

# Invesco Summit Responsible 4 Fund (UK)

January 2024

Covering the month of December 2023

Effective 30 September 2023, Georgina Taylor became the fund manager of the Invesco Summit Responsible 4 Fund (UK).



**Fund managers:** David Aujla (Lead), Georgina Taylor & Richard Batty with the support from the Invesco Solutions and ESG Teams<sup>1</sup>

## Key facts<sup>2</sup>

Fund launch date	14 January 2021
Fund size	£4.74m
Legal status	UK authorised ICVC
Vehicle type	Non UCITs retail scheme
Yield (Z Accumulation share class)	
Historic yield <sup>3</sup>	2.01%
Annual accounting date	31 July
Interim accounting date	31 January
Minimum initial subscription	£500
<b>ISIN codes</b>	
Z Acc	GB00BMFKH293
Accumulation (No trail)	GB00BMFKH186
<b>SEDOL codes</b>	
Z Acc	BMFKH29
Accumulation (No trail)	BMFKH18
Available with an ISA?	Yes

## Why consider the Invesco Summit Responsible 4 Fund (UK)?

The Invesco Summit Responsible range comprises five, risk-targeted global multi asset funds that intend to invest 100% of their assets in investments that meet certain ESG criteria. The funds are actively managed and affordable solutions that incorporate Environmental, Social and Governance (ESG) considerations into portfolios. Each fund has a different allocation to the core asset classes: equities and bonds to appeal to varying risk appetites.

## Benchmark

The Fund is actively managed and is not constrained by any benchmark. There is no benchmark against which the performance of the Fund can appropriately be compared. However, investors may wish to compare the performance of the Fund against other funds within the Investment Association Mixed Investments 40-85% Shares Sector.

## Fund investment objective and policy

The Fund aims to grow the amount invested over the long term (5 years plus). The Fund aims to achieve its investment objective by pursuing the Fund's Environmental, Social and Governance ("ESG") strategy and have a risk profile of 60% - 90% as measured by the volatility (a measure of the size of short-term changes in the value of an investment) of global equities with reference to the MSCI AC World Index. There is no guarantee that the Fund will achieve these aims and an investor may not get back the amount invested.

The Fund gains exposure to a variety of asset classes globally including shares of companies, fixed interest and other debt securities, property, commodities and cash. Due to the risk profile of the Fund, the Fund will typically have a preference to shares of companies rather than to debt securities, such as investment grade debt compared to other funds in the Invesco Summit Responsible range.

The Fund invests at least 80% of assets in collective investment schemes (typically passive funds including exchange traded funds and index-tracking funds managed or operated within the Invesco group) ("Underlying Funds"). At times, the Fund may invest in Underlying Funds managed or operated outside of the Invesco group and in Underlying Funds that do not track an index. The Fund may also invest directly in transferable securities, money-market instruments, deposits and cash.

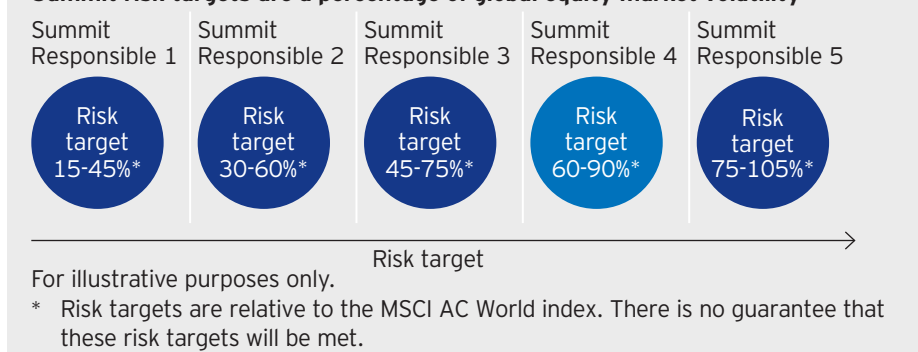
The Fund may use derivatives (complex instruments) for investment purposes and to manage the Fund more efficiently, with the aim of reducing risk, reducing costs and/or generating additional capital or income.

