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Unitholder circular: Invesco Trust Series (the “**Fund**”)

Invesco Belt and Road Bond Fund
Invesco Global Multi Income Allocation Fund
Invesco Global Bond Fixed Maturity Fund 2022
Invesco Global Bond Fixed Maturity Fund 2022 – II
Invesco Asian Bond Fixed Maturity Fund 2022
Invesco Asian Bond Fixed Maturity Fund 2022 – II
Invesco Asian Bond Fixed Maturity Fund 2022 – III
Invesco Asian Bond Fixed Maturity Fund 2021 – I
(each a “**Sub-Fund**”, collectively the “**Sub-Funds**”)

IMPORTANT: This circular is important and requires your immediate attention. If you are in any doubt as to the action you should take you should seek advice from your professional adviser/consultant.

About the information in this circular:

Invesco Hong Kong Limited (the “**Manager**”) accepts full responsibility for the accuracy of the information contained in this circular, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this circular misleading.

Unless otherwise defined in this circular, capitalised terms shall have the meanings attributed to them in the Prospectus of the Fund (with information relating to Invesco Belt and Road Bond Fund and Invesco Global Multi Income Allocation Fund) dated 1 January 2020, the Prospectus of Invesco Global Bond Fixed Maturity Fund 2022 dated 15 July 2019, the Prospectus of Invesco Global Bond Fixed Maturity 2022 – II dated 19 August 2019, the Prospectus of Invesco Asian Bond Fixed Maturity Fund 2022 dated 14 October 2019, the Prospectus of Invesco Asian Bond Fixed Maturity Fund 2022 – II dated 2 January 2020, the Prospectus of Invesco Asian Bond Fixed Maturity Fund 2022 – III dated 3 February 2020 and the Prospectus of Invesco Asian Bond Fixed Maturity Fund 2021 – I dated 29 June 2020, as amended and/or supplemented from time to time (collectively, the “**Prospectuses**”).



Dear Unitholder,

We are writing to inform you of certain updates to the Sub-Funds.

A. Swing pricing mechanism

With immediate effect, the following changes and clarifications in relation to the swing pricing mechanism shall be applied to the Prospectuses (except the Prospectus of Invesco Asian Bond Fixed Maturity Fund 2021 – I which already contains such language) under “Valuation and Suspension – Adjustment of Prices”:

The Manager has delegated to an internal committee of experts the ongoing swing pricing process (including the application of the swing factor). This committee will reassess on a periodic basis the extent of the price adjustment for the Sub-Funds to be applied, in agreement with the Trustee, to reflect an approximation of current dealing and other costs. Under normal circumstances, such adjustment may vary from Sub-Fund to Sub-Fund and will not exceed 2% of the original Net Asset Value per Unit. However, under exceptional market conditions (such as high market volatility), the adjustment applicable to a specific Sub-Fund may, on a temporary basis and at the discretion of the Manager (taking into account the best interest of the investors) and upon prior investor notification on the Manager’s website, exceed 2% of the original Net Asset Value per Unit. The adjustment of the Net Asset Value per Unit will apply equally to each Class of Units in a specific Sub-Fund.

The swing pricing mechanism is based on a daily subscription/redemption threshold per Sub-Fund. However, where trends are identified or anticipated, a non-threshold based approach may be utilised in order to protect existing investors against any adverse cumulative impact whereby the swing pricing mechanism would be applied over a period of time even though the daily threshold may not be exceeded every single day.

For the avoidance of doubt, the swing pricing mechanism is applied on the capital activity at the level of the Sub-Fund and does not address the specific circumstances of each individual investor transaction.

B. Liquidity risk management

The disclosures in relation to liquidity risk management as disclosed under “Investment Considerations – Liquidity Risk Management” in the Prospectuses shall be updated with immediate effect as follows to reflect the most updated arrangement of the Manager’s liquidity risk management process. Updates are marked up below for easy reference.

1. As regards the Prospectus of the Fund with information relating to Invesco Belt and Road Bond Fund and Invesco Global Multi Income Allocation Fund:

“Liquidity risk is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a significant loss.

The Manager is responsible for monitoring the liquidity risk of the Sub-Funds on a day-to-day basis. Risk controls (including liquidity risks) are embedded within the investment management discipline which includes review and oversight processes. The Manager’s ~~Global Performance Measurement and Risk (GPMR) Team~~ **Hong Kong Risk Team (working with the Risk Measurement Team)**, which is a risk management team that is functionally independent from the day-to-day portfolio investment function, undertakes risk monitoring and reporting on behalf of the Manager and provides reports for the oversight of the various investment team disciplines to senior management of the Manager.

From a qualitative standpoint, the portfolio manager will meet with their respective investment function within Invesco Group on a regular basis to discuss strategy characteristics and positioning. The portfolio manager will assess the liquidity of individual security based on various considerations, including but not limited to stress tests conducted by the ~~GPMR Team~~ **Hong Kong Risk Team (working with the Risk Measurement Team)** at the portfolio level on a regular basis. This allows the portfolio manager to respond proactively when liquidity scenario arises, which will be monitored on a daily basis by the ~~GPMR Team~~ **Hong Kong Risk Team**.

