



Invesco Markets II plc
Annual report and audited Financial Statements

For the financial year ended 31 December 2019



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Organisation

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Registered Office of the Company
32 Molesworth Street
Dublin 2
Ireland

Manager
Invesco Investment Management
Limited
Central Quay
Riverside IV
Sir John Rogerson's Quay
Dublin 2
Ireland

Administrator, Registrar and Transfer Agent
BNY Mellon Fund Services (Ireland)
DAC
One Dockland Central
Guild Street
IFSC
Dublin 1
Ireland

Independent Auditors
PricewaterhouseCoopers
Chartered Accountants and
Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Directors of the Company
Gary Buxton (British)¹
William Manahan (Irish)^{1/3}
Barry McGrath (Chairman) (Irish)²
Anne-Marie King (Irish)¹
Feargal Dempsey (Irish)^{2/4}

Investment Manager
Invesco Capital Management LLC
3500 Lacey Road
Suite 700 Downers Grove Illinois
60515
United States

Secretary
MFD Secretaries Limited
32 Molesworth Street
Dublin 2
Ireland

Registered no. of Company: 567964

Legal Advisor (Ireland)
Arthur Cox
Ten Earlsfort Terrace
Dublin 2
Ireland

Depository
The Bank of New York Mellon SA/NV,
Dublin Branch
Riverside II
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

Authorised Participants
Goldman Sachs International
River Court
Fleet Street
London EC4A 2BB
United Kingdom

Morgan Stanley and Co. International
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

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1018LL Amsterdam
Netherlands

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Munich
Germany

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Amstelveenseweg 500
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Netherlands

HSBC Bank Plc,
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Strawinskylaan 3095-11
Amsterdam 1077 ZX
Netherlands

Commerzbank AG
16 Kaiserstrasse
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Goldenberg Hehmeyer LLP
25 Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Jane Street Financial Ltd
Floor 30
20 Fenchurch Street
London EC3M 3BY
United Kingdom

Bluefin Europe LLP
110 Bishopsgate
London EC2N 4A7
United Kingdom

Citigroup Global Markets Limited
Citigroup Centre
33 Canada Square
London E14 5LB
United Kingdom

J.P Morgan Securities PLC
25 Bank Street
London E14 5JP
United Kingdom

Old Mission Europe LLP
110 Bishopsgate Suite 17.09
London EC2N 4AY
United Kingdom

Susquehanna International Securities
Limited
International Centre
Memorial Road
IFSC
Dublin 1
Ireland

¹Non-executive Directors.

²Independent non-executive Director.

³With effect from 26 February 2019, William Manahan resigned as independent non-executive Director of the Company.

⁴With effect from 18 April 2019, Feargal Dempsey was appointed as non-executive Director of the Company.

General Information

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Description

Invesco Markets II plc (the "Company") is an open-ended variable capital company with segregated liability between sub-funds of the Company ("Funds"). The Company was incorporated on 11 September 2015. It is organised under the laws of Ireland as a public limited company pursuant to the Companies Act 2014 (as amended) and as an undertaking for collective investment in transferable securities pursuant to the European Communities ("Undertakings for Collective Investment in Transferable Securities") Regulations 2011 (as amended) (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities (Amendment) Regulations 2019 (the "Central Bank UCITS Regulations").

The Company is structured as an umbrella investment company, and comprises separate Funds which may be established from time to time by the Directors with the prior approval of the Central Bank of Ireland (the "Central Bank").

A Fund is defined as a separate portfolio of assets which is invested in accordance with the investment objective and policies set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such portfolio shall be applied and charged.

The particulars of each Fund are set out in a separate Supplement. Any such Supplement lists all of the existing Funds. Redeemable Shares/Shares (these terms are used interchangeably throughout the Financial Statements) of more than one Class may be issued in relation to a Fund. Information contained within the Supplements is selective and should be read in conjunction with the Prospectus. On the introduction of any new Class of Shares, the Company prepares and the Directors will issue documentation setting out the relevant details of each such Class of Shares. A separate portfolio of assets is maintained for each Fund and investments are made in accordance with the investment objective applicable to each Fund.

A decision was made by the Board of Directors on 16 May 2019 to close Invesco Italian PIR Multi - Asset Portfolio UCITS ETF based on the advice of the Promoter and the Investment Manager, as the continued existence and operation of the sub - fund was not economically viable.

There are 26 Funds in existence as at 31 December 2019.

Invesco Preferred Shares UCITS ETF
Invesco USD Corporate Bond UCITS ETF
Invesco Euro Corporate Bond UCITS ETF
Invesco Emerging Markets USD Bond UCITS ETF
Invesco Euro Floating Rate Note UCITS ETF
Invesco USD Floating Rate Note UCITS ETF
Invesco AT1 Capital Bond UCITS ETF
Invesco Variable Rate Preferred Shares UCITS ETF
Invesco US Treasury Bond UCITS ETF
Invesco US Treasury Bond 1-3 Year UCITS ETF
Invesco US Treasury Bond 3-7 Year UCITS ETF
Invesco US Treasury Bond 7-10 Year UCITS ETF
Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF
Invesco MDAX® UCITS ETF
Invesco Elwood Global Blockchain UCITS ETF
Invesco UK Gilt 1-5 Year UCITS ETF
Invesco UK Gilt UCITS ETF
Invesco MSCI World ESG Universal Screened UCITS ETF
Invesco MSCI Europe ESG Universal Screened UCITS ETF
Invesco MSCI USA ESG Universal Screened UCITS ETF
Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF
Invesco Euro Government Bond UCITS ETF
Invesco Euro Government Bond 1-3 Year UCITS ETF
Invesco Euro Government Bond 3-5 Year UCITS ETF
Invesco Euro Government Bond 5-7 Year UCITS ETF
Invesco Euro Government Bond 7-10 Year UCITS ETF

Except where otherwise stated or the context requires, capitalised terms have the meaning given to them in the Prospectus of the Company dated 25 February 2019.

Investment objective and policy

The Articles provide that the investment objective and policies for each Fund be formulated by the Directors at the time of the creation of the Fund.

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Investment objective and policy (continued)

The investment objective of each Fund is to seek to provide Redeemable Shareholders/Shareholders (these terms are used interchangeably throughout the Financial Statements) with a Target Performance linked to the performance of a Reference Index or Reference Asset by directly or indirectly purchasing a portfolio of transferable securities that may (but is not obliged to) comprise all or a representative sample of the constituent securities of that Reference Index or Reference Asset.

Each Fund will seek to achieve its objective by pursuing a policy which will seek to track the performance of a Reference Index or Reference Asset and will generally use either a Replication Strategy, Sampling Strategy or Master Feeder Strategy, with the aim of minimising as far as possible the difference in performance between the Fund and the relevant Reference Index or Reference Asset. The Investment Manager determines whether a Replication Strategy, Sampling Strategy or Master Feeder Strategy is most appropriate for a Fund. The Relevant Supplement will specify and describe the strategy the applicable Fund intends to use.

The following is a summary description of each of the Replication Strategy, Sampling Strategy and Master Feeder Strategy.

- **Replication Strategy** - this strategy seeks to hold all of the securities of a particular Reference Index or Reference Asset, so that the portfolio of the Fund is a near mirror-image of the components of the relevant Reference Index or Reference Asset.
- **Sampling Strategy** - this strategy seeks to build a representative portfolio that provides a return comparable to that of a Reference Index or Reference Asset. This strategy is used for tracking certain equity or fixed income indices which are too broad to replicate, contains securities which are currently unavailable or difficult to purchase in the open markets or an announcement has been made that certain Securities will shortly be included as components of the Reference Index or Reference Asset. Consequently, a Fund using this strategy will typically hold only a subset of the securities which comprise the relevant Reference Index or Reference Asset.

As at 31 December 2019, the Company had 26 active Funds.

- **Master Feeder Strategy** - this strategy seeks to achieve the investment objective of the relevant Fund by investing substantially all (and in any event no less than 85%) of the assets of the relevant Fund in another eligible UCITS Investment Fund in accordance with the requirements of the Central Bank.

A Fund may also on occasion hold securities which were not comprised in the relevant Reference Index or Reference Asset where the Investment Manager believes this to be appropriate in light of the investment objective and investment restrictions of the Fund, or other factors such as market conditions. The potential for any such proposed investment by a Fund will be disclosed in the relevant Supplement.

In limited circumstances and only where disclosed in the Supplement for the relevant Fund, a Fund may have also used the Swap Strategy.

- **Swap Strategy** - this strategy uses financial derivative instruments and transactions and/or OTC derivatives to achieve the Target Performance by exchanging the performance of a basket of global equity securities and equity related securities in return for the performance/return of the Reference Index.

In each case, information in relation to the types of instruments or securities in which the relevant Fund will invest, including details in relation to the exchanges or markets on which the Fund's investments will be listed or traded, will be set out in the Supplement of the relevant Fund.

There is no assurance that the investment objective of any Fund whose performance is linked to the Reference Index or Reference Asset will actually be achieved.

The individual Fund's investment objectives and policies are contained in the individual Fund's Financial Statements.

	Strategy	Launch date	Functional currency
Invesco Preferred Shares UCITS ETF	Replication	28/09/2017	USD
Invesco USD Corporate Bond UCITS ETF	Sampling	15/11/2017	USD
Invesco Euro Corporate Bond UCITS ETF	Sampling	14/11/2017	EUR
Invesco Emerging Markets USD Bond UCITS ETF	Sampling	16/11/2017	USD
Invesco Euro Floating Rate Note UCITS ETF	Sampling	18/05/2018	EUR
Invesco USD Floating Rate Note UCITS ETF	Sampling	18/05/2018	USD
Invesco AT1 Capital Bond UCITS ETF	Sampling	20/06/2018	USD
Invesco Variable Rate Preferred Shares UCITS ETF	Sampling	3/10/2018	USD
Invesco US Treasury Bond UCITS ETF	Sampling	11/01/2019	USD
Invesco US Treasury Bond 1-3 Year UCITS ETF	Sampling	11/01/2019	USD

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Investment objective and policy (continued)

	Strategy	Launch date	Functional currency
Invesco US Treasury Bond 3-7 Year UCITS ETF	Sampling	11/01/2019	USD
Invesco US Treasury Bond 7-10 Year UCITS ETF	Sampling	11/01/2019	USD
Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF	Replication	24/01/2019	EUR
Invesco MDAX® UCITS ETF	Replication	19/02/2019	EUR
Invesco Elwood Global Blockchain UCITS ETF	Replication	08/03/2019	USD
Invesco UK Gilt 1-5 Year UCITS ETF	Sampling	18/03/2019	GBP
Invesco UK Gilt UCITS ETF	Sampling	18/03/2019	GBP
Invesco MSCI World ESG Universal Screened UCITS ETF	Replication	13/06/2019	USD
Invesco MSCI Europe ESG Universal Screened UCITS ETF	Replication	13/06/2019	EUR
Invesco MSCI USA ESG Universal Screened UCITS ETF	Replication	13/06/2019	USD
Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF	Not Applicable	30/07/2019	USD
Invesco Euro Government Bond UCITS ETF	Sampling	28/08/2019	EUR
Invesco Euro Government Bond 1-3 Year UCITS ETF	Sampling	28/08/2019	EUR
Invesco Euro Government Bond 3-5 Year UCITS ETF	Sampling	28/08/2019	EUR
Invesco Euro Government Bond 5-7 Year UCITS ETF	Sampling	28/08/2019	EUR
Invesco Euro Government Bond 7-10 Year UCITS ETF	Sampling	28/08/2019	EUR

As at 31 December 2019, the listing details of the 26 active Funds are:

	Listing
Invesco Preferred Shares UCITS ETF*	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Xetra
Invesco USD Corporate Bond UCITS ETF	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana
Invesco Euro Corporate Bond UCITS ETF*	SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Xetra
Invesco Emerging Markets USD Bond UCITS ETF	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana
Invesco Euro Floating Rate Note UCITS ETF*	SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Xetra
Invesco USD Floating Rate Note UCITS ETF*	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Xetra
Invesco AT1 Capital Bond UCITS ETF*	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Xetra
Invesco Variable Rate Preferred Shares UCITS ETF	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana
Invesco US Treasury Bond UCITS ETF	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Xetra
Invesco US Treasury Bond 1-3 Year UCITS ETF	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Xetra
Invesco US Treasury Bond 3-7 Year UCITS ETF	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Xetra
Invesco US Treasury Bond 7-10 Year UCITS ETF	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Xetra
Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF	Borsa Italiana, Deutsche Börse Xetra
Invesco MDAX® UCITS ETF	Deutsche Börse Xetra
Invesco Elwood Global Blockchain UCITS ETF	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Xetra
Invesco UK Gilt 1-5 Year UCITS ETF	Euronext Dublin, London Stock Exchange
Invesco UK Gilt UCITS ETF	Euronext Dublin, London Stock Exchange
Invesco MSCI World ESG Universal Screened UCITS ETF	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Xetra
Invesco MSCI Europe ESG Universal Screened UCITS ETF	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Xetra

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Investment objective and policy (continued)

	<u>Listing</u>
<u>Invesco MSCI USA ESG Universal Screened UCITS ETF</u>	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Xetra
<u>Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF</u>	Euronext Dublin, London Stock Exchange, SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Italiana
<u>Invesco Euro Government Bond UCITS ETF</u>	SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Italiana
<u>Invesco Euro Government Bond 1-3 Year UCITS ETF</u>	SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Italiana
<u>Invesco Euro Government Bond 3-5 Year UCITS ETF</u>	SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Italiana
<u>Invesco Euro Government Bond 5-7 Year UCITS ETF</u>	SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Italiana
<u>Invesco Euro Government Bond 7-10 Year UCITS ETF</u>	SIX Swiss Exchange, Borsa Italiana, Deutsche Börse Italiana

Information above relates to Class A Shares unless otherwise noted.

** Xetra is the Deutsche Börse Xetra XTF Funds Platform of the Frankfurt Stock Exchange.*

Investment Manager's Report

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Commentary on performance

2019 was a surprisingly good year, with all global asset groups producing positive returns (in USD). Investors appear cautiously optimistic, though recession risk is a concern. Much depends on the profit cycle.

A year ago, we wrote about 2018 being a difficult year for investors but we were confident 2019 would be better and that was certainly the case. The -4.7% USD total return on our Neutral portfolio during 2018 (-3.3% in local currency) was followed by 16.9% in 2019 (16.7%). The Neutral portfolio is a static mix of global cash, fixed income, equity, real estate and commodity assets.

As always, bad news sells – who would guess that 50 central banks cut rates? The list of most read stories for 2018 was focused on stock market weakness, the only non-market items being about storms and the China-US trade war (one each). Of course, those negative headlines were justified in 2018. With 6 of the top-10 headlines in 2019 linked to US-China trade tensions, that topic would appear to have dominated our thoughts. Given such a set of headlines it is amazing that investment returns have been so good.

The best returns were to be had on equities (perhaps helped by the rebound from end-2018 weakness), with total returns of 31.6% in the US, 24.6% in Europe, 20.1% in Japan and 18.9% in emerging markets (based on MSCI indices in USD).

Real estate was the next best performing global asset class, with a total return of 23.6% in USD (25.9% in local currency). Despite Brexit concerns, UK real estate generated a total return of 35.9% in USD (30.6% in Sterling). Emerging market real estate was also strong with a USD total return of 27.8% (30.1%). Could it have been any easier for asset allocators?

Once again, the best performing equity market was Venezuela but with a more modest return of 4,604%. Unfortunately, when converted to US dollars that becomes -36%, making it the worst performing market, followed by Chile, Nigeria and Argentina. The best performing equity markets when measured in US dollars were Greece, Russia and Romania (which was also third last year).

After being the worst performing government bond market for three years in a row, Turkey finally came good and was the best performer in local currency terms in 2019 (or fourth when measured in US dollars). Russia was among the bottom three performers in 2018 but came top of the US rankings in 2019 (34% in USD). Both Turkish and Russian central banks cut rates in 2019, with the former halving them to 12%.

Remember that this list does not represent our central scenario but it is rather an attempt to identify non-consensus ideas that we believe have a reasonable chance of occurring (thereby surprising most investors). They must therefore be put in the context of the prevailing sentiment at the start of 2019 (when global equities were falling and the US treasury market was suggesting the Federal Reserve would cut rates multiple times, as it eventually did).

We do not think recession is imminent and therefore expect real estate and stocks to continue providing the best returns. However, 2019 ended on a strong note (due to trade conflict optimism) and I doubt that such market momentum can continue unchecked. Hence, I would not be surprised to see a correction over the coming weeks. As for the outlook further into 2020, I believe that will depend on economic and profit momentum.

Invesco Capital Management LLC, January 2020*

** Since the balance-sheet date markets have fallen significantly due primarily to concerns around the scale of the impact of coronavirus on the global economy. Please refer to Subsequent Events Note for full analysis on COVID-19. It is likely markets will continue to be much more volatile than normal over the next few months until the coronavirus impact passes.*

20 April 2020

Investment Objective and Policies

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Invesco Preferred Shares UCITS ETF

Investment Objective and Policies

The Invesco Preferred Shares UCITS ETF aims to deliver the performance of the BofA Merrill Lynch Diversified Core Plus Fixed Rate Preferred Securities Net Total Return Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index is designed to measure the performance of fixed rate US Dollar denominated preferred securities issued in the US domestic market. The index includes preference shares (perpetual preferred securities) stock and senior and subordinated debt issued in US\$25, US\$50 or US\$100 par/liquidation increments. Securities comprising the Reference Index must be rated at least B3 (based on an average of Moody's, S&P and Fitch) and must have an investment grade rated country of risk (based on an average of Moody's, S&P and Fitch foreign currency long term sovereign debt ratings). The Reference Index is rebalanced monthly. In order to achieve the investment objective, the Fund will employ a replication method that looks to invest predominately in securities that as closely as possible match the constituents of the Reference Index.

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Invesco Euro Corporate Bond UCITS ETF

Investment Objectives and Policies

The Invesco Euro Corporate Bond UCITS ETF aims to deliver the performance of the Bloomberg Barclays Euro Corporate Bond Index ("Reference Index").

The Reference Index is a broad-based benchmark that measures the investment grade, euro-denominated, fixed-rate corporate bond market.

Quality: Securities must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality.

EUR 300mn minimum par amount outstanding.

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Invesco USD Corporate Bond UCITS ETF

Investment Objective and Policies

The Invesco USD Corporate Bond UCITS ETF aims to deliver the performance of the Bloomberg Barclays USD IG Corporate Liquidity Screened Bond Index ("Reference Index"), less fees and expenses.

The Reference Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD-denominated securities publicly issued by US and non-US industrial, utility and financial issuers. The Reference Index is a subset of the US Corporate index with higher minimum amount outstanding thresholds defined per sector. The index was launched in September 2017, with index history backfilled to 1 January 2012.

Sector: Corporate (industrial, utility and financial institutions) issuers only.

Eligible currencies: Principal and interest must be denominated in USD.

Quality: Securities must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality:

- Expected ratings at issuance may be used to ensure timely index inclusion or to properly classify split-rated issuers.
- Unrated securities may use an issuer rating for index classification purposes if available. Unrated subordinated securities are included if a subordinated issuer rating is available.

Amount outstanding: Utilities:

- USD500mn minimum par amount outstanding.
- Industrial: USD1bn minimum par amount outstanding.
- Financial Institutions: USD1bn minimum par amount outstanding.

Coupon:

- Fixed-rate coupon.
- Callable fixed-to-floating rate bonds are eligible during their fixed-rate term only.
- Bonds with a step-up coupon that changes according to a predetermined schedule are eligible.

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Invesco Emerging Markets USD Bond UCITS ETF

Investment Objective and Policies

The Invesco Emerging Markets USD Bond UCITS ETF aims to deliver the performance of the Bloomberg Barclays Emerging Markets ("EM") USD Sovereign Bond Index ("Reference Index"), less fees and expenses.

The Reference Index tracks fixed and floating-rate US dollar-denominated debt issued by EM governments. Country eligibility and classification as Emerging Markets is rules-based and reviewed annually using World Bank income group and International Monetary Fund (IMF) country classifications. The EM USD Sovereign Index is a subset of the flagship EM USD Aggregate Index. Country capped versions of the EM USD Sovereign Index are also available.

Currency: Principal and coupon must be denominated in USD.

Sector: Sovereign issues only

Amount outstanding: At the security level, USD 500mn minimum par amount outstanding.

Country inclusion: Bloomberg uses a fixed list of emerging market countries that is reviewed annually to define country eligibility in dedicated EM hard currency, local currency, and inflation-linked benchmarks. Criteria for inclusion in the EM country list are rules-based and include:

- Countries that meet one of the following two criteria: World Bank Income group classifications of low/middle income OR International Monetary Fund (IMF) classification as a non-advanced country.
- Additional countries that bond investors classify as EM due to factors such as investability concerns, the presence of capital controls, and/or geographic considerations may also be included on the list and are also reviewed on an annual basis. As of April 2014, 4 additional markets are included in the Bloomberg EM country list: Czech Republic, Israel, South Korea, and Taiwan.

Issue rating: Investment grade, high yield and unrated securities are permitted. Unrated bonds may use an implied issuer rating when not rated by a credit rating agency (Moody's, S&P, and Fitch).

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Invesco Euro Floating Rate Note UCITS ETF

Investment Objective and Policies

The Invesco Euro Floating Rate Note UCITS ETF aims to deliver the performance of the Bloomberg Barclays Euro Corporate FRN 500 MM Liquid Bond Index ("Reference Index") less fees, expenses and transaction costs.

The Reference Index is designed to measure the performance of globally issued, investment grade, Euro denominated, floating rate notes issued by corporate (industrial, utility and financial institutions) issuers only.

The securities which comprise the Reference Index must be rated investment grade (Baaa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond ratings may not be available, other sources may be used to classify securities by credit quality.

Minimum par amount outstanding of EUR 500mn.

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Invesco USD Floating Rate Note UCITS ETF

Investment Objective and Policies

The Invesco USD Floating Rate Note UCITS ETF aims to deliver the performance of the Bloomberg Barclays US Corporate FRN 500 MM Liquid Bond (“Reference Index”) Index less fees, expenses and transaction costs.

The Reference Index is designed to measure the performance of globally issued investment grade, US Dollar denominated, floating rate notes issued by corporate (industrial, utility and financial institutions) issuers only.

The securities which comprise the Reference Index must be rated investment grade (BAAA3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality.

Securities comprising the Reference Index must have a minimum amount par outstanding of USD 500mn.

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Invesco AT1 Capital Bond UCITS ETF

Investment Objective and Policies

The Invesco AT1 Capital Bond UCITS ETF aims to deliver the performance of the iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8/5% Issuer Cap) Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index is designed to reflect the performance of USD-denominated contingent convertible bonds issued by banks from developed countries worldwide.

The securities which comprise the Reference Index must be rated by at least one of the three credit rating agencies, Moody's, S&P or Fitch, but there is no minimum rating requirement.

To be included in the Reference Index, securities must have a minimum par amount outstanding of USD 750mn. and the issuers must have a minimum notional outstanding of 1bn in their local currency.

Annual Report and Audited Financial Statements 2019

Invesco Variable Rate Preferred Shares UCITS ETF

Investment Objective and Policies

The Invesco Variable Rate Preferred Shares UCITS ETF aims to deliver the performance of the Wells Fargo Diversified Hybrid and Preferred Securities Floating and Variable Rate Net Total Return Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index is designed to track the performance of the U.S. trading market for floating and variable rate preferred and hybrid securities.

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Invesco US Treasury Bond UCITS ETF (launched 11 January 2019)

Investment Objective and Policies

The Invesco US Treasury Bond UCITS ETF aims to deliver the performance of the Bloomberg Barclays US Treasury Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury.

To be eligible for inclusion in the Reference Index, eligible securities' principal and interest must be denominated in USD. The securities which comprise the Reference Index must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality. Local currency treasury issues are classified using the middle issuer level rating from each agency for all outstanding bonds, even if bond level ratings are available.

