

## Conversion of 25 Invesco ETFs into international ETF structure

INVESCO Markets III PLC, intends to convert its Irish-domiciled Exchange-Traded Funds (ETFs) to the ICSD model in Common Depository structure, thus centralising the issuance process in one Common Depository. This migration wave will consist of 25 ETFs issued under the INVESCO MARKETS III PLC-CBF and INVESCO MARKETS III PLC-NON CBF umbrellas.

This document contains the relevant details on the conversion of the 25 Invesco ETFs into the international ETF structure.

No action is required from customers for the conversion of the securities into the international ETF structure. Depending on customers' current settlement arrangements, there may be settlement-related actions for customers to take. Please refer to the information provided below.

### Mandatory conversion

The 25 INVESCO MARKETS III PLC ETFs<sup>1</sup> (governed by Irish law) in the table on page 2 will be converted into international ETFs on Monday, 28 January 2019 (the 'conversion date'). The conversion from the current domestic to the new international issuance structure is mandatory and does not require an action from customers.

IE-ISINs static data will be updated in our securities database (including the WSS database) to flag the ISIN as international. The IE ISINs will remain the same. If customers have holdings in a CASCADE account (collective safe custody), they will be converted into the customer's corresponding CBF-i account(s) ("6-series accounts") in the international settlement environment, over the weekend of the conversion, based on the customer's holdings of Friday, 25 January, the "record date", on a 1:1 basis. Trading will remain possible.

Please note that positions in Remote Market Common Codes held in other CSDs such as Monte Titoli, Euroclear France, Euroclear UK & IE will be repatriated to their respective Home Market Common Code starting Friday, 18 January 2019. Meaning that as from Friday 18 January remote market common codes will be closed for settlement. As from that date customers should refrain from instructing on remote market codes. Any pending settlement instructions, including matched instructions, will be cancelled in remote common codes and customers will have to reinstruct with the Home Market Common Code. For matched domestic instructions, which are already provisioned, customers and their counterparty should either cancel both legs and reinstruct on the new home code setup. For this, customers may need to contact their counterparties directly to ensure prompt cancellation.

Stock exchange trading in the various markets will remain possible (unless announced otherwise) but customers are requested to check with their counterparty which settlement arrangement within the ICSDs should be applied to settle their trades.

The repatriation of positions in Remote Market Common Codes to Home Market code concerns all 25 Invesco ETFs subject to the mandatory conversion.

1. For more details on these Invesco ETFs and the Scheme of Arrangement which governs the INVESCO Markets III PLC ETFs conversions, please go to [www.invesco.com](http://www.invesco.com).

## Impacted securities

25 Invesco ETFs subject to the mandatory conversion		
ISIN code	Fund name	Fund umbrella
IE00BD0Q9673	SHS INVESCO-US HIGH.YIELD.FALLEN.A.UCITS ETF	INVESCO MARKETS III PLC-NON CBF
IE00BYVTMZ20	SHS POWERSHARES-US H.Y.FA.AN.EURH UC.ETF	INVESCO MARKETS III PLC-NON CBF
IE00BYVTN047	SHS POWERSH.US HI.YI.FA.AN.GBPH UCITS ETF	INVESCO MARKETS III PLC-NON CBF
IE00B23D9240	SHS POWERSHARES GL.FDS IR.-DYN.US MKT	INVESCO MARKETS III PLC-NON CBF
IE0032077012	SHS INVESCO MKT III PLC-IN.EQ.NA.-100 UC.ETF	INVESCO MARKETS III PLC-NON CBF
IE00BYVTMS52	SHS INV.MKTS III PLC-EQQQ.NAS.100 EURH U.ETF	INVESCO MARKETS III PLC-NON CBF
IE00BYVTMW98	SHS POWERSHARES EQQQ NASDAQ-100 GBPH UC.ETF	INVESCO MARKETS III PLC-NON CBF
IE00B3BPCH51	SHS POWERSHARES GL.FDS IR.-EUROMTS CASH 3M	INVESCO MARKETS III PLC-NON CBF
IE00BZ4BMM98	SHS INVESCO MAR II PLC-I.E.ST.H.D.L.V.UC.ETF	INVESCO MARKETS III PLC-NON CBF
IE00BYXBD20	SHS POWERSH.GL.FDS I.-FTSE UK H.DI.L.VO.U.ETF	INVESCO MARKETS III PLC-NON CBF
IE00BYXBF44	SHS INVESCO MA III PLC-I.F.E.M.H.D.L.V.U.ETF	INVESCO MARKETS III PLC-NON CBF
IE00B23LNQ02	SHS INVESCO FTSE RAFI ALL WLD 3000 UCITS ETF	INVESCO MARKETS III PLC-NON CBF
IE00B23D9570	SHS INVESCO FTSE RAFI EM.M.UC.ETF USD DIS	INVESCO MARKETS III PLC-NON CBF
IE00B23D8Y98	SHS INVESCO FTSE RAFI EUROPE MID SM UC ETF	INVESCO MARKETS III PLC-NON CBF
IE00B23D8X81	SHS POWERSHARES GL.FDS IR.-FTSE RAFI EUROPE	INVESCO MARKETS III PLC-NON CBF
IE00B23LNN70	SHS INVESCO FTSE RAFI UK 100 UCITS ETF	INVESCO MARKETS III PLC-NON CBF
IE00B23D8S39	SHS INVESCO.FTSE RAFI US 1000 FD UCITS ETF	INVESCO MARKETS III PLC-NON CBF
IE00BX8ZXS68	SHS INVESCO.G.FDS I.-S+P 500 VEQTOR UCITS ETF	INVESCO MARKETS III PLC-NON CBF
IE00BDZCKK11	SHS INVESCO MARKETS III PLC-S+P500 QVM U.ETF	INVESCO MARKETS III PLC-NON CBF
IE00BFZXGZ54	SHS INVESCO EQQQ NASDAQ-100. UCITS. ETF	INVESCO MARKETS III PLC-NON CBF
IE00BLSNMW37	SHS INVESCO MARKETS III PLC-GL.BU.AC.UC.ETF	INVESCO MARKETS III PLC- CBF
IE00BWTN6Y99	SHS INVES.MKTS III-S+P 500 HI.DIV.L.V.UC.ETF	INVESCO MARKETS III PLC- CBF
IE00BYVTMY13	SHS INVESCO US HIGH.YIELD.UCITS.ETF	INVESCO MARKETS III PLC
IE00BYVTMT69	SHS INVESCO EQQQ NASDAQ.-100.UCITS.ETF	INVESCO MARKETS III PLC
IE00BYVTMX06	SHS INVESCO S&P 500 HIGH DIVIDEND.L.V. UCITS.ETF	INVESCO MARKETS III PLC

