



PRODUCT KEY FACTS

Invesco RMB High Income Bond Fund

A sub-fund of Invesco Trust Series

Issuer: Invesco Hong Kong Limited

28 February 2019

FOR ATTENTION OF HONG KONG INVESTORS

*This statement provides you with key information about this product.
This statement is a part of the Prospectus and should be read in conjunction with the Prospectus.
You should not invest in this product based on this statement alone.*

Quick facts

Fund Manager/ Management Company: Invesco Hong Kong Limited

Base Currency: RMB

Dealing Frequency: Daily

Trustee: State Street Trust (HK) Limited

Financial year end: 31 March

| | | |
|--------------------------------------|--------------------------------|-------|
| Ongoing charges over a year*: | A-Accumulation | 1.80% |
| | A-Monthly Distribution-1 (MD1) | 1.79% |
| | A(HKD Hedged)-MD1 | 1.85% |
| | A(USD Hedged)-MD1 | 1.85% |
| | A(AUD Hedged)-MD1 | 1.85% |
| | A(CAD Hedged)-MD1 | 1.85% |
| | A(NZD Hedged)-MD1 | 1.85% |

* The ongoing charges figure is calculated based on annualised expenses for the period ending 30 September 2018 divided by the average net assets over the same period. This figure may vary from year to year. It excludes costs incurred in relation to the acquisition or disposal of any asset for the fund's portfolio.

Dividend Policy: Class A: Accumulation (Dividends, if any, will be reinvested into the Fund)
Class A: Monthly Distribution-1 (MD1)^o (Dividends, if any, will be paid to the investors)*

* In respect of the Monthly Distribution-1 (MD1), the Manager may at its discretion pay distributions out of capital of the class. The Manager may also, at its discretion, pay distributions out of gross income, while paying all or part of the fees and expenses attributable to the class out of the capital of the class, resulting in an increase in distributable income for payment of distributions by the class. Therefore, such class may effectively pay distributions out of capital. Any distributions involving payment out of, or effectively out of, the capital of the class may result in an immediate reduction of the net asset value per unit of the class.

^o The monthly distribution payment amount per unit will be reviewed and re-set on at least an annual basis based on the existing market conditions at such time, at the discretion of the Manager. For the avoidance of doubt, the distribution amount will be fixed at the discretion of the Manager and disclosed in the Prospectus. Please refer to Appendix B of the Prospectus for the fixed amount of distributions per month.

Minimum Investment/Minimum Subscription Amount:

| | |
|------------|------------|
| Class | A |
| Initial | RMB 10,000 |
| | HKD 10,000 |
| | USD 1,500 |
| | AUD 1,500 |
| | CAD 1,500 |
| | NZD 2,000 |
| Additional | - |

Invesco RMB High Income Bond Fund

What is this product?

Invesco RMB High Income Bond Fund (the “Fund”) is a sub-fund of Invesco Trust Series, a Hong Kong domiciled umbrella structure unit trust. It is governed by the laws of Hong Kong.

Objectives and Investment Strategy

The investment objective of the Fund is to generate long-term capital growth and maintain a high income yield in RMB terms by investing in fixed income and debt securities denominated in RMB or other currencies (“**Debt Securities**”) issued and/or traded outside mainland China and cash and cash equivalents (including RMB and non-RMB denominated deposits). The Fund will not invest in any instruments issued within mainland China.

The Debt Securities that the Fund may invest in include, but are not limited to, bills, notes, bonds, floating rate notes, money market instruments, certificates of deposit, commercial paper, and convertible bonds issued and/or guaranteed by issuers such as governments, government agencies, supranational entities, corporations, financial institutions and banks. The issuers or guarantors may or may not be domiciled in China.

The Manager will allocate between Investment Grade debt securities and high yield bonds (which include below Investment Grade bonds and bonds not rated by international credit rating agencies) in response to the market outlook. Investment Grade is defined as BBB- or above from Standard & Poor’s, Baa3 or above from Moody’s or an equivalent rating from an internationally recognized rating agency. In selecting unrated bonds, the Manager may apply its internal credit rating to determine the credit quality. Up to 100% of the Fund’s total net asset value may be invested in high yield bonds, bonds which are rated below Investment Grade or unrated.

