

# Invesco STOXX Europe 600 Optimised Banks UCITS ETF



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This factsheet contains a summary of the Invesco STOXX Europe 600 Optimised Banks UCITS ETF<sup>1</sup>, an exchange traded fund (ETF), and is for discussion purposes only. Please consult the Key Investor Information Document and prospectus and note the additional important information overleaf.<sup>2</sup>

## Investment objective

The Invesco STOXX Europe 600 Optimised Banks UCITS ETF aims to track the net total return performance of the STOXX Europe 600 Optimised Banks Index, less fees. The Fund is passively managed. The investment concerns the acquisition of units in a fund and not in a given underlying asset.

## Key product characteristics

- The synthetic structure of the fund allows an effective replication of the benchmark
- Transparent fees and costs

## Risk warnings

For complete information on risks, refer to the legal documents. The value of investments, and any income from them, will fluctuate. This may partly be the result of changes in exchange rates. Investors may not get back the full amount invested. The Fund's ability to track the benchmark's performance is reliant on the counterparties to continuously deliver the performance of the benchmark in line with the swap agreements and would also be affected by any spread between the pricing of the swaps and the pricing of the benchmark. The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss. The Fund might be concentrated in a specific region or sector or be exposed to a limited number of positions, which might result in greater fluctuations in the value of the Fund than for a fund that is more diversified. The value of equities and equity-related securities can be affected by a number of factors including the activities and results of the issuer and general and regional economic and market conditions. This may result in fluctuations in the value of the Fund. The fund might purchase securities that are not contained in the reference index and will enter into swap agreements to exchange the performance of those securities for the performance of the reference index. The Fund's performance may be adversely affected by variations in the exchange rates between the base currency of the Fund and the currencies to which the Fund is exposed.

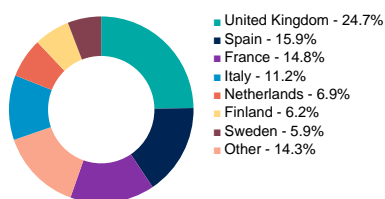
## About the index

The STOXX Europe 600 Optimised Banks Index is a financial index comprising banks selected from the STOXX<sup>®</sup> Europe 600 index. Certain filters are applied including a liquidity filter. Constituent weightings are capped at 20, 15 or 10% depending on the number of constituents.

## Sector exposure



## Geographic exposure



Portfolio weightings and allocations may change.

## Performance

ETF performance is in the fund's base currency and includes reinvested dividends. ETF performance is based on Net Asset Value after management fees and other ETF costs but does not consider any commissions or custody fees payable when buying, holding or selling the ETF. The ETF does not charge entry or exit fees. Each period starts at the end of the indicated month. The first indicated month may not represent a full month and may start only on the launch/restructuring date indicated in this factsheet. **Past performance does not predict future returns.**

	31/08/12	31/08/13	31/08/14	31/08/15	31/08/16	31/08/17	31/08/18	31/08/19	31/08/20	31/08/21	31/12/18	31/12/20
	31/08/13	31/08/14	31/08/15	31/08/16	31/08/17	31/08/18	31/08/19	31/08/20	31/08/21	31/08/22	31/12/21	31/12/21
<b>ETF</b>	30.41%	16.83%	5.69%	-26.29%	27.97%	-12.19%	-18.51%	-21.00%	51.27%	-7.35%	22.27%	38.95%
<b>Index<sup>4</sup></b>	30.79%	17.18%	6.02%	-26.07%	28.35%	-11.92%	-18.26%	-20.76%	51.71%	-7.14%	23.37%	39.36%
<b>Difference<sup>3</sup></b>	-0.30%	-0.30%	-0.31%	-0.30%	-0.30%	-0.30%	-0.30%	-0.30%	-0.29%	-0.22%	-0.89%	-0.30%

n/a if displayed indicates insufficient data history. Returns may increase or decrease as a result of currency fluctuations.