To be eligible for inclusion in the Reference Index, bonds must have USD 300 mn minimum par amount outstanding.

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Invesco US Treasury Bond 1-3 Year UCITS ETF (launched 11 January 2019)

Investment Objective and Policies

The Invesco US Treasury Bond 1-3 Year UCITS ETF aims to deliver the performance of the Bloomberg Barclays US Treasury 1-3 Year Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. To be included in the Reference Index, securities must have at least one and up to, but not including, three years to maturity.

To be eligible for inclusion in the Reference Index, eligible securities' principal and interest must be denominated in USD. The securities which comprise the Reference Index must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality. Local currency treasury issues are classified using the middle issuer level rating from each agency for all outstanding bonds, even if bond level ratings are available.

To be eligible for inclusion in the Reference Index, bonds must have USD 300mn minimum par amount outstanding.

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Invesco US Treasury Bond 3-7 Year UCITS ETF (launched 11 January 2019)

Investment Objective and Policies

The Invesco US Treasury Bond 3-7 Year UCITS ETF aims to deliver the performance of the Bloomberg Barclays US Treasury 3-7 Year Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. To be included in the Reference Index, securities must have between 3 and 7 years remaining to maturity.

To be eligible for inclusion in the Reference Index, eligible securities' principal and interest must be denominated in USD. The securities which comprise the Reference Index must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality. Local currency treasury issues are classified using the middle issuer level rating from each agency for all outstanding bonds, even if bond level ratings are available.

To be eligible for inclusion in the Reference Index, bonds must have USD 300mn minimum par amount outstanding.

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Invesco US Treasury Bond 7-10 Year UCITS ETF (launched 11 January 2019)

Investment Objective and Policies

The Invesco US Treasury Bond 7-10 Year UCITS ETF aims to deliver the performance of the Bloomberg Barclays US Treasury 7-10 Year Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury. To be included in the Reference Index, securities must have between 7 and 10 years remaining to maturity.

To be eligible for inclusion in the Reference Index, eligible securities' principal and interest must be denominated in USD. The securities which comprise the Reference Index must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality. Local currency treasury issues are classified using the middle issuer level rating from each agency for all outstanding bonds, even if bond level ratings are available.

To be eligible for inclusion in the Reference Index, bonds must have USD 300mn minimum par amount outstanding.

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Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF (launched 24 January 2019)

Investment Objective and Policies

The Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF aims to deliver the performance of the MSCI Europe Select Catholic Principles ESG Leaders 10/40 Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index is a free float-adjusted market capitalisation index designed to represent the performance of companies with high environmental, social and governance ("ESG") ratings relative to sector peers.

The Reference Index comprises of securities in the form of equities and is constructed from the MSCI Europe Index (the "Parent Index"). At each annual index review, the composition of the index is reassessed in order to target 50% free float-adjusted cumulative market capitalisation of each sector of the Parent Index. The Reference Index aims to target sector weights that reflect the relative sector weights of the Parent Index to limit the systematic risk introduced by the ESG selection process. The Reference Index uses company ratings and research provided by MSCI ESG Research LLC. In particular, the Reference Index uses the following three MSCI ESG research products: MSCI ESG Ratings, MSCI ESG Controversies and MSCI Business Involvement Screening Research.

Existing constituents of the Reference Index are required to have an MSCI ESG rating score above B and a MSCI ESG controversies score above 0 to remain in the Reference Index, while companies that are currently not constituents of the Reference Index are required to have an MSCI ESG rating score above BB and an MSCI ESG controversies score above 3 to be considered eligible for inclusion in the Reference Index.

The Reference Index excludes companies showing involvement in the following activities: controversial weapons, civilian firearms, nuclear weapons, tobacco, alcohol, gambling, genetically modified organisms, nuclear power, and thermal coal.

The Reference Index also excludes companies that are considered to be not in accordance with Catholic principles as evaluated based on their involvement in the following activities: stem cells, adult entertainment, conventional weapons, abortion, contraceptives, animal testing and failing to comply with the United Nations guiding principles for business and human rights.

The remaining securities in the Reference Index are weighted in proportion to their free float-adjusted market capitalisation.

The MSCI 10/40 Indexes methodology is applied to the remaining securities such that the weight of any single group entity is capped at 10% and the sum of the weights of all group entities with a weight of more than 5% is capped at a maximum of 40%.

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Invesco MDAX® UCITS ETF (launched 19 February 2019)

Investment objective and policies

The Invesco MDAX® UCITS ETF aims to deliver the performance of the MDAX® Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index is comprised of 60 medium-sized German public limited companies from all industries that rank directly below the 30 large-sized companies (based on market capitalisation and order book turnover) which comprise the DAX®. The Reference Index is weighted by free-float market capitalisation, with no company being allowed to account for more than 10 per cent of the Reference Index. Foreign companies primarily active in Germany may also be included in the index.

To be eligible for inclusion in the Reference Index companies must have (i) an existing listing in the prime standard segment of the Deutsche Börse AG, Frankfurter Wertpapierbörse, (ii) continuous trading on Xetra®, the trading venue operated by the Deutsche Börse AG, Frankfurter Wertpapierbörse, (iii) a minimum free float of 10%, and (iii) legal headquarters or operating headquarters in Germany.

For foreign companies to be included in the Reference Index such foreign companies must (i) have a registered office in or operating headquarters in Germany, or (ii) have their focus of trading volume on Xetra® (such companies must have at least 33% of total turnover within the EU over the last 12 months) and their legal headquarters in an EU or EFTA country.

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Invesco Elwood Global Blockchain UCITS ETF (launched 8 March 2019)

Investment Objective and Policies

The Invesco Elwood Global Blockchain UCITS ETF aims to deliver the performance of the Elwood Blockchain Global Equity Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index tracks the performance of companies within the index universe (as defined below) who participate in the Blockchain ecosystem.

The index universe is comprised of 26 global markets, from which companies are screened for participation in activities including:

- (a) Mining hardware - companies involved in the manufacture, distribution or assembly of cryptocurrency mining equipment or related components;
- (b) Mining technology - the development of software or techniques used in mining equipment production of the crypto-currency mining process;
- (c) Mining operations - the development of software or techniques used in mining equipment production of the crypto-currency mining process;
- (d) Energy - the ownership or control of energy assets with characteristics suitable for cryptocurrency mining;
- (e) Token investments - companies who hold cryptocurrency related tokens or who have some rights to cryptocurrency tokens or similar instruments such as an investment fund, ETF or derivative contract, which has some link to cryptocurrency-assets;
- (f) Blockchain financial services - companies offering or developing trading, investment, consulting or other blockchain related financial services;
- (g) Blockchain payment systems - operation or development of payments systems which involve blockchain technology;
- (h) Blockchain technology solutions - development or operation of commercial technological solutions related to blockchain; and
- (i) Blockchain consulting or communications services - advising or consulting on blockchain related technologies.

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Invesco UK Gilt 1-5 Year UCITS ETF
(launched 18 March 2019)

Investment Objective and Policies

The Invesco UK Gilt 1-5 Year UCITS ETF aims to deliver the performance of the Bloomberg Barclays UK Gilt 1-5 Year Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index measures the performance of the GBP-denominated, fixed-rate, investment grade public obligations issued by the United Kingdom with years remaining to maturity between 1 and 5 year.

The Reference Index tracks nominal gilt issues only and inflation linked bonds are not eligible for inclusion.

In order to be included in the Reference Index, securities must have between 1 and 5 years remaining to maturity, securities' principal and interest must be denominated in GBP and securities which comprise the Reference Index must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality.

To be eligible for inclusion in the Reference Index, bonds must have GBP 200mn par amount outstanding. Gilts held by the Bank of England are eligible in the Reference Index. Both fixed-rate coupon and original zero coupon issues are included in the Reference Index.

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Invesco UK Gilts UCITS ETF (launched 18 March 2019)

Investment Objective and Policies

The Invesco UK Gilts UCITS ETF aims to deliver the performance of the Bloomberg Barclays Sterling Gilt Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index measures the performance of the GBP-denominated, fixed-rate, investment grade public obligations issued by the government of the United Kingdom.

The Reference Index tracks nominal gilt issues only and inflation linked bonds are not eligible for inclusion. The Reference Index is a component of the Sterling Aggregate, Pan-European Aggregate, Global Aggregate and Global Treasury Indices.

In order to be included in the Reference Index, securities must have at least one year to final maturity regardless of optionality, securities' principal and interest must be denominated in GBP and securities which comprise the Reference Index must be rated investment grade (Baa3/BBB-/BBB- or higher) using the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used. In cases where explicit bond level ratings may not be available, other sources may be used to classify securities by credit quality. Local currency treasury issues are classified using the middle issuer level rating from each agency for all outstanding bonds, even if bond level ratings are available.

Gilts held by the Bank of England are eligible in the Reference Index. Both fixed-rate coupon and original zero coupon issues are included in the Reference Index.

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**Invesco MSCI World ESG Universal Screened UCITS ETF
(launched 13 June 2019)**

Investment Objectives and Policies

The Invesco MSCI World ESG Universal Screened UCITS ETF aims to deliver the performance of the MSCI World ESG Universal Select Business Screens Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index tracks the performance of large- and mid-capitalisation companies in developed markets worldwide and aims to represent the performance of an investment strategy that, by adjusting the constituents' free-float market capitalisation weights based upon certain environmental, social and governance ("ESG") metrics, seeks to increase overall exposure to those companies demonstrating both a robust ESG profile as well as a positive trend in improving that profile. MSCI ESG metrics is a tool designed to produce a broad set of standardised ESG data and simple flagged metrics that are comparable across a broad universe of companies and used to assess the ESG profile of a company. ESG metrics cover risk exposure, controversies, performances and practices and take the following areas into account: climate change, natural capital, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition and corporate behaviour.

The Reference Index is constructed from the MSCI World Index (the "Parent Index") by excluding from the Parent Index securities that: 1) have not been assessed or rated by the Index Provider on the basis of the ESG metrics; 2) have faced very severe controversies pertaining to ESG issues (including UN Global Compact violations) over the last three years; or 3) are involved in any of the following business activities: controversial weapons, conventional weapons, nuclear weapons, oil sands, thermal coal, and tobacco.

Each of the eligible component securities is then assigned a combined ESG score, which reflects the Index Provider's assessment of both the security's current ESG rating, as well as the trend in that rating, defined as the change in the security's ESG rating over time (the "Combined ESG Score"). This Combined ESG Score is then applied to re-weight the eligible securities from their free-float market cap weights in the Parent Index to construct the weighting of the Reference Index.

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**Invesco MSCI Europe ESG Universal Screened UCITS ETF
(launched 13 June 2019)**

Investment Objectives and Policies

The Invesco MSCI Europe ESG Universal Screened UCITS ETF aims to deliver the performance of the MSCI Europe ESG Universal Select Business Screens Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index tracks the performance of large- and mid-capitalisation companies in Europe and aims to represent the performance of an investment strategy that, by adjusting the constituents' freefloat market capitalisation weights based upon certain environmental, social and governance ("**ESG**") metrics, seeks to increase overall exposure to those companies demonstrating both a robust ESG profile as well as a positive trend in improving that profile. MSCI ESG metrics is a tool designed to produce a broad set of standardised ESG data and simple flagged metrics that are comparable across a broad universe of companies and used to assess the ESG profile of a company. ESG metrics cover risk exposure, controversies, performances and practices and take the following areas into account: climate change, natural capital, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition and corporate behaviour.

The Reference Index is constructed from the MSCI Europe Index (the "Parent Index") by excluding from the Parent Index securities that: 1) have not been assessed or rated by the Index Provider on the basis of the ESG metrics; 2) have faced very severe controversies pertaining to ESG issues (including UN Global Compact violations) over the last three years; or 3) are involved in any of the following business activities: controversial weapons, conventional weapons, nuclear weapons, oil sands, thermal coal, and tobacco.

Each of the eligible component securities is then assigned a combined ESG score, which reflects the Index Provider's assessment of both the security's current ESG rating, as well as the trend in that rating, defined as the change in the security's ESG rating over time (the "Combined ESG Score"). This Combined ESG Score is then applied to re-weight the eligible securities from their free-float market cap weights in the Parent Index to construct the weighting of the Reference Index.

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**Invesco MSCI USA ESG Universal Screened UCITS ETF
(launched 13 June 2019)**

Investment Objectives and Policies

The Invesco MSCI USA ESG Universal Screened UCITS ETF aims to deliver the performance of the MSCI USA ESG Universal Select Business Screens Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index tracks the performance of large- and mid-capitalisation companies in the USA and aims to represent the performance of an investment strategy that, by adjusting the constituents' free-float market capitalisation weights based upon certain environmental, social and governance ("ESG") metrics, seeks to increase overall exposure to those companies demonstrating both a robust ESG profile as well as a positive trend in improving that profile. MSCI ESG metrics is a tool designed to produce a broad set of standardised ESG data and simple flagged metrics that are comparable across a broad universe of companies and used to assess the ESG profile of a company. ESG metrics cover risk exposure, controversies, performances and practices and take the following areas into account: climate change, natural capital, pollution and waste, environmental opportunities, human capital, product liability, stakeholder opposition and corporate behaviour.

The Reference Index is constructed from the MSCI USA Index (the "Parent Index") by excluding from the Parent Index securities that: 1) have not been assessed or rated by the Index Provider on the basis of the ESG metrics; 2) have faced very severe controversies pertaining to ESG issues (including UN Global Compact violations) over the last three years; or 3) are involved in any of the following business activities: controversial weapons, conventional weapons, nuclear weapons, oil sands, thermal coal, and tobacco.

Each of the eligible component securities is then assigned a combined ESG score, which reflects the Index Provider's assessment of both the security's current ESG rating, as well as the trend in that rating, defined as the change in the security's ESG rating over time (the "Combined ESG Score"). This Combined ESG Score is then applied to re-weight the eligible securities from their free-float market cap weights in the Parent Index to construct the weighting of the Reference Index.

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Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF (launched 30 July 2019)

Investment Objectives and Policies

The Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF aims to deliver a long-term return in excess of the MSCI World Index (the 'Benchmark') by investing in an actively-managed portfolio of global equities that meet environmental, social, and corporate governance criteria (the 'ESG Criteria').

The Fund invests primarily in a portfolio of equity and equity-related securities of companies from developed markets worldwide. Securities are selected by the Sub-Investment Manager based on 1) compliance with the Funds ESG Criteria, 2) attractiveness determined in accordance with the sub-investment managers quantitative investment model, and 3) consistency between the portfolio's expected risk characteristics and the Funds Investment Objectives.

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Invesco Euro Government Bond UCITS ETF
(launched 28 August 2019)

Investment Objectives and Policies

The Invesco Euro Government Bond UCITS ETF aims to deliver the performance of Bloomberg Barclays Euro Treasury Majors Bond Index (the 'Reference Index') less fees, expenses and transaction costs.

The Reference Index is designed to measure the performance of EUR-denominated, fixed-rate government debt.

To be eligible for inclusion in the reference index, eligible securities' principal and interest must be denominated in EUR. The securities that comprise the reference index must be rated investment grade (Baa3/BBB-/BBB-) or higher, and to remain in the Reference Index securities must be rated B3/B-/B- or higher using the middle rating of Moody's, S & P and Fitch, after dropping the highest and lowest available ratings. Local currency treasury issues are rated using the long term local currency sovereign rating from Moody's, S&P and Fitch. Expected ratings at issuance may be used when other Reference Index - eligible bonds from the same issuer hold the same actual rating as the expected rating.

To be eligible for inclusion in the reference index, bonds must have EUR 300mn minimum par amount outstanding.

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**Invesco Euro Government Bond 1-3 Year UCITS ETF
(launched 28 August 2019)**

Investment Objectives and Policies

The Invesco Euro Government Bond 1-3 Year UCITS ETF aims to deliver the performance of the Bloomberg Barclays Euro Government Select 1-3 Year Index (the 'Reference Index') less fees, expenses and transaction costs.

The Reference Index is designed to measure the performance of EUR-denominated, fixed-rate government debt with remaining time to maturity between 1 and 3 years issued by: France, Germany, Italy, Netherlands, and Spain.

Eligible Currencies: Principal and Interest must be denominated in EUR.

Quality: Securities must be rated B3/B-/B- or higher using the middle rating of Moody's, S&P and Fitch after dropping the highest and lowest available ratings.

EUR 300mn minimum PAR amount outstanding.

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**Invesco Euro Government Bond 3-5 Year UCITS ETF
(launched 28 August 2019)**

Investment Objectives and Policies

The Invesco Euro Government Bond 3-5 Year UCITS ETF aims to deliver the performance of the Bloomberg Barclays Euro Government Select 3-5 Year Index (the 'Reference Index') less fees, expenses and transaction costs.

The Reference Index is designed to measure the performance of the EUR-denominated, fixed-rate, investment-grade government debt with remaining time to maturity between 3-5 years issued by: France, Germany, Italy, Netherlands and Spain.

Eligible Currencies: Principal and Interest must be denominated in EUR.

Quality: Securities must be rated B3/B-/B- or higher using the middle rating of Moody's, S&P and Fitch after dropping the highest and lowest available ratings.

EUR 300mn minimum PAR amount outstanding.

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**Invesco Euro Government Bond 5-7 Year UCITS ETF
(launched 28 August 2019)**

Investment Objectives and Policies

The Invesco Euro Government Bond 5-7 Year UCITS ETF aims to deliver the performance of the Bloomberg Barclays Euro Government Select 5-7 Year Index (the 'Reference Index') less fees, expenses and transaction costs.

The Reference Index is designed to measure the performance of the EUR-denominated, fixed-rate, investment-grade government debt with remaining time to maturity between 5-7 years issued by: France, Germany, Italy, Netherlands and Spain.

Eligible Currencies: Principal and Interest must be denominated in EUR.

Quality: Securities must be rated B3/B-/B- or higher using the middle rating of Moody's, S&P and Fitch after dropping the highest and lowest available ratings.

EUR 300mn minimum PAR amount outstanding.

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**Invesco Euro Government Bond 7-10 Year UCITS ETF
(launched 28 August 2019)**

Investment Objectives and Policies

The Invesco Euro Government Bond 7-10 Year UCITS ETF aims to deliver the performance of the Bloomberg Barclays Euro Government Select 7-10 Year Index (the 'Reference Index') less fees, expenses and transaction costs.

The Reference Index is designed to measure the performance of the EUR-denominated, fixed-rate, investment-grade government debt with remaining time to maturity between 7-10 years issued by: France, Germany, Italy, Netherlands and Spain.

Eligible Currencies: Principal and Interest must be denominated in EUR.

Quality: Securities must be rated B3/B-/B- or higher using the middle rating of Moody's, S&P and Fitch after dropping the highest and lowest available ratings.

EUR 300mn minimum PAR amount outstanding.

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Benchmark indices/strategies:

Fund name	Functional currency	Reference index
Invesco Preferred Shares UCITS ETF	USD	BofA Merrill Lynch Diversified Core Plus Fixed Rate Preferred Securities Net Total Return Index
Invesco USD Corporate Bond UCITS ETF	USD	Bloomberg Barclays USD IG Corporate Liquidity Screened Bond Index
Invesco Euro Corporate Bond UCITS ETF	EUR	Bloomberg Barclays Euro Corporate Bond Index
Invesco Emerging Markets USD Bond UCITS ETF	USD	Bloomberg Barclays Emerging Markets USD Sovereign Bond Index
Invesco Euro Floating Rate Note UCITS ETF	EUR	Bloomberg Barclays Euro Corporate FRN 500 MM Liquid Bond Index
Invesco USD Floating Rate Note UCITS ETF	USD	Bloomberg Barclays US Corporate FRN 500 MM Liquid Bond Index
Invesco AT1 Capital Bond UCITS ETF	USD	USD Contingent Convertible Liquid Developed Market AT1 (8/5% Issuer Cap) Index
Invesco Variable Rate Preferred Shares UCITS ETF	USD	Wells Fargo Diversified Hybrid and Preferred Securities Floating and Variable Rate Net Total Return Index
Invesco US Treasury Bond UCITS ETF	USD	Bloomberg Barclays US Treasury Index
Invesco US Treasury Bond 1-3 Year UCITS ETF	USD	Bloomberg Barclays US Treasury 1-3 Year Index
Invesco US Treasury Bond 3-7 Year UCITS ETF	USD	Bloomberg Barclays US Treasury 3-7 Year Index
Invesco US Treasury Bond 7-10 Year UCITS ETF	USD	Bloomberg Barclays US Treasury 7-10 Year Index
Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF	EUR	Invesco MSCI Europe Select Catholic Principles ESG Leaders 10/40 Index
Invesco MDAX® UCITS ETF	EUR	MDAX Index
Invesco Elwood Global Blockchain UCITS ETF	USD	Elwood Blockchain Global Equity Index
Invesco UK Gilt 1-5 Year UCITS ETF	GBP	Bloomberg Barclays UK Gilt 1-5 Year Index
Invesco UK Gilts UCITS ETF	GBP	Bloomberg Barclays Sterling Gilt Index
Invesco MSCI World ESG Universal Screened UCITS ETF	USD	MSCI World ESG Universal Select Business Screens Index
Invesco MSCI Europe ESG Universal Screened UCITS ETF	EUR	MSCI Europe ESG Universal Select Business Screens Index
Invesco MSCI USA ESG Universal Screened UCITS ETF	USD	MSCI USA ESG Universal Select Business Screens Index
Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF	USD	MSCI World Index
Invesco Euro Government Bond UCITS ETF	EUR	Bloomberg Barclays Euro Treasury Majors Bond Index
Invesco Euro Government Bond 1-3 Year UCITS ETF	EUR	Bloomberg Barclays Euro Government Select 1-3 Year Index
Invesco Euro Government Bond 3-5 Year UCITS ETF	EUR	Bloomberg Barclays Euro Government Select 3-5 Year Index
Invesco Euro Government Bond 5-7 Year UCITS ETF	EUR	Bloomberg Barclays Euro Government Select 5-7 Year Index
Invesco Euro Government Bond 7-10 Year UCITS ETF	EUR	Bloomberg Barclays Euro Government Select 7-10 Year Index

Reference indexes listed above are applicable to all classes of a Fund.

The listing includes the 26 active Funds at 31 December 2019.

