



ESG Portfolio Report

PORTFOLIO:

Invesco Quantitative Strategies ESG Global Equity Multi-Factor ETF

REFERENCE BENCHMARK:

MSCI World

30 June 2020

For professional investors, Qualified Investors, and Qualified Clients only



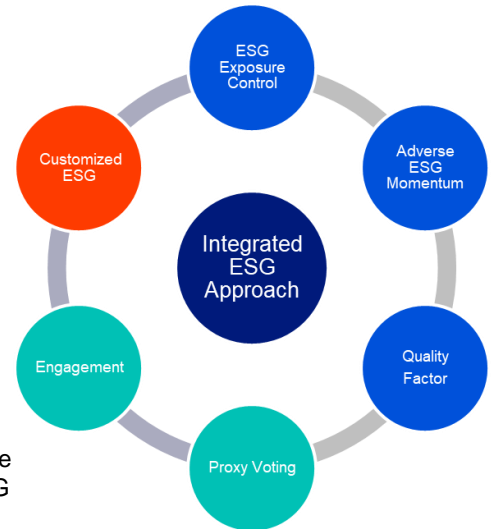
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Invesco Quantitative Strategies integrated ESG approach

Invesco Quantitative Strategies (IQS) offers an integrated ESG investment process which is built on long-standing experience in customized ESG solutions, active engagement with companies and the Invesco proxy voting approach. Having incorporated proprietary aspects of governance for many years (“Quality” factor), the team has enhanced risk management by introducing a dedicated ESG exposure control for all portfolios as well as an adverse ESG momentum measure to restrict certain companies.



Quality-Governance-linkage

The Quality factor assesses the profitability and the balance sheet quality of companies. The team prefers companies with less aggressive accounting. Arguably strong governance would put breaks on management empire building and CEO vanity projects. Good quality as well as good governance helps to mitigate the agency problem of delegated management.

Adverse ESG momentum

At the intersection of return and risk is the case of stocks that experience severe downgrades to their ESG scores. IQS has integrated sharp downgrades of ESG scores into its risk management and treat such stocks as exceptional.

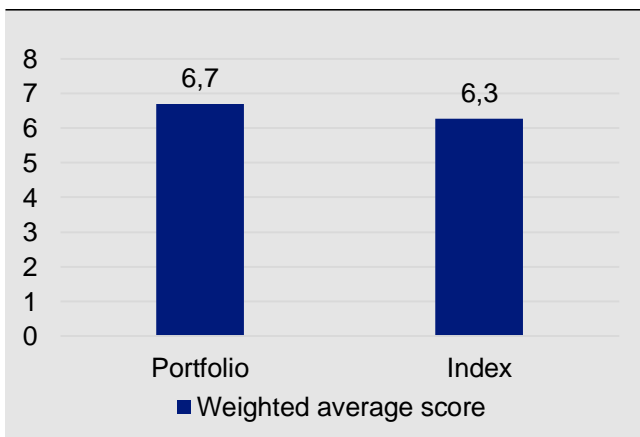
ESG exposure control

Furthermore, IQS manages the ESG exposure of all multi-factor portfolios. IQS considers it reasonable to ensure that portfolios are not heavily exposed to the risk of scoring much worse from an ESG perspective relative to their respective universes.

ESG policy of the ETF

The fund applies a combination of exclusion criteria together with a best-in-class approach focusing on the 50% best ESG companies per sector. The ETF is certified by the Austrian Eco Label (Österreichisches Umweltzeichen). Detailed overview on ESG criteria are available on request.

Overall ESG Scores



ESG theme scores

	Portfolio	Benchmark
Environment	6.5	6.3
Social	5.3	5.0
Governance	5.7	5.6
Weighted coverage ¹	100%	100%

Source: Invesco, MSCI ESG Research. ¹ As of 30 June 2020. Benchmark: MSCI World

Weighted Coverage is the percentage of the portfolio and benchmark that the ESG research is available. Overall ESG Score: MSCI ESG industry adjusted company ratings. Scores range from 0-10, 10 are the best ESG scores, while 0 is the lowest ESG score.

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Science based climate targets

	Portfolio	Benchmark
Science-based Climate or Emissions Targets Set (% weight) ³	25.9	18.6
Science-based Climate or Emissions Targets Committed (% weight) ³	8.2	8.0

UN Global Compact screening identifies companies that violate the United Nations Global Compact Principles.

Targets are considered "science-based" if they are in line with decarbonization required to keep global temperature increase below 2°C as described in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change.

Business involvement screening

	Portfolio	Benchmark
Tobacco production (% weight)	0.0	0.8
Alcohol production (% weight)	0.0	1.0
Gambling operations (% weight)	0.0	0.3
Controversial Weapons (% weight)	0.0	3.1
Other Weapons & firearms (% weight)	0.0	1.1
Fossil Fuels industries (% weight)	1.9	10.4
Coal fuel power generation (% weight)	0.0	3.7
Coverage	100%	99%

Top ESG rated companies in portfolio

Identifies the top 5 ESG rated companies in the portfolio

Name	Sector	Overall ESG score	Port. weight
Microsoft	IT	10	5.1%
Best Buy	ConDis	10	1.0%
Wolters Kluwer	Ind	10	0.8%
Ntt Docomo	Tele	10	0.7%
Johnson Controls Intl	Ind	10	0.7%