## Trading information

Exchange	London Stock Exchange
Trading currency	EUR
Valor	10407755
ISIN	IE00B5MTWD60
Bloomberg	X7PS LN

## Index Information

Index	STOXX Europe 600 Optimised Banks Index
Currency	EUR

## ETF Information

Replication method <sup>5</sup>	Synthetic
Base currency	EUR
Issuer	Invesco Markets plc
Manager	Invesco Investment Management Ltd
Custodian	Northern Trust Fiduciary Services (Ireland) Limited
Ongoing charge <sup>6</sup>	0.20% p.a.
Total cost <sup>7</sup>	0.20% p.a.
Dividends	Accumulating
Domicile	Ireland
Fund inception	7 Jul 2009

## Available at [etf.invesco.com](http://etf.invesco.com)

Prospectus, KIID (Key Investor Information Document), Holdings & NAV (Net Asset Value)

- <sup>1</sup> Please note that, prior to 25 May 2018, the name of this product was Source STOXX Europe 600 Optimised Banks UCITS ETF.
- <sup>2</sup> The website is not available to Hong Kong Professional Investors and Singapore Institutional/Accredited Investors. For more information, please contact [invest@invesco.com](mailto:invest@invesco.com)
- <sup>3</sup>  $(ETF + 1) / (Index + 1) - 1$
- <sup>4</sup> Data: Bloomberg
- <sup>5</sup> Please see section 'How does the ETF achieve its investment objective?' on the second page for further information
- <sup>6</sup> Includes management fee, custody and administration costs but excludes transaction costs such as swap costs. Costs may increase or decrease as a result of currency and exchange rate fluctuations. Consult the legal documents for further information on costs.
- <sup>7</sup> Ongoing charge plus transaction costs where known. Costs may increase or decrease as result of currency and exchange rate fluctuations. Consult the legal documents for further information on costs.

## Contact us

[invest@invesco.com](mailto:invest@invesco.com)  
[etf.invesco.com](http://etf.invesco.com)

## What are ETFs?

ETFs are open-ended UCITS funds. Unlike traditional open-ended funds, ETFs can be bought and sold on a stock exchange like ordinary shares.

### How does this ETF achieve its investment objective?

The ETF employs a synthetic replication method; it owns a diversified portfolio of equities that may differ from the benchmark index. To achieve the investment objective, the ETF contracts with one or more banks (each a counterparty), which agree to pay any difference between the portfolio performance and the index performance, less any applicable fees. These contracts are known as swaps. Using swaps ensures accurate index tracking but introduces counterparty risk: if a counterparty failed to pay the index performance due under the swap contract, the ETF would instead rely on the performance of its portfolio of equities, which could be lower than the index performance. An ETF's exposure to a swap counterparty is limited by the UCITS regulation, and further limited by measures that we impose.

### About Invesco

At Invesco, we want to help you get more out of life by striving to deliver a superior investment experience. Our range of exchange-traded products are designed to help you make the most of your portfolio, with low cost products tracking established benchmark indices and a range of products that offer something a bit different. In fact, we've built a reputation for innovation and factor investing, so many of the exposures we offer are not available from any other provider. We have the market knowledge to help you trade our products efficiently today, plus the stability, resources and broader expertise that are needed to meet your objectives for the long term.

## Buying and selling our ETFs

To buy or sell our ETFs, please consult your broker or financial adviser.

## Glossary

**A-shares** Mainland listings of Chinese companies, traded in local currency.

**Benchmark** An index serving as a reference; a means of comparing securities' valuations.

**Beta** A measure of how strongly a fund reacts to shifts in its benchmark. A beta of 1 means that the fund price varies, on average, just as much as the benchmark; a beta of more than 1 means that the fund price varies more than the benchmark; a beta of less than 1 means that the fund price varies less.

**Bluechip company** Bluechips are the shares of large, high-revenue-generating companies. Bluechip shares are traded heavily and generally with low volatility.