The performance of the Funds from 31 December 2018 to 31 December 2019 for the existing Funds and from launch date to 31 December 2019 for the 18 new Funds:

	Currency	Launch date	Return since launch* (%)	Index return since launch (%)	Tracking difference since launch* (%)	Realised Tracking Error p.a. since 31/12/18** (%)	Expected Tracking Error p.a. since 31/12/18 (%)
Invesco Preferred Shares UCITS ETF - Class A	USD	28/09/17	16.40%	15.49%	1.41%	0.02%	0.01% - 1.00%
Invesco Preferred Shares UCITS ETF - Class Euro Currency Hedge	USD	13/4/18	12.97%	16.40%	-3.38%	0.02%	0.01% - 1.00%
Invesco Preferred Shares UCITS ETF - Class Swiss Franc Currency Hedge	USD	3/5/18	12.40%	16.40%	-3.95%	0.02%	0.01% - 1.00%
Invesco Preferred Shares UCITS ETF - Class B	USD	10/12/18	16.40%	15.49%	1.41%	0.02%	0.01% - 1.00%
Invesco USD Corporate Bond UCITS ETF - Class A	USD	15/11/17	14.88%	15.02%	0.02%	0.03%	0.01% - 1.00%
Invesco USD Corporate Bond UCITS ETF GBP Hedge			0.44%	0.58%	-0.12%	0.01%	0.01% - 1.00%
Invesco Euro Corporate Bond UCITS ETF - Class A	EUR	14/11/17	5.98%	6.24%	0.00%	0.01%	0.01% - 1.00%
Invesco Emerging Markets USD Bond UCITS ETF - Class A	USD	16/11/17	12.92%	13.35%	-0.27%	0.03%	0.01% - 1.00%
Invesco Euro Floating Rate Note UCITS ETF - Class A	EUR	18/5/18	2.44%	2.65%	-0.09%	0.00%	0.01% - 1.00%
Invesco USD Floating Rate Note UCITS ETF - Class A	USD	18/5/18	5.02%	5.09%	0.03%	0.01%	0.01% - 1.00%

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The performance of the Funds from December 2018 to 31 December 2019 for the existing Funds and from launch date to 31 December 2019 for the 18 new Funds (continued):

	Currency	Launch date	Return since launch* (%)	Index return since launch (%)	Tracking difference since launch* (%)	Realised Tracking Error p.a. since 31/12/18** (%)	Expected Tracking Error p.a. since 31/12/18 (%)
Invesco USD Floating Rate Note UCITS ETF - Class Euro Currency Hedge	USD	18/5/18	1.97%	5.02%	-2.95%	0.01%	0.01% - 1.00%
Invesco AT1 Capital Bond UCITS ETF - Class A	USD	20/6/18	18.79%	19.13%	0.04%	0.03%	0.01% - 1.00%
Invesco AT1 Capital Bond UCITS ETF - Class Euro Currency Hedge	USD	25/6/18	15.24%	18.79%	-3.55%	0.03%	0.01% - 1.00%
Invesco AT1 Capital Bond UCITS ETF - Class GBP hgd Dist Shares	USD	25/9/18	16.56%	18.79%	-2.23%	0.03%	0.01% - 1.00%
Invesco AT1 Capital Bond UCITS ETF - Class USD Unhgd Dist Shares	USD	25/9/18	18.79%	19.13%	0.04%	0.03%	0.01% - 1.00%
Invesco Variable Rate Preferred Shares UCITS ETF - Class A	USD	3/10/18	17.44%	16.53%	1.40%	0.06%	0.01% - 1.00%
Invesco Variable Rate Preferred Shares UCITS ETF - Class B	USD	10/12/18	16.85%	16.53%	0.82%	0.06%	0.01% - 1.00%
Invesco US Treasury Bond UCITS ETF	USD	11/01/19	6.82%	6.88%	-0.01%	0.01%	0.01% - 1.00%
Invesco US Treasury Bond UCITS ETF GBP Hdg Dist			0.75%	1.57%	-0.83%	0.01%	0.01% - 1.00%
Invesco US Treasury Bond 1-3 Year UCITS ETF	USD	11/01/19	3.53%	3.60%	-0.01%	0.01%	0.01% - 1.00%
Invesco US Treasury Bond 1-3 Year UCITS ETF GBP Hdg Dist			0.17%	1.06%	-0.90%	0.01%	0.01% - 1.00%
Invesco US Treasury Bond 3-7 Year UCITS ETF	USD	11/01/19	5.80%	5.88%	-0.02%	0.01%	0.01% - 1.00%
Invesco US Treasury Bond 3-7 Year UCITS ETF - Class G	USD	13/03/19	3.48%	4.92%	-1.04%	0.01%	0.01% - 1.00%
Invesco US Treasury Bond 7-10 Year UCITS ETF	USD	11/01/19	8.34%	8.43%	-0.03%	0.02%	0.01% - 1.00%
Invesco US Treasury Bond 7-10 Year UCITS ETF - Class E	USD	13/03/19	4.54%	7.09%	-2.14%	0.02%	0.01% - 1.00%
Invesco US Treasury Bond 7-10 Year UCITS ETF - Class G	USD	14/01/19	6.57%	8.34%	-1.67%	0.03%	0.01% - 1.00%
Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF	EUR	24/01/19	20.80%	20.89%	0.06%	0.01%	0.01% - 1.00%
Invesco MDAX® UCITS ETF	EUR	19/02/19	20.05%	20.60%	-0.38%	0.01%	0.01% - 1.00%
Invesco Elwood Global Blockchain UCITS ETF	USD	08/03/09	16.53%	16.90%	-0.21%	0.08%	0.01% - 1.00%
Invesco UK Gilt 1-5 Year UCITS ETF	GBP	18/03/19	0.90%	0.93%	0.01%	0.01%	0.01% - 1.00%
Invesco UK Gilts UCITS ETF	GBP	18/03/19	5.40%	5.44%	0.01%	0.03%	0.01% - 1.00%
Invesco UK Gilts UCITS ETF Acc			1.12%	1.16%	-0.01%	0.03%	0.01% - 1.00%
Invesco MSCI World ESG Universal Screened UCITS ETF	USD	13/06/19	12.32%	12.39%	0.03%	0.00%	0.01% - 1.00%
Invesco MSCI Europe ESG Universal Screened UCITS ETF	EUR	13/06/19	11.04%	11.09%	0.04%	0.00%	0.01% - 1.00%
Invesco MSCI USA ESG Universal Screened UCITS ETF	USD	13/06/19	13.59%	13.51%	0.15%	0.00%	0.01% - 1.00%
Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF	USD	30/07/19					
Invesco Euro Government Bond UCITS ETF	EUR	28/08/19	-3.62%	-3.55%	-0.04%	0.01%	0.01% - 1.00%
Invesco Euro Government Bond 1-3 Year UCITS ETF	EUR	28/08/19	-0.54%	-0.49%	-0.01%	0.00%	0.01% - 1.00%
Invesco Euro Government Bond 3-5 Year UCITS ETF	EUR	28/08/19	-1.16%	-1.14%	0.01%	0.00%	0.01% - 1.00%
Invesco Euro Government Bond 5-7 Year UCITS ETF	EUR	28/08/19	-2.06%	-2.04%	0.01%	0.00%	0.01% - 1.00%
Invesco Euro Government Bond 7-10 Year UCITS ETF	EUR	28/08/19	-3.49%	-3.46%	0.01%	0.00%	0.01% - 1.00%

Information above relates to Class A share unless otherwise noted.

* Inclusive of fees.

** The higher than expected realised tracking errors were primarily attributed to the withholding tax impact and future basis risk.

Return is for financial year ended December 2019 or since launch date if later.

Annual Report and Audited Financial Statements 2019

Realised tracking error and realised tracking difference are in line with expectations. The tracking difference between the Fund and the benchmark index/strategy is mainly driven by the management fee.

	Fund Total Return	Index Return (Masterclass for Hedge classes)	TER Impact (Fee differential for Hedge classes)	Tracking Difference	Tracking Error (Accounting Year)	Target TE
Invesco Preferred Shares UCITS ETF	16.40%	15.49%	-0.50%	1.41%	0.02% 0.01% - 1.00%	
Invesco Euro Corporate Bond UCITS ETF	5.98%	6.24%	-0.26%	0.00%	0.01% 0.01% - 1.00%	
Invesco USD Corporate Bond UCITS ETF	14.88%	15.02%	-0.16%	0.02%	0.03% 0.01% - 1.00%	
Invesco Emerging Markets USD Bond UCITS ETF	12.92%	13.35%	-0.16%	-0.27%	0.03% 0.01% - 1.00%	
Invesco Euro Floating Rate Note UCITS ETF	2.44%	2.65%	-0.12%	-0.09%	0.00% 0.01% - 1.00%	
Invesco USD Floating Rate Note UCITS ETF	5.02%	5.09%	-0.10%	0.03%	0.01% 0.01% - 1.00%	
Invesco AT1 Capital Bond UCITS ETF	1.97%	5.02%	-0.10%	-2.95%	0.01% 0.01% - 1.00%	
Invesco Variable Rate Preferred Shares UCITS ETF	18.79%	19.13%	-0.39%	0.04%	0.03% 0.01% - 1.00%	
Invesco US Treasury Bond UCITS ETF	17.44%	16.53%	-0.50%	1.40%	0.06% 0.01% - 1.00%	
Invesco US Treasury Bond 1-3 Year UCITS ETF	3.53%	3.60%	-0.06%	-0.01%	0.01% 0.01% - 1.00%	
Invesco US Treasury Bond 3-7 Year UCITS ETF	5.80%	5.88%	-0.06%	-0.02%	0.01% 0.01% - 1.00%	
Invesco US Treasury Bond 7-10 Year UCITS ETF	6.82%	6.88%	-0.06%	-0.01%	0.01% 0.01% - 1.00%	
Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF	8.34%	8.43%	-0.06%	-0.03%	0.02% 0.01% - 1.00%	
Invesco MDAX® UCITS ETF	20.80%	20.89%	-0.15%	0.06%	0.01% 0.01% - 1.00%	
Invesco Elwood Global Blockchain UCITS ETF	20.05%	20.60%	-0.17%	-0.38%	0.01% 0.01% - 1.00%	
Invesco UK Gilt 1-5 Year UCITS ETF	16.53%	16.90%	-0.53%	0.16%	0.08% 0.01% - 1.00%	
Invesco UK Gilts UCITS ETF	5.40%	5.44%	-0.05%	0.01%	0.03% 0.01% - 1.00%	
Invesco MSCI World ESG Universal Screened UCITS ETF	0.90%	0.93%	-0.05%	0.01%	0.01% 0.01% - 1.00%	
Invesco MSCI Europe ESG Universal Screened UCITS ETF	11.04%	11.09%	-0.09%	0.04%	0.00% 0.01% - 1.00%	
Invesco MSCI USA ESG Universal Screened UCITS ETF	13.59%	13.51%	-0.07%	0.15%	0.00% 0.01% - 1.00%	
Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF	12.32%	12.39%	-0.10%	0.03%	0.00% 0.01% - 1.00%	
Invesco Euro Government Bond UCITS ETF	-3.62%	-3.55%	-0.03%	-0.04%	0.01% 0.01% - 1.00%	
Invesco Euro Government Bond 1-3 Year UCITS ETF	-0.54%	-0.49%	-0.03%	-0.01%	0.00% 0.01% - 1.00%	
Invesco Euro Government Bond 3-5 Year UCITS ETF	-1.16%	-1.14%	-0.03%	0.01%	0.00% 0.01% - 1.00%	
Invesco Euro Government Bond 5-7 Year UCITS ETF	-2.06%	-2.04%	-0.03%	0.01%	0.00% 0.01% - 1.00%	
Invesco Euro Government Bond 7-10 Year UCITS ETF	-3.49%	-3.46%	-0.03%	0.01%	0.00% 0.01% - 1.00%	

Directors' Report

Annual Report and Audited Financial Statements 2019

The Directors present herewith the Annual Report and Audited Financial Statements for the financial year ended 31 December 2019.

Statement of directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the audited financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, the Companies Act 2014 (as amended) and the applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have elected to prepare the Company's financial statements in accordance with IFRS as adopted by the European Union. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014 (as amended).

In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies for the Company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Financial Statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. Please see liquidity risks outlined in note 2(d).

New funds launched during the financial year ended 31 December 2019

Invesco US Treasury Bond UCITS ETF launched on 11 January 2019
Invesco US Treasury Bond 1-3 Year UCITS ETF launched on 11 January 2019
Invesco US Treasury Bond 3-7 Year UCITS ETF launched on 11 January 2019
Invesco US Treasury Bond 7-10 Year UCITS ETF launched on 11 January 2019
Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF launched on 24 January 2019
Invesco MDAX® UCITS ETF launched on 19 February 2019
Invesco Elwood Global Blockchain UCITS ETF launched on 8 March 2019
Invesco UK Gilt 1-5 Year UCITS ETF launched on 18 March 2019
Invesco UK Gilts UCITS ETF launched on 18 March 2019
Invesco MSCI World ESG Universal Screened UCITS ETF launched on 13 June 2019
Invesco MSCI Europe ESG Universal Screened UCITS ETF launched on 13 June 2019
Invesco MSCI USA ESG Universal Screened UCITS ETF launched on 13 June 2019
Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF launched on 30 July 2019
Invesco Euro Government Bond UCITS ETF launched on 28 August 2019
Invesco Euro Government Bond 1-3 Year UCITS ETF launched on 28 August 2019
Invesco Euro Government Bond 3-5 Year UCITS ETF launched on 28 August 2019
Invesco Euro Government Bond 5-7 Year UCITS ETF launched on 28 August 2019
Invesco Euro Government Bond 7-10 Year UCITS ETF launched on 28 August 2019

The Invesco Italian PIR Multi - Asset Portfolio UCITS ETF is being prepared on a non-going concern basis and made a final redemption and closed on 16 May 2019.

Annual Report and Audited Financial Statements 2019

Statement of directors' responsibilities (continued)

The Directors are responsible for keeping adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy and which enable them to ensure that the financial statements are prepared in accordance with IFRS as adopted by the European Union and comply with the provisions of the Companies Act 2014 (as amended), the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations"), the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (as amended) (the "Central Bank UCITS Regulations"), the Listing Rules of the various stock exchanges and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In this regard, BNY Mellon Fund Services (Ireland) Designated Activity Company (the "Administrator") has been appointed for the purpose of maintaining adequate accounting records and The Bank of New York Mellon SA/NV, Dublin Branch (the "Depositary") have been appointed for the purpose of safeguarding the assets of the Company. The accounting records are maintained at the Administrator's registered offices at One Dockland Central, Guild Street, IFSC, Dublin 1, Ireland.

The Financial Statements are published on the etf.invesco.com website. The Directors are responsible for the maintenance and integrity of the financial information included on this website. Legislation in the Republic of Ireland governing the presentation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

Principal activities

The investment objective of each Fund is to seek to provide Redeemable Shareholders/Shareholders (these terms are used interchangeably throughout the Financial Statements) with a Target Performance linked to the performance of a Reference Index or Reference Asset by directly or indirectly purchasing a portfolio of transferable securities that may (but is not obliged to) comprise all or a representative sample of the constituent securities of that Reference Index or Reference Asset.

Results for the financial year

The results of operations for the financial year are set out in the Statement of Comprehensive Income on page 52.

Corporate governance statement

The European Communities (Directive 2006/46/EC) Regulations (S.I. 450 of 2009 and S.I. 83 of 2010) (the "Regulations") requires the inclusion of a corporate governance statement in the Directors' Report.

On 8 December 2015, the Board of Directors formally adopted the Corporate Governance Code for Irish Domiciled Collective Investment Schemes as published by Irish Funds ("IF"), as the Company's corporate governance code. This publication is available from the IF website (www.irishfunds.ie).

The Board of Directors has assessed the measures included in the IF Code as being consistent with its corporate governance practices and procedures for the financial year.

As at 31 December 2019, the Company is in compliance with the IF Code.

Annual Report and Audited Financial Statements 2019

Corporate governance statement (continued)

The Company is also subject to corporate governance practices imposed by:

- (i) The Companies Act 2014 (as amended) which is available for inspection at the registered office of the Company and may also be obtained at: www.irishstatutebook.ie;
- (ii) The Constitutional Documents of the Company which are available for inspection at the registered office of the Company at 32 Molesworth Street, Dublin 2, Ireland and at the Companies Registration Office in Ireland;
- (iii) The Central Bank of Ireland in the Central Bank UCITS Regulations which can be obtained from the website at: www.centralbank.ie;
- (iv) Deutsche Börse through the trading model of XETRA for shares (including ETFs) which can be obtained from the Deutsche Börse website at: www.deutscheboerse.com; and
- (v) The Irish Stock Exchange ("ISE") trading as Euronext Dublin continuing obligations requirements for open ended Funds which can be obtained from the ISE website at: www.ise.ie
- (vi) The Swiss Stock Exchange ("SIX") continuing obligations requirements for investment Funds which can be obtained from the SIX website at: www.sixswiss-exchange.com; and
- (vii) The Italian Stock Exchange ("Borsa Italiana") continuing obligations requirements for ETFs which can be obtained from the Borsa Italiana website at www.borsaitaliana.it.

By virtue of the listing on the ISE, certain Funds are admitted to trading on the London Stock Exchange ("LSE") on a "cross listing" basis. In the context, however, of corporate governance, the Funds are not subject to the listing requirements of the London Stock Exchange but instead comply with those of the ISE. In respect of Funds admitted to trading on Xetra or SIX, the Funds are listed directly with the exchanges and are required to comply with the listing requirements of the local jurisdiction. Please refer to listing details on pages 4 and 5.

Board Diversity

The Board considers that diversity in its membership is beneficial and therefore seeks to ensure that the Board's size, structure and composition, including skills, knowledge, experience and diversity is sufficient for the effective direction and control of the Company. However, as the Board is committed to appointing the most appropriate candidates as Directors of the Company, it has not set any measurable objectives in respect of this policy.

Internal control and risk management systems

The Company is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process.

The Company has procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including production of annual and semi-annual Financial Statements. The Company has appointed BNY Mellon Fund Services (Ireland) Designated Activity Company (the "Administrator") as its administrator consistent with the regulatory framework applicable to investment Fund companies such as the Company.

The Administrator has functional responsibility for the preparation of the Company's annual and semi-annual Financial Statements and the maintenance of its accounting records. On appointing the Administrator the Board of Directors (the "Board") noted that it is regulated by the Central Bank of Ireland and, in the Board's opinion, has significant experience as an administrator.

Annual Report and Audited Financial Statements 2019

Internal control and risk management systems (continued)

The Board also noted the independence of the Administrator from the Company's Investment Manager. Subject to the supervision of the Board, the appointment of the Administrator is intended to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The annual and semi-annual Financial Statements of the Company are required to be approved by the Board and filed with the Central Bank of Ireland and the relevant Stock Exchange within the relevant respective time periods. The statutory Financial Statements are required to be audited by independent auditors who report annually to the Board on their findings.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. The Board reviews the Financial Statements prior to their approval, though it should be noted that such review does not include verification of information in the Financial Statements to underlying documents. The annual Financial Statements are subject to independent audit by PricewaterhouseCoopers (the "Auditor") and the Board receives and considers a report from the Auditor as to the audit process.

This report includes observations as to the extent to which (i) the annual Financial Statements provide a true and fair view (ii) adjustments were made to the accounting records maintained by the Administrator in order to provide Financial Statements giving a true and fair view and (iii) potential significant control weaknesses identified by the Auditor during the audit process. The Auditor presents this report at the board meeting at which the Financial Statements are presented to the Board for approval. The Board also invites the Auditor to attend the board meeting prior to the commencement of the audit, at which the Auditor presents the audit plan to the Board.

Shareholders' meetings

The convening and conduct of Shareholders' meetings are governed by the constitutional documents of the Company and the Companies Act. Although the Directors may convene an extraordinary general meeting of the Company at any time, the Directors are required to convene an annual general meeting of the Company within fifteen months of the date of the previous annual general meeting.

Shareholders representing not less than one-tenth of the paid up share capital of the Company may also request the Directors to convene a Shareholders' meeting.

Not less than twenty one clear days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and fourteen clear days' notice must be given in the case of any other general meeting unless the Auditors of the Company and all the Shareholders of the Company entitled to attend and vote agree to shorter notice.

Two Shareholders present either in person or by proxy constitutes a quorum at a general meeting. Every holder of shares present in person or by proxy who votes on a show of hands is entitled to one vote and the holders of Subscriber shares shall have one vote in respect of all of the Subscriber shares in issue. On a poll, every holder of shares present in person or by proxy is entitled to one vote in respect of each share held by him.

The chairman of a general meeting of the Company or at least two Shareholders present in person or by proxy having the right to vote at the meeting or any holder or holders of shares present in person or by proxy representing at least one tenth of the shares in issue having the right to vote at such meeting may demand a poll.

Shareholders may resolve to sanction an ordinary resolution or special resolution at a Shareholders' meeting. An ordinary resolution of the Company or of the Shareholders of a particular Fund or Class requires a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. A special resolution of the Company or of the Shareholders of a particular Fund or Class requires a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the constitutional documents of the Company.

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Composition of the board of directors

Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors may not be less than two. Currently the Board is composed of four Directors.

The business of the Company is managed by the Directors.

With effect from 26 February 2019, William Manahan resigned as independent non-executive director of the company.

A Director may, and the Company Secretary of the Company on the requisition of a Director will, at any time summon a meeting of the Directors. Questions arising at any meeting of the Directors are determined by a majority of votes. In the case of an equality of votes, the chairman has a casting vote. The quorum necessary for the transaction of business at a meeting of the Directors is two.

The Board has not appointed, nor does it intend to appoint, a Director from the Company's Investment Manager as recommended in section 4.2 of the Corporate Governance Code. This decision is consistent with the Investment Manager's policy not to have a representative on the board of any entities for which it provides Investment Management services and is intended to ensure the independence of each such board. The Directors who held office at the date of these Financial Statements are:

Gary Buxton (British): Mr Buxton is the Chief Financial Officer and Chief Operating Officer of Invesco UK Services Limited, which was the promoter of the Company until 22 August 2019, and is responsible for the Investment Management group and Capital Markets. Before joining Invesco UK Services Limited, he was a Director of the Hedge Fund Development Group at Merrill Lynch (2006 – 2008). This role involved new product development, new fund creation and fund distribution with oversight of finance, legal, technology, HR and compliance. Prior to this he was in the Finance Division at Merrill Lynch (2003 - 2006) and CSFB, London (2001 – 2003) having started his career at Deloitte & Touche (1998 – 2001). Mr. Buxton has a Bachelor of Science in Economics and Politics from the University of Bristol and is a qualified Chartered Accountant (FCA).

William Manahan (Irish): Mr. Manahan has spent over thirty years in Asset Management and Asset Servicing as a Sales and Services Manager for Bank of Ireland Asset Management and was a founding Director of Bank of Ireland Securities Services. As CEO of Bank of Ireland Securities Services he set strategic direction for the business, agreed and delivered on specific goals and increased profitability on an annual basis. More recently he has acted as a Risk Advisor to the Central Bank of Ireland. Mr. Manahan is a past council member of the Irish Funds Industry Association and past Chairman of the association through 2006-2007. He currently acts as an independent Non-Executive Director to Fund companies.

With effect from 26 February 2019, William Manahan resigned as independent non-executive director of the company.

Anne-Marie King (Irish): Ms King is director of Cross Border Fund Governance at Invesco Global Asset Management DAC, as well as one of the Conducting Officers of Invesco Management SA. As Director of Cross Border Fund Governance, Anne-Marie is responsible for assisting and supporting the cross-border fund Boards and the related Luxembourg and Irish management companies in their oversight of the management and operations of the funds. The funds include Irish UCITS, Irish Exchange Traded Funds, Irish Money Market Funds and Luxembourg SICAVs and AIFs. Anne-Marie is also a member of the Invesco Global Asset Management DAC Board of Directors.

Ms King joined Invesco (then known as Investment Fund Administrators Limited, a fully owned subsidiary of GT Asset Management Ireland Limited) in September 1994, as a member of the Client Services department. Since then Anne-Marie has undertaken a number of varied and progressive roles within Invesco including: Finance, Investment Administration, Business Development and Transfer Agency. Before assuming her current position in 2013, Anne-Marie was Head of Cross Border Transfer Agency with full responsibility for transfer agency operational, control and oversight functions and the related project and product implementation. Anne-Marie graduated from Dublin Business School in 1998 and is a fellow of the Association of Chartered Certified Accountants.

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Composition of the board of directors (continued)

Barry McGrath (Irish): Mr. McGrath is an independent director and consultant to a number of Irish Funds. Prior to this, he was Head of the Investment Funds Group in Maples' Dublin office from 2008-2017. He specialised in financial services law. He was previously a senior partner with a large Irish corporate law firm. He is recommended by a number of directories, including the 2008 editions of Chambers Global, IFLR1000, PLC Which Lawyer?, The Legal 500 and Chambers Europe. Barry is a graduate of University College Dublin.

Barry has made frequent contributions to investment fund publications and is a regular speaker at both international conferences and domestic seminars, including Irish Funds (IF) events. He has been a recent contributor of articles to The Lawyer, HFM Week and Hedge Week. Barry was formerly a member of the Alternative Investment Committee of the IFIA is currently a member of the Counsel of the IFIA.

