



Invesco Belt and Road Bond Fund

Fund Flyer | Q3 2019

The region's fixed-income market could benefit from Belt and Road-led economic growth

Important information

- The Fund invests primarily in debt securities whose issuers, guarantors and/or domiciled countries could or would directly or indirectly benefit from China's Belt and Road vision of increasing land and sea paths to connect Asia, Europe, Middle East and Africa and their adjacent seas for closer economic co-operation.
- Investors should note the general investment risk, risk of misalignment between the Fund's investment theme and the Belt and Road vision, risks of investing in companies related to the Belt and Road Initiative, emerging markets, liquidity risk, sovereign debt risk, portfolio turnover risk, Eurozone risk, hedged unit classes risk, RMB class(es) related risk, counterparty risk, and currency and foreign exchange risk.
- Debt Securities is subject to (a) interest rate risk; (b) credit risk (including default risk, credit rating risk, credit rating downgrading risk and liquidity risk); (c) risks relating to below investment grade and unrated securities; and (d) valuation risk.
- Financial derivative instruments may be used for hedging. The use of derivatives may become ineffective and the Fund may suffer significant losses.
- For Monthly Distribution-1 unit class (MD1), (a) the Fund Manager may at discretion pay distributions out of the capital and/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 in respect of such unit class after the distribution date; (b) Investments in MD1 are not an alternative to a savings account or fixed-interest paying investment, investors may not be able to get back the original investment amount; and (c) The fixed amount of distributions per month is subject to risk of exchange rate fluctuations. (Note 1)
- In addition, investors of MD-1 that are currency hedged (MD1 hedged) should be aware of the uncertainty of relative interest rates. The net asset value of the MD1 hedged may fluctuate and may significantly differ from other unit class due to fluctuation of the interest rate differential between the currency in which the MD1 hedged is denominated and the base currency of the Fund and may result in a greater erosion of capital than other non-hedged unit class. (Note 2)
- The value of the Fund can be volatile and could go down substantially.
- Investors should not base their investment decision on this material alone.

Fund facts

6.34%*

Annualized dividend - A (USD)-MD-1 Shares

21

countries along the B&R region

First-mover advantage

Early investors capture unique opportunities

100%

invested directly into USD bonds

Source : Invesco, as of July 31, 2019.

*Annualized dividend (%) = (Amount/Share X 12) ÷ Price on record date. Upon dividend distribution, the Fund's net asset value may fall on the ex-dividend date. All distributions below USD 50 in value (or its equivalent) will be automatically applied in the purchase of further shares of the same class. Positive distribution yield does not imply a positive return.

Fund features



1

Belt and Road - a global initiative

The Belt and Road (B&R) Initiative promotes land and sea connectivity along Asia, Europe, Middle East and Africa. It involves 67% of the global population and represents 38% of world trade[^].



2

A long term commitment of the Chinese government

The B&R Initiative was written into the Constitution of the Chinese Communist Party to deliver long-term commitments. We expect China to invest USD 150 to 200 billion in the B&R countries per year.



3

Various sectors set to be benefitted by B&R

The B&R Initiative brought along improving financial strength, expansion of infrastructure network, improving energy, commodities & agriculture production, rising consumption and modernizing economic corridors.



4

Attractive fixed-income opportunities

Economic improvement tends to benefit both government and corporate bond issuers. This presents attractive total return potential for Belt and Road related fixed-income securities.

[^]The Belt and Road Initiative covers countries which represent 38% of the world trade. Source: WorldBank, Belt and Road Portal (yidaiyilu.gov.cn), Invesco, data as 31 December 2017.

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