The Manager is equipped with necessary tools and techniques in meeting liquidity needs in an orderly manner. For instance, the Manager may limit the redemption from a Sub-Fund on any Business Day for the conditions prescribed under the sections headed (i) “Redemption of Units - Restrictions on Redemption” and (ii) “Valuation and Suspension – Suspension”. In addition, in calculating the Redemption Price, the Manager may deduct fiscal and sale



charges as disclosed in the sections headed (iii) "Redemption of Units – Redemption Price" and (iv) "Valuation and Suspension – Adjustment of Prices". As a result of such adjustment, the Redemption Price will be lower than the Redemption Price which otherwise would be if such adjustment has not been made.

Investors should note that there is a risk that the tools may be ineffective to manage liquidity and redemption risks."

2. As regards the Prospectuses of Invesco Global Bond Fixed Maturity Fund 2022, Invesco Global Bond Fixed Maturity Fund 2022 – II, Invesco Asian Bond Fixed Maturity Fund 2022, Invesco Asian Bond Fixed Maturity Fund 2022 – II, Invesco Asian Bond Fixed Maturity Fund 2022 – III and Invesco Asian Bond Fixed Maturity Fund 2021 – I:

"Liquidity risk is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a significant loss.

The Manager is responsible for monitoring the liquidity risk of the Sub-Fund on a day-to-day basis. Risk controls (including liquidity risks) are embedded within the investment management discipline which includes review and oversight processes. The Manager's Hong Kong Risk Team (working with the ~~Global Performance Measurement and Risk (GPMR) Team~~ **Risk Measurement Team**), which is a risk management team that is functionally independent from the day-to-day portfolio investment function, undertakes risk monitoring and reporting on behalf of the Manager and provides reports for the oversight of the various investment team disciplines to senior management of the Manager.

The risk management of the Sub-Fund (including liquidity risks) is also embedded in the portfolio construction process. In particular, the Manager will cap the exposure of each fixed income instrument at 5% of the Sub-Fund's Net Asset Value and, at the time of purchase, all fixed income instruments purchased should have a nominal issue size of at least USD 200 million to minimise the likelihood that the Sub-Fund may invest in illiquid debt securities with small issue sizes. The Sub-Fund will not invest in private placement bonds.

The Manager principally uses the following sensitivity measures as part of its ongoing risk management process:

- Duration
- Spread duration
- Convexity
- Duration Times Spread (DTS).

From a qualitative standpoint, the portfolio manager will meet with their respective investment function within Invesco Group on a regular basis to discuss strategy characteristics and positioning. The portfolio manager will assess the liquidity of individual security based on various considerations, including but not limited to stress tests conducted by the Hong Kong Risk Team (working with the ~~GPMR Team~~ **Risk Measurement Team**) at the portfolio level on a regular basis. This allows the portfolio manager to respond proactively when liquidity scenario arises, which will be monitored on a daily basis by the ~~GPMR Team~~ **Hong Kong Risk Team**.

The Manager is equipped with necessary tools and techniques in meeting liquidity needs in an orderly manner. The following tools may be employed by the Manager to manage liquidity risks:

- the Manager may limit the number of Units of the Sub-Fund redeemed on any Business Day to 10% of the total Net Asset Value of the Sub-Fund (subject to the conditions under the section headed "Redemption of Units – Restrictions on Redemption"). If such limitation is imposed, this would restrict the ability of a Unitholder to redeem in full the Units he intends to redeem on a particular Business Day;
- the Manager may suspend redemption under exceptional circumstances as set out in the section headed "Valuation and Suspension – Suspension". During such period of suspension, Unitholders would not be able to redeem their investments in the Sub-Fund;
- the Manager may, in calculation of the Redemption Price, deduct fiscal and sale charges (please refer to the section headed "Redemption of Units – Redemption Price"), to protect the interest of remaining Unitholders. Please also refer to the section headed "Valuation and Suspension – Adjustment of Prices" for details. As a result of such adjustment, the Redemption Price will be lower than the Redemption Price which otherwise would be if such adjustment has not been made.

Investors should note that there is a risk that the tools may be ineffective to manage liquidity and redemption risks."



C. Implications of the updates

The updates set out in this circular will not result in any material change to the investment objective and risk profile of the Sub-Funds. There is no change to the fee level / cost in managing the Sub-Funds, and except as expressly provided above, there is no change in the operation and/or manner in which the Sub-Funds are being managed. The updates as set out above do not materially prejudice the Unitholders' rights or interests.

The Prospectuses will be updated at the next available opportunity to reflect the changes described above.

D. Availability of documents and additional information

Do you require additional information?

- The Prospectuses and KFS of the Sub-Funds are available for inspection free of charge during normal working hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Manager at 41/F Champion Tower, Three Garden Road, Central, Hong Kong.
- Soft copies of the Prospectuses and the KFS of the Sub-Funds are available on the Hong Kong website www.invesco.com.hk*
- Printed copies of the Prospectuses and the KFS of the Sub-Funds may be obtained from the Manager upon payment of a reasonable fee.

Do you have any questions or concerns about the foregoing?

Please contact the Manager, Invesco Hong Kong Limited at 41/F Champion Tower, Three Garden Road, Central, Hong Kong or by telephone +852 3191 8282.

Thank you for taking the time to read this communication.

Invesco Hong Kong Limited

* This website has not been reviewed by the SFC.