Feargal Dempsey (Irish): Mr Dempsey is an independent director and consultant to the ETF industry and serves on the boards of several management company and fund boards. He has held senior positions at Barclays Global Investors/BlackRock including Head of Product Strategy iShares EMEA, Head of Product Structuring iShares EMEA and Head of Product Governance. Previously he has also served as Head of Legal to ETF Securities and as a senior lawyer in Pioneer Investments.

Mr Dempsey holds a BA(Hons) and an LLB(Hons) from University College Galway and was admitted to the Roll of Solicitors in Ireland in 1996 and to the England and Wales Law Society in 2005. He has served on the legal and regulatory committee of the IFIA and the ETF Working Group at EFAMA.

Directors' and company secretary's interests and transactions

Apart from those noted below, there are no contracts or arrangements of any significance in relation to the business of the Company in which the Directors or Company Secretary had any interest as defined in the Companies Act 2014 (as amended) at any time during the financial year.

The Directors and Company Secretary had no beneficial interest in the Redeemable Shares of the Company at 31 December 2019 or at any time during the financial year (31 December 2018: Nil).

Barry McGrath is a Director of the Company, the Manager and Invesco Holdings Limited. Gary Buxton is a Director of the Company, the Manager and the Chief Operating Officer of Invesco UK Services Limited, which was the promoter of the Company until 22 August 2019. Anne-Marie King is a Director of the Company and the Manager and a Director of Cross Border Fund Governance at Invesco Global Asset Management DAC, as well as one of the Conducting Officers of Invesco Management SA.

Details of all related party transactions are contained in Note 11 to the Company Financial Statements.

Review of business and future developments

A review of market activities and market outlook can be found in the Investment Manager's Reports on pages 6 to 32.

The Funds will continue to pursue their investment objectives as set out in the Prospectus and Supplements.

Risk management objectives and policies

The main risks arising from the Company's financial instruments are as described in Note 2 to the Financial Statements.

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Brexit

The UK left the EU on 31 January 2020, an event commonly known as Brexit. At the date of this report discussions remain ongoing as to the precise nature of the future relationship between the UK and EU27. The Board does not believe that Brexit will present significant issues that cannot be mitigated.

The Company is part of a global group and has been committed for many years to meeting clients needs across Europe in both EU and non-EU countries. The change in the UK's status from and EU to a non-EU country will not change the Group's focus or commitment to serve its clients across Europe. The Company is monitoring developments closely through a Brexit steering committee.

Transactions with connected persons

Any transaction carried out with a UCITS by a management company or depositary to the UCITS, the delegates or sub-delegates of the management company or depositary, and any associated or group of such a management company, depositary, delegate or sub-delegate ("connected persons") must be carried out as if conducted at arm's length. Transactions must be in the best interests of the Shareholders.

The Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 41(1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons, and are satisfied that transactions with connected persons entered into during the year complied with the obligations set out in Regulation 41(1) of the Central Bank UCITS Regulations.

Directors' compliance statement

The Directors acknowledge that they are responsible for securing the Company's compliance with the relevant obligations as set out in section 225 of the Companies Act 2014 (as amended).

The Directors confirm that:

- 1) A compliance policy statement has been drawn up that sets out policies, that in our opinion are appropriate to the Company, respecting compliance by the Company with its relevant obligations;
- 2) appropriate arrangements or structures are in place that are, in our opinion, designed to secure material compliance with the Company's relevant obligations; and
- 3) during the financial year, the arrangements or structures referred to in (2) have been reviewed.

Statement of relevant audit information

The following applies in the case of each person who was a Director of the Company, as disclosed on page 41, at the time this report is approved:

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- (b) the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Annual Report and Audited Financial Statements 2019

Significant events during the financial year

The Invesco US Treasury Bond UCITS ETF, Invesco US Treasury Bond 1-3 Year UCITS ETF, Invesco US Treasury Bond 3-7 Year UCITS ETF and Invesco US Treasury Bond 7-10 Year UCITS ETF launched on 11 January 2019.

The Invesco US Treasury Bond 7-10 Year UCITS ETF launched Class G on 14 January 2019.

The Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF was launched on 24 January 2019.

The Invesco MDAX UCITS ETF was launched on 19 February 2019.

The Prospectus and all Supplements for the Funds were updated and re-issued on 25 February 2019.

The Funds migrated to the ICSD settlement model on 25 February 2019.

With effect from 26 February 2019, William Manahan resigned as independent non-executive Director of the Company.

With effect from 4 March 2019, Barry McGrath was appointed as Chairman of the Board of Directors.

The Invesco Elwood Global Blockchain UCITS ETF was launched on 8 March 2019.

The Invesco US Treasury Bond 3-7 Year UCITS ETF launched Class G and the Invesco US Treasury Bond 7-10 Year UCITS ETF launched Class E on 13 March 2019.

The Invesco UK Gilt 1-5 Year UCITS ETF and Invesco UK Gilts UCITS ETF were launched on 18 March 2019.

With effect from 18 April 2019, Feargal Dempsey was appointed as a non-executive Director of the Company.

The Invesco Italian PIR Multi - Asset Portfolio UCITS ETF made a final Redemption and closed on 16 May 2019.

The Invesco MSCI World ESG Universal Screened UCITS ETF, Invesco MSCI Europe ESG Universal Screened UCITS ETF and Invesco MSCI USA ESG Universal Screened UCITS ETF launched on 13 June 2019.

The management fee in respect of MSCI USA ESG Universal Screened UCITS ETF, the management fee charged in respect of this fund will be reduced from 0.12% per annum to 0.09% per annum of the Net Asset Value of the Shares. It is expected the change will be effective on 19 June 2019 or such later date as the Company may determine (the "Effective Date").

Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF was launched on 30 July 2019.

Invesco UK Services Limited ceased in its role as promoter to the funds on 22 August 2019.

Invesco Euro Government Bond UCITS ETF, Invesco Euro Government Bond 1-3 Year UCITS ETF, Invesco Euro Government Bond 3-5 Year UCITS ETF, Invesco Euro Government Bond 5-7 Year UCITS ETF and Invesco Euro Government Bond 7-10 Year UCITS ETF launched on 28 August 2019.

Following on from the unit holder notice dated 17 October 2019, The Bank of New York Mellon restructured the legal entities within the Bank of New York Mellon group of companies to rationalize its legal entity structure and to strengthen its operations; and merged the trustee of the fund, BNY Mellon Trust Company (Ireland) ('TCIL') into the Bank of New York Mellon SA/NV, Dublin Branch.

As at 1 December 2019, the Depository name changed from BNY Mellon Trust Company (Ireland) limited to the Bank of New York Mellon SA/NV, Dublin Branch. There were no other significant events to report for the financial year ended 31 December 2019.

Distributions

The following distributions were paid after the financial year end date:

Date	Fund	Currency	Amount
19 March 2020	Invesco Preferred Shares UCITS ETF - Class A	USD	861,255.7000
19 March 2020	Invesco Preferred Shares UCITS ETF - Class E	EUR	740,429.5400
19 March 2020	Invesco USD Floating Rate Note UCITS ETf - Class A	USD	86,843.1700
19 March 2020	Invesco USD Floating Rate Note UCITS ETf - Class E	EUR	1,639.2300
19 March 2020	Invesco AT1 Capital Bond UCITS ETF USD unhedged dis shares	USD	280,506.5600
19 March 2020	Invesco AT1 Capital Bond UCITS ETF Class E	EUR	1,870,602.7200

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Distributions (continued)

Date	Fund	Currency	Amount
19 March 2020	Invesco AT1 Capital Bond UCITS ETF - GBP hedge dist shares	GBP	15,079.1300
19 March 2020	Invesco Variable Rate Preferred Shares UCITS ETF - Class A	USD	148,588.5100
19 March 2020	Invesco MSCI Europe Catholic Values UCITS ETF - Class A	EUR	62,595.0000
19 March 2020	Invesco US Treasury Bond UCITS ETF - Class A	USD	336,645.8700
19 March 2020	Invesco US Treasury Bond UCITS ETF - Class G	GBP	2,022.9000
19 March 2020	Invesco US Treasury Bond 1-3 Year UCITS ETF - Class A	USD	70,897.7500
19 March 2020	Invesco US Treasury Bond 1-3 Year UCITS ETF - Class G	GBP	2,941.7500
19 March 2020	Invesco US Treasury Bond 7-10 Year UCITS ETF - Class A	USD	1,869,039.4500
19 March 2020	Invesco US Treasury Bond 7-10 Year UCITS ETF - Class E	EUR	1,128,517.7900
19 March 2020	Invesco US Treasury Bond 7-10 Year UCITS ETF - Class G	GBP	6,144,002.1500
19 March 2020	Invesco US Treasury Bond 3-7 Year UCITS ETF - Class A	USD	36,106.0400
19 March 2020	Invesco US Treasury Bond 3-7 Year UCITS ETF - Class G	GBP	69,128.4300
19 March 2020	Invesco UK GILTS UCITS ETF - Class A	GBP	2,167.3600
19 March 2020	Invesco UK GILT 1-5 YEAR UCITS ETF - Class A	GBP	18,277.1700
19 March 2020	Invesco Corporate Bond UCITS ETF - Class A	USD	297,689.6900
19 March 2020	Invesco Corporate Bond UCITS ETF - Class G	GBP	137,592.4200
19 March 2020	Invesco Corporate Bond UCITS ETF - Class A	EUR	91,029.5900
19 March 2020	Invesco Emerging Markets USD Bond UCITS ETF - Class A	USD	946,760.3200
19 March 2020	Invesco US Treasury Bond 0-1 Year UCITS ETF - Class A	USD	11,879.2500
19 March 2020	Invesco US Treasury Bond 0-1 Year UCITS ETF - Class G	GBP	1,690.0000

Independent auditors

In accordance with Section 383(2) of the Companies Act 2014 (as amended), PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, who were appointed during the financial year, will continue in office.

Managing the risks presented by the outbreak of Coronavirus

The spread of a new coronavirus (COVID-19) disease has caused significant volatility within the global economy and financial markets. To date, the primary focus of our response has been threefold:

- to ensure the health and safety of our employees;
- to preserve our ability to serve our clients; and
- to appropriately manage client assets in a highly dynamic market environment.

We have established cross-functional teams in each region (Americas, Asia Pacific and EMEA) that are monitoring the situation globally and regionally. These teams, which namely include representatives from Distribution, Portfolio Management, Trading, Technology/Operations, Human Resources, Business Continuity, Compliance, are taking steps to ensure an appropriate and effective response during a highly fluid situation.

We have considered whether there are any financial contingencies and have determined that there are no commitments, contingent liabilities or balances after the reporting period to be disclosed at this stage.

The directors of Invesco Markets II plc are actively monitoring the situation and, with the support of the investment manager, continue to manage the Fund's assets within its investment and risk parameters that have been established. The Directors will continue to review the situation in order to navigate through this period of heightened uncertainty. In line with IFRS, COVID-19 has been assessed as a non adjusting post balance sheet event.

Annual Report and Audited Financial Statements 2019

Managing the risks presented by the outbreak of Coronavirus (continued)

Please refer to Note 23 for full analysis on COVID-19.

There were no other significant events since the financial year end.

On Behalf of the Board of Directors

Director:

Director:

Date: 20 April 2020

Depository's Report to the Shareholders

Annual Report and Audited Financial Statements 2019

For the period from 1 January 2019 to 31 December 2019 (the "Period").

The Bank of New York Mellon SA/NV, Dublin Branch (the "Depository" "us", "we", or "our") has enquired into the conduct of Invesco Markets II plc (the "Company") for the Period, in its capacity as Depository to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company, in accordance with our role as Depository to the Company and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Responsibilities of the Depository

Our duties and responsibilities are outlined in Regulation 34 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), as amended (the "Regulations").

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company's constitutional documentation and the Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not been so managed, we as Depository must state in what respects it has not been so managed and the steps which we have taken in respect thereof.

Basis of Depository Opinion

The Depository conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the Period, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional documentation and the Regulations; and

(ii) otherwise in accordance with the provisions of the constitutional documentation and the Regulations.

For and on behalf of The Bank of New York Mellon SA/NV,
Dublin Branch,
Riverside II,
Sir John Rogerson's Quay,
Grand Canal Dock,
Dublin 2,
Ireland

Dated 20 April 2020

Independent auditors' report to the members of Invesco Markets II Plc

Report on the audit of the financial statements

Opinion

In our opinion, Invesco Markets II plc's financial statements:

- give a true and fair view of the Company's and Funds' (as listed on page 2) assets, liabilities and financial position as at 31 December 2019 and of their results and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 (as amended) and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Annual report and audited Financial Statements, which comprise:

- the Statement of Financial Position as at 31 December 2019;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares for the year then ended;
- the Schedule of Investments for each of the Funds as at 31 December 2019; and
- the Notes to the Financial Statements for the Company and for each of its Funds, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Directors of the Company.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standards as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by IAASA's Ethical Standards were not provided to the Company.

Other than those disclosed in note 11, we have provided no non-audit services to the Company in the period from 1 January 2019 to 31 December 2019.

Annual Report and Audited Financial Statements 2019

Our audit approach

Overview



Materiality

- Overall materiality: 0.50% of Net Assets Value ("NAV") at 31 December 2019 for each of the Company's Funds.

Audit scope

- The Company is an open-ended investment Company with variable capital and engages Invesco Investment Management Limited (the "Manager") to manage certain duties and responsibilities with regards to the day-to-day management of the Company. We tailored the scope of our audit taking into account the types of investments within the Funds, the involvement of the third parties referred to below, the accounting processes and controls, and the industry in which the Company operates. We look at each of the Funds at an individual level.

Key audit matters

- Existence and valuation of financial assets and liabilities at fair value through profit and loss.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example the selection of pricing sources to value the investment portfolio. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter

Existence and valuation of financial assets and liabilities at fair value through profit and loss

Refer to the Schedule of investments and the accounting policies set out in note 1.

The financial assets and liabilities at fair value through profit or loss included in the Statement of Financial Position as at 31 December 2019 are valued at fair value in line with IFRS as adopted by the EU.

This is considered a key audit matter as it represents the principal element of the financial statements.

How our audit addressed the key audit matter

We obtained independent confirmation from the Depository of the investment portfolio held as at 31 December 2019, agreeing the amounts held to the accounting records.

We tested the valuation of the investment portfolio by independently agreeing the valuation of financial assets and liabilities as per the schedule of investments to third party vendor sources.

No material misstatements were identified as a result of the procedures we performed.

Annual Report and Audited Financial Statements 2019

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

As at 31 December 2019 there are nine Funds operating. The Company's Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows and Statement of changes in net assets attributable to holders of redeemable shares are an aggregation of the positions and results of the Funds.

The directors control the affairs of the Company and are responsible for the overall investment policy which is determined by them. The Company engages the Manager to manage certain duties and responsibilities with regards to the day to day management of the Company. The Manager has delegated certain responsibilities to Invesco PowerShares Capital Management LLC (the 'Investment Manager') and to BNY Mellon Fund Services (Ireland) DAC (the 'Administrator'). The financial statements, which remain the responsibility of the directors, are prepared on their behalf by the Administrator. The Company has appointed The Bank of New York Mellon SA/NV, Dublin Branch (the "Depository") to act as Depository of the Company's assets. In establishing the overall approach to our audit we assessed the risk of material misstatement at a sub-fund level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the Administrator, and we assessed the control environment in place at the Administrator.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements of each of the Company's Funds as follows:

<i>Overall materiality and how we determined it</i>	0.50% (2018: 0.50%) of Net Assets Value ("NAV") at 31 December 2018 for each of the Company's Funds.
<i>Rationale for benchmark applied</i>	We have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.

We agreed with the Directors of the Company that we would report to them misstatements identified during our audit above 5 basis points of each fund's NAV, for NAV per share impacting differences (2017: 5 basis points of each fund's NAV, for NAV per share impacting differences) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's and Funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's and Funds' ability to continue as going concerns.

Annual Report and Audited Financial Statements 2019

Reporting on other information

The other information comprises all of the information in the Annual report and audited Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 (as amended) have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 (as amended) require us to also report certain opinions and matters as described below:

Directors' Report

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Corporate governance statement

- In our opinion, based on the work undertaken in the course of the audit of the financial statements, the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement, is consistent with the financial statements and has been prepared in accordance with section 1373(2)(c) of the Companies Act 2014 (as amended).
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit of the financial statements, we have not identified material misstatements in the description of the main features of the internal control and risk management systems in relation to the financial reporting process included in the Corporate Governance Statement.
- In our opinion, based on the work undertaken during the course of the audit of the financial statements, the information required by section 1373(2)(a),(b),(e) and (f) of the Companies Act 2014 (as amended) and regulation 6 of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 is contained in the Corporate Governance Statement.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 36, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's and Funds' ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Annual Report and Audited Financial Statements 2019

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 (as amended) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2014 (as amended) opinions on other matters

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

Companies Act 2014 (as amended) exception reporting

Directors' remuneration and transactions

Under the Companies Act 2014 (as amended) we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Appointment

We were appointed by the directors on 14 November 2016 to audit the financial statements for the year ended 31 December 2016 and subsequent financial periods. The period of total uninterrupted engagement is 3 years, covering the years ended 31 December 2016 to 31 December 2019.

Damian Neylin
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
28 April 2020

Financial Statements of the Company

Annual Report and Audited Financial Statements 2019

Financial Statements of the Company for the financial year ended 31 December 2019

Statement of Comprehensive Income

	Notes	Financial year ended 31 December 2019 EUR	Financial year ended 31 December 2018 EUR
Income			
Dividend Income	3	28,618,116	10,862,262
Interest Income	3	369,854	428,109
Stock lending income		89,519	-
Interest from financial assets at fair value through profit and loss	3	62,229,274	10,714,093
Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss	4	212,692,729	(42,367,932)
Total investment income/(expense)		303,999,492	(20,363,468)
Operating expenses	5	(6,392,559)	(1,700,907)
Net income/(expense)		297,606,933	(22,064,375)
Finance costs			
Distributions	1(k)	(46,150,968)	(15,961,191)
Interest expense		(480,832)	(429,517)
Profit/(loss) for the year before tax		250,975,133	(38,455,083)
Non-reclaimable withholding tax		(3,945,983)	(1,279,314)
Profit/(loss) for the financial year		247,029,150	(39,734,397)
Increase/(decrease) in Net Assets Attributable to Holders of Redeemable Shares		247,029,150	(39,734,397)

There are no recognised gains or losses arising in the financial year other than the increase/(decrease) in Net Assets Attributable to Holders of Redeemable Shares of the Company. In arriving at the results of the financial year, all amounts above relate to continuing operations for year ended 31 December 2019 including the Invesco Italian PIR Multi - Asset Portfolio UCITS ETF up to closure date 16 May 2019.

The accompanying notes form an integral part of the Financial Statements.

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Financial Statements of the Company as at 31 December 2019

Statement of Financial Position

	Notes	As at 31 December 2019 EUR	As at 31 December 2018 EUR
Current Assets			
Assets at fair value through profit or loss			
Financial assets at fair value through profit or loss	1(c)	4,021,387,627	448,742,718
Financial Instruments			
Cash and cash equivalents	7	1,667,578	5,488,704
Balances due from brokers		314,638	3,883,659
Dividend income receivable	9	1,697,706	351,315
Interest from financial assets at fair value through profit and loss receivable	9	25,900,976	4,353,145
Variation margin receivable	9	97	-
Accrued income and other receivable	9	1,102,802	-
Total Current Assets		4,052,071,424	462,819,541
Current Liabilities			
Liabilities at fair value through profit or loss			
Financial liabilities at fair value through profit or loss		(1,057,850)	(4,661)
Other financial liabilities			
Bank overdraft	8	(83,803)	-
Balances due to brokers		(1,670,035)	(4,419,921)
Creditors (amounts falling due within one year)	10	(920,099)	(165,297)
Total Current Liabilities (excluding Net Assets Attributable to Holders of Redeemable Shares)		(3,731,787)	(4,589,879)
Net Assets Attributable to Holders of Redeemable Shares		4,048,339,637	458,229,662

The accompanying notes form an integral part of the Financial Statements.

On Behalf of the Board of Directors

Director:

Director:

Date: 20 April 2020

Annual Report and Audited Financial Statements 2019

Financial Statements of the Company as at 31 December 2019

Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares

	Financial year ended 31 December 2019 EUR	Financial year ended 31 December 2018 EUR
Net Assets Attributable to Holders of Redeemable Shares at the beginning of the financial year	458,229,662	412,113,335
Notional foreign exchange adjustment*	(2,051,717)	14,978,074
Increase in Net Assets Attributable to Holders of Redeemable Shares from operations	247,029,150	(39,734,397)
Amounts received on issue of Redeemable Shares	4,159,578,260	460,552,195
Amounts paid on redemption of Redeemable Shares	(814,445,718)	(389,679,545)
Increase in Net Assets resulting from Share transactions	3,345,132,542	70,872,650
Net Assets Attributable to Holders of Redeemable Shares at the end of the financial year	4,048,339,637	458,229,662

* The notional foreign exchange adjustment arises from the translation of opening net assets translated at financial year end 31 December 2019 rates, from the Statement of Comprehensive Income being translated at average rates with the closing assets and liabilities translated at the rates of exchange ruling at 31 December 2019.

The accompanying notes form an integral part of the Financial Statements.

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Financial Statements of the Company for the financial year ended 31 December 2019

Statement of Cash Flows

	Notes	Financial year ended 31 December 2019 EUR	Financial year ended 31 December 2018 EUR
Cash flows from operating activities			
Proceeds from sale of investments		2,058,671,612	339,158,903
Purchase of investments		(5,413,160,572)	(410,427,306)
Realised losses on futures		(1,773)	-
Realised losses on foreign currency transactions		(12,248,961)	(726,719)
Unrealised gains/(losses) on foreign currency transactions		981	(20)
Dividend income received		27,272,813	10,937,127
Interest income received		369,854	428,109
Stock lending income		147,016	-
Interest from Financial Assets at FVTPL received		46,372,647	11,119,880
Variation margin receivable		(97)	-
Balances due from brokers		3,647,630	(692,714)
Balances due to brokers		(2,824,772)	607,849
Management fees paid		(6,805,027)	(1,655,445)
Other payables		3,498	-
Non-reclaimable withholding tax		(3,945,984)	(1,279,314)
Net cash outflow from operating activities		(3,302,501,135)	(52,529,650)
Cash flows from financing activities			
Distributions paid		(46,150,968)	(15,961,191)
Interest paid		(480,832)	(429,517)
Proceeds from issue of Redeemable Shares		4,181,068,250	460,552,195
Payments of redemptions of redeemable shares		(835,935,707)	(389,679,545)
Net cash inflow from financing activities		3,298,500,743	54,481,942
Net (decrease)/increase in cash and cash equivalents		(4,000,392)	1,952,292
Cash and cash equivalents at beginning of the financial year		5,488,704	3,403,920
Exchange gains on cash and cash equivalents		95,463	132,492
Cash and cash equivalents (including bank overdraft) at the end of the financial year	7	1,583,775	5,488,704

The accompanying notes form an integral part of the Financial Statements.

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Notes to the Financial Statements

For the financial year ended 31 December 2019

1. Significant accounting policies

A) Basis of preparation

These Financial Statements have been prepared on a going concern basis and are in accordance with International Financial Reporting Standards (IFRS) and the International Financial Reporting Interpretations Committee (IFRIC) interpretations endorsed by the European Union (EU) and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertaking for Collective Investment in Transferable Securities (Amendment) Regulation 2019 (the "Central Bank UCITS Regulations"). The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities held at fair value through profit or loss. The significant accounting policies are set out below.

The preparation of Financial Statements in conformity with IFRS, as adopted by the EU, requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Notes 1 C) (iii) and 1 D).

