



BKLN Fund in Focus
Invesco Senior Loan ETF

Index: S&P/LSTA US Leveraged Loan 100 Index
Inception: March 3, 2011
AUM: \$4.96 Billion
(as of Sept. 30, 2019)
Total expense ratio: 0.67%
Net expense ratio: 0.65%

Key features

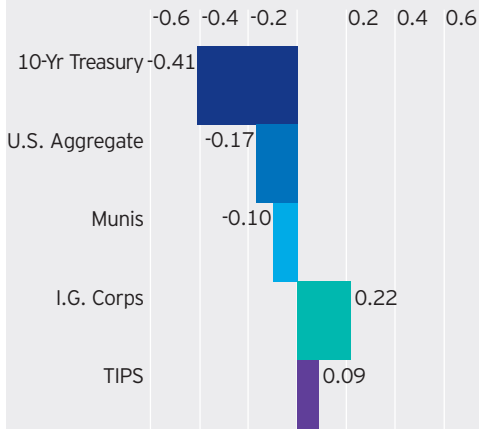
- **Capital structure seniority and enhanced diversification**
- **The potential for attractive current income and ultra-short duration to defend against rising rates and inflation**
- **Exposure to senior secured loans in an efficient and liquid ETF structure**

Adviser has contractually agreed to waive fees and/or pay certain fund expenses through at least Aug. 31, 2020.

Capital structure seniority and enhanced diversification

Senior secured loans offer investors priority distributions, since they are at the top of a company's capital structure, enabling investors to get paid first in the event of default or bankruptcy. They also provide diversification benefits through a low correlation to other segments of the fixed income market as well as equities, helping mitigate overall volatility in a portfolio.

Correlations of senior secured loans to other fixed income asset classes



Source: Bloomberg L.P., as of Sept. 30, 2019. Past performance cannot guarantee future results. Diversification does not guarantee a profit or eliminate the risk of loss.

Senior secured loans have repayment priority in the event of default

Senior secured loans rank highest in the capital structure.



Senior secured loans are secured by companies' collateral such as:



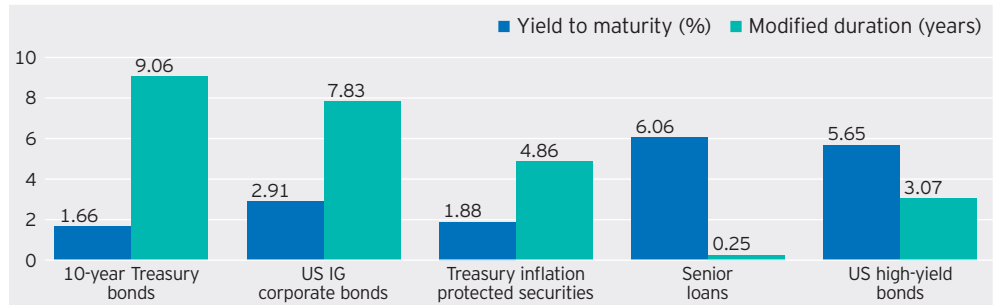
There is a risk that the value of the collateral required on investments in senior secured floating rate loans and debt securities may not be sufficient to cover the amount owed, may be found invalid, may be used to pay other outstanding obligations of the borrower or may be difficult to liquidate.

*Please see notes on the back page for indexes used and index definitions.

The potential for attractive current income and ultra-short duration to defend against rising rates and inflation

BKLN provides access to the senior secured loan asset class, which may provide a high level of yield relative to duration risk. The floating rate coupons on senior secured loans may provide a potential hedge in inflationary and rising rate environments.

Yield to maturity and duration



Source: Bloomberg L.P., as of Sept. 30, 2019. See notes on back for indexes used.* Yield to maturity is the anticipated return on a bond if it is held until the end of its lifetime. Duration is a measure of a bond's sensitivity to interest rate changes that reflects the change in a bond's price given a change in yield.

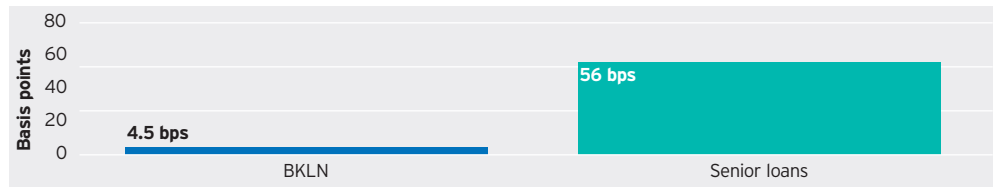
Unlike bonds, SSLs are secured by collateral, but are typically made to below investment grade companies. The risk of default may be higher when compared to loans or bonds issued for investment grade companies, but SSLs typically have a lower risk when compared to non-investment grade or high-yield bonds. TIPS tend to decrease when real rates increase and conversely increase when real rates decrease, while providing a real rate of return guaranteed by the US government. Treasury bonds are guaranteed by the full faith and credit of the US government as to the timely payment of principal and interest.