The Fund will primarily invest in Debt Securities that are denominated in RMB but may also invest in non-RMB denominated Debt Securities. For non-RMB denominated Debt Securities, the Manager will dynamically perform currency hedging to hedge the non-RMB currency back to RMB, subject to the allocation of investments below. The Manager may also actively hedge against interest rate risks for any Debt Securities. For the purpose of currency and interest rate hedging, the Manager will make use of derivative instruments such as futures and deliverable and non-deliverable currency forwards. The Fund will not invest in derivative instruments for investment purposes. The Fund will not invest in structured products or structured deposits for any purpose.

The allocation of the investments of the Fund will be as follows:

- i. At least 70% of its net asset value will be invested in investments that are denominated and settled in RMB (including not more than 10% of the Fund’s net asset value in RMB-denominated collective investment schemes);
- ii. Up to 30% of its net asset value will be invested in non-RMB denominated investments outside of China, provided that the Manager will adjust the currency exposure to RMB through the use of currency forwards; and
- iii. Up to 10% of its net asset value will be invested in non-RMB denominated investments without performing any RMB currency hedge.

The Fund will not invest more than 10% of its net asset value in securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) that has a credit rating below Investment Grade or is unrated.

The Fund will not invest more than 10% of its net asset value in convertible bonds which can be converted into shares of the issuer(s), subject to the terms of the issue. Where convertible bonds held by the Fund (if any) are converted into shares of the issuer(s), the Fund may hold such shares for up to one month following conversion.

The Fund will not invest in asset-backed securities (including mortgage-backed securities, asset-back commercial paper, or urban investment bonds (城投債)).

The Fund will invest not more than 30% of its net asset value in cash or cash equivalents (including RMB and non-RMB denominated deposits) to diversify portfolio risk or to manage the portfolio’s liquidity.

The Manager currently does not intend to enter into any securities lending or repurchase/reverse repurchase transactions or other similar over-the-counter transactions in respect of the Fund. The approval of the Hong Kong Securities and Futures Commission (“SFC”) will be sought and at least one month’s prior notice will be given to unitholders should there be a change in such intention.

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risks factors.

▪ Risks relating to Debt Securities

Credit risk

- The Fund is exposed to the credit/insolvency risk of issuers of the Debt Securities that the Fund may invest in. If any issuer of the securities defaults, the value of the relevant securities and hence the Fund may be adversely affected.
- The Debt Securities that the Fund invests in may be offered on an unsecured basis without collateral. The Fund will be fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor and may suffer a total loss on the securities if the counterparties default.

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Credit ratings risk

- The ratings of debt securities by Standard & Poor's and Moody's are a generally accepted barometer of credit risk. However, rating agencies might not always change their credit rating of an issuer in a timely manner to reflect events that could affect the issuer's ability to make scheduled payment on its obligations, which may have an adverse impact on the Fund and its investors.

Credit rating downgrading risk

- Debt Securities invested by the Fund may be subject to the risk of being downgraded. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Manager may or may not dispose of the securities and if such securities continued to be held by the Fund, the Fund may be subject to additional risks relating to below investment grade securities and its investment value in such securities may be adversely affected.

Below investment grade and unrated securities risk

- The Fund may invest in below investment grade or unrated securities. Such securities are generally subject to a higher degree of counterparty risk, credit risk and liquidity risk and higher chance of default than higher rated securities. If the issuer of securities defaults, or such securities cannot be realised, or are realised at a significant discount, investors may suffer substantial losses.
- The market for these securities may be less active and their prices may be more volatile. The value of the Fund may therefore be adversely affected.

Interest rates risk

- An increase in interest rates may adversely affect the value of the Debt Securities held by the Fund. If the Debt Securities held by the Fund fall in value, the Fund's value will also be adversely affected.

Unlisted Debt Securities risk

- Debt Securities in which the Fund invests may not be listed on a stock exchange or a securities market where trading is conducted on a regular basis and may be subject to liquidity risk. In the absence of an active secondary market, the Fund may need to hold the Debt Securities until their maturity date or liquidate them at a substantial discount in order to satisfy redemption requests. The Fund may suffer losses in trading such Debt Securities.
- The bid and offer spread of the price of Debt Securities may be large, so the Fund may incur significant trading costs.

Valuation risk

- The value of Debt Securities may be subject to the risk of mispricing or improper valuation. Independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the net asset value of the Fund may be adversely affected.

Risk of limited pool of investments

- The pool of RMB Debt Securities that is available to the Fund for investment is currently limited. Therefore, the choice of investments for the Fund may not be as diverse as other types of funds. The securities held by the Fund may be issued by a limited number of issuer(s) or financial institution(s) which will result in additional credit risk to the Fund. The Fund may therefore be adversely affected.