All fees associated with the final redemption of the Invesco Italian PIR Multi - Asset Portfolio UCITS ETF was borne by the Manager, Invesco Investment Management Limited. This basis of preparation for this fund is on a termination basis.

International Financial Reporting Standards

- IFRS 9 provides guidance on the classification, measurement, recognition and derecognition of financial instruments.

Under IFRS 9, classification and measurement of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financials asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represents payments of principal and interest ("SPPI").

A debt instrument is measured at fair value through comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

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1. Significant accounting policies (continued)

A) Basis of preparation (continued)

International Financial Reporting Standards (continued)

Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.

The Company's financial assets and liabilities continue to be initially recorded at their transaction price and then measured at fair value subsequent to initial recognition. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statements of Comprehensive Income in the period in which they arise.

Financial assets classified as receivables are carried at cost less impairment losses, if any. Financial liabilities, other than those at fair value through profit or loss, are measured at cost. Financial liabilities arising from redeemable shares issued by the Company are carried at the redemption amount representing the investors' right to a residual amount of the Company's Net Assets Attributable to Holders of Redeemable Participating Shares ("Net Assets").

This Standard is effective from January 1, 2019

- IFRIC 23, on 7 June 2017, the IFRS Interpretations Committee (IFRS IC) issued IFRIC 23, which clarifies how the recognition and measurement requirements of IAS 12 Income taxes are applied where there is uncertainty over income tax treatments.

The IFRS IC had clarified previously that IAS 12, not IAS 37 Provisions, contingent liabilities and contingent assets, applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

As at 31 December 2019 and 31 December 2018 the Company had no uncertain income tax positions and therefore IFRIC 23 has not had any material impact on the Company's financial statements.

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1. Significant accounting policies (continued)

B) Foreign currency translation

Functional and presentation currency

The Board of Directors considers the Euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

The Financial Statements of the Company are presented in Euro, which is both the functional and presentation currency.

Each individual Fund's functional currency is disclosed on pages 3 and 4.

Transactions and balances

Foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognised together with other changes in the fair value. Net currency gains/(losses) are net foreign exchange gains and losses on monetary financial assets and liabilities other than those classified at fair value through profit or loss.

Assets and liabilities denominated in foreign currencies, other than the functional currency of the Company, have been translated at the rate of exchange ruling at 31 December 2019. Transactions in foreign currencies are translated into Euro at the exchange rate ruling at the date of the transaction. All gains and losses on foreign exchange are recognised in the Statements of Comprehensive Income in net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss in determining the result for the financial year.

The following exchange rates were used to convert investments, assets and liabilities to the functional currency of the Company:

	31 December 2019	31 December 2018
EUR		
Sterling	0.847314	0.897585
US Dollar	1.122500	1.143165

	31 December 2019	31 December 2018
GBP		
Euro	1.180199	1.114100
US Dollar	1.324750	1.273600

	31 December 2019	31 December 2018
USD		
Euro	0.890885	0.874764
Sterling	0.754859	0.785176

For the financial year ended 31 December 2019, the average exchange rates used to convert the Company totals to Euro were 0.876447 for Sterling and 1.119240 for US Dollar.

For the financial year ended 31 December 2018, for Invesco Preferred Shares UCITS ETF, Invesco USD Corporate Bond UCITS ETF, Invesco Euro Corporate Bond UCITS ETF and Invesco Emerging Markets USD Bond UCITS ETF the average exchange rates used to convert the Company totals to Euro were 1.180580 for Sterling and 0.854753 for US Dollar.

C) Financial assets and financial liabilities at fair value through profit or loss

(i) Classification

IFRS 9 sets out three potential categories for financial assets. These are amortised cost, fair value through other comprehensive income, and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A debt instrument is measured at fair value through comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Pursuant to IFRS 9, a portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Company is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. In addition, a portfolio of financial assets that meets the definition of held for trading is not held to collect contractual cash flows or held both to collect contractual cash flows and to sell financial assets. For such portfolios, the collection of contractual cash flows is only incidental to achieving the business model's objective. Consequently, such portfolios of financial assets must be measured at FVTPL.

The carrying amounts of cash and cash equivalents, accrued interest income from financial assets at fair value through profit or loss, amounts due from/to brokers, accrued management fees and distributions payable is approximate fair value due to the immediate or short term nature of these financial instruments.

Annual Report and Audited Financial Statements 2019

1. Significant accounting policies (continued)

C) Financial assets and financial liabilities at fair value through profit or loss (continued)

(i) Classification (continued)

The Company's financial assets and liabilities are initially recorded at their transaction price and then measured at fair value subsequent to initial recognition. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the financial year in which they arise.

Financial assets were categorised as loans and receivables included cash at bank which is generally short term in nature.

Financial liabilities that were not at fair value through profit or loss include securities purchased payable, redemptions payable, distributions payable, bank overdrafts, accounts payable and financial liabilities arising on redeemable shares.

All of the Funds' investments are classified as financial assets and financial liabilities at fair value through profit or loss as at 31 December 2019 and 31 December 2018.

(ii) Recognition, derecognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date. Any gains and losses, arising from changes in fair value of the financial assets or financial liabilities, are recorded from this date.

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument, and all significant rights and access to the benefits from the assets or liabilities, and the exposure to the risks inherent in those benefits, are transferred to the Company. The Company derecognises financial assets and financial liabilities when all such benefits and risks are transferred from the Company. Investment transactions are recorded on a trade date basis. Realised gains and losses are based on the high cost method for all Funds.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statements of Comprehensive Income with other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the financial year in which they arise.

(iii) Valuation of Investments

The estimation of fair value, after initial recognition, is determined as follows:

Listed investments

The fair value of investments which are quoted, listed, traded or dealt with on a market or exchange are based on quoted prices which, for the purpose of the Financial Statements, is the last traded market price for preferred shares and equities and the bid price for debt securities, comprising corporate bonds and government bonds.

Realised gains or losses on disposal of investments during the financial year and unrealised gains and losses on valuation of investments held at the financial year-end are included in the Statements of Comprehensive Income, within net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss.

The fixed income securities on all sub-funds were priced at Evaluated Bid (with the exception of Variable Rate Preferred Shares UCITS ETF and Italian PIR Multi-Asset Portfolio UCITS ETF (terminated) that were are priced at Evaluated Mid during the financial reporting period).

A forward currency contract involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward currency contracts are valued by reference to the forward price at which a new forward contract at the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward currency contracts is calculated as the difference between the contract rate and the forward price, and is recognised in the Statement of comprehensive income.

(iv) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously. No such offsetting has occurred as at 31 December 2019 or 31 December 2018.

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1. Significant accounting policies (continued)

D) Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There were no estimates and assumptions that had a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities as of the financial year end date.

All of the Funds' financial assets and financial liabilities were held for the purpose of being traded at fair value through profit or loss.

The application of IFRS 9 and the classification of the financial assets at FVTPL is a key judgement applied by management.

Debt Securities

The fair value of debt securities are based on evaluated bid prices at the Statement of Financial Position date. Variable Rate Preferred Shares UCITS ETF and Italian PIR Multi-Asset Portfolio UCITS ETF (terminated) fixed income securities are priced at Evaluated Mid prices. The market prices are obtained from reputable pricing sources. The Company would exercise judgement on the quantity and quality of pricing sources used. Where no market price is available the Company will determine the fair value using valuation techniques. These valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation techniques used by market participants. There were no debt securities valued using such valuation techniques at current or prior year end.

E) Fees and expenses

In accordance with the Prospectus the management fees were charged to the Statements of Comprehensive Income on an accruals basis. Other than the management fees, all fees and expenses incurred by the Funds including those payable to the Investment Manager, the Depositary, the Administrator, the Auditor and the Directors were paid by the Manager (or the Promoter up until 22 August 2019).

F) Cash and cash equivalents

As at 31 December 2019 and 31 December 2018, Cash in all Funds was held on deposit with The Bank of New York Mellon SA/NV, Dublin Branch. Details are disclosed in the Cash and Cash Equivalents note of the individual Fund's Financial Statements.

G) Redeemable shares

Redeemable Shares are redeemable at the Shareholders' option and are classified as financial liabilities. Any distributions on these shares are recognised in the Statements of Comprehensive Income as finance costs.

H) Fair value of net assets attributable to redeemable shareholders

In accordance with the provisions of the Prospectus and Supplements, debt securities, comprising corporate bonds and government bonds, are valued at bid price and preferred shares are valued at last traded market price on the valuation day for the purpose of determining the net asset value per share for subscriptions and redemptions and for various fee calculations.

I) Segment reporting

Operating Segments are reported in a manner consistent with the internal reporting used by the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocation of resources and assessing the performance of the operating segment has been identified as the Board of Directors. The Board of Directors make the strategic resource allocations on behalf of the Company. Each Fund is managed as one operating segment.

J) Valuation point

The valuation point used for the purposes of the Financial Statements is that of 31 December 2019.

The valuation point for the comparative financial year used for the purposes of the Financial Statements is that of 31 December 2018 the last Business Day of that financial year.

K) Distributions

The dividend arrangements relating to each Fund will be decided by the Directors at the time of the creation of the relevant Fund and details are set out where applicable in the relevant Supplement.

Under the Articles, the Directors are entitled to declare such dividends on any Class of Shares at such times as they think appropriate and as appear to be justified out of the profits of the relevant Fund, being (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses and/or (ii) realised and unrealised capital gains on the disposal/valuation of investments and other Funds less realised and unrealised accumulated capital losses of the relevant Fund and/or the capital of the relevant Fund. Where the dividends will be paid out of the capital of the relevant Fund, this will be disclosed in the relevant Supplement.

The Company total distributions figure should not be read in isolation, it is merely a consolidation of the Funds. Distributions should be viewed on a Fund level. There has not been an over distribution at Company level.

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1. Significant accounting policies (continued)

L) Dividend income

Dividends are credited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as "ex-dividend". Dividend income is shown gross of any non-reclaimable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income, and net of any tax credits. Recoverable taxes if any are accounted for on a cash receipts basis.

M) Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers or dealers. Transaction costs, when incurred, are included as part of the cost of such purchases.

N) Interest Income and Interest from financial assets at FVTPL/Interest Income receivable and Interest from financial assets at FVTPL receivable

Interest income is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents.

Interest from financial assets at fair value through profit and loss ("FVTPL") is accrued on an effective yield basis and recognised in the Statement of Comprehensive Income. Interest on securities includes interest and discount earned (net of premium), which is the difference between the face value and the original cost, including original issue discount.

Interest earned whilst holding investment securities is reported as Interest from financial assets at FVTPL in the Statement of Comprehensive Income, whilst interest due to the Fund is reported as Interest from financial assets at FVTPL receivable in the Statement of Financial Position.

O) Balances due from/to brokers

Amounts due from/to brokers represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered or settled as at year end.

P) Setting up costs

The cost of establishing the Company and the Funds (including fees in connection with the incorporation and registration of the Company, listing the Funds on the relevant stock exchanges and registering the Funds for sale in other jurisdictions) will be paid by Invesco Investment Management Limited (the "Manager") and up until 22 August 2019 for Invesco UK Services Limited (the "Promoter"). The cost of establishing subsequent Funds will also be paid by the Manager unless otherwise provided in the Supplement for the relevant Fund.

Q) Related and connected persons disclosure

Persons are considered to be related if one person has the ability to control the other party or exercise significant influence over the other person in making financial or operational decisions.

Any transaction carried out with a UCITS by a management company or depositary to the UCITS, the delegates or sub-delegates of the management company or trustee, and any associated or group of such a management company, depositary, delegate or sub-delegate ("connected persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the shareholders.

The Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons, and are satisfied that transactions with connected persons entered into during the financial year complied with the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations.

Transactions involving related persons are presented in Note 11.

R) Forward foreign currency contracts

A forward agreement is a customised, bilateral agreement to exchange an asset or cash flows at a specified future settlement date at a forward price agreed on the trade date. One party to the forward is the buyer (long), who agrees to pay the forward price on the settlement date; the other is the seller (short), who agrees to receive the forward price. Forward currency contracts could be used to hedge against currency risk that has resulted from assets held by the Fund that are not in the Base Currency. A Fund, may, for example, use forward currency contracts by selling forward a foreign currency against the Base Currency to protect the Fund from foreign exchange rate risk that has risen from holding assets in that currency.

S) Open Exchange Traded Futures contracts

Open exchange traded futures contracts ('futures') are fair valued at the official exchange traded price at the close of business on the valuation day to approximate fair value. The fair value, less purchase price, represents the net unrealised gain or loss attributable to these open positions, and is included in the statement of financial position. The difference in the unrealised gain or loss between the current year and the prior year represents the net change in unrealised gain or loss, and is included in the Statement of Comprehensive Income

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2. Financial risks

As defined by IFRS 7 'Financial Instrument Disclosures', risk arising on financial instruments can be separated into the following components: Market Risk, Credit Risk and Liquidity Risk.

Each type of risk is discussed below and both qualitative and quantitative analyses are provided, where relevant, to give the reader an understanding of risk management methods used by the Investment Manager and reviewed by the Directors of the Company.

The main risks arising from the Funds' financial instruments are market risk, credit risk and liquidity risk.

The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise any discrepancy between the performance of the Funds and the performance of the respective benchmarks.

The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the Company are discussed below.

A) General

The risk monitoring process is the responsibility of the Company which has delegated this responsibility to the Manager and the Investment Manager.

The Company's investment objective is that each Fund will seek to provide shareholders with a target performance linked to the performance of a reference index or reference asset by purchasing a portfolio of transferable securities that may (but is not obliged to) comprise all or a representative sample of the constituent securities of that reference index or reference asset.

The Investment Manager is responsible for the operation of the risk management process, including the measurement of risk of each Fund's portfolio at any given time.

The Investment Manager will report in writing confirming compliance with the guidelines laid down in the Risk Management Policy document and the Prospectus, at least monthly to the named Designated Person, and will reported to the Board of Directors at least quarterly.

B) Market risk

Market risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices. Market risk comprises the three following types of risk:

- interest rate risk;
- currency risk; and
- other price risk;

As the Funds' strategy is to passively track the respective reference indices or reference strategies, the Investment Manager aims to verify and ensure that the individual market risks to which the Funds are exposed are in line with the risks of the relevant reference index or reference strategy.

(i) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and the future cash flows.

The quantitative disclosures are contained in Note 2 to the individual Fund's Financial Statements.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and non-monetary liabilities to be a component of other price risk not foreign currency risk.

Monetary items are units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency. Non-monetary items are any other assets and liabilities other than monetary ones.

Since there are no foreign cash balances held by the Depositary, the risk in relation to monetary assets is insignificant. The Funds, in line with the securities comprising their underlying indices, are exposed to the currency risk of the respective reference index/strategy. The Investment Manager monitors the Funds' currency risk to ensure that it replicates that of the securities comprising the underlying index.

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2. Financial risks (continued)

B) Market risk (continued)

(iii) Other price risk

Other price risk is the risk that the value of investments will fluctuate as a result of changes in market price (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or similar financial instruments traded in the market. For each Fund this risk is in line with the risk of the reference index.

C) Credit risk

Credit risk is the risk that one party to a financial instrument or other obligation will cause a financial loss for the other party by failing to discharge an obligation.

The Company's Depository is The Bank of New York Mellon, SA/NV, Dublin Branch (the "Depository"). The Company may hold cash balances with the Depository.

As at 31 December 2019 and 31 December 2018, all of the cash assets are held with The Bank of New York Mellon, SA/NV, Dublin Branch. Cash deposited with BNYM is held on its Statement of Financial Position.

Accordingly, in accordance with usual banking practice, the Bank's liability to the Company in respect of such cash deposits shall be that of debtor and the Company will rank as a general creditor of BNYM.

The financial instruments held in custody are held with the Depository The Bank of New York Mellon SA/NV, Dublin Branch. These assets are held distinct and separately from the proprietary assets of the Depository. Securities are clearly recorded to ensure they are held on behalf of the Company. Bankruptcy or insolvency of the Depository and or one of its agents or affiliates may cause the Company's rights with respect to the securities held by the Depository to be delayed.

Both The Bank of New York Mellon, SA/NV, Dublin Branch (Ireland) Limited and BNY Mellon Fund Services (Ireland) DAC are wholly owned subsidiaries of BNY Mellon Corporation. As at 31 December 2019 BNY Mellon Corporation had a long term rating from Standard & Poor's of A (31 December 2018: A).

Risk is managed by monitoring the credit quality and financial positions of the Depository the Company uses.

As already mentioned, the Company's non-cash assets held by the Depository are segregated from the proprietary assets of the Depository and are held in accounts in the name of the Depository designated for the Company.

The Company is exposed to credit risk through the use of a Depository or sub-custodian. The bankruptcy or insolvency of any of these parties may cause the Company's rights with respect to its assets held by these entities to be delayed or limited.

D) Liquidity risk

Liquidity risk is the risk that a Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Liquidity risk exists when a particular instrument is difficult to purchase or sell.

Liquidity is managed by investing predominantly in UCITS eligible listed securities that are traded in an active market and can be readily disposed. The Company has therefore limited exposure to liquidity risk.

Redeemable Shares are redeemed on demand at the Shareholder's option.

The Company has the discretion in circumstances set out in the Prospectus to temporarily suspend the calculation of the Net Asset Value of any Fund and the subscription, redemption or exchange of Shares.

The quantitative disclosures are contained in Note 2 to the individual Fund's Financial Statements.

E) Secondary market trading risk

Even though the Shares may be listed on one or more relevant stock exchanges, there can be no certainty that there will be liquidity in the Shares on any relevant stock exchange or that the market price at which the Shares may be traded on a relevant stock exchange will be the same as or approximately equal to the Net Asset Value per Share.

As the Shares may be dealt in by means of subscription and redemption, the Directors consider that large discounts or premiums in the Net Asset Value of a Fund would not be sustainable. There can be no guarantee that once the Shares are listed on a relevant stock exchange they will remain listed or that the conditions of listing will not change. Trading in Shares on a relevant stock exchange may be halted or suspended due to market conditions or for the reason that, in the relevant stock exchange's view, trading in the Shares is inadvisable, or otherwise pursuant to the relevant stock exchange's rules. If trading on a relevant stock exchange is halted, investors may not be able to sell their Shares until trading resumes however such investors should be able to apply to the Company to redeem Shares in accordance with the provisions set out in the Prospectus.

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2. Financial risks (continued)

F) Capital risk management

The capital of the Funds is represented by the net assets attributable to holders of Redeemable Shares. The amount of net assets attributable to holders of Redeemable Shares could change significantly on a daily basis as the Funds are subject to subscriptions and redemptions at the discretion of the Shareholders.

The Funds' individual objectives when managing capital is to safeguard each Fund's ability to continue as a going concern in order to provide returns for Shareholders and to maintain a strong capital base to support the development of the investment activities of the Funds.

G) Fair value information

IFRS 13 Fair Value Measurement requires disclosure relating to the fair value hierarchy in which fair value measurements are categorised for assets and liabilities in the Statement of Financial Position. The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). The Funds have not invested in such instruments during the financial year.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The Funds consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The fair value of financial assets and liabilities traded in an active market (such as trading securities) are based on quoted market prices at the close of trading on the financial year-end date.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

In the event that market quotes are not readily available for either of these inputs the value of the relevant input will be determined in good faith by the Administrator or another independent service provider, generally based upon recommendations provided by the Investment Manager.

The carrying values of other receivables and payables are assumed to approximate their fair value.

The quantitative disclosures are contained in Note 2 to the individual Fund's Financial Statements.

3. Income

	Financial year ended 31 December 2019 EUR	Financial year ended 31 December 2018 EUR
Dividend income	28,618,116	10,862,262
Interest income	369,854	428,109
Stock lending income	89,519	-
Interest from financial assets at fair value through profit and loss	62,229,274	10,714,093
	91,306,763	22,004,464

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4. Net gains/(losses) on financial assets and liabilities at fair value through profit or loss

	Financial year ended 31 December 2019 EUR	Financial year ended 31 December 2018 EUR
Realised gains/(losses) on sale of investments	13,383,421	(13,592,793)
Realised losses on future	(1,773)	-
Realised losses on foreign currency transactions	(12,248,961)	(726,718)
Net change in unrealised appreciation/(depreciation) on investments	174,390,961	(28,133,937)
Net change in unrealised depreciation on future	(441)	-
Net change in unrealised appreciation on foreign currency transactions	37,169,522	85,516
	212,692,729	(42,367,932)

5. Operating expenses

	Financial year ended 31 December 2019 EUR	Financial year ended 31 December 2018 EUR
Management fees	6,392,559	1,700,907
	6,392,559	1,700,907

All other expenses are paid by the Manager. These expenses included Directors fees of EUR 46,250 (inclusive of PAYE) (31 December 2018: EUR 20,000).

6. Management fees

The Management Fee, a percentage of the Net Asset Value of the relevant Class of Shares, is payable by the Company out of the assets of the Fund to the Manager. The Management Fee accrued on each day and was calculated on each Dealing Day and paid monthly in arrears. The Manager paid out of its fees (and not out of the assets of the Fund) the fees and expenses (where appropriate) of the Investment Manager, the Administrator, the Depositary, the Directors, the Auditors and the ordinary fees, expenses and costs incurred by the Fund that include setting up costs and other administrative expenses as described in the Prospectus.

The fees in the following table are expressed as a percentage per annum of the Fund's net asset value.

Fund	% Rate per Annum
Invesco Preferred Shares UCITS ETF - Class US Dollar Accumulation	0.50
Invesco Preferred Shares UCITS ETF - Class US Dollar Distribution	0.50
Invesco Preferred Shares UCITS ETF - Class Euro Currency Hedge	0.55
Invesco Preferred Shares UCITS ETF - Class CHF Currency Hedge	0.55
Invesco USD Corporate Bond UCITS ETF - Class A	0.16
Invesco USD Corporate Bond UCITS ETF - Class Sterling Currency Hedged	0.20
Invesco Euro Corporate Bond UCITS ETF - Class A	0.16
Invesco Emerging Markets USD Bond UCITS - Class A	0.35
Invesco Euro Floating Rate Note UCITS ETF - Class A	0.12
Invesco USD Floating Rate Note UCITS ETF - Class A	0.10
Invesco USD Floating Rate Note UCITS ETF - Class Euro Currency Hedge	0.12
Invesco AT1 Capital Bond UCITS ETF - Class A	0.39
Invesco AT1 Capital Bond UCITS ETF - Class Euro Currency Hedge	0.39
Invesco AT1 Capital Bond UCITS ETF - Class US Dollar Unhedged	0.39
Invesco AT1 Capital Bond UCITS ETF - Class Sterling Currency Unhedged	0.39
Invesco Variable Rate Preferred Shares UCITS ETF - Class US Dollar Accumulation	0.50
Invesco Variable Rate Preferred Shares UCITS ETF - Class US Dollar Distribution	0.50
Invesco US Treasury Bond UCITS ETF - Class A	0.06
Invesco US Treasury Bond UCITS ETF - Class Sterling Currency Hedge	0.10
Invesco US Treasury Bond 1-3 Year UCITS ETF - Class A	0.06
Invesco US Treasury Bond 3-7 Year UCITS ETF - Class A	0.06
Invesco US Treasury Bond 3-7 Year UCITS ETF - Class G	0.10
Invesco US Treasury Bond 7-10 Year UCITS ETF - Class A	0.06
Invesco US Treasury Bond 7-10 Year UCITS ETF - Class E	0.10
Invesco US Treasury Bond 7-10 Year UCITS ETF - Class G	0.10
Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF - Class A	0.30
Invesco MDAX® UCITS ETF - Class A	0.19
Invesco Elwood Global Blockchain UCITS ETF - Class A	0.65
Invesco UK Gilt 1-5 Year UCITS ETF - Class A	0.06
Invesco UK Gilts UCITS ETF - Class Accumulation	0.06
Invesco MSCI World ESG Universal Screened UCITS ETF	0.19
Invesco MSCI Europe ESG Universal Screened UCITS ETF - Class A	0.16
Invesco MSCI USA ESG Universal Screened UCITS ETF* - Class A	0.09

* The management fee in respect of MSCI USA ESG Universal Screened UCITS ETF, the management fee charged in respect of this fund will be reduced from 0.12% per annum to 0.09% per annum of the Net Asset Value of the Shares. It is expected the change will be effective on 19 June 2019 or such later date as the Company may determine (the "Effective Date").