**Corporate Governance** Corporate governance is the legal and practical framework for managing and supervising companies to the benefit of all relevant stakeholders.

**Derivative** Derivatives are financial instruments whose prices are driven by the price shifts or price expectations of another financial instrument, which is called the "underlying". Many derivatives are designed to react disproportionately to shifts in the price of the underlying. Derivatives can be used for both hedging and speculative purposes. The most common derivatives are certificates, options, futures and swaps.

**Energy Master Limited Partnerships (MLP's)** Publicly traded entities that are not subject to corporation tax, the structure is designed to encourage private investment in natural resources.

**ESG** Environmental, Social and Governance, three key factors in measuring sustainability and societal impact of a company.

**ETCs** Exchange traded commodities, listed debt instruments backed by a commodity.

**ETF** Exchange traded fund. A type of fund that is traded on the stockmarket like ordinary shares. ETFs can be bought and sold during trading hours, like ordinary shares, whereas other types of funds are priced once a day only.

**Factor Investing** An investment strategy in which securities are chosen based on certain characteristics and attributes that may explain differences in returns.

**Factors** Factor investing entails seeking out investment securities on the basis of certain quantitative attributes, called "factors", e.g., securities that have been less volatile in the past.

**Foreign exchange forward contracts** Currency trading is part of credit establishments' foreign transactions and generally entails the exchange of two different currencies.

**Free Float** The portion of a company's shares that can be publicly traded.

**Hedged** Foreign exchange forward contracts are used to hedge asset classes, i.e., to protect them against currency fluctuations. The objective is to achieve a performance that is just as great as the performance of the underlying currency.

**Investment grade (high quality)** Fixed-income securities with high credit quality (rated at least "BBB" by S&P).

**IQS** Invesco Quantitative Strategies

**Preferred securities** A term used in the US for shares that are given precedence over other shares.

**Price-book value ratio** The price-book value ratio is the ratio between a company's share price and its accounting value, i.e., each shareholder's share of the company's share capital. The lower a company's price-book value, the less "expensive" its shares are.

**Substance value** Substance value is the combined net value of all a company's assets.

**Swap** Swaps are derivatives through which cash flows are exchanged for the purpose of managing risks. Two examples are interest-rate and currency swaps.

**UCITS** An abbreviation for "Undertakings for Collective Investment in Transferable Securities". In a European legal context, these are investment funds that invest in legally defined types of securities and other financial instruments (securities funds).

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## Glossary

**MSCI ESG Fund Rating:** Designed to measure the ESG risks and opportunities of a fund's underlying holdings, making it possible to rank or screen mutual funds and ETFs and on a AAA to CCC ratings scale. This rating aims to provide fund level transparency and measure the ESG characteristics of the total portfolio. It is calculated as a direct mapping of MSCI ESG Quality Scores to letter rating categories. ESG Leaders are companies with an ESG rating of AAA or AA (best in class), and ESG Laggards are companies with an ESG rating of B or CCC.

**MSCI ESG Quality Score:** Calculated as the weighted average of the underlying holding's ESG Scores. It is provided on a 0-10 scale, with 0 and 10 being the respective lowest and highest possible scores. MSCI scores underlying holdings according to their exposure to 20 industry specific material ESG risks and their ability to manage those risks relative to peers. These issuer-level ESG scores correspond to an issuer-level ESG rating. The scores are based on industry-adjusted company ratings from MSCI.

**ESG % Coverage:** The percentage of the fund and benchmark where MSCI ESG Research is available.

**CO<sub>2</sub> Scope 1 Emission:** A company's Scope 1 direct emissions (tCO<sub>2</sub>e) from operations. The direct emissions data represents the final, MSCI reviewed and approved value based on the MSCI methodology, which selects the accurate value from available sources.

**CO<sub>2</sub> Scope 2 Emission:** A company's Scope 2 energy indirect emissions (tCO<sub>2</sub>e) from operations. The energy indirect emissions data represents the final, MSCI reviewed and approved value based on the MSCI methodology, which selects the accurate value from available sources.

