



Invesco US High Yield Fallen Angels UCITS ETF

For Professional Investors, Qualified Investors, and Qualified Clients only

Seeks income and capital appreciation on US high yield Fallen Angels

Unique time-weighted approach captures price-rebound effect through a 100% systematic strategy

Generally higher quality than broader US high yield

What is a Fallen Angel?

A Fallen Angel is a bond that was previously investment grade but has been downgraded to high yield. The removal from investment grade indices forces many investors to sell their holdings, often resulting in a more pronounced price decline.



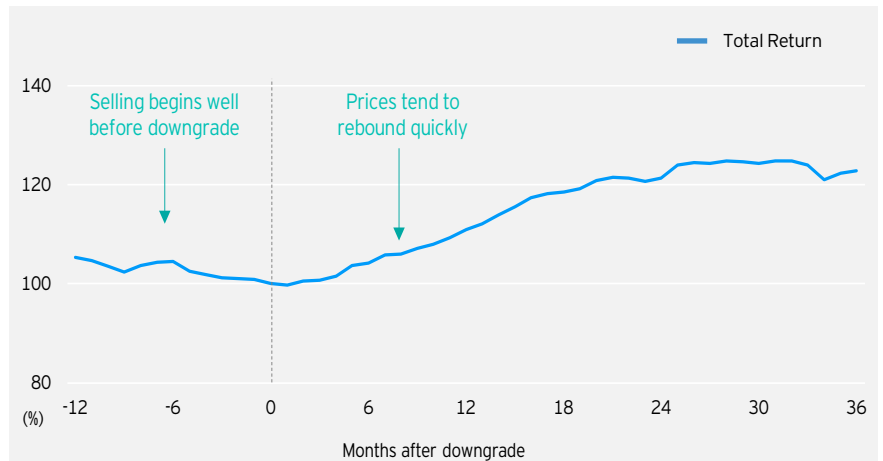
Source: Invesco. For illustrative purposes only

Invesco US High Yield Fallen Angels UCITS ETF (HYFA) follows a systematic strategy, in which the product purchases any new Fallen Angels in the US market at the end of each month, after their inclusion into the index and subject to liquidity constraints.

The Fallen Angel Opportunity

By purchasing the bonds shortly after their downgrade, HYFA offers the opportunity to enhance returns in the US high yield space by participating in any price rebound if it occurs. In addition, the Fallen Angels index historically has had a stronger credit rating profile than the broader US High Yield market.

Research¹ shows that Fallen Angel bonds tend to be oversold when downgraded to high yield indices, and can benefit from a higher proportion of subsequent credit upgrades than equivalent high yield issues. Selling pressure is generally reduced post downgrade, allowing Fallen Angel prices to bounce back, potentially contributing to strong total returns.



Data: Citi Research, Jun 2015. Historical simulated performance for bonds issued during the period from Jan 2002 to Mar 2015. Study based on 30 US bond issuers downgraded to high yield since 2012. Past performance (actual or simulated) is not a reliable indicator of future performance. ¹Source: FTSE Russell, Fallen Angels in the US credit market (May 2019)

Capture the performance with the FTSE Time-Weighted US Fallen Angel Bond Select Index

- Include bonds within 1-30 days of downgrade, and held for 60 months
- Use time-weighting to capture price dynamics over rebound period
- Higher weights are assigned to bonds that have more recently become fallen angels
- Issuer weight capped at 5%



Please get in touch if you have any questions

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About our ETF

ETF	Invesco US High Yield Fallen Angels UCITS ETF
ISIN	IE00BDOQ9673
Bloomberg ticker*	HYFA LN
Benchmark index	FTSE Time-Weighted US Fallen Angel Bond Select Index
Benchmark ticker	CFIIHYFA
Exchange	London Stock Exchange, Xetra, SIX, Borsa Italiana, Euronext Paris
Trading currency	USD, GBP and EUR
Dividend distribution	Quarterly
Replication method	Physical
Ongoing charge	0.45% p.a.

*Ticker shown is Bloomberg ticker, and are those of the main trading lines. Please see etf.invesco.com for further details.

Further information

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Investment Risks

Value fluctuation

The value of investments, and any income from them, will fluctuate. This may partly be the result of changes in exchange rates. Investors may not get back the full amount invested.

Debt instruments

Debt instruments are exposed to credit risk which relates to the ability of the borrower to repay the interest and capital on the redemption date.

Interest rates

Changes in interest rates will result in fluctuations in the value of the fund.

High yield debt instruments

This fund may hold a significant amount of debt instruments which are of lower credit quality. This may result in large fluctuations of the value of the ETF as well as impacting its liquidity under certain circumstances.

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Data as at 31 July 2020, unless otherwise stated.

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