Bottom ESG rated companies in portfolio

Identifies the bottom 5 ESG rated companies in the portfolio

Name	Sector	Overall ESG score	Port. weight
General Motors	ConDis	0.6	0.4%
Nissan Motor	ConDis	1.3	0.4%
Teva Pharmaceutical Industries	HlthC	1.9	1.0%
Ford Motor	ConDis	1.9	0.7%
Charter Communications	Tele	1.9	0.4%

Source: Invesco, ISS Climate Solution, MSCI ESG Research, Vigeo Eiris. ¹ Source: Overall ESG Score: MSCI ESG industry adjusted company ratings. Scores range from 0-10; UN Global Compact screening based on MSCI Controversial screening. Indicates portfolio/ benchmark weight of holdings which fails to comply with UN Global Compact Norms. ² Source: Vigeo Eiris Business involvement data. Indicates portfolio/ benchmark weight of holdings which derive more than 5% revenue from this business activity. ³ Source: ISS Climate Solution, as of 2018.

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Carbon Footprint Analysis – Key Data¹

	Portfolio	Benchmark	Delta
CO2 Intensity (Scope 1)	34.8	133.5	-98.7
CO2 Intensity (Scope 2)	27.8	35.0	-7.1
CO2 Intensity (Scope 1 + 2)	62.7	168.5	-105.8
CO2 Intensity Total	193.3	578.3	-385.1
Coverage	96.4%	97.7%	

Sector CO2 Intensity

(Scope 1 + 2)

	Active Weight	Portfolio	Benchmark	Delta
Communication Services	-0.3	1.5	1.4	0.1
Consumer Discretionary	1.6	2.6	2.7	-0.1
Consumer Staples	2.1	7.1	4.3	2.8
Energy	-2.7	0.3	15.4	-15.0
Financials	-2.1	0.7	5.5	-4.7
Health Care	1.2	2.4	3.5	-1.0
Industrials	-1.4	8.6	11.8	-3.1
Information Technology	1.8	2.3	4.3	-2.0
Materials	1.7	33.1	32.7	0.4
Utilities	-1.9	1.7	83.1	-81.4

Glossary:

Intensity: Carbon intensity is calculated using data from ISS Climate solutions. Carbon intensity is calculated as weighted average of the respective scope emissions (CO2 equivalents) per USD million of revenue.

Scope 1 emission: Issuers Scope 1 Direct emissions (tCO₂e). The Direct emissions data represents the final, ISS-Ethix reviewed and approved value based on the ISS-Ethix Climate Solution methodology, which selects the accurate value from available sources.

Scope 2 emission: Issuers Scope 2 Energy Indirect emissions (tCO₂e). The Energy Indirect emissions data represents the final, ISS-Ethix reviewed and approved value based on the ISS-Ethix Climate Solution methodology, which selects the accurate value from available sources.

Scope 3 emission: Issuer's Scope 3 "Other Indirect" emissions (tCO₂e). For Scope 3 emissions, all provided data has been estimated. Reported Scope 3 emissions are generally unreliable and thus reported Scope 3 emissions are included in this datapoint.

CO2 Total aggregate of Scope 1, Scope 2 and Scope 3.

Source: Invesco, ISS Climate Solution. ¹ Weighted Coverage is the percentage of the portfolio and benchmark where the ISS Climate Solution Carbon data research is available. Portfolio level carbon intensity figures are an indicative measure of exposure to carbon risk that should be considered alongside sector and company specific metrics. Latest climate dataset available is as of 2018.

Risk Warnings



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 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 intends to invest in securities of issuers that manage their ESG exposures better relative to their peers. This may affect the Fund's exposure to certain issuers and cause the Fund to forego certain investment opportunities. The Fund may perform differently to other funds, including underperforming other funds that do not seek to invest in securities of issuers based on their ESG ratings.

Important information



This information is for discussion purposes only and is intended only for professional investors in Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden and the UK, Qualified Clients in Israel and Qualified Investors in Switzerland. Marketing materials may only be distributed in other jurisdictions in compliance with private placement rules and local regulations.

Data as at 30 June 2020, unless otherwise stated.

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All investment decisions must be based only on the most up to date legal offering documents. The legal offering documents (fund and share class specific Key Investor Information Document (KIID), prospectus, annual & semi-annual reports, articles & trustee deed) are available free of charge on our website etf.invesco.com and from the issuers.

This communication should not be considered financial advice. Persons interested in acquiring the product should inform themselves as to (i) the legal requirements in the countries of their nationality, residence, ordinary residence or domicile; (ii) any foreign exchange controls and (iii) any relevant tax consequences.

Any calculations and charts set out herein are indicative only, make certain assumptions and no guarantee is given that future performance or results will reflect the information herein.

For details on fees and other charges, please consult the prospectus, the KIID and the supplement of each product.

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For the full objectives and investment policy please consult the current prospectus.

German investors may obtain the offering documents free of charge in

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The representative and paying agent for the sub-funds of Invesco Markets plc, Invesco Markets II plc, and PIMCO Fixed Income Source ETFs plc in Switzerland is BNP Paribas Securities Services, Paris, succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland. The offering documents, articles of incorporation and annual and semi-annual reports may be obtained free of charge from the representative in Switzerland. The ETFs are domiciled in Ireland.

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