## ESG strategy

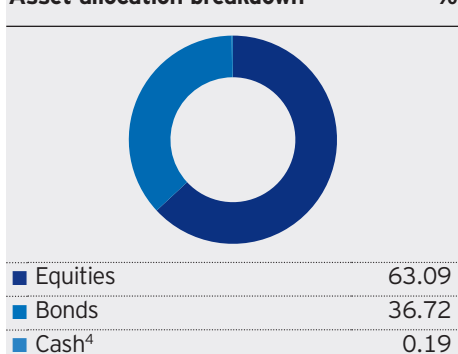
The Fund intends to invest 100% of its assets (excluding cash and cash equivalents) in investments meeting certain ESG criteria. The Fund invests at least 80% of its assets in Underlying Funds that meet this ESG criteria ("Underlying ESG Funds"), or, in the case of developed market government bond exposures, Underlying Funds comprised of bonds issued by developed market governments that meet certain ESG criteria. The Underlying ESG Funds typically aim to track indices and follow all or some of the following methodology:

1. Negative ESG screening by which certain sectors may be excluded, including but not limited to weapons, oil sands, tobacco or companies that have not been assessed on the basis of their ESG credentials.
2. Positive ESG screening or tilting increasing overall exposure to those companies demonstrating a robust ESG profile and/or a positive trend in improving that profile.
3. Sustainability focused selection with exposure to issuers and instruments linked to activities that positively contribute to certain environmental or social sustainability objectives such as companies in a specific sector or industry.

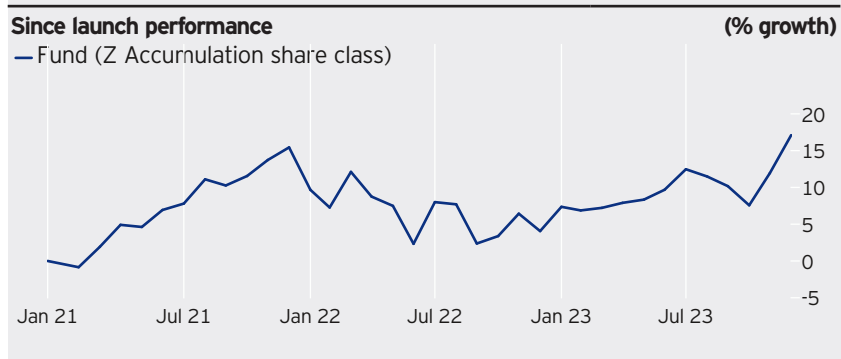
## Summit risk targets are a percentage of global equity market volatility



## Asset allocation breakdown<sup>2</sup>



Portfolio breakdown by fund <sup>2</sup>	%
<b>Equities</b>	<b>63.09</b>
Invesco MSCI USA ESG Universal Screened UCITS ETF	22.99
Invesco MSCI Emerging Markets ESG Universal Screened UCITS ETF	11.01
Invesco S&P 500 ESG UCITS ETF	10.72
Invesco MSCI Europe Ex UK ESG Universal Screened UCITS ETF	8.36
Invesco FTSE All Share ESG Climate UCITS ETF	4.06
Invesco MSCI Japan ESG Universal Screened UCITS ETF	3.19
Invesco MSCI Pacific ex Japan ESG Universal Screened UCITS ETF	2.76
<b>Bonds</b>	<b>36.72</b>
Invesco Global High Yield Corporate Bond ESG UCITS ETF	13.23
Invesco UK Gilts UCITS ETF	8.42
Invesco US Treasury Bond UCITS ETF	4.45
Invesco USD IG Corporate Bond ESG UCITS ETF	3.47
Invesco UK Gilt 1-5 Year UCITS ETF	2.23
Invesco GBP Corporate Bond ESG UCITS ETF	2.20
Invesco US Treasury 1-3 Year UCITS ETF	1.73
Invesco EUR IG Corporate Bond ESG UCITS ETF	0.99
<b>Cash<sup>4</sup></b>	<b>0.19</b>
Direct Cash	0.19
<b>Total</b>	<b>100.00</b>