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## Impact on stock exchange settlement instructions

Friday, 25 January 2019	What will happen
After close of business	<p>CBF customers: Pending exchange settlement instructions will be modified to the CBF-i settlement platform (Creation) on customers' accounts. No separate Customer information will go out.</p> <p>CBL/CBF-i customers: Pending exchange settlement instructions will be cancelled following change in static data of securities database. Customers should reinstruct accordingly.</p>
Monday, 28 January 2019	What will happen
Start of business	Stock exchange transactions on Xetra will settle in the CBL/CBF-i settlement platform as from settlement date Monday, 28 January 2019.

## Impact on OTC settlement instructions

Friday, 25 January 2019	What will happen
After close of business	<p>Customers' pending OTC settlement instructions on CASCADE will be cancelled and customers should reinstruct to the CBL/CBF-i settlement platform (Creation) on their accounts. No separate Customer information will go out.</p> <p>Customers' pending OTC settlement instructions on the CBL/CBF-i settlement platform (Creation) will be cancelled following change in static data of securities database. Customers should reinstruct accordingly.</p>
Monday, 28 January 2019	What will happen
Start of business	<p><b>External settlement instructions</b></p> <p>The place of settlement for customer transactions in international ETFs will be the CBL/CBF-i settlement platform as from settlement date Monday, 28 January 2019.</p>

## Customers trading/clearing in the above ISINs on Xetra

For trades executed on Xetra as from Thursday, 24 January 2019, the related transactions will settle exclusively in CBL/CBF-i.

## Customers settling Xetra transactions in CBL or CBFi today

There is no impact for customers. Customer transactions will continue to settle in CBL/CBF-i.

## Customers settling Xetra transactions in CBF today

What will happen	Action to take
<b>Close of business on Friday, 25 January 2019</b>	
CBF will modify the customer's pending instructions to the CBL/CBF-i settlement platform (Creation) on the customer's CBF-i account.	No action to take.
<b>The start of business on Monday, 28 January 2019</b>	
CBL/CBF will execute the conversion and credit the customer's account in CBL/CBF-i with the IE ISINs of the corporate action. The customer's CASCADE account will be debited accordingly.	<ul style="list-style-type: none"><li>Customers should amend their static reference data for the 25 InvescoETFs to reflect the place of safekeeping, and holding ledger to PSafe: CITIGB2LMAG.</li><li>Clearstream Banking recommends customers to make arrangements with their underlying clients to make the relevant amendments as soon as possible after the conversion date.</li></ul>

## Other stock exchanges

Clearstream Banking recommends customers to check the relevant details with the local infrastructure of the other trading venues (Euronext, LSE, Borsa Italiana).

## Place of settlement - Overview

Settlement type	Trading venue	Place of settlement pre-conversion	Place of settlement post-conversion <sup>a</sup>
<b>Stock exchange settlement</b>	Xetra	CBL (/CBF-i)	CBL (/CBF-i)
	Xetra	CBF	CBL (/CBF-i)
<b>OTC</b>	N/A	CBL (/CBF-i)	CBL (/CBF-i)
	N/A	CBF	CBL (/CBF-i)

a. Allowing the customers to centralise their OTC activity and stock exchange activity in the same location.

## Any questions?

### Have you read our international ETFs Product Information publication?

The Product Information publication is available on our website ([www.clearstream.com](http://www.clearstream.com)) and offers further details on how the international ETF structure helps meet the post-trade challenges of the ETF market.

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