



INVESCO FIXED INCOME FACTOR BENCHMARK STATEMENT

DECEMBER 2020

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 Emerging Markets Debt Defensive Index Invesco Emerging Markets Debt Value Index Invesco High Yield Defensive Index Invesco High Yield Value Index Invesco Investment Grade Defensive Index Invesco Investment Grade Value Index Invesco Multi-Factor Core Index Invesco Multi-Factor Core Plus Index Invesco Multi-Factor Defensive Core Index Invesco Multi-Factor Income Index
Benchmark Family	Fixed Income Factor
Type of Benchmark	Non-significant benchmark
Date of publication of initial benchmark statement	March 2019
Date of last update to benchmark statement	December 2020
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 Fixed Income Factor Benchmark Family are equal weighted (or, in the case of Emerging Markets Debt, square root of market value weighted) indexes designed to provide well-defined factor exposure in specific geographic regions and credit quality categories.
Geographical boundaries of the market or economic reality, where applicable	Fixed Income Factor indexes provide exposure to the US and emerging market bond markets.
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 Fixed Income Factor Benchmark Family on the Invesco Indexing website, www.InvescoIndexing.com .
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 Fixed Income Factor Benchmark Family on the Invesco Indexing website, www.InvescoIndexing.com .
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 Fixed Income Factor Benchmark Family on the Invesco Indexing website, www.InvescoIndexing.com .

The use of any models or methods of extrapolation and any procedure for rebalancing the constituents of a benchmark's index

See the 'Governance' and 'Updates' sections of the methodology documents for the indexes comprising the Fixed Income Factor Benchmark Family on the Invesco Indexing website, 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 Fixed Income Factor Benchmark Family on the Invesco Indexing website, www.InvescoIndexing.com.

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 Fixed Income Factor Benchmark Family on the Invesco Indexing website, www.InvescoIndexing.com.

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 Fixed Income Factor Benchmark Family on the Invesco Indexing website, www.InvescoIndexing.com.

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 Fixed Income Factor 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 Fixed Income Factor Benchmark Family found on the Invesco Indexing website, www.InvescoIndexing.com.

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'.

BENCHMARK UPDATES

The benchmark composition	Rebalanced monthly
The benchmark methodology review	<p>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.</p> <p>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'.</p>

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: December 2020



INVESCO FIXED INCOME FACTOR BENCHMARK FAMILY: ESG DISCLOSURES

DECEMBER 2020

EXPLAINING HOW ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE BENCHMARK STATEMENT

SECTION 1 – CONSIDERATION OF ESG FACTORS	
Item 1. Name of the benchmark administrator.	Invesco Indexing LLC
Item 2. Type of benchmark or family of benchmarks. <i>Choose the relevant underlying asset from the list provided in Annex II.</i>	Fixed Income
Item 3. Name of the benchmark or family of benchmarks.	Invesco Fixed Income Factor (Benchmark Family)
Item 4. Are there in the portfolio of the benchmark administrator any EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks, benchmarks that pursue ESG objectives or benchmarks that take into account ESG factors?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Item 5. Does the benchmark or family of benchmarks pursue ESG objectives?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Item 6. Where the response to Item 5 is positive, provide below the details (score) in relation to the ESG factors listed in Annex II for each family of benchmarks at aggregated level. The ESG factors shall be disclosed at an aggregated weighted average value at the level of the family of benchmarks.	
(a) List of combined ESG factors:	Details on each factor:
(b) List of environmental factors:	Details on each factor:
(c) List of social factors:	Details on each factor:
(d) List of governance factors:	Details on each factor:
Item 7. Where the response to Item 5 is positive, provide below the details (score) for each benchmark, in relation to the ESG factors listed in Annex II, depending on the relevant underlying asset concerned. Alternatively, all of this information may be provided in the form of a hyperlink to a website of the benchmark administrator included in the benchmark statement. The information on the website shall be easily available and accessible. Benchmark administrators shall ensure that information published on their website remains available for five years. The score of the ESG factors shall not be disclosed for each constituent of the benchmark, but shall be disclosed at an aggregated weighted average value of the benchmark.	
(a) List of combined ESG factors:	Details on each factor:
(b) List of environmental factors:	Details on each factor:
(c) List of social factors:	Details on each factor:
(d) List of governance factors:	Details on each factor:
Hyperlink to the information on ESG factors for each benchmark:	
Item 8. Data and standards used	
(a) Description of data sources used to provide information on the ESG factors in the benchmark statement. <i>Describe how the data used to provide information on the ESG factors in the benchmark statement are sourced and whether, and to what extent, data are estimated or reported.</i>	
(b) Reference standards.	

List the supporting standards used for the reporting under item 6 and/or item 7.	
SECTION 2 – ADDITIONAL DISCLOSURE REQUIREMENTS FOR EU CLIMATE TRANSITION AND EU PARIS-ALIGNED BENCHMARKS	
Item 9. Where a benchmark is labelled as ‘EU Climate Transition Benchmark’ or ‘EU Paris-aligned Benchmark’, benchmark administrators shall also disclose the following information:	
(a) forward-looking year-on-year decarbonisation trajectory;	
(b) degree to which the IPCC decarbonisation trajectory (1,5 °C with no or limited overshoot) has been achieved on average per year since creation;	
(c) overlap between those benchmarks and their investable universe, as defined in Article 1, point (e), of Commission Delegated Regulation (EU) 2020/1818 (1), using the active share at asset level.	
SECTION 3 – DISCLOSURE OF THE ALIGNMENT WITH THE OBJECTIVES OF THE PARIS AGREEMENT	
Item 10. By the date of application of this Regulation, for significant equity and bond benchmarks, EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks, benchmark administrators shall also disclose the following information.	
By 31 December 2021, benchmark administrators shall, for each benchmark or, where applicable, each family of benchmarks, disclose the following information:	
(a) Does the benchmark align with the target of reducing carbon emissions or the attainment of the objectives of the Paris Agreement;	<input type="checkbox"/> Yes <input type="checkbox"/> No
(b) The temperature scenario, in accordance with international standards, used for the alignment with the target of reducing GHG emissions or attaining of the objectives of the Paris Agreement;	
(c) The name of the provider of the temperature scenario used for the alignment with the target of reducing GHG emissions or the attainment of the objectives of the Paris Agreement;	
(d) The methodology used for the measurement of the alignment with the temperature scenario;	
(e) The hyperlink to the website of the temperature scenario used.	
Date on which information has last been updated and reason for the update:	

(1) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (See page 17 of this Official Journal).