



# INVESCO ALTERNATIVE WEIGHTED EQUITY BENCHMARK STATEMENT

MARCH 2019

## Purpose

The purpose of this document is to outline the information required in Article 27 of the EU regulation on indices used as financial benchmarks (“BMR”) and Commission Delegated Regulation (EU) 2018/1643. The document includes clear definitions of the market or economic reality measured by the benchmarks and the circumstances in which such measurement may become unreliable, outlines rules around exercise of judgement or discretion and provides some additional information about the benchmarks.

### GENERAL DISCLOSURE

Benchmark Names	Invesco Defensive Equity Index Invesco Large Cap Price Earners Index Invesco Multi-Factor Large Cap Index Invesco US Large Cap Optimized Volatility Index Invesco Small Cap Price Earners Index
Benchmark Family	Alternative Weighted Equity
Type of Benchmark	Non-significant benchmark
Date of publication of initial benchmark statement	March 2019
Date of last update to benchmark statement	March 2019
Contributions of input data	None

### KEY TERMS OF THE BENCHMARK/BENCHMARK FAMILY

General description of the market or economic reality	Indexes that belong to the Alternative Weighted Equity Benchmark Family provide exposure to the US equity market through security weighting schemes that differ from those based on simple market capitalization. Each index in this Benchmark Family uses quantifiable equity characteristics other than market capitalization to establish constituent weights. For example, the Invesco Defensive Equity Index uses revenue growth as one of the inputs that determine the weighting of index constituents.
Geographical boundaries of the market or economic reality, where applicable	Alternative Weighted Equity indexes provide exposure to the US market.
Description of the input data	See the ‘Index Calculation and the Role of the Calculation Agent’ section of the methodology documents for the indexes comprising the Alternative Weighted Equity Benchmark Family on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .
The priority given to different types of input data	See the ‘Index Calculation and the Role of the Calculation Agent’ section of the methodology documents for the indexes comprising the Alternative Weighted Equity Benchmark Family on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .
The minimum data needed to determine a benchmark	See the ‘Index Calculation and the Role of the Calculation Agent’ section of the methodology documents for the indexes comprising the Alternative Weighted Equity Benchmark Family on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .
The use of any models or methods of extrapolation and	See the ‘Governance’ and ‘Updates’ sections of the methodology documents for the indexes comprising the Alternative Weighted Equity

any procedure for rebalancing the constituents of a benchmark's index Benchmark Family on the Invesco Indexing website, [www.InvescoIndexing.com](http://www.InvescoIndexing.com).

#### POTENTIAL LIMITATIONS OF THE BENCHMARK

The procedures which govern the determination of the benchmark in periods of stress or periods where transaction data sources may be insufficient, inaccurate or unreliable and the potential limitations of the benchmark in such periods	See the 'Index Calculation and the Role of the Calculation Agent' section of the methodology documents for the indexes comprising the Alternative Weighted Equity Benchmark Family on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .
The identification of potential limitations of the benchmark, including its operation in illiquid or fragmented markets and the possible concentration of inputs	See the 'Index Calculation and the Role of the Calculation Agent' section of the methodology documents for the indexes comprising the Alternative Weighted Equity Benchmark Family on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .
Circumstances in which the administrator would lack sufficient input data to determine the benchmark according to the methodology	See the 'Index Calculation and the Role of the Calculation Agent' section of the methodology documents for the indexes comprising the Alternative Weighted Equity Benchmark Family on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .

#### EXERCISE OF JUDGMENT OR DISCRETION IN THE CALCULATION OF THE BENCHMARK

Indicate the position of each function or body that may exercise discretion	Invesco is not exercising any expert judgement or discretion in daily calculation of the indexes comprising the Alternative Weighted Equity Benchmark Family. In unusual cases not effectively addressed by the methodology, discretion can be exercised by the Calculator, as described in the 'Index Calculation and the Role of the Calculation Agent' section of the methodology documents for the indexes comprising the Alternative Weighted Equity Benchmark Family found on the Invesco Indexing website, <a href="http://www.InvescoIndexing.com">www.InvescoIndexing.com</a> .
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#### CHANGES TO AND CESSATION OF THE BENCHMARK

The procedures for changes to and cessation of the benchmark are outlined in 'Changes to Benchmark Methodology and Cessation Policy'

#### ERROR HANDLING

The procedures for dealing with errors in input data or in the determination of the benchmark, including when a re- determination of the benchmark is required	See 'Recalculation Policy for Invesco Indexing Indexes and Benchmarks'.
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## BENCHMARK UPDATES

The benchmark composition

The index composition for the Invesco Multi-Factor Large Cap Index is reviewed on a quarterly basis in January, April, July, and October; the composition for all other indexes in the Alternative Weighted Equity Benchmark Family is reviewed on a quarterly basis in March, June, September and December.

The benchmark methodology review

Invesco Indexing periodically, at least annually, reviews each Index and its accompanying methodology in an effort to ensure the Index continues to accurately represent that portion of the market it was originally intended to, and deliver the outcomes one would expect from the Index's exposures.

The procedures for the internal review of the methodologies, changes to the methodologies and procedures performed when the Index administered is ceasing publication are described in detail in the 'Changes to Benchmark Methodology and Cessation Policy'.

## Review

This document will be reviewed by Invesco Indexing LLC on an annual basis. Additional reviews may be conducted during extreme market events, such as ongoing insufficient underlying market liquidity, insufficient input data or after significant market events that significantly affect the benchmark.

Last Review: March 2019