

Summit Responsible Range first anniversary

Funds built for the future

For professional investors only. Please read the investment risks on page 5.



Clive Emery
Multi Asset Fund Manager



Richard Batty
Multi Asset Fund Manager



David Auja
Multi Asset Deputy Fund Manager



Summary

The Summit Responsible Range underscores Invesco's commitment to ESG, by providing a low-maintenance, low-cost and transparent solution that aims to make responsible investing easily accessible.

Key takeaways

- We launched our Summit Responsible Range one year ago with “the future of responsible investing in mind”, according to Fund Manager Clive Emery
- The funds offer a better ESG quality score, lower carbon intensity and increased levels of female leadership against a traditional non-ESG comparator
- Each fund in the range has performed in line with its intended risk profile while delivering an improved environmental, social and governance (ESG) outcome



We built the fund range to have clear, consistent and transparent responsible objectives and we developed our reporting of the non-financial outcomes because those are what matter.

Clive Emery
Multi Asset Fund Manager

The environmental, social and governance (ESG) space is growing. Regulations continue to shift, and client demand is evolving. A year ago, with the future of investment space in mind, we launched our Summit Responsible range.

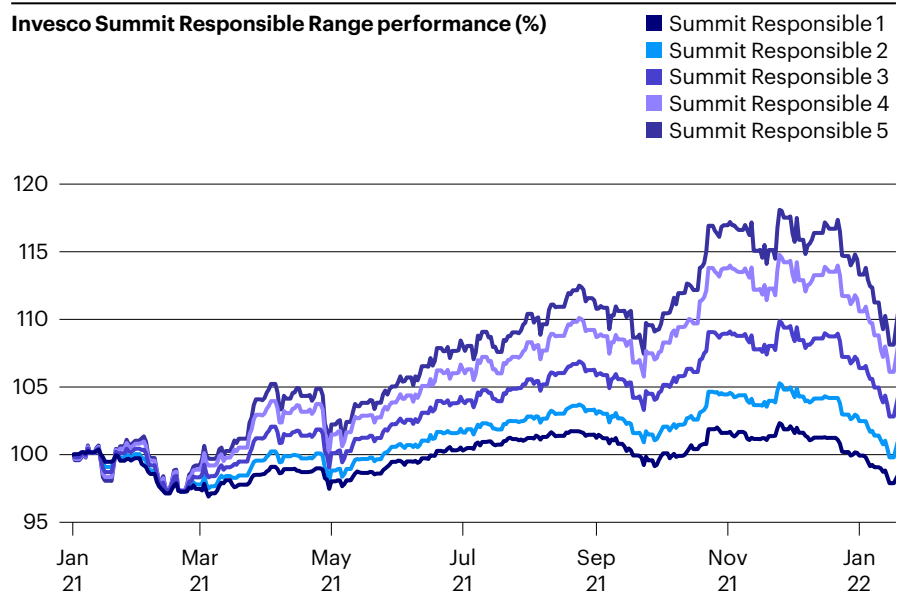
The range underscores Invesco's commitment to ESG, by providing a low-maintenance, low-cost and transparent solution that aims to make responsible investing easily accessible. In practice, this means the funds offer a better ESG quality score, lower carbon intensity and increased levels of female leadership against a traditional non-ESG comparator.

Since launch, the fund range has performed in line with its intended risk profile while delivering an improved ESG outcome as noted on the previous page.

"A year ago, we launched the Summit Responsible range of Global Multi Asset risk targeted funds to respond to the growing demand for credible, consistent and transparent responsible investing that also doesn't cost the earth," according to Fund Manager Clive Emery.

"Though the funds are built for this future it is also pleasing to see how well they have performed over their first year both in risk and return terms but also across a huge range of sustainable measures."