Performance	% growth				
	3 months	1 year	3 years	Since 14.1.21	Since 14.1.21 ACR*
Fund (Z Accumulation share class)	6.29	12.53	n/a	15.53	5.00

\*ACR - Annual Compound Return

Standardised rolling 12-month performance	% growth				
	31.12.18	31.12.19	31.12.20	31.12.21	31.12.22
Fund (Z Accumulation share class)	n/a	n/a	n/a	-9.86	12.53

**Past performance does not predict future returns.** 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 net of the ongoing charge and portfolio transaction costs to 31 December 2023 unless otherwise stated. The standardised past performance information is updated on a quarterly basis. Source: Lipper. As the fund was launched on 14 January 2021, performance figures are not available for the complete period covered by the table.

#### Costs and charges of the fund

For a full breakdown of the charges that apply to each share class of the fund, please refer to our ICVC Costs & Charges document [www.invesco.com/uk/icvc-charges](http://www.invesco.com/uk/icvc-charges).

#### Who is this fund for?

##### The fund might be right for you if you:

- Are a private or professional investor looking for growth over the long term achieved through an ESG strategy.
- Are able to make an informed investment decision based on this document and the Key Information Document (KID).
- Are willing to accept that your capital is at risk and you may not get back the amount invested.

##### The fund will not be right for you if you:

- Require capital protection or have no appetite for risk.

#### 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 securities that the Fund invests 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 Fund's risk profile may fall outside the range stated in the investment objective and policy from time to time. There can be no guarantee that the Fund will maintain the target level of risk, especially during periods of unusually high or low market volatility.
- The fund invests 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 fund has the ability to use derivatives for investment purposes, which may result in the fund being leveraged and can result in large fluctuations in the value of the fund.
- The fund may be exposed to counterparty risk should an entity with which the fund does business become insolvent resulting in financial loss.
- 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

- 1 Full membership of the Invesco Solutions and ESG Team can be found at [www.invesco.com/uk](http://www.invesco.com/uk). David Aujla, Georgina Taylor & Richard Batty shown in picture.
- 2 Data as at 31 December 2023, unless otherwise stated.
- 3 The Historic Yield reflects distributions declared over the past twelve months as a percentage of the mid-market price of the fund, as at the date shown. Investors may be subject to tax on their distributions.
- 4 Cash represents direct investments in cash or cash funds, any cash in underlying funds is not represented.

Views and opinions are based on current market conditions and are subject to change. This is marketing material and not financial advice. It is not intended as a recommendation to buy or sell any particular asset class, security or strategy. Regulatory requirements that require impartiality of investment/investment strategy recommendations are therefore not applicable nor are any prohibitions to trade before publication. If investors are unsure if this product is suitable for them, they should seek advice from a financial adviser.

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 ICVC ISA Terms and Conditions, the financial reports and the Prospectus, which are available using the contact details shown.

# ESG Supplement

## As at 31 December 2023

### Invesco's Commitment to ESG Investing

Invesco has an investment-led ESG approach. We provide a comprehensive range of ESG-focused capabilities that enable clients to express their values through investing. We also integrate financially material ESG considerations across our investment platform, taking into account critical factors that help us deliver strong outcomes to clients.

### ESG Characteristics

The Summit Responsible Range embeds ESG into the investment process at the very outset, with a Responsible Asset Allocation process that first defines the appropriate ESG characteristics and then aims to enhance the risk and return characteristics of the funds by exploiting market opportunities and mitigating risk where appropriate. This process allows full control over the ESG themes that the products invest in, whilst ensuring a market exposure that reflects strategic and tactical asset allocation decisions.