During declining rate environments, senior loans may have experienced periods of underperformance relative to bonds.

Exposure to senior secured loans in an efficient and liquid ETF structure

BKLN tracks the S&P/LSTA US Leveraged Loan 100 Index which includes the 100 largest and most liquid senior secured loans within the broader universe. As the chart below shows, accessing senior secured loans through an ETF is more efficient than individual loans which tend to trade with wider spreads and present challenges in locating issues compared to other segments of the fixed income markets.

Bid-ask spreads (basis points)



Source: ArcaVision, Loan Syndication and Trading Association, six months ended Sept. 30, 2019. Senior loans represents the average of the individual loans in the S&P/LSTA US Leveraged Loan 100 Index.

*The following indexes were used to measure yield relative to maturity, modified duration and correlations: 10-year Treasury bonds: ICE BofAML Current 10-year Treasury Index; US IG corporate bonds: ICE BofAML US Corporate Index; Treasury inflation protected securities (TIPS): ICE BofAML All Maturity US Inflation-Linked Government Index; Senior loans: S&P/LSTA US Leveraged Loan 100 Index; US high yield bonds: ICE BofAML US High Yield Index; US aggregate bond: Bloomberg Barclays US Aggregate Bond Index; US municipal securities: ICE BofAML US Municipal Securities Index.

Correlation is the degree to which two investments have historically moved in relation to each other.

Bid-Ask Spread is the amount by which the ask price exceeds the bid. This is essentially the difference in price between the highest price that a buyer is willing to pay for an asset and the lowest price for which a seller is willing to sell it.

ICE BofAML Current 10-Year US Treasury Index measures the total return performance of US Treasury bonds with an outstanding par that is greater than or equal to \$25 million. The maturity range of these securities is greater than 10 years.

ICE BofAML US Corporate Index is an unmanaged index comprised of US dollar denominated investment grade corporate debt securities publicly issued in the US domestic market with at least one year remaining term to final maturity.

ICE BofAML All Maturity US Inflation-Linked Government Index tracks the performance of US dollar denominated inflation-linked sovereign debt publicly issued by the US government in its domestic market.

S&P/LSTA US Leveraged Loan 100 Index is representative of the performance of the largest facilities in the leveraged loan market.

ICE BofAML US High Yield Index tracks the performance of US dollar-denominated, below-investment grade corporate debt publicly issued in the US domestic market.

Bloomberg Barclays US Aggregate Bond Index is an unmanaged index considered representative of the US investment grade, fixed-rate bond market.

ICE BofAML US Municipal Securities Index tracks the performance of US dollar denominated investment grade tax-exempt debt publicly issued by US states and territories.

Risk Information

There are risks involved with investing in ETFs, including possible loss of money. Shares are not actively managed and are subject to risks similar to those of stocks, including those regarding short selling and margin maintenance requirements. Ordinary brokerage commissions apply. The fund's return may not match the return of the underlying index. The fund is subject to certain other risks. Please see the current prospectus for more information regarding the risk associated with an investment in the fund.

Most senior loans are made to corporations with below investment grade credit ratings and are subject to significant credit, valuation and liquidity risk. The value of the collateral securing a loan may not be sufficient to cover the amount owed, may be found invalid or may be used to pay other outstanding obligations of the borrower under applicable law. There is also the risk that the collateral may be difficult to liquidate, or that a majority of the collateral may be illiquid.

An issuer may be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating.

Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa. The values of junk bonds fluctuate more than those of high quality bonds and can decline significantly over short time periods.

The fund is non-diversified and may experience greater volatility than a more diversified investment.

The fund's use of a representative sampling approach will result in its holding a smaller number of bonds than are in the underlying index, and may be subject to greater volatility.

The fund may hold illiquid securities that it may be unable to sell at the preferred time or price and could lose its entire investment in such securities.

Under a participation in senior loans, the fund generally will have rights that are more limited than those of lenders or of persons who acquire a senior loan by assignment. In a participation, the fund assumes the credit risk of the lender selling the participation in addition to the credit risk of the borrower. In the event of the insolvency of the lender selling the participation, the fund may be treated as a general creditor of the lender and may not have a senior claim to the lender's interest in the senior loan. Certain participations in senior loans are illiquid and difficult to value.

The fund currently intends to effect creations and redemptions principally for cash, rather than principally in-kind because of the nature of the fund's investments. As such, investments in the fund may be less tax efficient than investments in ETFs that create and redeem in-kind.

Investments focused in a particular industry are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

Shares are not individually redeemable and owners of the shares may acquire those shares from the fund and tender those shares for redemption to the fund in creation unit aggregations only, typically consisting of 100,000 shares.

This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial advisor/financial consultant before making any investment decisions.

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Before investing, investors should carefully read the prospectus/summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the fund call 800 983 0903 or visit invesco.com for the prospectus/summary prospectus.