
Invesco Institutional Indexing

Case Study

Institutional Indexing Case Study

Recently, a large U.S. bank approached Invesco in search of a custom index solution. The bank wanted a broad core ESG offering, as well as several satellite strategies more narrowly focused on environmental and social issues. Broad specifications for the desired index included:



We worked closely with the bank to fine-tune their desired elements. A key outcome of this collaboration was the **Invesco Global Climate Alignment Index**. This bespoke creation emphasized those companies which are leading the transition to a lower-carbon future.

Invesco Global Climate Alignment Index Allocation



The novel index is comprised of companies with A or B ratings from CDP, a leading ESG non-profit, and excluded categories such as the Carbon Underground 200, UN Global Compact non-compliant, private prisons, pipelines, weapons, oil sands, coal and tobacco. It also excluded additional controversial companies and those poorly ranked by ESG score.* Invesco's global ESG team was integral to the success of the project, one of many sustainability mandates we have recently completed.

Invesco Global Climate Alignment Index Construction

The Invesco Global Climate Alignment Index: a multi-step, custom screening process

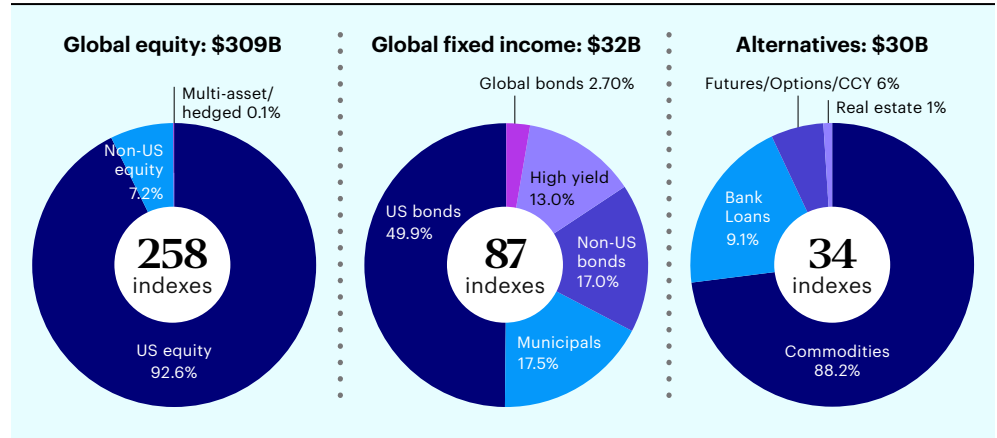


*ESG data sources: CDP Worldwide, Carbon Underground 200, Sustainalytics

Custom Indexing to Meet your Unique Needs

In the era of indexation, institutions are increasingly shying away from off-the-shelf products in favor of bespoke creations to address their investment challenges. Whether its enhanced returns, diversification, or another stated objective, Invesco is well-suited to meet a client's needs.

Invesco has long been a pioneer in developing and implementing leading index solutions. Over 20 years ago, for example, we created the industry's first smart beta index. Today, we manage nearly \$370 billion across equity, fixed income, and alternative asset indexes.



What you can expect as a client

01

Analytics

Use of our proprietary analytics engine, Invesco Vision, which includes risk and return data on 12,000 + indices

02

Custom Solutions

Tailored to the preferences of each client across a variety range of elements (e.g. sector-specific) and vehicle types (e.g. ETFs)

03

Expertise

Access to firm-wide experts spanning investment disciplines, asset classes and regions

Your One-Stop Destination for Institutional Indexing

Meeting the evolving needs of investors is a key tenet of our firm's philosophy, which puts us at the forefront of index innovation and organic growth. Whatever your specific goals, Invesco can work with you to create a cost-effective index as unique as your organization. We look forward to helping you develop the sophisticated custom solution you deserve.

Customized solutions to address your beta needs

Third party replication



Deep and broad expertise in managing replication strategies. Currently replicating over **350+ indexes**.

Invesco core beta



Investor-designed indexes, maintained using a **transparent, rules-based methodology**

Invesco custom factor



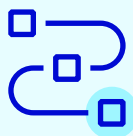
Academically-based, with foundational universe that is **modular, flexible, and customizable**

Invesco custom ESG



Competitive pricing with focus on **minimizing tracking error**

Partnership that extends beyond index management



Strong Investment Foundation

Ability to deliver across all vehicle types, with flexibility to co-create new strategies and structures



Portfolio Analytics and Tools

Market-leading portfolio tools including best of breed third party and proprietary analytics



Low Total Cost

Simple and transparent fee and expense structure that rewards larger and deeper relationships



Client-centric Model

Dedication to a **collaboration** that creates a “win-win” for both parties

For more information, please visit [invesco.com/institutional-indexing](https://www.invesco.com/institutional-indexing) or speak with your Invesco representative.

Important Information

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While portfolio managers may consider Environmental, Social and Governance (ESG) aspects, there is no guarantee that the evaluation of ESG considerations will be additive to a strategy's performance. Information used to evaluate ESG factors may not be readily available, complete or accurate. ESG factors may vary across types of investments and issuers, and not every ESG factor may be identified or evaluated.

The Invesco Global Climate Alignment Index is a broad-based index that emphasizes global companies leading in the field of carbon disclosure and reporting, and those companies innovating within carbon solutions. The Invesco Investment Solutions (IIS) team is part of Invesco Advisers, Inc. (IAI), an investment adviser that provides investment advisory services and does not sell securities.

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