### SFDR (see Glossary)

The Manager has decided to comply with SFDR (the EU's Sustainable Finance Disclosure Regulation) on a voluntary basis. The fund complies with article 6 of SFDR in that it considers sustainability risks as part of the investment decision process, and with article 8 of the SFDR in that it promotes environmental or social characteristics, and in that the companies in which investments are made follow good governance practices. More information is available at [www.invesco.com/uk](http://www.invesco.com/uk)

<sup>1</sup> ESG and carbon data is sourced from MSCI. For more details, please see MSCI's methodology on [www.msci.com](http://www.msci.com)

All ESG metrics are calculated using the underlying holdings of the portfolio.

### <sup>2</sup> Comparator

We are comparing to 69.00% MSCI ACWI Index and 31.00% Bloomberg Global-Aggregate Total Return Index Value GBP Hedged.

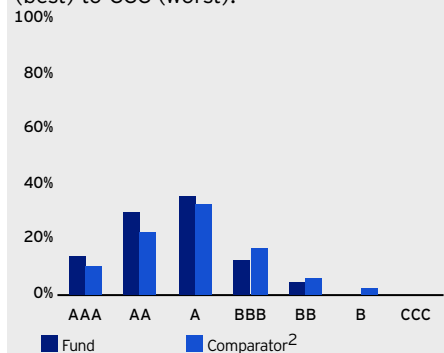
<sup>3</sup> The ESG rating distribution table does not include cash positions and therefore may not total 100%.

ESG Characteristics <sup>1</sup>	Fund	Comparator <sup>3</sup>
ESG Fund Rating (AAA-CCC)	A	A
ESG Quality Score (0-10)	6.9	6.5
Environmental Pillar Score	6.0	5.7
Social Pillar Score	5.4	5.3
Governance Pillar Score	5.9	5.8
ESG % Coverage	99.8	94.5
Revenue Exposure to Sustainable Impact Solutions (%)	8.8	8.5

Carbon Characteristics <sup>2</sup>	Fund	Comparator <sup>3</sup>
Financed Emissions Scope 1 + Scope 2 (tCO <sub>2</sub> )	416.4	759.7
Total Carbon Emissions (tCO <sub>2</sub> )	702.4	1,019.2
Relative Carbon Footprint (tCO <sub>2</sub> e/GBPM invested)	87.6	159.8
Wtd Avg Carbon Intensity (tCO <sub>2</sub> e/GBPM sales)	142.6	204.3

### MSCI ESG Rating Distribution<sup>1</sup>

This shows the distribution of ESG ratings across the underlying holdings from AAA (best) to CCC (worst).



### ESG Trend Momentum<sup>1</sup>

The percentage of holdings held by the Fund that have improved their ESG Rating, (positive), have no change (stable) or worsened (negative) since the previous rating.

Trend	Fund	Comparator <sup>2</sup>
Positive	14.6%	12.0%
Stable	79.1%	80.8%
Negative	6.1%	7.1%
Unrated	0.2%	< 0.1%

ESG Rating Distribution by Sector <sup>1, 3</sup>	AAA	AA	A	BBB	BB	B	CCC	Not Rated
Communication Services	0.2%	1.7%	1.5%	2.6%	1.0%	< 0.1%	-	-
Consumer Discretionary	0.8%	2.5%	2.7%	0.8%	0.6%	< 0.1%	< 0.1%	-
Consumer Staples	1.2%	1.7%	1.3%	0.5%	0.1%	< 0.1%	-	-
Energy	0.3%	1.1%	1.0%	< 0.1%	0.3%	< 0.1%	-	-
Financials	1.1%	7.5%	4.0%	1.3%	0.8%	< 0.1%	-	-
Health Care	0.7%	3.9%	2.0%	1.1%	0.5%	< 0.1%	-	-
Industrials	1.2%	2.8%	2.1%	0.6%	0.3%	< 0.1%	-	-
Information Technology	7.2%	4.5%	2.3%	2.7%	0.2%	< 0.1%	-	-
Materials	0.4%	1.6%	1.0%	0.6%	0.3%	< 0.1%	-	-
Real Estate	0.3%	1.3%	0.5%	0.5%	0.2%	< 0.1%	-	-
Utilities	0.5%	0.6%	0.4%	0.1%	< 0.1%	-	-	-
Other	0.7%	1.3%	0.6%	1.8%	0.5%	< 0.1%	-	< 0.1%

