Investable Ideas

Par Value of a Unit Investment Trust

What Is Par Value of a Bond?

Par value is the nominal or face value of a bond. The par value of a bond generally represents the amount of money, or principal amount, that the bond issuer borrows and promises to repay at some future date.

What is Par Value of a UIT?

Par value represents the principal amount of the underlying bonds per unit as of the close of business on the trust's deposit date.

Understanding the Par Value for a Unit Investment Trust (UIT)

- Unlike an individual bond, the units of a **UIT do not have a guarantee of $1000 in par value per unit**. A UIT holds a number of bonds each with a purchase price either at par, at a discount, or at a premium. As a result, a UIT's par value may be above or below $1000 based on the composition of the bonds in the trust.
- In some UITs, the "Public Offering Price per Unit" may represent a substantial premium or discount to the par value per unit, especially when a UIT consists of a number of premium or discount bonds, respectively.

Risk of Early Redemptions/Calls on Bonds

- If any of the bonds within a UIT are redeemed or called prior to maturity:
  - the total par amount of bonds in the UIT will decrease
  - the par value per unit of the UIT may decrease
  - the principal will be paid out directly to unitholders, similar to how distributions are made to holders of individual bond
  - Unlike a mutual fund, which buys additional bonds if a bond it holds is called or matures, a UIT pays the proceeds directly to the unitholders with no subsequent reinvestment of the proceeds

For a list of bond trust offerings for both taxable and tax-exempt trusts within Invesco Unit Trusts, please contact Invesco's sales desk (800) 959-4246.

How does Par Value on Fixed Income Trusts Vary?

- Fixed income unit trusts offer a convenient way for investors to purchase a diversified, professionally selected portfolio of bonds.
- It is important for investors to understand the various factors that go into the price and yield calculations.

The chart below shows hypothetical examples of three different trusts on the date of deposit (consisting of one discount, one at par and one at a premium) and will vary thereafter.

Hypothetical Examples of Unit Trusts Priced @ Discount, Par, and Premium to Par Value*

	Trust A (Discount)	Trust B (Par)	Trust C (Premium)
Offering Price of Bonds per Unit	$948.00	$948.00	$948.00
Sales Charge per Unit 4.9%	$49.00	$49.00	$49.00
Organizational Costs per Unit	$3.00	$3.00	$3.00
Public Offering Price per Unit	$1000.00	$1000.00	$1000.00
Par Value per Unit** Estimated amount unitholders will receive if all bonds in the trust are held to maturity	$1050.00	$1000.00	$850.00
Estimated Current Return***	4.12%	4.50%	5.20%
Estimated Long Term Return***	4.52%	4.50%	3.82%
Average Maturity	25 years	25 years	25 years

*For Illustrative Purposes Only. The illustration serves only as an example to demonstrate the hypothetical performance of different fixed income UITs, and does not represent characteristics of units of any particular trust offered by Invesco.

**Represents the principal amount of the underlying bonds per unit as of the close of business on the trust's deposit date. Subsequently, bonds may be sold to meet redemptions, to pay expenses, and in other limited circumstances. The sale of bonds will affect the principal amount of bonds included in the trust and as a result the principal amount of bonds per unit. There can be no assurance that a unitholder will receive this par value per unit subsequent to the deposit date.

***Estimated current return shows the estimated interest distributions a unitholder would be scheduled to receive each year divided by the unit price. Estimated long term return shows the estimated return over the estimated life of the trust. We base this estimate on an average of the bond yields over their estimated life. This estimate also reflects the sales charge and estimated expenses. The average yield for the portfolio is derived by weighting each bond's yield by its value and estimated life. Unlike estimated current return, estimated long term return accounts for maturities, discounts and premiums of the bonds. These estimates show a comparison rather than a prediction of returns. No return calculation can predict a trust's actual return. Current return estimates for previously deposited fixed income UITs are available at www.invesco.com/unittrust.

Diversification does not guarantee a profit or eliminate the risk of loss.

Below are some of Invesco Unit Trusts' investment solutions for both the taxable and tax-exempt trusts.	
Taxable	Tax-Exempt
Investment Grade Income Trust, 7+ Year Series (IGST)	Investment Grade Municipal Trust, Intermediate Series (IGIN)
Investment Grade Income Trust, 10–20 Year Series (IGLM)	Investment Grade Municipal Trust, (IGMT)
Investment Grade Income Trust, 20+ Year Series (IGLT)	Quality Municipals Income Trust, Limited Maturity Series (QMLM)
	Investors' Quality Tax-Exempt Trust, (QUAL)

For more information

Contact Invesco at 800 959 4246 from 7 a.m. to 6 p.m. Central time on weekdays.
You can also visit us at www.invesco.com/unittrusts.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

Before investing, investors should carefully read the prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the unit trust(s), investors should ask their advisers for a prospectus or visit invesco.com/unittrust.

Risk Considerations

There is no assurance that a unit trust will achieve its investment objective. Unit trusts are subject to market risk, which is the possibility that the market values of securities owned by the unit trust will decline and that the value of your units may therefore be less than what you paid for them.

An investment in a trust should be made with an understanding of the risks associated therewith, such as the inability of the issuer or an insurer to pay the principal of or interest on a bond when due, volatile interest rates, early call provisions and changes to the tax status of the bonds. As interest rates rise, bond prices fall.

A bond issuer might prepay or "call" a bond before its stated maturity. If this happens, the unit trust will distribute the principal to unit holders, but future interest distributions will fall. A bond's call price could be less than the price the unit trust paid for the bond. If enough bonds are called, the unit trust could terminate earlier than expected.

Investments in a trust may be subject to interest rate risk. If interest rates rise, the value of the bonds in a trust may decline and if interest rates decline the value of the bonds may increase. Also, the longer the period to maturity, the greater the sensitivity to interest rate changes tends to be.

A trust may concentrate in bonds of a particular type of issuer. This makes the trust less diversified and subject to greater risk than a more diversified portfolio.

Should the issuer of a Build America Bond or Qualified Bond fail to continue to meet the applicable requirements imposed on the bonds as provided by the American Recovery & Reinvestment Act of 2009, it is possible that such issuer may not receive federal cash subsidy payments, impairing the issuer's ability to make scheduled interest payments.

Invesco Van Kampen unit investment trusts are distributed by the sponsor, Van Kampen Funds Inc., and broker dealers including Invesco Distributors, Inc. Both firms are wholly owned, indirect subsidiaries of Invesco Ltd.