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6. Management fees (continued)

Fund	% Rate per Annum
Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF	0.6
Invesco Euro Government Bond UCITS ETF - Class A	0.10
Invesco Euro Government Bond 1-3 Year UCITS ETF - Class A	0.10
Invesco Euro Government Bond 3-5 Year UCITS ETF - Class A	0.10
Invesco Euro Government Bond 5-7 Year UCITS ETF - Class A	0.10
Invesco Euro Government Bond 7-10 Year UCITS ETF - Class A	0.10

7. Cash and cash equivalents

	As at 31 December 2019 EUR	As at 31 December 2018 EUR
The Bank of New York Mellon, SA/NV, Dublin Branch	1,667,578	5,488,704
	1,667,578	5,488,704

* Cash held is unsegregated

8. Bank overdraft

	As at 31 December 2019 EUR	As at 31 December 2018 EUR
The Bank of New York Mellon, SA/NV, Dublin Branch	(83,803)	-
	(83,803)	-

* Cash held is unsegregated

9. Debtors

	As at 31 December 2019 EUR	As at 31 December 2018 EUR
Dividend income receivable	1,697,706	351,315
Interest from financial assets at fair value through profit and loss receivable	25,900,976	4,353,145
Variation margin receivable	97	-
Accrued income and other receivable	1,102,802	-
	28,701,581	4,704,460

10. Creditors (amounts falling due within one year)

	As at 31 December 2019 EUR	As at 31 December 2018 EUR
Management fees	916,601	165,297
Other payables	3,498	-
	920,099	165,297

11. Related party transactions

Manager

The Company has appointed Invesco Investment Management Limited to act as Manager to the Company and each Fund. The Manager forms part of the Invesco group of companies, the parent of which is Invesco Limited, a US publicly traded company listed on the New York Stock Exchange with ticker IVZ.

Management fee charged during the year ended 31 December 2019 was EUR 6,392,559 (31 December 2018: EUR 1,700,907); of which EUR 920,100 was outstanding at 31 December 2019 (31 December 2018: EUR 165,297).

Directors

The amount paid to Directors in the financial year ended 31 December 2019 by the Manager and the amounts outstanding on 31 December 2019 are disclosed in Note 5 (Operating Expenses) and Note 10 (Creditors) respectively. Gary Buxton and Anne-Marie King have waived their fees.

Barry McGrath is a Director of the Company, the Manager and Invesco Holdings Limited. Gary Buxton is a Director of the Company and the Chief Operating Officer of the Promoter, Invesco UK Services Limited (Promoter of the fund until 22 August 2019). Anne-Marie King is a Director of the Company and a Director of Cross Border Fund Governance at Invesco Global Asset Management DAC, as well as one of the Conducting Officers of Invesco Management SA. Feargal Dempsey is also a Director of the Manager.

Investment Manager

Invesco Capital Management LLC is the Investment Manager to the Funds. The Funds paid no fees directly to the Investment Manager, and as outlined in Note 5 of these Financial Statements, all other expenses were paid by the Manager on behalf of the Funds.

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11. Related party transactions (continued)

Authorised Participants

The Authorised Participants are related parties by virtue of their direct shareholding in the Fund or through a shareholding of one of their respective group companies. The complete list of Authorised Participants is shown in the Organisation section on page 1.

Brokerage fees were not paid to the Authorised Participants during the financial year ended 31 December 2019 (31 December 2018: Nil).

Shareholdings in redeemable shares

Authorised Participants may purchase and hold Redeemable Shares in the Funds for trading purposes. In addition, the Authorised Participants may hold Redeemable Shares on behalf of clients, on their own account or for the purpose of providing seed capital to the Funds. These holdings may on occasion constitute a large portion of a Fund. From time to time, such holdings may even constitute the majority of assets under management of the Fund. There were no requirement (expressed or implied) on Authorised Participants to maintain positions in a Fund at any time.

12. Auditors' remuneration

As required under Section 322 of the Companies Act 2014 (as amended), the remuneration for all work carried out by the statutory audit firm in respect of the financial year is as follows:

	As at 31 December 2019 EUR	As at 31 December 2018 EUR
Statutory audit of company accounts	160,500	58,500
Tax services	16,738	31,393
	177,238	89,893

The above fees are presented exclusive of VAT and are paid by the Manager.

13. Taxation

Under current law and practice, the Company qualifies as an investment undertaking as defined in section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis it is not chargeable to Irish tax on its income or gains. However, Irish tax may arise on the occurrence of a "chargeable event" for certain investors not satisfying one of the criteria outlined below.

A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of Shares and the holding of Shares at the end of each 8 year period beginning with the acquisition of such Shares.

No Irish tax will arise on the Company in respect of chargeable events in respect of:

- a) a Shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company, or the Company has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations; and
- b) certain exempted Irish tax resident Shareholders who have provided the Company with the necessary signed statutory declarations.
- c) any transaction (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners will not constitute a chargeable event. It is the current intention of the Directors that all the Shares in the Company will be held in recognised clearing systems.

Dividends, interest and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Company or its Shareholders.

14. Share capital

The authorised share capital of the Company is 2 subscriber shares of €1 each and 1,000,000,000,000 shares of no par value initially designated as unclassified shares and available for issue as shares.

In accordance with the objectives listed in the risk management policies in Note 2, the Company strives to invest the subscriptions of Redeemable Shares in appropriate investments.

Details of the number of shares issued and redeemed during the financial year per Fund are contained in the individual Fund's Financial Statements notes, as is the dealing net asset value (NAV) per share.

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15. Soft commission arrangements

It is not currently intended that any soft commission arrangements will be made in respect of the Company.

There were no soft commission arrangements in the current financial year (31 December 2018: none).

16. Segregation of liability

Under the provisions of the Companies Act 2014 (as amended), the Directors shall maintain for each Fund a separate portfolio of assets. As between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Fund. The Shareholders shall only be entitled to the assets and profits of that Fund in which they participate. The Company shall be considered one single legal entity. With regard to third parties, in particular towards the Company's creditors, the Company shall be responsible for all liabilities incurred by a Fund exclusively based on the assets of this relevant Fund. Among the Shareholders, the liabilities of each Fund shall only be incurred to the respective Fund.

While the provisions of the Companies Act 2014 (as amended) provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly, it is not free from doubt that the assets of any Fund of the Company may not be exposed to the liabilities of other Funds of the Company.

As at the date of the Financial Statements, the Directors are not aware of any existing or contingent liability of any Fund of the Company.

17. Comparative figures

Comparative figures for the Statements of Comprehensive Income, the Statements of Changes in Net Assets attributable to Holders of Redeemable Shares and the Statements of Cash Flows and related notes are those for the financial year from 1 January 2018 to 31 December 2018. The new funds launched after 31 December 2018, as such there are no comparatives.

The comparative figures disclosed in the Statement of Financial Position and related notes are those of 31 December 2018, the last Business Day of that financial year.

18. Operating segment

IFRS requires disclosure in respect of the Chief Operating Decision Maker ("CODM") and certain disclosures in respect of the country of origin of income, which may consist of interest and dividends. Management have determined that the CODM is the Board of Directors.

The Funds have no assets classified as non-current assets.

19. Transaction Costs

In order to achieve its investment objective, the Company incurs transaction costs in relation to trading activity on its portfolios.

The transaction costs below and overleaf were incurred by the Funds during the financial year ended 31 December 2019 and are included within the net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss figures in the Statement of Comprehensive Income:

Fund	Currency	Financial	Financial
		year ended 31 December 2019	year ended 31 December 2018
		EUR	EUR
Invesco USD Corporate Bond UCITS ETF	USD	-	-
Invesco Euro Corporate Bond UCITS ETF	EUR	-	-
Invesco USD Corporate Bond UCITS ETF	USD	-	-
Invesco Euro Corporate Bond UCITS ETF	EUR	-	-
Invesco Emerging Markets USD Bond UCITS ETF	USD	-	-
Invesco Italian PIR Multi-Asset Portfolio UCITS ETF	EUR	4,469	-
Invesco Preferred Shares UCITS ETF	USD	64,336	58,798
Invesco Euro Floating Rate Note UCITS ETF	EUR	-	-
Invesco USD Floating Rate Note UCITS ETF	USD	-	-
Invesco AT1 Capital Bond UCITS ETF	USD	-	-
Invesco Variable Rate Preferred Shares UCITS ETF	USD	17,510	82

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19. Transaction Costs (continued)

Fund	Currency	Financial	Financial
		year ended 31 December 2019	year ended 31 December 2018
		EUR	EUR
Invesco US Treasury Bond UCITS ETF	USD	-	-
Invesco US Treasury Bond 1-3 Year UCITS ETF	USD	-	-
Invesco US Treasury Bond 3-7 Year UCITS ETF	USD	-	-
Invesco US Treasury Bond 7-10 Year UCITS ETF	USD	-	-
Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF	EUR	83,606	-
Invesco MDAX® UCITS ETF	EUR	32,601	-
Invesco Elwood Global Blockchain UCITS ETF	USD	28,849	-
Invesco UK Gilt 1-5 Year UCITS ETF	GBP	-	-
Invesco UK Gilts UCITS ETF	GBP	-	-
Invesco MSCI World ESG Universal Screened UCITS ETF	USD	5,300	-
Invesco MSCI Europe ESG Universal Screened UCITS ETF	EUR	42,175	-
Invesco MSCI USA ESG Universal Screened UCITS ETF	USD	458	-
Invesco Emerging Markets USD Bond UCITS ETF	USD	-	-
Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF	USD	43,838	-
Invesco Euro Government Bond UCITS ETF	EUR	-	-
Invesco Euro Government Bond 1-3 Year UCITS ETF	EUR	-	-
Invesco Euro Government Bond 3-5 Year UCITS ETF	EUR	-	-
Invesco Euro Government Bond 5-7 Year UCITS ETF	EUR	-	-
Invesco Euro Government Bond 7-10 Year UCITS ETF	EUR	-	-

20. Efficient Portfolio Management

The Company may, on behalf of each Fund and subject to the conditions and within the limits laid down by the Central Bank of Ireland, employ techniques and instruments relating to transferable securities for efficient portfolio management purposes. Transactions for the purposes of efficient portfolio management may be undertaken with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to a Fund and may not be speculative in nature. These techniques and instruments may include investments in financial derivative instruments such as futures (which may be used to manage interest rate risk), options (which may be used to achieve cost efficiencies, for example where the acquisition of the option is more cost effective than purchasing of the underlying asset), swaps and forward currency exchange contracts (both of which may be used to manage currency risk against the base currency of a Fund and/or any functional currency of a Fund). Such techniques and instruments will be utilised in accordance with the requirements of the Central Bank of Ireland. New techniques and instruments may be developed which may be suitable for use by the Company and the Company (subject as aforesaid) may employ such techniques and instruments. A Fund may enter into stock lending, repurchase and/or reverse repurchase agreements for the purposes of efficient portfolio management in accordance with the provisions of the UCITS Regulations.

Details of forward foreign exchange contracts are reflected within the Schedule of Investments of each fund where held.

21. Securities Lending and Collateral

The Company, on behalf of a Fund and in furtherance of efficient portfolio management, may enter into stock lending, repurchase and/or reverse repurchase agreements for the purposes of efficient portfolio management in accordance with the provisions of the UCITS Regulations. The stock lending agent appointed pursuant to the stock lending agreement is The Bank of New York Mellon.

At 31 December 2019, there was stock lending on Invesco US Treasury Bond UCITS ETF, Invesco US Treasury Bond 1-3 Year UCITS ETF, Invesco US Treasury Bond 3-7 Year UCITS ETF and Invesco US Treasury Bond 7-10 Year UCITS ETF. The below table shows the stock on loan to counterparties, collateral attached to the stock on loan and stock lending income earned. This stock lending income earned is net of the lending agent fee.

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21. Securities Lending and Collateral (continued)

Financial year ended 31 December 2019:

	Stock on loan to counterparties USD	Non-Cash Collateral USD	Collateral percentage USD	Stock lending income	Lending agent fee USD
Invesco US Treasury Bond UCITS ETF	2,689,623	2,828,931	105.18%	191	22
Invesco US Treasury Bond 1-3 Year UCITS ETF	1,542,621	1,628,894	105.59%	81	10
Invesco US Treasury Bond 3-7 Year UCITS ETF	189,590	193,540	102.08%	9	1
Invesco US Treasury Bond 7-10 Year UCITS ETF	525,328,969	577,401,078	109.91%	99,872	11,426

As per the stock lending agreement with the Bank of New York Mellon, the Bank is authorised and directed to invest and re-invest all or substantially all of the collateral received in any Approved Investment. All Approved Investments shall be for the account and risk of the lender. To the extent any loss arising out of Approved Investments results in a deficiency in the amount of collateral available to return to a borrower, the lender agrees to pay the Bank on demand cash in amount equal to such deficiency. As at 31 December 2019, there was no collateral re-invested as it is held by tri-party custodian.

With effect from 4 March 2019, Barry McGrath was appointed as Chairman of the Board of Directors.

The Invesco Elwood Global Blockchain UCITS ETF was launched on 8 March 2019.

The Invesco US Treasury Bond 3-7 Year UCITS ETF launched Class G and the Invesco US Treasury Bond 7-10 Year UCITS ETF launched Class E on 13 March 2019.

The Invesco UK Gilt 1-5 Year UCITS ETF and Invesco UK Gilts UCITS ETF were launched on 18 March 2019.

22. Significant events during the financial year

The Invesco US Treasury Bond UCITS ETF, Invesco US Treasury Bond 1-3 Year UCITS ETF, Invesco US Treasury Bond 3-7 Year UCITS ETF and Invesco US Treasury Bond 7-10 Year UCITS ETF launched on 11 January 2019.

With effect from 18 April 2019, Feargal Dempsey was appointed as a non - executive Director of the Company

The Invesco Italian PIR Multi - Asset Portfolio UCITS ETF made a final Redemption and closed on 16 May 2019.

The Invesco US Treasury Bond 7-10 Year UCITS ETF launched Class G on 14 January 2019.

The Invesco MSCI World ESG Universal Screened UCITS ETF, Invesco MSCI Europe ESG Universal Screened UCITS ETF and Invesco MSCI USA ESG Universal Screened UCITS ETF launched on 13 June 2019.

The Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF was launched on 24 January 2019.

Invesco UK Services Limited ceased in its role as promoter to the funds on 22 August 2019. The management fee in respect of MSCI USA ESG Universal Screened UCITS ETF, the management fee charged in respect of this fund will be reduced from 0.12% per annum to 0.09% per annum of the Net Asset Value of the Shares. It is expected the change will be effective on 19 June 2019 or such later date as the Company may determine (the "Effective Date").

The Invesco MDAX[®] UCITS ETF was launched on 19 February 2019.

The Prospectus and all Supplements for the Funds were updated and re-issued on 25 February 2019.

The Funds migrated to the ICSD settlement model on 25 February 2019.

With effect from 26 February 2019, William Manahan resigned as independent non-executive Director of the Company.

Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF was launched on 30 July 2019.

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22. Significant events during the financial year (continued)

Invesco Euro Government Bond UCITS ETF, Invesco Euro Government Bond 1-3 Year UCITS ETF, Invesco Euro Government Bond 3-5 Year UCITS ETF, Invesco Euro Government Bond 5-7 Year UCITS ETF and Invesco Euro Government Bond 7-10 Year UCITS ETF launched on 28 August 2019.

Following on from the unit holder notice dated 17 October 2019, The Bank of New York Mellon restructured the legal entities within the Bank of New York Mellon group of companies to rationalize its legal entity structure and to strengthen its operations; and merged the trustee of the fund, BNY Mellon Trust Company (Ireland) Limited ('TCIL') into the Bank of New York Mellon SA/NV, Dublin Branch.

As at 1 December 2019, the depositary name changed from BNY Mellon Trust Company (Ireland) Limited to the Bank of New York Mellon SA/NV, Dublin Branch.

There were no other significant events during the financial year to report for the financial year ended 31 December 2019.

23. Significant events since the financial year end

A number of new funds have launched under the Invesco Markets II umbrella in 2020:

On January 21 2020 Invesco US Treasury Bond 0-1 Year UCITS ETF fund launched.

Feargal Dempsey was appointed as Chairman of the Board on 27 January 2020.

The following launches are planned for the end of the first quarter/start of the second quarter 2020:

Invesco US Treasuries 10+ Year UCITS ETF and Invesco Euro Hybrids UCITS ETF

An updated supplement was issued on 18 February 2020 for 25 out of the 26 live funds. (The supplement for Invesco Quantitative Strategies ESG Global Equity Multi-factor UCITS ETF was last updated on 12 July 2019.)

On February 25 2020 Invesco GBP Corporate Bond ESG UCITS ETF fund launched.

The spread of a new coronavirus (COVID-19) disease has caused significant volatility within the global economy and financial markets. The table overleaf sets out the net redemptions in percentage terms and market related AUM changes for each of the Funds for the period between 19 February 2020 and 15 April 2020.

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23. Significant events since the financial year end (continued)

ISIN	Fund Name	AUM (\$mn)			Peak Invesco 2020 AUM (19th Feb) to 15th April NNA		Market Moves	% NNA Position vs. AUM on 19th Feb
		01/01/2020	19/02/2020	15/04/2020	19th Feb - 14th Apr			
IE00BG21M733	Invesco Variable Rate Preferred Shares UCITS ETF Dist	324	227	12	-215	-212	-2	-93.61%
IE00BDVJF675	Invesco Preferred Shares UCITS ETF Dist	422	333	109	-223	-205	-18	-61.74%
IE00BDRTCP90	Invesco Euro Floating Rate Note UCITS ETF	24	23	13	-9	-9	0	-40.64%
IE00BJQRDK83	Invesco MSCI World ESG Universal Screened UCITS ETF	9	9	6	-4	-2	-2	-18.56%
IE00BF51K132	Invesco Emerging Markets USD Bond UCITS ETF	124	124	93	-32	-17	-15	-13.39%
IE00BF2FNG46	Invesco US Treasury Bond 1-3 Year UCITS ETF	22	21	18	-2	-3	0	-12.65%
IE00BHJYDV33	Invesco MDAX UCITS ETF	367	379	232	-146	-41	-105	-10.90%
IE00BFZPF322	Invesco AT1 Capital Bond UCITS ETF Acc	524	623	519	-104	-63	-41	-10.16%
IE00BF51K249	Invesco Euro Corporate Bond UCITS ETF	51	52	46	-5	-3	-2	-5.58%
IE00BJJORDN15	Invesco Quantitative Strategies ESG Global Equity Multi-Factor UCITS ETF Acc	93	111	87	-23	-3	-20	-2.75%
IE00BGJWWX56	Invesco Euro Government Bond UCITS ETF	9	9	9	0	0	0	0.00%
IE00BGJWWW40	Invesco Euro Government Bond 7-10 Year UCITS ETF	2	3	3	0	0	0	0.00%
IE00BGJWWW33	Invesco Euro Government Bond 3-5 Year UCITS ETF	2	2	2	0	0	0	0.00%
IE00BGJWWT11	Invesco Euro Government Bond 5-7 Year UCITS ETF	2	2	2	0	0	0	0.00%
IE00BG0TQC25	Invesco UK Gilts UCITS ETF Dist	30	28	30	2	1	1	4.36%
IE00BGONY640	Invesco MSCI Europe ESG Leaders Catholic Principles UCITS ETF	49	51	42	-10	3	-12	4.89%
IE00BF2GFH28	Invesco US Treasury Bond UCITS ETF	50	72	81	9	5	4	6.36%
IE00BG0TQ445	Invesco UK Gilt 1-5 Year UCITS ETF Dist	18	18	19	1	1	0	7.67%
IE00BF2FN646	Invesco US Treasury Bond 7-10 Year UCITS ETF Dist	2,266	2,226	2,559	334	224	110	10.06%
IE00BGJWWY63	Invesco Euro Government Bond 1-3 Year UCITS ETF	2	2	2	0	0	0	13.20%
IE00BF51K025	Invesco USD Corporate Bond UCITS ETF	51	52	61	9	10	-2	19.86%
IE00BJQRDL90	Invesco MSCI Europe ESG Universal Screened UCITS ETF	28	29	31	2	9	-7	30.00%
IE00BGBN6P67	Invesco Elwood Global Blockchain UCITS ETF	36	46	62	17	20	-3	43.68%
IE00BF2FNQ44	Invesco US Treasury Bond 3-7 Year UCITS ETF	25	28	47	19	18	1	66.53%
IE00BDRTCQ08	Invesco USD Floating Rate Note UCITS ETF	5	6	12	5	6	-1	90.14%
IE00BKWD3C98	Invesco US Treasury Bond 0-1 Year UCITS ETF Dist		5	11	6	6	0	112.17%
IE00BJQRDM08	Invesco MSCI USA ESG Universal Screened UCITS ETF	8	14	41	27	33	-6	237.25%
IE00BKW9SW28	Invesco GBP Corporate Bond UCITS ETF Dist			31	31	33	-2	-
IE00BKW9SV11	Invesco GBP Corporate Bond ESG UCITS ETF Dist			31	31	33	-2	-
	Totals	4,543	4,494	4,212	-282	-157	-124	

There were no other significant events since the financial year ended 31 December 2019.

24. Approval of Financial Statements

The Financial Statements were authorised by the Board on 20 April 2020.

Invesco Preferred Shares UCITS ETF

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Statement of comprehensive income

	Notes	Financial year ended 31 December 2019 USD	Financial year ended 31 December 2018 USD
Income			
Dividend Income	3	19,913,842	12,187,983
Interest income	3	-	1,370
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss	4	21,545,689	(19,428,554)
Total investment income/(loss)		41,459,531	(7,239,201)
Operating expenses	5	(1,707,582)	(1,026,656)
Net income/(loss)		39,751,949	(8,265,857)
Finance costs			
Distributions	6	(5,081,368)	(8,819,128)
Interest expense		(12,777)	-
Profit/(loss) for the year before tax		34,657,804	(17,084,985)
Non-reclaimable withholding tax		(2,076,123)	(1,261,096)
Profit/(loss) for the financial year		32,581,681	(18,346,081)
Increase/(decrease) in Net Assets Attributable to Holders of Redeemable Shares		32,581,681	(18,346,081)

There are no recognised gains or losses arising in the financial year other than the increase/(decrease) in Net Assets Attributable to Holders of Redeemable Shares of the Company. In arriving at the results of the financial year, all amounts above relate to continuing operations.

Statement of financial position

	Notes	As at 31 December 2019 USD	As at 31 December 2018 USD
Current Assets			
Assets at fair value through profit or loss			
Financial assets at fair value through profit or loss	1, 2(d)	421,705,052	137,385,355
Loans and receivables			
Cash and cash equivalents	7	254,066	1,090,752
Balances due from brokers		-	2,538,467
Dividend income receivable	8	1,316,859	325,464
Total Current Assets		423,275,977	141,340,038
Current Liabilities			
Liabilities at fair value through profit or loss			
Financial liabilities at fair value through profit or loss	1,2(d)	(2,523)	(877)
Other financial liabilities			
Balances due to brokers		(764,580)	(2,538,467)
Creditors (amounts falling due within one year)	9	(183,978)	(61,491)
Total Current Liabilities (excluding Net Assets Attributable to Holders of Redeemable Shares)		(951,081)	(2,600,835)
Net Assets Attributable to Holders of Redeemable Shares		422,324,896	138,739,203

The accompanying notes form an integral part of the Financial Statements.