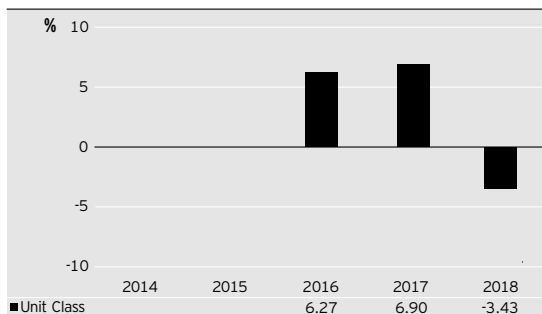
- **Concentration risk** - Since the Fund invests primarily in RMB denominated instruments, the concentration of its investment may subject it to greater volatility than a broad-based fund that adopts a more diversified strategy. This may have an adverse impact on the Fund and its investors.
- **Investment risk** - There can be no assurance that the Fund will achieve its investment objective. There is no guarantee of the repayment of principal. The instruments invested by the Fund may fall in value.
- **RMB currency risk**
 - RMB is currently not freely convertible and is subject to exchange controls and repatriation restrictions. Such control of currency conversion and movements in the RMB exchange rates may adversely affect the operations and financial results of companies in the PRC and may subject the Fund to higher transaction costs associated with currency conversion which in turn will have impact on the net asset value of the Fund.
 - Investments acquired by the Fund will primarily be denominated in RMB whereas the classes of units of the Fund may be denominated in other currencies. All or part of the subscription monies of investors in a non-RMB denominated class of units will be converted into RMB for investment in underlying securities. As RMB is not freely convertible, currency conversion is subject to availability of RMB at the relevant time (i.e. it is possible there is not sufficient RMB for currency conversion in case of sizeable subscriptions in other currencies). As such, the Manager has the absolute discretion to reject any application made in non-RMB currency subscription monies (whether such application is in relation to a class of units denominated in RMB) where it determines that there is not sufficient RMB for currency conversion.
 - The Manager may sell the Fund's investments denominated in RMB and/or convert RMB into non-RMB currency at the applicable exchange rate for payment of redemption proceeds and/or dividends to investors of non-RMB class of units. Investors may therefore incur currency conversion costs and may suffer losses depending on the exchange rate movements of RMB relative to such non-RMB currency. Currency conversion is also subject to the Fund's ability to convert the proceeds denominated in RMB into non-RMB currency which, in turn, might delay the payment of redemption proceeds and/or distributions or affect the Fund's ability to meet redemption requests from and/or to pay distributions to the unitholders until such time the conversion into non-RMB currency is available.
 - There is no guarantee that RMB will not depreciate. Any devaluation of RMB could adversely affect the value of the investors' investments. If investors convert other currencies into RMB so as to invest in the RMB classes of units and subsequently convert the

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RMB redemption proceeds back into other currencies, they may suffer a loss if RMB depreciates against such other currencies.

