

Responsible Investment Policy

Invesco Responsible Global Real Assets Fund

April 2021



Executive Summary

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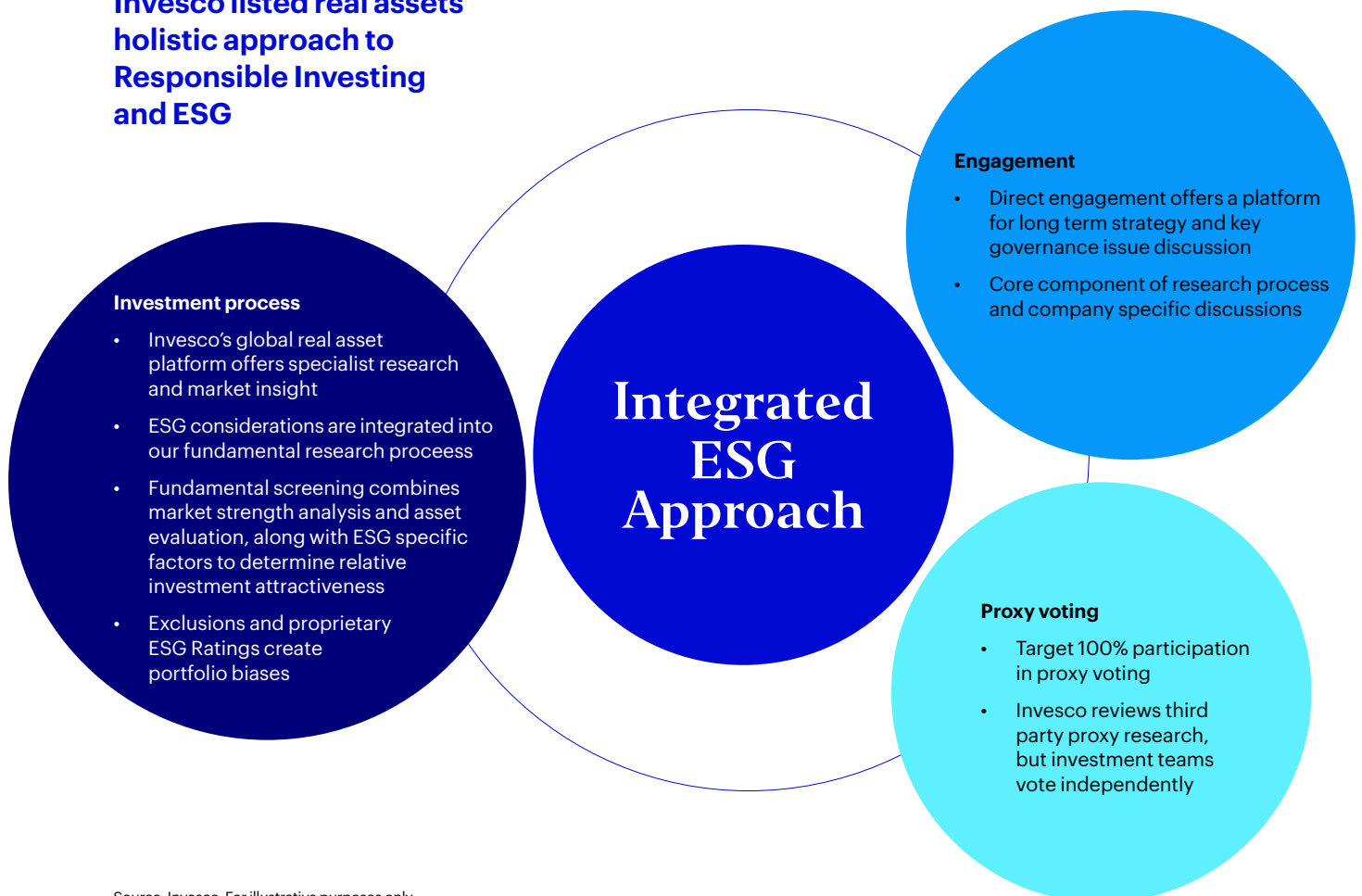
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The Invesco Responsible Global Real Assets Fund (the fund) applies a defined ESG framework to guide its active investments in real estate, infrastructure, natural resources and timber companies worldwide. Its ESG approach combines sector exclusions and the selection only of issuers with stronger ESG characteristics compared to their sector peers. The fund seeks to deliver diversified exposure across the real asset opportunity set, with the investment objective of delivering total return through growth of capital and current income.