Invesco Summit Responsible Range performance (%)



Standardised rolling 12-month performance (%)

Fund	31/01/17 – 31/01/18	31/01/18 – 31/01/19	31/01/19 – 31/01/20	31/01/20 – 31/01/21	31/01/21 – 31/01/22
Invesco Summit Responsible 1 Fund (UK)	n/a	n/a	n/a	n/a	-1.20
Invesco Summit Responsible 2 Fund (UK)	n/a	n/a	n/a	n/a	1.49
Invesco Summit Responsible 3 Fund (UK)	n/a	n/a	n/a	n/a	5.44
Invesco Summit Responsible 4 Fund (UK)	n/a	n/a	n/a	n/a	9.67
Invesco Summit Responsible 5 Fund (UK)	n/a	n/a	n/a	n/a	12.38

Past performance does not predict future returns.

Source: Lipper. Performance figures are based on the Z Accumulation share class. Performance figures for all share classes can be found in the relevant Key Information Document. Fund performance figures are shown in sterling, inclusive of reinvested income and gross of the ongoing charge and portfolio transaction costs to 31 January 2022, unless otherwise stated. Source: Lipper. 14 January 2021 = 100.

Clive Emery, Richard Batty and David Aujla are the three named managers behind the range. They are further supported by the wider Multi Asset and Invesco's Investment Solutions team, which oversee a combined total of over US\$100bn of assets under management.¹

"Responsible investing is becoming mainstream, and this is leading funds to have to invest across three dimensions – return, risk and responsibility," said Clive.

What makes the Summit Responsible Range unique?

01

Multi Asset investing experience & ESG credibility

Aside from considerable market experience, our fund managers are also involved in several ESG committees and independent expert groups to help shape the regulatory framework around ESG. Their view is that engagement can be top down (national, industry and regulatory level) as well as bottom up (engagement with corporates).

Emery for instance represents Invesco on the Investment Association's SRI committee, was a named contributor to UKSIF's policy vision framework and was invited onto the Disclosure & Labelling Advisory group by the UK Financial Conduct Authority to advise on the upcoming Central Securities Depositories Regulation.² David Aujla is also engaged with several organisations on responsible investment matters, particularly around the 'S' in ESG and on topics such as how financial services can drive social mobility. He founded and co-leads the Diversity Project's Social Mobility workstream, which seeks to improve socio-economic diversity within the investment and savings industry.

02

Delivering a market-like experience with meaningfully enhanced ESG credentials

The Summit range differentiates itself as a solution delivering a low level of active risk (~1-1.5%) but with a material improvement in ESG quality on average across the range (~25% higher), female senior leadership roles (~30% higher in the number of female CEOs) and a significant reduction in carbon intensity (~40% less) vs an equivalent non-ESG comparator.³ This is achieved via the team's Responsible Asset Allocation (RAA) – a new addition to the traditional multi asset process that the team have pioneered, that exclusively focuses on the non-financial outcomes of investment decisions.

From a financial perspective, the funds have performed in line with expectations since launch. Each fund in the range has performed in line with its intended risk profile, while delivering an improved ESG outcome as noted on the previous page.

03

Consistent and cost-effective approach to ESG regardless of asset class or geography

The funds allocate to a range of proprietary exchange-traded funds (ETFs), offering simple exposure to financial markets with a consistent and transparent approach to ESG. This ensures greater coherence to the way that the fund approaches sustainability regardless of geography or asset class.

Importantly, the methodology used is industry neutral so that we don't end up with significant over-weights to certain sectors or regions as some other ESG funds do. This ensures this range of funds is more balanced and less skewed to style factors like growth and value or to sectors like technology and oil & gas. In addition to delivering the desired level of responsibility, this approach increases affordability with an Ongoing Charges (annual charge) ranging from just 0.26% to 0.30%.

04

A commitment to reporting, transparency and communication

A 30-page report on each fund's ESG credentials is produced to demonstrate the ESG outcomes of the portfolio. It is one thing to have the objective of delivering a responsible investment proposition, but we feel that clients care more about the outcomes than pretty pictures and platitudes.

Though 30 pages may be more than required, we appreciate that there is increased scrutiny from clients and regulators given the concerns in the market about greenwashing. So at present, more data seems appropriate rather than less. While initially produced in-house, this report is now produced by leading service provider, FE Fundinfo (FEF), who will continue to utilise MSCI data to deliver the level of transparency, detail and credibility that our clients have told us sets our reporting apart.

ETFs and ESG engagement: What does it mean to be passively active?