Climate-Based Exclusions <sup>4</sup>	Fund
Thermal Coal Extraction and Power Generation	Yes
Oil Sands (in particular, reserve ownership and production activities)	Partial
Arctic Drilling	Partial
Nuclear Power	Partial

Non-Climate-Based Exclusions <sup>4</sup>	Fund
Controversial Weapons (including but not limited to nuclear weapons, anti-personnel landmines and biological or chemical weapons)	Yes
Tobacco Production and Trading	Yes
Companies Involved in Very Severe Controversies Pertaining to ESG	Yes
Conventional Weapons	Partial
Recreational Cannabis	Partial
Adult Entertainment	Partial
Gambling	Partial

Responsible Investment Approach	Yes	No	N/A
ESG Integration	✓		
Positive Selection	✓		
Sustainable Investments	✓		
Impact Fund		✓	
Engagement	✓		
Voting (Equities only)	✓		

## Glossary

**ESG Characteristics:** Environmental, social, and governance (ESG) information is a critical part of corporate and investment strategy and embedding material sustainability considerations into corporate and investment decisions is integral to long-term success from both financial and sustainability perspectives.

**MSCI ESG Fund Rating:** The Fund's ESG rating is designed to assess the resilience of the fund's aggregate holdings to long-term, financially relevant ESG risks and should facilitate the ability to rank or screen mutual funds and ETFs on a AAA to CCC ratings scale. This rating aims to provide fund level transparency and measures 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 holdings with an ESG rating of AAA or AA (best in class), and ESG Laggards are holdings with an ESG rating of B or CCC.

**MSCI ESG Quality Score:** Calculated as the weighted average of the underlying holding's ESG scores, excluding any underlying holding where this information is not available. 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 and management of key ESG issues, which are divided into three pillars: environmental, social and governance.

- **Environmental Pillar Score:** Provides an assessment of environmental factors including emissions, carbon footprint, fossil fuel usage and sustainable opportunities.
- **Social Pillar Score:** Relates to the operating environment of an underlying holding, including labour management, product liabilities, and health and safety.
- **Governance Pillar Score:** Provides an assessment of risk and management practices related to Corporate Governance and Corporate Behaviour.

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

**Revenue Exposure to Sustainable Impact Solutions:** Represents the weighted average of the total of all revenues derived from any of the natural capital environment and social impact themes.

**Financed Emissions:** Measure the greenhouse gas emissions associated with the investment. This figure represents the absolute overall exposure of the fund and is dependent on AUM, hence an increase in the AUM will cause the finance emissions to increase and vice versa. The fund AUM is used to calculate the Comparator's financed emissions which will also increase or decrease depending on the AUM size.

- **Scope 1:** Covers direct emissions from owned or controlled sources.
- **Scope 2:** Covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company.
- **Scope 3:** Includes all other indirect emissions that occur in a company's value chain.

**Total Carbon Emissions:** The sum of all carbon emissions (Scopes 1, 2 & 3).

**Relative Carbon Footprint:** The measure of the impact of activities on the amount of carbon dioxide produced, such as burning fossil fuels. Measured per GBP1 million invested.