The fund is supported by Invesco's global ESG resources and infrastructure. Proprietary ESG ratings are an integral part of the fundamental research process helping to ensure that the portfolio's investment mandate is delivered. Coordination on engagement topics and oversight are also provided by Invesco's Global ESG team. In addition, the fund benefits from Invesco's worldwide real assets research and investment platform providing local, on the ground, market insights.

Invesco Listed Real Assets Team (ILRA Team) has adopted an integrated approach to ESG, recognizing the necessity for investment behaviors that effectively combine high investment standards, with active and responsible engagement activity.

Invesco listed real assets holistic approach to Responsible Investing and ESG



Source: Invesco. For illustrative purposes only.

Holistic ESG integration in the investment process



The ILRA Team Senior Portfolio Manager team are ultimately responsible for determining, agreeing and submitting voting intentions. The team acts independently, with freedom to vote with or against management or the recommendations of third-party proxy research providers

Engagement activity

ILRA Team's fundamentally driven investment approach requires the investment team to maintain regular and meaningful contact with companies within the investment universe and more importantly, companies held within portfolios. The objective of engagement is to obtain deep understanding of the investment opportunity and, often as a shareholder, to ensure that issues which help to define long term shareholder value creation and risk are considered.

Engagement with companies may take the form of ILRA Team driven, targeted engagement or company driven reactive engagement. It may take the form of broad, dialogue based, ongoing engagement or alternatively comprehensive engagement, focused on key specific issues. Engagement issues tend to be company specific and are broadly spread across all key corporate, financial or ESG topics. Historically, capitalization and financial structures have been a key area for engagement. In capital intensive industries, unconstrained financial flexibility is key to allowing companies to pursue effective and sustainable business strategies, asset improvement and ultimately growth in shareholder returns.

In addition to specific ILRA Team engagement activity, Invesco is also part of several ESG focused organisations that facilitate collective dialogue with companies and continues to assess other collective engagements that we would like to be more actively involved in the future. This activity is coordinated by Invesco's Global ESG team and may involve real asset focused companies. Among the initiatives relevant for ILRA Team, Invesco is a leader and co-leader in the engagement with companies as part of the Climate Action 100+ and is part of the Investor Tailings and Mining Initiative and the World Economic Forum's Coalition for Climate Resilient Investment.

Proxy voting policy

ILRA Team is guided by a combination of Invesco's global proxy policy and third-party proxy research in understanding best practice and determining proxy voting decisions on behalf of investors. Invesco's Policy Statement on Global Corporate Governance and Proxy Voting can be found here: [Invesco Policy Statement on Global Corporate Governance and Proxy Voting](#)

Invesco generally retains full and independent discretion with respect to proxy voting decisions. Aligning the investment decision with the proxy voting decision results in robust voting outcomes for our clients.

To this effect, Invesco maintains a proprietary global proxy administration platform, known as "PROXYintel". The platform streamlines the proxy voting and ballot reconciliation processes, as well as related functions, such as share blocking and managing conflicts of interest issuers. It enables fund managers to vote in an efficient manner, increase transparency, share knowledge and effectively influence corporate practices and behaviors.

The ILRA Team Senior Portfolio Manager team are ultimately responsible for determining, agreeing and submitting voting intentions. The team acts independently, with freedom to vote with or against management or the recommendations of third-party proxy research providers. The portfolio management team will draw upon their deep knowledge of their investment universe and often long-term engagement with senior listed company executives in understanding specific company issues or regional or industry nuances in forming judgement. Ultimately, the investment teams' decisions are motivated with the long-term economic interest of shareholders in mind.