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Statement of changes in net assets attributable to holders of redeemable shares

	Notes	Financial year ended 31 December 2019 USD	Financial year ended 31 December 2018 USD
Net Assets Attributable to Holders of Redeemable Shares at beginning of the financial year		138,739,203	188,394,534
Increase/(decrease) in Net Assets Attributable to Holders of Redeemable Shares from operations		32,581,681	(18,346,081)
Amounts received on issue of Redeemable Shares		342,413,291	166,009,238
Amounts paid on redemption of Redeemable Shares		(91,409,279)	(197,318,488)
Increase/(decrease) in Net Assets resulting from Share transactions		251,004,012	(31,309,250)
Net Assets Attributable to Holders of Redeemable Shares at the end of the financial year	12	422,324,896	138,739,203

Statement of cash flows

	Notes	Financial year ended 31 December 2019 USD	Financial year ended 31 December 2018 USD
Cash flows from operating activities			
Proceeds from sale of investments		217,119,138	158,731,741
Purchase of investments		(479,495,694)	(128,483,238)
Realised losses on foreign currency transactions		(395,789)	(393,801)
Unrealised gains on foreign currency transactions		(17)	17
Dividend income received		18,922,447	12,355,142
Interest income received		-	1,370
Balances due from brokers		2,538,467	(2,538,467)
Balances due to brokers		(1,773,887)	2,538,467
Management fees paid		(1,585,095)	(1,016,136)
Non-reclaimable withholding tax		(2,076,123)	(1,261,096)
Net cash (outflow)/inflow from operating activities		(246,746,553)	39,933,999
Cash flows from financing activities			
Distributions paid		(5,081,368)	(8,819,128)
Interest paid		(12,777)	-
Proceeds from issue of Redeemable Shares		342,413,291	166,009,238
Payments of redemptions of redeemable shares		(91,409,279)	(197,318,488)
Net cash inflow/(outflow) from financing activities		245,909,867	(40,128,378)
Net decrease in cash and cash equivalents		(836,686)	(194,379)
Cash and cash equivalents at beginning of the financial year		1,090,752	1,285,131
Cash and cash equivalent at the end of the financial year	7	254,066	1,090,752

The accompanying notes form an integral part of the Financial Statements.

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Notes to the Financial Statements

For the financial year ended 31 December 2019

General information

Investment objective and policy

The investment objective of Invesco Preferred Shares UCITS ETF (the "Fund") is to achieve the performance of the BofA Merrill Lynch Diversified Core Plus Fixed Rate Preferred Securities Net Total Return Index (the "Reference Index") less fees, expenses and transaction costs.

The Reference Index is designed to measure the performance of fixed rate US Dollar denominated preferred securities issued in the US domestic market.

The functional currency of the Fund is US Dollar and the Fund is valued in US Dollar.

The Fund invests in preferred shares.

The Fund launched on 28 September 2017.

1. Significant accounting policies

See pages 56 to 61 for significant accounting policies.

2. Financial risk management

See pages 62 to 64 for general notes. The risk management technique applying to this Fund is the Commitment Approach. The commitment is calculated in line with ESMA Guidelines 10 788. This ratio merely reflects the usage of all financial derivative instruments of the relevant Fund and is calculated using the sum of notionals of all financial derivative instruments, netting and hedging arrangements being considered to reduce exposure. A sensitivity analysis is presented below to reflect the Commitment Approach which represents the interest rate risk maturity profile for the Fund.

A) Other price risk – sensitivity analysis

The sensitivity analysis for the Fund assumes a change in the market price of the investments while holding all other variables constant. In practice this is unlikely to occur and changes in some of the variables may be correlated.

In addition, as the sensitivity analysis uses historical data as a basis for determining future events, it does not encompass all possible scenarios, particularly those that are of an extreme nature. The reasonably possible decrease in the benchmark index is based on the movement over the financial year ended 31 December 2019. These movements may be different from the long term volatility of the index.

B) Foreign currency risk/interest rate risk

Foreign currency and interest rate exposure is minimal due to the nature and strategy of the investments held by the Fund. As a result, no sensitivity analysis or exposure tables have been disclosed for foreign currency or interest rate risk. The Fund is not exposed to significant currency risk as there is no direct material currency exposure.

31 December 2019	Up to 1 year USD	1-5 years USD	Over 5 years USD	Non-interest bearing USD	Total as at 31 December 2019 USD
Current Assets					
Financial assets at fair value through profit or loss	-	-	-	421,705,052	421,705,052
Cash and cash equivalents	254,066	-	-	-	254,066
Dividend income receivable	-	-	-	1,316,859	1,316,859
Total Assets	254,066			423,021,911	423,275,977
Current Liabilities					
Financial liabilities at fair value through profit or loss	-	-	-	(2,523)	(2,523)
Balances due to brokers	-	-	-	(764,580)	(764,580)
Creditors (amounts falling due within one year)	(183,978)	-	-	-	(183,978)
Total Liabilities	(183,978)			(767,103)	(951,081)
Interest sensitivity gap	70,088				

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2. Financial risk management (continued)

B) Foreign currency risk/interest rate risk (continued)

31 December 2018	Up to 1 year USD	1-5 years USD	Over 5 years USD	Non-interest bearing USD	Total as at 31 December 2018 USD
Current Assets					
Financial assets at fair value through profit or loss	-	-	-	137,385,355	137,385,355
Cash and cash equivalents	1,090,752	-	-	-	1,090,752
Dividend income receivable	-	-	-	325,464	325,464
Total Assets	1,090,752	-	-	137,710,819	138,801,571
Current Liabilities					
Financial liabilities at fair value through profit or loss	-	-	-	(877)	(877)
Creditors (amounts falling due within one year)	(61,491)	-	-	-	(61,491)
Total Liabilities	(61,491)	-	-	(877)	(62,368)
Interest sensitivity gap	1,029,261	-	-		

C) Liquidity risk

The following tables analyse the Fund's financial liabilities into relevant maturity groupings based on the remaining financial year at the statement of financial position date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant. All amounts are stated in US Dollar.

As at 31 December 2019	Less than 7 days	7 days to 1 month	Total
Financial liabilities at fair value through profit or loss			
Balances due to brokers	764,580	-	764,580
Accrued expenses	-	183,978	183,978
Net assets attributable to holders of Redeemable Shares			
Redeemable Shares	422,324,896	-	422,324,896
Total financial liabilities	423,089,476	186,501	423,275,977

As at 31 December 2018	Less than 7 days	7 days to 1 month	Total
Financial liabilities at fair value through profit or loss			
Accrued expenses	-	61,491	61,491
Net assets attributable to holders of Redeemable Shares			
Redeemable Shares	138,739,203	-	138,739,203
Total financial liabilities	138,739,203	62,368	138,801,571

D) Fair value

The following tables analyse within the fair value hierarchy the Fund's financial assets and liabilities (by class) measured at fair value. All amounts are stated in US Dollar.

As at 31 December 2019	Level 1	Level 2	Level 3
Assets			
Financial Assets at fair value through profit or loss:			
- Mutual Bond Fund	-	7,319,813	-
- Equities	-	414,063,990	-
- Forward Foreign Exchange Contracts	-	321,249	-
Total assets	-	421,705,052	-
Liabilities			
Financial Liabilities at fair value through profit or loss:			
- Forward Foreign Exchange Contracts	-	(2,523)	-
Total liabilities	-	(2,523)	-

As at 31 December 2018	Level 1	Level 2	Level 3
Assets			
Financial Assets at fair value through profit or loss:			
- Forward Foreign Exchange Contracts	-	21,322	-
- Equities	137,364,033	-	-
Total assets	137,364,033	21,322	-
Liabilities			
Financial Liabilities at fair value through profit or loss:			
- Forward Foreign Exchange Contracts	-	(877)	-
Total liabilities	-	(877)	-

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2. Financial risk management (continued)

D) Fair value (continued)

The Fund did not hold any Level 3 instruments during the financial year ended 31 December 2019 or financial year ended 31 December 2018. There were no transfers between Level 1 and Level 2 during the financial year ended 31 December 2019 or financial year ended 31 December 2018.

Investments, whose values are based on quoted market prices in active markets and therefore classified within Level 1.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

The Schedule of investments shows the investments split by country of origin.

3. Income

	Financial year ended 31 December 2019 USD	Financial year ended 31 December 2018 USD
Dividend income	19,913,842	12,187,983
Interest income	-	1,370
	19,913,842	12,189,353

4. Net gains/(losses) on financial assets and liabilities at fair value through profit or loss

	Financial year ended 31 December 2019 USD	Financial year ended 31 December 2018 USD
Realised losses on sale of investments	(3,461,462)	(8,949,287)
Realised losses on foreign currency transactions	(395,789)	(393,801)
Net change in unrealised appreciation/(depreciation) on investments	25,104,676	(10,105,928)
Net change in unrealised appreciation on foreign currency transactions	298,264	20,462
	21,545,689	(19,428,554)

5. Operating expenses

	Financial year ended 31 December 2019 USD	Financial year ended 31 December 2018 USD
Management fees	1,707,582	1,026,656
	1,707,582	1,026,656

All other expenses and fees of the Fund are paid by the Manager.

6. Distributions

Total amount distributed during the financial year ended 31 December 2019 amounted to USD 5,081,368 (31 December 2018: USD 8,819,128)

7. Cash and cash equivalents

	As at 31 December 2019 USD	As at 31 December 2018 USD
The Bank of New York Mellon SA/NV, Dublin Branch	254,066	1,090,752
	254,066	1,090,752

8. Debtors

	As at 31 December 2019 USD	As at 31 December 2018 USD
Dividend income receivable	1,316,859	325,464
	1,316,859	325,464

9. Creditors (amounts falling due within one year)

	As at 31 December 2019 USD	As at 31 December 2018 USD
Management fees	183,978	61,491
	183,978	61,491

All other expenses and fees of the Fund are paid by the Manager.

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10. Operating segment

IFRS 8 requires disclosures in respect of the Chief Operating Decision Maker ("CODM") and certain disclosures in respect of the country of origin of income. Management have determined the CODM is the Board of Directors.

11. Share capital

Redeemable shares in issue	Financial year ended 31 December 2019	Financial year ended 31 December 2018
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Number of Class A-QD Redeemable Shares Issued and Fully Paid		
Balance at beginning of financial year	3,984,710	9,467,000
Issued during financial year	4,306,451	4,625,705
Redeemed during financial year	(4,331,866)	(10,107,995)
Total number of Class A-QD Redeemable Shares in issue at end of financial year	3,959,295	3,984,710

Redeemable shares in issue	Financial year ended 31 December 2019	Financial year ended 31 December 2018
----------------------------	---------------------------------------	---------------------------------------

Number of Class Euro Currency Hedge Redeemable Shares Issued and Fully Paid		
Balance at beginning of financial year	281,237	-
Issued during financial year	786,540	640,800
Redeemed during financial year	(135,243)	(359,563)
Total number of Class Euro Currency Hedge Redeemable Shares in issue at end of financial year	932,534	281,237

Redeemable shares in issue	Financial year ended 31 December 2019	Financial year ended 31 December 2018
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Number of Class Swiss Franc Currency Hedge Redeemable Shares Issued and Fully Paid		
Balance at beginning of financial year	24,500	-
Issued during financial year	18,860	38,600
Redeemed during financial year	(29,520)	(14,100)
Total number of Class CHF Currency Hedge Redeemable Shares in issue at end of financial year	13,840	24,500

Redeemable shares in issue	Financial year ended 31 December 2019	Financial year ended 31 December 2018
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Number of Class Units Share Class B Redeemable Shares Issued and Fully Paid		
Balance at beginning of financial year	1,515,000	-
Issued during financial year	5,465,895	1,515,000
Redeemed during financial year	(53,315)	-
Total number of Class Units Share Class B Redeemable Shares in issue at end of financial year	6,927,580	1,515,000

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12. Net asset value

	As at 31 December 2019 USD	As at 31 December 2018 USD	As at 31 December 2017 USD
Total Net Asset Value			
Class A-QD			
Redeemable Shares	79,410,108	71,898,246	188,394,534
Class Euro			
Currency Hedge			
Redeemable Shares	20,646,327	5,878,188	-
Class Swiss Franc			
Currency Hedge			
Redeemable Shares	304,149	470,571	-
Class Units Share			
Class B			
Redeemable Shares	321,964,312	60,492,198	-
Dealing Net Asset Value per Redeemable Share			
Class A-QD			
Redeemable Shares	20.0566	18.0435	19.9001
Class Euro			
Currency Hedge			
Redeemable Shares	22.1400	20.9012	-
Class Swiss Franc			
Currency Hedge			
Redeemable Shares	21.9761	19.2070	-
Class Units Share			
Class B			
Redeemable Shares	46.4757	39.9288	-

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Schedule of investments

As at 31 December 2019

Transferable Securities admitted to an Official Stock Exchange Listing or traded on a Regulated Market. The percentages in brackets show the equivalent country of origin and sector holdings at 31 December 2018.

Holdings	Financial assets at fair value through profit or loss	Fair value USD	% of net assets	Holdings	Financial assets at fair value through profit or loss	Fair value USD	% of net assets
	Equities: 98.05% (31 December 2018: 99.01%)				Netherlands: 0.47% (31 December 2018: 2.56%)		
	Bermuda: 4.50% (31 December 2018: 2.83%)			76,771	ING Groep NV - Preferred Stock (Perpetual) 6.125%	1,999,117	0.47
52,949	Arch Capital Group Ltd - Preferred Stock (Perpetual) 5.25%	1,349,140	0.32		Total Netherlands	1,999,117	0.47
39,449	Arch Capital Group Ltd - Preferred Stock (Perpetual) 5.45%	1,017,390	0.24		United Kingdom: 1.39% (31 December 2018: 1.64%)		
29,080	Aspen Insurance Holdings Ltd - Preferred Stock (Perpetual) 5.625%	767,712	0.18	152,781	HSBC Holdings Plc - Preferred Stock (Perpetual) 6.2%	4,106,753	0.97
29,560	Aspen Insurance Holdings Ltd - Preferred Stock (Perpetual) 5.625%	778,906	0.18	29,347	Prudential Plc - Preferred Stock (Perpetual) 6.75%	821,716	0.19
33,445	Aspen Insurance Holdings Ltd - Preferred Stock FRN (Perpetual) 5.95%	931,778	0.22	34,893	Prudential Plc - Preferred Stock (Perpetual) 6.5%	955,022	0.23
40,183	Athene Holding Ltd - Preferred Stock (Perpetual) 5.625%	1,052,795	0.25		Total United Kingdom	5,883,491	1.39
101,958	Athene Holding Ltd - Preferred Stock FRN (Perpetual) 6.35%	2,880,313	0.68		United States: 90.72% (31 December 2018: 91.30%)		
66,626	Axis Capital Holdings Ltd - Preferred Stock (Perpetual) 5.5%	1,718,285	0.41	108,403	AEGON Funding Co LLC - Preferred Stock 5.1%	2,813,058	0.67
24,540	Axis Capital Holdings Ltd - Preferred Stock (Perpetual) 5.5%	613,745	0.15	35,576	Affiliated Managers Group Inc - Preferred Stock 5.875%	961,619	0.23
19,518	Brookfield Property Partners LP - Preferred Stock (Perpetual) 6.5%	506,882	0.12	29,164	Air Lease Corp - Preferred Stock FRN (Perpetual) 6.15%	803,177	0.19
30,423	Brookfield Property Partners LP - Preferred Stock (Perpetual) 6.375%	807,122	0.19	27,857	Alabama Power Co - Preferred Stock (Perpetual) 5%	754,368	0.18
13,100	Enstar Group Ltd - Preferred Stock (Perpetual) 7%	357,237	0.09	31,540	Allstate Corp/The - Preferred Stock (Perpetual) 5.625%	788,500	0.19
47,402	Enstar Group Ltd - Preferred Stock FRN (Perpetual) 7%	1,323,464	0.31	67,830	Allstate Corp/The - Preferred Stock (Perpetual) 5.625%	1,854,472	0.44
19,902	PartnerRe Ltd - Preferred Stock (Perpetual) 5.875%	512,875	0.12	135,799	Allstate Corp/The - Preferred Stock (Perpetual) 5.1%	3,549,786	0.84
20,590	PartnerRe Ltd - Preferred Stock (Perpetual) 6.5%	543,164	0.13	34,383	Allstate Corp/The - Preferred Stock (Perpetual) 4.75%	870,578	0.21
34,364	PartnerRe Ltd - Preferred Stock (Perpetual) 7.25%	925,766	0.22	58,407	Allstate Corp/The - Preferred Stock FRN 5.1%	1,556,547	0.37
30,121	RenaissanceRe Holdings Ltd - Preferred Stock (Perpetual) 5.375%	762,061	0.18	45,375	American Equity Investment Life Holding Co - Preferred Stock FRN (Perpetual) 5.95%	1,168,406	0.28
13,513	RenaissanceRe Holdings Ltd - Preferred Stock (Perpetual) 6.08%	351,068	0.08	16,583	American Financial Group Inc/OH - Preferred Stock 6%	435,635	0.10
30,825	RenaissanceRe Holdings Ltd - Preferred Stock (Perpetual) 5.75%	833,200	0.20	16,365	American Financial Group Inc/OH - Preferred Stock 5.875%	448,728	0.11
16,443	Triton International Ltd/Bermuda - Preferred Stock (Perpetual) 8%	445,112	0.11	2,106	American Financial Group Inc/OH - Preferred Stock 5.125%	61,706	0.01
19,873	Triton International Ltd/Bermuda - Preferred Stock (Perpetual) 7.375%	515,307	0.12	30,068	American Homes 4 Rent - Preferred Stock (Perpetual) 6.5%	787,481	0.19
	Total Bermuda	18,993,322	4.50	27,211	American Homes 4 Rent - Preferred Stock (Perpetual) 6.35%	705,037	0.17
	Canada: 0.97% (31 December 2018: 0.68%)			16,583	American Homes 4 Rent - Preferred Stock (Perpetual) 5.875%	434,143	0.10
33,927	Algonquin Power & Utilities Corp - Preferred Stock FRN 6.875%	956,402	0.23	6,612	American Homes 4 Rent - Preferred Stock (Perpetual) 5.875%	172,904	0.04
41,065	Algonquin Power & Utilities Corp - Preferred Stock FRN 6.2%	1,158,033	0.27	17,875	American Homes 4 Rent - Preferred Stock (Perpetual) 6.25%	475,832	0.11
71,163	Enbridge Inc - Preferred Stock FRN 6.375%	1,962,675	0.47				
	Total Canada	4,077,110	0.97				

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Schedule of investments (continued)

As at 31 December 2019

Transferable Securities admitted to an Official Stock Exchange Listing or traded on a Regulated Market. The percentages in brackets show the equivalent country of origin and sector holdings at 31 December 2018.

Holdings	Financial assets at fair value through profit or loss	Fair value USD	% of net assets	Holdings	Financial assets at fair value through profit or loss	Fair value USD	% of net assets
59,842	American International Group Inc - Preferred Stock (Perpetual) 5.85%	1,636,080	0.39	12,277	Brunswick Corp/DE - Preferred Stock 6.625%	334,917	0.08
30,121	Apollo Global Management Inc - Preferred Stock (Perpetual) 6.375%	801,219	0.19	28,262	Brunswick Corp/DE - Preferred Stock 6.375%	772,118	0.18
36,422	Apollo Global Management Inc - Preferred Stock (Perpetual) 6.375%	985,944	0.23	85,962	Capital One Financial Corp - Preferred Stock (Perpetual) 6%	2,179,137	0.52
36,662	Ares Management Corp - Preferred Stock (Perpetual) 7%	989,874	0.23	63,878	Capital One Financial Corp - Preferred Stock (Perpetual) 6.2%	1,653,163	0.39
13,522	Argo Group US Inc - Preferred Stock 6.5%	348,192	0.08	72,886	Capital One Financial Corp - Preferred Stock (Perpetual) 5.2%	1,874,628	0.44
12,009	Associated Banc-Corp - Preferred Stock (Perpetual) 5.875%	317,158	0.07	63,878	Capital One Financial Corp - Preferred Stock (Perpetual) 6%	1,715,124	0.41
11,832	Assured Guaranty Municipal Holdings Inc - Preferred Stock 6.875%	319,819	0.08	175,593	Capital One Financial Corp - Preferred Stock (Perpetual) 5%	4,405,628	1.04
27,188	Assured Guaranty Municipal Holdings Inc - Preferred Stock 6.25%	721,298	0.17	71,241	Charles Schwab Corp/The - Preferred Stock (Perpetual) 6%	1,852,266	0.44
11,832	Assured Guaranty Municipal Holdings Inc - Preferred Stock 5.6%	307,277	0.07	88,504	Charles Schwab Corp/The - Preferred Stock (Perpetual) 5.95%	2,345,356	0.56
158,561	AT&T Inc - Preferred Stock 5.35%	4,241,507	1.00	22,919	CIT Group Inc - Preferred Stock (Perpetual) 5.625%	584,435	0.14
94,058	AT&T Inc - Preferred Stock 5.625%	2,592,238	0.61	119,884	Citigroup Inc - Preferred Stock (Perpetual) 6.3%	3,142,160	0.74
124,000	AT&T Inc - Preferred Stock (Perpetual) 5%	3,261,200	0.77	111,401	Citigroup Inc - Preferred Stock FRN (Perpetual) 7.125%	3,157,104	0.75
57,589	AXA Equitable Holdings Inc 0%	1,503,073	0.36	175,280	Citigroup Inc - Preferred Stock FRN (Perpetual) 6.875%	4,937,638	1.17
14,151	BancorpSouth Bank - Preferred Stock (Perpetual) 5.5%	360,426	0.09	51,018	Citizens Financial Group Inc - Preferred Stock (Perpetual) 5%	1,271,879	0.30
128,866	Bank of America Corp - Preferred Stock (Perpetual) 6.5%	3,219,073	0.76	38,353	Citizens Financial Group Inc - Preferred Stock FRN (Perpetual) 6.35%	1,085,006	0.26
129,313	Bank of America Corp - Preferred Stock (Perpetual) 6.2%	3,385,414	0.80	20,646	CMS Energy Corp - Preferred Stock 5.625%	540,925	0.13
105,808	Bank of America Corp - Preferred Stock (Perpetual) 6%	2,793,331	0.66	32,850	CMS Energy Corp - Preferred Stock 5.875%	879,394	0.21
168,856	Bank of America Corp - Preferred Stock (Perpetual) 6%	4,641,851	1.10	75,952	CMS Energy Corp - Preferred Stock 5.875%	2,074,249	0.49
104,659	Bank of America Corp - Preferred Stock (Perpetual) 5.875%	2,834,166	0.67	16,583	Commerce Bancshares Inc/MO - Preferred Stock (Perpetual) 6%	430,992	0.10
165,273	Bank of America Corp - Preferred Stock (Perpetual) 5.375%	4,396,262	1.04	16,583	Cullen/Frost Bankers Inc - Preferred Stock (Perpetual) 5.375%	427,841	0.10
153,635	Bank of America Corp - Preferred Stock (Perpetual) 5%	4,022,164	0.95	19,019	DCP Midstream LP - Preferred Stock FRN (Perpetual) 7.875%	457,407	0.11
104,365	Bank of America Corp - Preferred Stock FRN 6.45%	2,813,680	0.67	13,053	DCP Midstream LP - Preferred Stock FRN (Perpetual) 7.95%	320,712	0.08
68,702	Bank of New York Mellon Corp/The - Preferred Stock (Perpetual) 5.2%	1,790,374	0.42	95,763	Deutsche Bank Contingent Capital Trust II - Preferred Stock (Perpetual) 6.55%	2,508,991	0.59
17,678	BOK Financial Corp - Preferred Stock 5.375%	463,164	0.11	30,986	Digital Realty Trust Inc - Preferred Stock (Perpetual) 5.875%	787,044	0.19
23,586	Boston Properties Inc - Preferred Stock (Perpetual) 5.25%	601,443	0.14	30,543	Digital Realty Trust Inc - Preferred Stock (Perpetual) 6.35%	788,315	0.19
45,157	Brighthouse Financial Inc - Preferred Stock 6.25%	1,225,109	0.29	24,230	Digital Realty Trust Inc - Preferred Stock (Perpetual) 6.625%	638,218	0.15
48,997	Brighthouse Financial Inc - Preferred Stock (Perpetual) 6.6%	1,359,667	0.32	25,422	Digital Realty Trust Inc - Preferred Stock (Perpetual) 5.25%	655,125	0.15
14,780	Brightsphere Investment Group Inc - Preferred Stock 5.125%	373,638	0.09	22,252	Digital Realty Trust Inc - Preferred Stock (Perpetual) 5.85%	611,930	0.14
22,735	Brunswick Corp/DE - Preferred Stock 6.5%	621,348	0.15				

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Schedule of investments (continued)

As at 31 December 2019

Transferable Securities admitted to an Official Stock Exchange Listing or traded on a Regulated Market. The percentages in brackets show the equivalent country of origin and sector holdings at 31 December 2018.