As investors, we believe we have a duty to act in the best long-term interests of our beneficiaries. The fund managers of the Summit Responsible Range are macro investors focused on asset allocation – as such, engagement is undertaken both from the top-down and the bottom-up.

The lead portfolio managers are heavily involved in top-down engagement at an industry and regulatory level, for example representing Invesco on the Disclosure & Labelling Advisory group by the UK Financial Conduct Authority on the upcoming Central Securities Depositories Regulation as well as co-leading the Diversity Project's Social Mobility workstream, as detailed on the previous page.

The fund managers allocate to Invesco ESG ETF building blocks. These more passive instruments incorporate and leverage the bottom-up active engagement and strong proxy voting record of Invesco's ~900 active investors to foster positive change. Invesco carried out 2,500+ engagements with approximately 2,000 companies on ESG topics in 2021 and voted on 9,057 companies.

What does this mean for the future?

Investors are increasingly looking to make a positive contribution to society and the environment through their personal finances, driving us towards a cleaner, healthier, and more equitable future.

Invesco has developed the Summit Responsible Range to respond to this changing attitude because we agree that focus needs to widen to include considerations of what investors' hard-earned savings are funding as well as delivering a similar, if not enhanced, financial return.

Available on all major UK platforms and rated by several risk-profilers, investors can readily access this innovative solution that distinguishes itself for being:

1. Managed by an experienced Multi Asset investment team
2. Able to deliver a 'market-like' experience at 5 distinct risk levels
3. Meaningfully enhanced ESG credentials on average across the range: ESG quality (~25% higher), female senior leadership roles (~30% higher in the number of female CEOs) and a significant reduction in carbon intensity (~40% less) vs a traditional risk range³
4. A consistent, clear and cost-effective approach to ESG
5. Committed to detailed & transparent reporting because it is the outcome that matters.



Find out more

To find out more about the Summit Responsible Range, please visit the product page on our website via the link below or speak to your usual Invesco sales representative.

invesco.co.uk/summitresponsible

¹ As at 31 January 2022.

² The Central Securities Depositories Regulation aims to improve securities settlement in the European Union.

³ Funds are compared with the MSCI AC World Index GBP (Net Total Return) for equity, Bloomberg Barclays Global Aggregate Index GBP Hedged (Total Return) for broad fixed income and Bloomberg Barclays Global Aggregate Corporate Index GBP Hedged (Total Return) for credit.

⁴ Source: Invesco Global ESG Team.

Investment risks

The value of investments and any income will fluctuate (this may partly be the result of exchange-rate fluctuations) and investors may not get back the full amount invested.

The Invesco Summit Responsible Range has the ability to use derivatives for investment purposes, which may result in the funds being leveraged and can result in large fluctuations in the value of the funds.

The funds' risk profiles may fall outside the ranges stated in the investment objectives and policies from time to time. There can be no guarantee that the funds will maintain the target level of risk, especially during periods of unusually high or low market volatility.

The funds may be exposed to counterparty risk should an entity with which the funds do business become insolvent resulting in financial loss.

The securities that the funds invest in may not always make interest and other payments nor is the solvency of the issuers guaranteed. Market conditions, such as a decrease in market liquidity for the securities in which the fund invests, may mean that the fund may not be able to sell those securities at their true value. These risks increase where the fund invests in high yield or lower credit quality bonds.

The funds invest in emerging and developing markets, where there is potential for a decrease in market liquidity, which may mean that it is not easy to buy or sell securities. There may also be difficulties in dealing and settlement, and custody problems could arise.

The use of ESG criteria may affect the product's investment performance and therefore may perform differently compared to similar products that do not screen investment opportunities against ESG criteria.

Important information

This document is for Professional Clients only and is not for consumer use.

All information as at 14 January 2022 and sourced by Invesco, unless otherwise stated.

Where individuals or the business have expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice.

For the most up to date information on our funds, please refer to the relevant fund and share class-specific Key Information Documents, the Supplementary Information Document, the Annual or Interim Reports and the Prospectus, which are available on our website.

Issued by Invesco Fund Managers Limited
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Authorised and regulated by the Financial Conduct Authority

20220310/2070684/EMEA