- In calculating the value of non-RMB denominated or settled assets and the prices of units of non-RMB classes, the Manager will normally apply the CNH exchange rate (i.e. the exchange rate for the offshore RMB market in China). The CNH rate may be at a premium or discount to the exchange rate for the onshore RMB market in China (i.e. the CNY exchange rate) and there may be significant bid and offer spreads. The value of the Fund will thus be subject to fluctuation.
- Also, if at any time during the period from the time as at which the redemption price is calculated and the time at which redemption proceeds are converted out of any other currency into RMB or the relevant class currency there is an officially announced devaluation or depreciation of that currency, the amount payable to any relevant redeeming unitholder may be reduced as the Manager considers appropriate to take account of the effect of that devaluation or depreciation. The relevant redeeming unitholder may therefore be adversely affected by such devaluation or depreciation of currency.
- **Derivatives and hedging risk** - The Manager will make use of derivative instruments for the purpose of currency and interest rate hedging. There is no assurance that the use of hedging strategies, techniques and derivative instruments will fully and effectively eliminate the risk exposure of the Fund. Hedging may become inefficient or ineffective. In adverse situations, the Fund may even suffer significant losses.
- **Hedged unit classes risk** - Hedging strategies in connection with hedged unit classes may be entered into. There is no guarantee that hedging techniques will fully and effectively achieve their desired result and hedging may become inefficient or ineffective. Hedging strategies may also prevent investors from benefiting from an increase in the value of the Fund's base currency relative to the relevant class currency. This may have an adverse impact on the Fund and its investors.
- **Distributions risk**
 - In respect of the Monthly Distribution-1 (MD1), the Manager may at its discretion pay distributions out of, or effectively out of, the capital attributable to the class. Investors should note that payment of distributions out of, or effectively out of, capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the net asset value per unit of the class.
 - Investments in the Monthly Distribution-1 (MD1) are not an alternative to a savings account or fixed-interest paying investment. The amount of distributions paid by Monthly Distribution-1 (MD1) is unrelated to expected or past income or returns of the unit class or the Fund. The distribution can thus be higher or lower than the income and return that were effectively realized. Monthly Distribution-1 (MD1) will continue to distribute in periods that the Fund has negative returns or is making losses, which further reduces the net asset value of the Fund. In extreme circumstances, investors may not be able to get back the original investment amount.
 - In addition, the amount of distributions for the Monthly Distribution-1 (MD1) will be fixed at the discretion of the Manager in terms of the relevant class currency and will not take into account the fluctuations in the exchange rate between the base currency and the relevant class currency subsequent to the determination of the fixed amount of distributions in terms of the relevant class currency.
 - For Monthly Distribution-1 (MD1) with currency hedge, in determining the fixed amount of distributions per month to be paid out to investors, the Manager may at its discretion take into account the interest rate differential arising from currency hedging of the hedged unit classes (which constitutes a distribution from capital). The interest rate differential has been taken into account in the fixed distribution amount per month of the hedged unit classes of the Fund set out in Appendix B of the Prospectus. In such cases, investors will forego capital gains in favour of income distributions. Conversely, in times where the interest rate differential between the class currency and base currency of the Fund is negative then the value of distribution payable may fall as a result. Investors should be aware of the uncertainty of relative interest rates, which are subject to change, and that this will have an impact on the return of the hedged unit classes. The net asset value of hedged unit classes may fluctuate more than and may significantly differ from other unit classes due to the fluctuation of the interest rate differential between the class currency and the base currency of the Fund, and investors in such classes may therefore be adversely affected.

How has the fund performed?



- The Manager views Unit Class A-Accumulation (the "Unit Class"), being the focus unit class of the Fund available to the public of Hong Kong, as the most appropriate representative unit class.
- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Unit Class increased or decreased in value during the calendar year being shown.
- Performance data has been calculated in RMB including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 10 July 2015
- Unit Class launch date: 10 July 2015

Is there any guarantee?

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Like most funds, this Fund does not have any guarantees. You may not get back full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Fund.

| Fee | What you pay |
|--|------------------------|
| Subscription fee (subscription charge) (% of gross investment amount) | Class A Unit: Up to 5% |
| Switching fee (% of the value of units being switched) | Class A Unit: Up to 1% |
| Redemption fee (redemption charge) (% of redemption amount) | Class A Unit: Nil |

Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

| | Annual rate (as a % of the Fund's value) |
|---------------------|--|
| Management fee* | Class A Unit: Current: 1.25% p.a. Maximum: 2.5% p.a. |
| Trustee Fee* | Class A Unit: First USD 50 million Net Asset Value 0.03% p.a. Balance Net Asset Value 0.02% p.a. (subject to a minimum monthly fee of USD 1,250) Maximum: 2% p.a. |
| Performance fee | N/A |
| Administration Fee* | Class A Units: Current: First USD 50 million Net Asset Value 0.03% p.a. Balance Net Asset Value 0.02% p.a. (subject to a minimum monthly fee of USD 1,250) Maximum: 2% p.a. |

* The fees can be increased up to the maximum level by giving not less than one month's notice to the investors.

Other fees

You may have to pay other fees when dealing in the units of the Fund. For details, please refer to the Prospectus.

Additional Information

- The composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) in respect of the Monthly Distribution-1 (MD1) for the last 12 months are available from the Manager on request and also on the Manager's website www.invesco.com.hk. The aforementioned website has not been reviewed or authorised by the SFC.
- You generally buy and redeem units at the Fund's next-determined NAV after Invesco receives your request in good order on or before 5.00 pm, Hong Kong time, being the Fund's dealing cut-off time. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal cut-off time (which may be earlier than the fund's dealing cut-off time).
- The NAV of this Fund is calculated and the price of units published each "business day" on the Manager's website www.invesco.com.hk.
- Investors may obtain other information of this product at www.invesco.com.hk.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.