Holdings	Financial assets at fair value through profit or loss	Fair value USD	% of net assets	Holdings	Financial assets at fair value through profit or loss	Fair value USD	% of net assets
39,727	Digital Realty Trust Inc - Preferred Stock (Perpetual) 5.2%	1,025,354	0.24	16,583	First Republic Bank/CA - Preferred Stock (Perpetual) 5.5%	429,002	0.10
94,030	Dominion Energy Inc - Preferred Stock 5.25%	2,461,705	0.58	22,143	First Republic Bank/CA - Preferred Stock (Perpetual) 5.125%	583,911	0.14
22,143	DTE Energy Co - Preferred Stock 5.25%	565,975	0.13	38,859	First Republic Bank/CA - Preferred Stock (Perpetual) 5.5%	1,038,312	0.25
38,596	DTE Energy Co - Preferred Stock 5.375%	997,707	0.24	38,948	First Republic Bank/CA - Preferred Stock (Perpetual) 4.7%	988,500	0.23
30,873	DTE Energy Co - Preferred Stock 6%	830,792	0.20	13,119	FNB Corp/PA - Preferred Stock FRN (Perpetual) 7.25%	393,045	0.09
48,804	DTE Energy Co - Preferred Stock 5.25%	1,290,378	0.31	87,779	Ford Motor Co - Preferred Stock 6.2%	2,341,066	0.55
57,769	Duke Energy Corp - Preferred Stock 5.125%	1,489,863	0.35	90,600	Ford Motor Co - Preferred Stock 6%	2,403,618	0.57
63,284	Duke Energy Corp - Preferred Stock 5.625%	1,711,832	0.41	16,583	GATX Corp - Preferred Stock 5.625%	446,414	0.11
113,197	Duke Energy Corp - Preferred Stock (Perpetual) 5.75%	3,136,689	0.74	31,891	Georgia Power Co - Preferred Stock 5%	819,918	0.19
87,891	eBay Inc - Preferred Stock 6%	2,349,326	0.56	35,416	Globe Life Inc - Preferred Stock 6.125%	935,337	0.22
4,787	El du Pont de Nemours & Co - Preferred Stock (Perpetual) 4.5%	530,208	0.13	79,176	Goldman Sachs Group Inc/The - Preferred Stock (Perpetual) 6.3%	2,111,624	0.50
52,864	Energy Transfer Operating LP - Preferred Stock FRN (Perpetual) 7.375%	1,280,366	0.30	107,954	Goldman Sachs Group Inc/The - Preferred Stock FRN (Perpetual) 5.5%	2,895,326	0.69
53,019	Energy Transfer Operating LP - Preferred Stock FRN (Perpetual) 7.625%	1,315,932	0.31	82,281	Goldman Sachs Group Inc/The - Preferred Stock FRN (Perpetual) 6.375%	2,342,540	0.55
91,808	Energy Transfer Operating LP - Preferred Stock FRN (Perpetual) 7.6%	2,324,579	0.55	16,583	Hancock Whitney Corp - Preferred Stock 5.95%	425,354	0.10
23,909	Entergy Arkansas LLC - Preferred Stock 4.9%	622,112	0.15	18,810	Hanover Insurance Group Inc/The - Preferred Stock 6.35%	488,496	0.12
15,158	Entergy Arkansas LLC - Preferred Stock 4.75%	390,773	0.09	41,827	Hartford Financial Services Group Inc/The - Preferred Stock (Perpetual) 6%	1,155,680	0.27
48,908	Entergy Arkansas LLC - Preferred Stock 4.875%	1,273,075	0.30	71,693	Hartford Financial Services Group Inc/The - Preferred Stock FRN 7.875%	2,035,364	0.48
23,525	Entergy Louisiana LLC - Preferred Stock 5.25%	614,708	0.15	70,693	Huntington Bancshares Inc/OH - Preferred Stock (Perpetual) 6.25%	1,838,018	0.43
12,390	Entergy Louisiana LLC - Preferred Stock 4.7%	317,804	0.08	12,462	Huntington Bancshares Inc/OH - Preferred Stock (Perpetual) 5.875%	324,012	0.08
32,672	Entergy Louisiana LLC - Preferred Stock 4.875%	846,532	0.20	11,017	IBERIABANK Corp - Preferred Stock FRN (Perpetual) 6.1%	296,578	0.07
31,481	Entergy Mississippi LLC - Preferred Stock 4.9%	834,247	0.20	21,071	Integrus Holding Inc - Preferred Stock FRN 6%	571,551	0.14
13,515	Entergy New Orleans LLC - Preferred Stock 5.5%	353,417	0.08	22,143	Interstate Power & Light Co - Preferred Stock (Perpetual) 5.1%	567,968	0.13
16,824	Entergy Texas Inc - Preferred Stock 5.625%	460,473	0.11	166,632	JPMorgan Chase & Co - Preferred Stock (Perpetual) 6.125%	4,262,447	1.01
16,189	EPR Properties - Preferred Stock (Perpetual) 5.75%	418,000	0.10	167,510	JPMorgan Chase & Co - Preferred Stock (Perpetual) 6.1%	4,311,707	1.02
17,676	Federal Realty Investment Trust - Preferred Stock (Perpetual) 5%	454,980	0.11	134,801	JPMorgan Chase & Co - Preferred Stock (Perpetual) 6.15%	3,469,778	0.82
17,481	Fifth Third Bancorp - Preferred Stock (Perpetual) 6%	478,805	0.11	198,798	JPMorgan Chase & Co - Preferred Stock (Perpetual) 5.75%	5,433,149	1.29
22,935	Fifth Third Bancorp - Preferred Stock (Perpetual) 4.95%	592,870	0.14	207,711	JPMorgan Chase & Co - Preferred Stock (Perpetual) 6%	5,844,988	1.38
55,295	Fifth Third Bancorp - Preferred Stock FRN (Perpetual) 6.625%	1,587,519	0.38	101,076	JPMorgan Chase & Co - Preferred Stock (Perpetual) 4.75%	2,602,707	0.62
11,024	First Horizon National Corp - Preferred Stock (Perpetual) 6.2%	284,088	0.07	51,398	KeyCorp - Preferred Stock (Perpetual) 5.65%	1,377,466	0.33
11,024	First Republic Bank/CA - Preferred Stock (Perpetual) 5.7%	282,655	0.07	49,415	KeyCorp - Preferred Stock (Perpetual) 5.625%	1,338,652	0.32

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Holdings	Financial assets at fair value through profit or loss	Fair value USD	% of net assets	Holdings	Financial assets at fair value through profit or loss	Fair value USD	% of net assets
60,203	KeyCorp - Preferred Stock FRN (Perpetual) 6.125%	1,714,581	0.41	27,540	Oaktree Capital Group LLC - Preferred Stock (Perpetual) 6.55%	744,682	0.18
27,493	Kimco Realty Corp - Preferred Stock (Perpetual) 5.125%	707,670	0.17	36,649	Office Properties Income Trust - Preferred Stock 5.875%	951,775	0.23
32,074	Kimco Realty Corp - Preferred Stock (Perpetual) 5.25%	830,717	0.20	27,857	People's United Financial Inc - Preferred Stock FRN (Perpetual) 5.625%	784,453	0.19
41,716	KKR & Co Inc - Preferred Stock (Perpetual) 6.75%	1,109,228	0.26	49,838	Pitney Bowes Inc - Preferred Stock 6.7%	910,042	0.22
16,561	KKR & Co Inc - Preferred Stock (Perpetual) 6.5%	445,325	0.11	53,063	PNC Financial Services Group Inc/The - Preferred Stock (Perpetual) 5.375%	1,358,943	0.32
27,857	Legg Mason Inc - Preferred Stock 6.375%	739,882	0.17	178,415	PNC Financial Services Group Inc/The - Preferred Stock FRN (Perpetual) 6.125%	4,886,787	1.16
58,445	Legg Mason Inc - Preferred Stock 5.45%	1,507,297	0.36	54,062	PPL Capital Funding Inc - Preferred Stock 5.9%	1,395,881	0.33
94,258	MetLife Inc - Preferred Stock (Perpetual) 5.625%	2,576,071	0.61	11,525	Prospect Capital Corp - Preferred Stock 6.25%	291,583	0.07
57,709	Morgan Stanley - Preferred Stock (Perpetual) 6.625%	1,442,725	0.34	63,176	Prudential Financial Inc - Preferred Stock 5.75%	1,639,417	0.39
56,555	Morgan Stanley - Preferred Stock (Perpetual) 4.875%	1,425,186	0.34	89,910	Prudential Financial Inc - Preferred Stock 5.7%	2,327,770	0.55
101,781	Morgan Stanley - Preferred Stock FRN (Perpetual) 7.125%	2,911,954	0.69	66,425	Prudential Financial Inc - Preferred Stock 5.625%	1,811,410	0.43
100,617	Morgan Stanley - Preferred Stock FRN (Perpetual) 6.875%	2,847,461	0.67	22,299	PS Business Parks Inc - Preferred Stock (Perpetual) 5.2%	574,868	0.14
117,901	Morgan Stanley - Preferred Stock FRN (Perpetual) 6.375%	3,321,271	0.79	30,161	PS Business Parks Inc - Preferred Stock (Perpetual) 5.25%	787,202	0.19
117,562	Morgan Stanley - Preferred Stock FRN (Perpetual) 5.85%	3,334,058	0.79	22,273	PS Business Parks Inc - Preferred Stock (Perpetual) 5.2%	571,971	0.14
41,149	National Retail Properties Inc - Preferred Stock (Perpetual) 5.2%	1,046,419	0.25	36,872	PS Business Parks Inc - Preferred Stock (Perpetual) 4.875%	914,057	0.22
29,290	National Rural Utilities Cooperative Finance Corp - Preferred Stock 5.5%	806,940	0.19	34,138	Public Storage - Preferred Stock (Perpetual) 5.2%	864,033	0.20
36,649	Navient Corp - Preferred Stock 6%	879,942	0.21	66,802	Public Storage - Preferred Stock (Perpetual) 5.2%	1,688,755	0.40
60,340	New York Community Bancorp Inc - Preferred Stock FRN (Perpetual) 6.375%	1,687,106	0.40	63,878	Public Storage - Preferred Stock (Perpetual) 5.375%	1,611,642	0.38
58,673	NextEra Energy Capital Holdings Inc - Preferred Stock 5.125%	1,499,682	0.35	18,828	Public Storage - Preferred Stock (Perpetual) 5.4%	486,327	0.11
54,356	NextEra Energy Capital Holdings Inc - Preferred Stock 5%	1,387,165	0.33	10,307	Public Storage - Preferred Stock (Perpetual) 5.125%	264,890	0.06
66,495	NextEra Energy Capital Holdings Inc - Preferred Stock 5.25%	1,732,195	0.41	35,569	Public Storage - Preferred Stock (Perpetual) 4.95%	905,942	0.21
80,534	NextEra Energy Capital Holdings Inc - Preferred Stock 5.65%	2,209,048	0.52	46,256	Public Storage - Preferred Stock (Perpetual) 4.9%	1,178,603	0.28
58,548	NiSource Inc - Preferred Stock FRN (Perpetual) 6.5%	1,632,318	0.39	46,473	Public Storage - Preferred Stock (Perpetual) 5.15%	1,209,227	0.29
51,051	Northern Trust Corp - Preferred Stock (Perpetual) 5.85%	1,276,786	0.30	41,315	Public Storage - Preferred Stock (Perpetual) 5.05%	1,068,819	0.25
38,204	Northern Trust Corp - Preferred Stock (Perpetual) 4.7%	998,271	0.24	21,312	Public Storage - Preferred Stock (Perpetual) 5.6%	590,129	0.14
24,608	NuStar Energy LP - Preferred Stock FRN (Perpetual) 8.5%	592,315	0.14	30,415	Public Storage - Preferred Stock (Perpetual) 4.875%	783,186	0.19
50,434	NuStar Energy LP - Preferred Stock FRN (Perpetual) 7.625%	1,091,896	0.26	22,900	Public Storage - Preferred Stock (Perpetual) 4.75%	585,782	0.14
15,825	NuStar Energy LP - Preferred Stock FRN (Perpetual) 9%	397,840	0.09	26,437	QVC Inc - Preferred Stock 6.375%	697,672	0.16
20,590	Oaktree Capital Group LLC - Preferred Stock (Perpetual) 6.625%	554,489	0.13	49,135	QVC Inc - Preferred Stock 6.25%	1,282,424	0.30
				90,807	Qwest Corp - Preferred Stock 6.125%	2,252,014	0.53
				59,751	Qwest Corp - Preferred Stock 6.875%	1,514,090	0.36

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Holdings	Financial assets at fair value through profit or loss	Fair value USD	% of net assets	Holdings	Financial assets at fair value through profit or loss	Fair value USD	% of net assets
48,067	Qwest Corp - Preferred Stock 6.625%	1,219,940	0.29	18,923	Stifel Financial Corp - Preferred Stock (Perpetual) 6.25%	510,543	0.12
26,090	Qwest Corp - Preferred Stock 7%	680,166	0.16	39,304	SVB Financial Group - Preferred Stock (Perpetual) 5.25%	1,016,008	0.24
112,116	Qwest Corp - Preferred Stock 6.5%	2,856,716	0.68	85,915	Synchrony Financial - Preferred Stock (Perpetual) 5.625%	2,195,128	0.52
77,840	Qwest Corp - Preferred Stock 6.75%	1,995,039	0.47	24,585	Synovus Financial Corp - Preferred Stock FRN (Perpetual) 6.3%	651,748	0.15
58,483	Regions Financial Corp - Preferred Stock (Perpetual) 6.375%	1,498,919	0.35	39,795	Synovus Financial Corp - Preferred Stock FRN (Perpetual) 5.875%	1,062,527	0.25
58,461	Regions Financial Corp - Preferred Stock FRN (Perpetual) 6.375%	1,649,769	0.39	12,202	Targa Resources Partners LP - Preferred Stock FRN (Perpetual) 9%	315,544	0.07
58,479	Regions Financial Corp - Preferred Stock FRN (Perpetual) 5.7%	1,630,979	0.39	16,053	TCF Financial Corp - Preferred Stock (Perpetual) 5.7%	423,478	0.10
50,844	Reinsurance Group of America Inc - Preferred Stock FRN 6.2%	1,409,904	0.33	12,756	Telephone & Data Systems Inc - Preferred Stock 6.625%	333,569	0.08
43,636	Reinsurance Group of America Inc - Preferred Stock FRN 5.75%	1,229,662	0.29	26,467	Telephone & Data Systems Inc - Preferred Stock 6.875%	675,438	0.16
46,712	SCE Trust II - Preferred Stock (Perpetual) 5.1%	1,167,333	0.28	34,508	Telephone & Data Systems Inc - Preferred Stock 7%	874,778	0.21
30,121	SCE Trust III - Preferred Stock FRN (Perpetual) 5.75%	734,651	0.17	23,106	Telephone & Data Systems Inc - Preferred Stock 5.875%	584,120	0.14
38,086	SCE Trust IV - Preferred Stock FRN (Perpetual) 5.375%	933,488	0.22	11,871	Texas Capital Bancshares Inc - Preferred Stock 6.5%	307,103	0.07
33,134	SCE Trust V - Preferred Stock FRN (Perpetual) 5.45%	817,416	0.19	16,583	Texas Capital Bancshares Inc - Preferred Stock (Perpetual) 6.5%	430,329	0.10
55,705	SCE Trust VI - Preferred Stock (Perpetual) 5%	1,335,806	0.32	59,827	Truist Financial Corp - Preferred Stock (Perpetual) 5.2%	1,520,802	0.36
88,574	Sempra Energy - Preferred Stock 5.75%	2,353,411	0.56	53,306	Truist Financial Corp - Preferred Stock (Perpetual) 5.2%	1,356,105	0.32
38,922	Senior Housing Properties Trust - Preferred Stock 0%	963,319	0.23	55,345	Truist Financial Corp - Preferred Stock (Perpetual) 5.625%	1,487,674	0.35
27,857	Senior Housing Properties Trust - Preferred Stock 0%	720,661	0.17	41,284	United States Cellular Corp - Preferred Stock 6.95%	1,044,898	0.25
18,290	SITE Centers Corp - Preferred Stock (Perpetual) 6.25%	463,834	0.11	33,412	United States Cellular Corp - Preferred Stock 7.25%	862,698	0.20
19,363	SITE Centers Corp - Preferred Stock (Perpetual) 6.375%	507,311	0.12	36,649	United States Cellular Corp - Preferred Stock 7.25%	955,073	0.23
25,374	SL Green Realty Corp - Preferred Stock (Perpetual) 6.5%	644,753	0.15	35,168	Unum Group - Preferred Stock 6.25%	949,536	0.22
23,455	South Jersey Industries Inc - Preferred Stock 5.625%	625,779	0.15	54,468	US Bancorp - Preferred Stock (Perpetual) 5.15%	1,412,355	0.33
116,699	Southern Co/The - Preferred Stock 6.25%	3,077,353	0.73	69,123	US Bancorp - Preferred Stock (Perpetual) 5.5%	1,895,353	0.45
86,899	Southern Co/The - Preferred Stock 5.25%	2,288,920	0.54	131,269	US Bancorp - Preferred Stock FRN (Perpetual) 6.5%	3,625,650	0.86
52,860	Southern Co/The - Preferred Stock 5.25%	1,390,747	0.33	11,024	Valley National Bancorp - Preferred Stock FRN (Perpetual) 5.5%	293,128	0.07
26,948	Spire Inc - Preferred Stock (Perpetual) 5.9%	744,304	0.18	12,756	Valley National Bancorp - Preferred Stock FRN (Perpetual) 6.25%	359,081	0.08
56,185	State Street Corp - Preferred Stock (Perpetual) 5.25%	1,441,145	0.34	90,610	VEREIT Inc - Preferred Stock (Perpetual) 6.7%	2,310,555	0.55
89,306	State Street Corp - Preferred Stock FRN (Perpetual) 5.9%	2,452,343	0.58	38,081	Vornado Realty Trust - Preferred Stock (Perpetual) 5.4%	960,022	0.23
58,682	State Street Corp - Preferred Stock FRN (Perpetual) 5.35%	1,635,467	0.39	35,089	Vornado Realty Trust - Preferred Stock (Perpetual) 5.7%	884,594	0.21
26,247	Stifel Financial Corp - Preferred Stock 5.2%	672,448	0.16				
17,717	Stifel Financial Corp - Preferred Stock (Perpetual) 6.25%	475,524	0.11				

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Holdings	Financial assets at fair value through profit or loss	Fair value USD	% of net assets	Holdings	Financial assets at fair value through profit or loss	Fair value USD	% of net assets
25,183	Vornado Realty Trust - Preferred Stock (Perpetual) 5.25%	643,174	0.15	41,998	WR Berkley Corp - Preferred Stock 5.625%	1,067,589	0.25
35,484	Voya Financial Inc - Preferred Stock FRN (Perpetual) 5.35%	957,713	0.23	11,871	WR Berkley Corp - Preferred Stock 5.9%	313,513	0.07
11,844	Washington Prime Group Inc - Preferred Stock (Perpetual) 7.5%	255,475	0.06	35,732	WR Berkley Corp - Preferred Stock 5.75%	936,178	0.22
14,334	Webster Financial Corp - Preferred Stock (Perpetual) 5.25%	370,677	0.09	20,590	WR Berkley Corp - Preferred Stock 5.7%	544,811	0.13
78,017	Wells Fargo & Co - Preferred Stock (Perpetual) 5.125%	1,987,093	0.47	33,793	WR Berkley Corp - Preferred Stock 5.1%	851,246	0.20
88,157	Wells Fargo & Co - Preferred Stock (Perpetual) 5.2%	2,251,530	0.53	16,854	Zions Bancorp NA - Preferred Stock FRN (Perpetual) 6.3%	472,586	0.11
68,755	Wells Fargo & Co - Preferred Stock (Perpetual) 5.25%	1,751,190	0.41		Total United States	383,110,950	90.72
94,068	Wells Fargo & Co - Preferred Stock (Perpetual) 6%	2,395,912	0.57		Total Equities	414,063,990	98.05
117,379	Wells Fargo & Co - Preferred Stock (Perpetual) 6%	3,050,680	0.72		Mutual Bond Fund: 1.73% (31 December 2018: 0.00%)		
117,596	Wells Fargo & Co - Preferred Stock (Perpetual) 5.7%	3,075,135	0.73		Ireland: 1.73% (31 December 2018: 0.00%)		
135,459	Wells Fargo & Co - Preferred Stock (Perpetual) 5.5%	3,535,480	0.84	7,319,813	Invesco US Dollar Short Term Bond Liquidity Fund	7,319,813	1.73
80,651	Wells Fargo & Co - Preferred Stock (Perpetual) 5.625%	2,152,575	0.51		Total Ireland	7,319,813	1.73
201,637	Wells Fargo & Co - Preferred Stock FRN (Perpetual) 5.85%	5,522,837	1.31		Total Mutual Bond Fund	7,319,813	1.73
98,332	Wells Fargo & Co - Preferred Stock FRN (Perpetual) 6.625%	2,834,912	0.67				
13,513	Wintrust Financial Corp - Preferred Stock FRN (Perpetual) 6.5%	390,526	0.09				

Details of Forward							Unrealised Gain USD	% of net assets	
Foreign Exchange Contracts									
					Maturity date	Counterparty			
Buy	18,514,344	EUR	to Sell	20,469,173	USD	03/01/2020	BNY Mellon	312,793	0.08
Buy	293,191	CHF	to Sell	294,311	USD	03/01/2020	BNY Mellon	8,456	0.00
Total unrealised gain on open forward foreign exchange contracts							321,249	0.08	

	Fair value USD	% of net assets
Total financial assets at fair value through profit or loss	421,705,052	99.86
Cash and cash equivalents	254,066	0.06
Current assets	1,316,859	0.31
Total assets	423,275,977	100.23

Details of Forward							Unrealised Loss USD	% of net assets	
Foreign Exchange Contracts									
					Maturity date	Counterparty			
Buy	231,645	USD	to Sell	208,617	EUR	03/01/2020	BNY Mellon	(2,523)	(0.00)
Total unrealised loss on open forward foreign exchange contracts							(2,523)	(0.00)	

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	Fair value USD	% of net assets
Total financial liabilities at fair value through profit or loss	(2,523)	(0.00)
Current liabilities	(948,558)	(0.23)
Net assets attributable to holders of redeemable participating shares	422,324,896	100.00

	% of total assets
Unaudited Analysis of Total Assets	
Transferable securities and money market instruments admitted to official stock exchange listing	99.55
Derivative instruments	0.08
Other assets	0.37
	100.00