Oversight at a firm-wide level

Invesco's Corporate Responsibility Committee (CRC) is composed of members of the executive leadership team. The committee drives the strategy, oversight and governance of our internal programmes, which will include progress against ESG and demonstrating Invesco's broad executive leadership commitment to responsible investment. The CRC provides direction to Invesco's investment and corporate stewardship leaders on core ESG and Corporate Social Responsibility (CSR) topics, participation in industry advocacy and policy efforts, and charitable and community organisations to enhance our impact in sustainable global efforts. Local and Global Management teams, including regional

managing directors, report to the Global Corporate Responsibility Committee on matters related to ESG and CSR.

The Global Investment Council (GIC), made up of CIOs and MDs from Invesco's global investment centres and asset classes, is co-chaired by Invesco's CEO, Marty Flanagan, and Head of Investment SMD, Greg McGreevey. The GIC provides oversight to our specialised investment teams and offers a balance of global expertise, support and connectivity. In this way, it helps provide better outcomes for clients with greater consistency over the long term. The GIC ESG Sub-Committee focuses on ESG investment issues, including climate change.

Corporate Responsibility Committee (CRC)

Define corporate strategic vision for ESG and CR

Our CRC is designed to support our investment and corporate stewardship leaders across the globe in aligning our advocacy, policy and community efforts.

Global Investment Council (GIC)

Our GIC provides oversight to our specialized investment teams and offers a balance of global expertise, support and connectivity. In this way, it helps provide better outcomes for clients with greater consistency over the long term.

CRC Working Group (WG)

Identify, track, assess and establish or decide policy matters pertaining to ESG or CSR

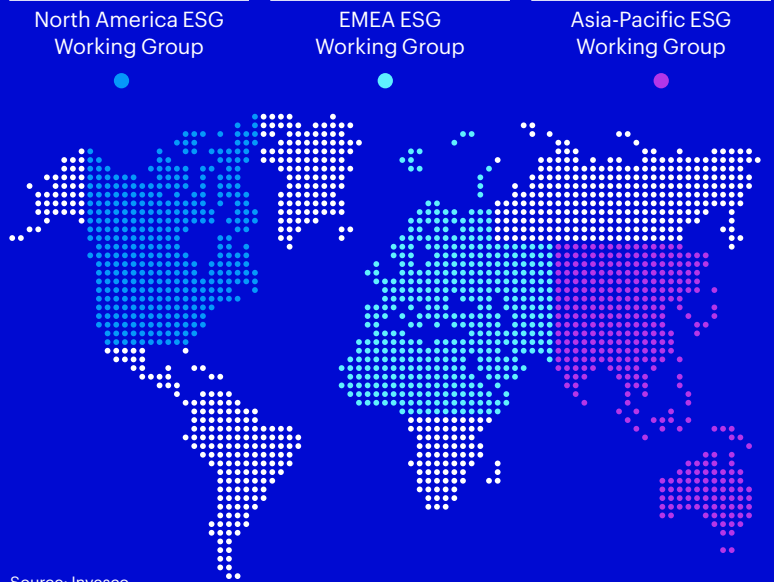
Our CRC Working Group identifies, tracks, assesses and measures our ESG and CSR activities. This information is periodically reported to the main CRC.

GIC ESG Sub-Committee

Where our GIC provides broad coverage, guidance and discussion to investment teams, our ESG Sub-Committee focuses on addressing ESG investment issues, including climate change and social equity.

Regional Working Groups

Define regional ESG requirements and implement activity accordingly.



Source: Invesco.

Key ESG characteristics

There are two main elements to the ESG framework that will be reflected throughout the investment process.

- Sector and issuer-specific exclusions and criteria.** Systemically exclude sectors and business activities that are inconsistent with the sustainability or socially responsible objectives. Recognize that some sectors have an important ongoing role to play in the global economy but apply specific criteria to ensure that high standards are met and sustainability considerations are being managed proactively.
- Positive screening criteria.** Select issuers which are assessed as being better positioned than their sector peers to address environmental, social and governance issues.

These elements are described in more detail below.

Sector and other specific Exclusions

Exclusion criteria and negative criteria can be used to eliminate issuers that fail to meet certain ESG criteria, while positive criteria can be used to identify companies which are particularly characterised by sustainable economic development, positive products or processes.

