



Press Release

For immediate release

Invesco enters final phase for its innovative Active Non-transparent ETF Model

Advances plans for launching Invesco active non-transparent ETFs

Contact: Stephanie Diiorio, 212.278.9037, stephanie.diiorio@invesco.com

ATLANTA, November 9, 2020 – Invesco Ltd. (NYSE: IVZ), a leading global provider of exchange-traded funds (ETFs), announced today that it has reached the final regulatory stage in its effort to build its own active non-transparent ETF model. The U.S. Securities and Exchange Commission (SEC) has published a notice regarding Invesco’s exemptive application, indicating its plan to grant the needed relief subject to any comments it receives.

“Invesco is always looking for solutions to best solve for our clients’ investment outcomes in an innovative manner and we have high conviction that the Invesco active non-transparent ETF model will bring together the right combination of active and passive strategies,” says Anna Paglia, Global Head of ETFs and Indexed Strategies at Invesco. “The unique perspective and specialized background of Invesco’s active managers, housed within an ETF wrapper has exciting potential for client portfolios.”

The proposed Invesco active non-transparent ETF model will retain a number of the characteristics that investors find attractive in an ETF structure, including an effective arbitrage mechanism, tax efficiency¹ and intraday tradability. Under the proposed model, each trading day Invesco will publish key data metrics to offer a clear view into an ETF’s portfolio value without fully disclosing the ETF holdings. The Invesco non-transparent model would thereby maintain confidentiality of a fund’s strategy and help mitigate the risk of front-running by keeping a portion of the fund’s holdings shielded from the market. If approved, the Invesco non-transparent active ETFs will strike at least two NAVs per day, thus providing multiple creation and redemption³ windows to authorized participants throughout the day.

Invesco also filed for an exemptive order to license Fidelity’s active equity ETF methodology in July 2020, which was granted in October 2020. Once the proprietary Invesco application is approved, the firm plans to utilize both the Fidelity active non-transparent equity model and the Invesco model to create Invesco active non-transparent ETFs. Invesco active non-transparent ETFs will allow Invesco to deliver the benefits of our active management in a tax efficient¹ and cost-effective² ETF wrapper, thus unlocking new opportunities for our clients.

About Invesco Ltd.

Invesco is a global independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. Our distinctive investment teams deliver a comprehensive range of active, passive and alternative investment capabilities. With offices in 25

countries, Invesco managed \$1.2 trillion in assets on behalf of clients worldwide as of September 30 2020. For more information, visit invesco.com.

1 The tax advantages of investing in Shares may be less pronounced than passive ETFs because the Funds are actively managed and, therefore, may have greater turnover in their portfolio securities, which could result in less tax efficiency than an investment in a fund that is not actively managed. Invesco does not offer tax advice. Please consult your tax professional for information regarding your own personal tax situation.

2 Since ordinary brokerage commissions apply for each buy and sell transaction, frequent trading activity may increase the cost of ETFs.

3 Shares are not individually redeemable and owners of the Shares may acquire those Shares from the Fund and tender those Shares for redemption to the Fund in Creation Unit aggregations only, typically consisting of 10,000, 25,000, 50,000, 75,000, 80,000, 100,000, 150,000 or 200,000 Shares.

Important Information

There are risks involved with investing in ETFs, including possible loss of money. Actively managed ETFs do not necessarily seek to replicate the performance of a specified index. Actively managed ETFs are subject to risks similar to stocks, including those related to short selling and margin maintenance.

Fidelity's active equity ETFs will utilize a "tracking basket" methodology. This approach maintains confidentiality of a portfolio's securities and trading strategies by disclosing a "tracking basket" comprised of select recently disclosed portfolio holdings, liquid U.S. ETFs that convey information about the types of instruments in which the fund invests, and cash and cash equivalents. This "tracking basket" is disclosed daily and is used to facilitate the creation and redemption process. Each ETF's portfolio holdings will be disclosed on its website on a monthly basis with a 30-day lag.

Invesco is not affiliated with Fidelity.

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