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

## Responsible Investment Approach definitions are as follows:

**ESG Integration:** The process of including ESG factors in the fundamental financial analysis of companies and investments.

**Positive Selection:** A process that focuses upon companies engaged in positive activities for the community or natural world, such as recycling, education or public transport.

**Sustainable Investments:** A broad term that is used to describe investments that direct capital to those companies that promote sustainable models and strategies to create long term value, while at the same time taking into account ESG considerations and impact.

**Impact Fund:** Funds managed with the intention of generating positive, measurable social and environmental impacts, where impact has priority over financial performance.

**Engagement:** The process of communicating with representatives of a company as a shareholder with the aim of improving their behaviour and policies.

**Voting (Equities only):** Also known as Proxy Voting, it is a form of voting whereby the fund manager casts votes on behalf of their mutual fund shareholders on a variety of issues, that may include the election of board members, merger or acquisition approvals, or approving a stock compensation plan.

## 4 Exclusion Criteria

The exclusion criteria may vary depending on the activity from zero tolerance to exclusions based on % of revenue. The underlying funds in which the fund invests may have different exclusions. "Yes" indicates all the underlying funds in which the fund invests have exclusion criteria to limit exposure to restricted business activities or sectors. "Partial" indicates some of the underlying funds in which the fund invests may not exclude such restricted business activities or sectors and therefore the fund may have some exposure (albeit minimal) to those activities or sectors. Further information is available at [www.invesco.com/uk](http://www.invesco.com/uk)

### Exclusion criteria definitions are as follows:

**Thermal Coal:** Companies in the underlying funds that have been identified to have ties to power from coal or derive revenue from thermal coal mining.

**Oil Sands:** Companies in the underlying funds that have been identified to have ties to oil sands reserve ownership and production activities.

**Arctic Drilling:** Companies in the underlying funds that have been identified to have ties to, or derive revenue from, arctic drilling.

**Nuclear Power:** Companies in the underlying funds that have been identified to have ties to, or derive revenue from, nuclear power.

**Controversial Weapons:** Companies in the underlying funds that have been identified to have ties to controversial weapons, including cluster munitions, landmines, biological and chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.

**Tobacco Production and Trading:** Companies in the underlying funds 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.

**Conventional Weapons:** Companies in the underlying funds that have been identified to have ties to conventional weapons, weapons systems, component and support systems and services.

**Recreational Cannabis:** Companies in the underlying funds that have been identified to have ties to, or derive revenue from, recreational cannabis.

**Adult Entertainment:** Companies in the underlying funds that have been identified to have ties to, or derive revenue from, adult entertainment.

**Gambling:** Companies in the underlying funds that have been identified to have ties to, or derive revenue from, gambling.

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## References to Regulations

**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.

**TCFD Compliance / Reporting:** TCFD is the Task Force on Climate-related Financial Disclosures. The TCFD have developed recommendations for more effective climate related disclosures that could promote more informed investment decisions and, in turn, enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks. Our factsheets will endeavour to include the core TCFD reporting requirements and work towards inclusion of additional, recommended requirements once the FCA's policy position has been established (expected end 2021). More information can be found at [www.fca.org.uk](http://www.fca.org.uk) and [www.fsb-tcfid.org](http://www.fsb-tcfid.org).

## Important ESG Information

The above information is for illustrative purposes only. Providing this information is not indicative of how or whether ESG factors will be integrated into a fund. Unless otherwise stated in the legal offering documents (fund and share class specific Key Information Document (KID), prospectus, annual & semi-annual reports), the ESG information provided on this page does not change a fund's investment objective or policy or constrain the fund's investable universe. For more information regarding a fund's investment strategy, please see the fund's prospectus, available free of charge at our website [www.invesco.com/uk](http://www.invesco.com/uk). The rating may vary from one rating agency to another. The rating may change over time and is not a guarantee of future performance of the fund.

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## Contact Information

### Client services

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Telephone calls may be recorded.

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