Press Release
For immediate release

Invesco launches global corporate bond ETF aiming to deliver a meaningful ESG improvement with low tracking difference

London, 12 April 2024 - Invesco is launching a global corporate bond ETF that seeks to increase exposure to investment-grade issuers that demonstrate a robust ESG profile. The Invesco Global Corporate Bond ESG UCITS ETF will be passively managed, investing in the securities of corporate issuers from across developed markets, with weightings adjusted in accordance with certain ESG metrics.

Gary Buxton, Head of EMEA ETFs and Indexed Strategies at Invesco, said: "Investors have been using ETFs to gain exposure to fixed income markets increasingly over the past 5 years. One of the main drivers of this acceleration in demand has been the launch of fixed income ETFs targeting specific ESG-related objectives, particularly those aiming to provide an uplift in ESG characteristics while maintaining a similar risk and return profile to a non-ESG benchmark."

The new Invesco ETF will aim to track the Bloomberg MSCI Global Liquid Corporate ESG Weighted SRI Sustainable Bond Index, which comprises the fixed-rate, taxable debt securities from global corporate issuers in developed countries. To be eligible, issuers must have an investment-grade credit rating and the principal and interest of the securities denominated in USD, EUR, GBP or CAD. The list of eligible currencies will be reviewed annually.

The ESG-related objective will be achieved through a combination of exclusions and tilting. Issuers will be removed from the index if they are involved in certain business activities, have an MSCI ESG rating below BBB or have faced very severe controversies pertaining to ESG issues over the past three years. The index then uses MSCI ESG Ratings to tilt allocations compared to their market values in the Global Aggregate Corporate Index, along with limiting the market value weight of issuers to a cap of 5%. The index is rebalanced monthly.

Paul Syms, Head of EMEA Fixed Income and Commodity ETF Product Management at Invesco, said: “The new Invesco ETF adheres to the same investment methodology as our existing EUR, GBP and USD IG Corporate Bond ESG ETFs but on a multi-currency basis. It may be attractive for ESG-minded investors looking to take advantage of today’s high bond yields and potential for a favourable rate environment going forward, without taking on individual currency risk or deviating too much from the characteristics of the standard benchmark.”

ETF details

	Invesco Global Corporate Bond ESG UCITS ETF
Index name	Bloomberg MSCI Global Liquid Corporate ESG Weighted SRI Sustainable Bond Index
ETF BBG ticker	GCBE
Base currency	USD
Trading currency	USD
Annual charge	0.15%

ENDS

<u>Notes to editors</u>

Investment risks

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 creditworthiness of the debt the Fund is exposed to may weaken and result in fluctuations in the value of the Fund. There is no guarantee the issuers of debt will repay the interest and capital on the redemption date. The risk is higher when the Fund is exposed to high yield debt securities.

Changes in interest rates will result in fluctuations in the value of the fund.

The Fund may be exposed to the risk of the borrower defaulting on its obligation to return the securities at the end of the loan period and of being unable to sell the collateral provided to it if the borrower defaults.

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.

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.

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UCITS ETF's units / shares purchased on the secondary market cannot usually be sold directly back to UCITS ETF. Investors must buy and sell units / shares on a secondary market with the assistance of an intermediary (e.g. a stockbroker) and may incur fees for doing so. In addition, investors may pay more than the current net asset value when buying units / shares and may receive less than the current net asset value when selling them. For the full objectives and investment policy please consult the current prospectus.

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