**Total Carbon Intensity:** Measures the fund or index's overall carbon intensity and carbon efficiency associated with its holdings, based on carbon expertise and research provided by MSCI. It uses the carbon intensity metrics at the company level (Scope 1 + Scope 2) per USUSD1 million of revenue. For government bonds, it uses total country carbon emissions per USUSD1 million GDP.

**Wtd Avg (Weighted Average) Carbon Intensity:** The underlying funds' exposure to carbon intensive holdings, calculated as the weighted average of the constituent's intensity metrics: Scope 1 + 2 Emissions per USD 1M revenue for corporates and total country carbon emissions per USD 1M GDP for government bonds.

**Board Independence:** Weighted average percentage of board members that meet the MSCI criteria for independence.

**Female Directors:** Weighted average percentage of female board members.

**SFDR:** Part of the EU's Sustainable Finance Action Plan, the Sustainable Finance Disclosure Regulation (SFDR, also known as Disclosure Regulation) aims to promote transparency on sustainability by ensuring that participants in the financial services sector provide consistent information to clients in relation to the sustainability of the products and services they provide. The supplement of the fund and the management company website contain further information on compliance with SFDR.

**Article 6:** The requirement under SFDR to describe the manner in which sustainability risks are integrated into investment decisions, or to provide an explanation of reasons why sustainability risks are deemed not to be relevant.

**Article 8 Fund:** A fund that, in accordance with the criteria outlined in Article 8 of SFDR, promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and provided that the companies that the fund invests in follow good governance practices.

**Article 9 Fund:** A fund that, in accordance with the criteria outlined in Article 9 of SFDR has sustainable investment as its objective.

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<sup>1</sup> The index is STOXX® Europe 600 Optimised Banks Total Return (Net) Index.

<sup>2</sup> The ESG rating distribution table does not include cash positions and therefore may not total 100%.

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**MSCI ESG Business Involvement Screening Research:** Provides research on company involvement in products and services, which allow investors to screen companies according to specific criteria motivated by ethical, impact, compliance or ESG risk considerations.

**Summary definitions of each business screening are as follows:**

**UN Global Compact (UNGC) Violations:** Percentage of companies in the fund or index that have been identified to have violated United Nations Global Compact principles. Data is based on MSCI ESG Controversies Research and MSCI ESG Global Norms Screening.

**Controversial Weapons:** Percentage of companies in the fund or index that have been identified to have ties to controversial weapons, including cluster munitions, land mines, biological and chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non detectable fragments.

**Conventional Weapons:** Percentage of companies in the fund or index that have been identified to have ties to conventional weapons, weapons systems, component. and support systems and services.

**Nuclear Weapons:** Percentage of companies in the fund or index that have been identified to have ties to production of nuclear warheads and/or whole nuclear missiles, manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles), manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons, provide auxiliary services related to nuclear weapons.

**Civilian Firearms:** Percentage of companies in the fund or index that have been identified to have ties to firearms, small-arms ammunitions including automatic and semi-automatic for the civilian market. The research excludes products exclusively sold for the military, government. and law enforcement markets.

**Tobacco:** Percentage of companies in the fund or index that have been identified to have ties to tobacco products, such as cigars, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco. This also includes companies that grow or process raw tobacco leaves.

**Thermal Coal:** Percentage of companies in the fund or index that have been identified to have ties to power from coal or derive revenue from thermal coal mining.

**Oil Sands:** Percentage of companies in the fund or index that have been identified to have ties to oil sands, in particular, reserve ownership and production activities.

**Recreational Cannabis:** Percentage of companies in the fund or index that have been identified to have ties to or derive revenue from recreational cannabis.

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## Contact Information

### Client services

Telephone: 0800 085 8677

E-mail: [invest@invesco.com](mailto:invest@invesco.com)  
[etf.invesco.com](http://etf.invesco.com)

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