules on risk-labelling of investment products

The Danish FSA has introduced rules on risk labelling for investment products pursuant to which various categories of investment products have been assigned a risk label. The shares of the sub-funds of the Company have the yellow risk label pursuant to the Danish FSA's rules on risk labelling. The risk labelling is based on the possibility of losing the invested amount based on the product type and not the actual likelihood of this happening.

The risk labelling system is based on the colours of a traffic light.

**Green:** Investment products labelled green refer to those where the risk of losing the invested amount is considered very limited and where the product type is not difficult to understand. Examples include Danish government bonds, EU government bonds and Danish mortgage bonds.

**Yellow:** Investment products labelled yellow refer to those where there is considered to be a risk of losing the entire or a part of the invested amount and where the product type is not difficult to understand. Examples include listed shares, corporate bonds and shares of non-structured UCITS funds.

**Red:** Investment products labelled red refer to those where there is considered to be a risk of losing more than the invested amount or the product type is difficult to understand. Examples include unlisted shares, options, futures, swaps and structured bonds.