By applying these criteria, companies, sectors or countries are excluded from the investment universe which fail to fulfil certain ESG criteria or that violate international norms and FebeFin standards.

Industry and activity exclusions are determined independent of the Fund's investment team, by Invesco's dedicated ESG department, in order to ensure an unbiased, rigorous and consistent process. The Invesco Responsible Global Real Assets Fund uses the following exclusion criteria:

Controversial Activities	Measure	Excluded If (% of Revenue)
UN Global Compact	Violations of the UN Global Compact principles	Assessed as being Not Compliant with any principle
Coal	Revenues derived from Thermal Coal Mining	>=5%
	Proportion of Power production from Thermal Coal	>=10%
Unconventional Oil & Gas extraction	Revenues, production capacity or actual production from tar sands, shale oil and Arctic drilling or other unconventional extraction methods	>5%
Weapons	Revenue from illegal & controversial weapons (anti-personnel mines, cluster munition, depleted uranium, biological/chemical weapons etc.)	>0%
	Manufacture or sales of nuclear weapons or components of nuclear weapons to countries that have not signed the Nuclear Non-Proliferation Treaty	>=0%
	Revenue from small arms sales, including assault weapons, to military, law enforcement or civilian customers or key components	>=5%
	Military contracting weapons and related services	>=5%
Tobacco	Revenues from production of tobacco	>=5%
	Revenues from products containing tobacco	>=5%
	Revenues from wholesale trading of tobacco	>=5%
Gambling	Revenues from the operation or provision of equipment or services or supporting products connected with gambling	>=10%
Adult Entertainment	Revenues from the production or distribution of products or services related to adult entertainment	>=10%
Alcoholic Beverages	Revenues from the production, product and services or sale of alcoholic beverages	>=10%
Controversies	Any company with a Sustainalytics controversy score of 4 or 5 will be excluded	N/A

Key ESG characteristics



Eligible companies must derive at least

40%

of revenues from natural gas extraction or renewables

>393

Maximum carbon emission intensity (gCO²/kWh)



Factors used in the research process consider characteristics that are both financially material to the issuers long term sustainability and return opportunity

Sector-specific criteria for permitted sectors

The Invesco Responsible Global Real Assets Fund will meet additional criteria for certain individual sectors in order to deliver its investment mandate. In some sectors, these additional criteria are necessary to ensure that the Fund's compliance with its sustainability commitments can be maintained. In other cases, the criteria exist to ensure that important global standards on sustainability issues relevant to a sector are being met by the Fund's holdings.

Sector Requirements

Conventional Oil & Gas	Invesco must have a corporate engagement and/or shareholder action policy for accelerating the transition to low carbon models. Eligible companies must derive at least 40% of revenues from natural gas extraction or renewables
Utilities	Only electricity utility companies that are on a transition path in line with the Paris agreement goals (below 2° warming) are eligible. This will be measured either through a carbon intensity (gCO ² /kWh) threshold on an annually declining scale or through reference to the composition of each utilities power production. The following exclusion thresholds will apply at the issuer level; Maximum carbon emission intensity (gCO ² /kWh) >393 If carbon emission data intensity is not available, then >10% power production comes from coal >25% power production from oil & gas >25% power production from nuclear

Positive issuer selection criteria

Building on the sector exclusions and sector-specific criteria set for permitted sectors, the Fund will pursue a progressive approach to issuer selection based on the proprietary ESG research.

The positive selection framework is designed to ensure the portfolio only holds issuers that are positively rated by our research process in terms of fundamental growth and ESG characteristics. Factors used in the research process consider characteristics that are both financially material to the issuers long term sustainability and return opportunity and are key issues where the real assets sector has a role in contributing to long term global macro level environmental and social targets.

ESG factors are embedded in the Fundamental Rank process along with other factors that help to determine higher fundamental quality and growth prospects. A proprietary ILRA Team ESG Rating for each company is derived alongside the Fundamental Ranking process. Fundamental Ranking removes approximately one third of the investible universe from consideration and differs from the ESG Rating because it also considers market strength and revenue growth opportunity and several other fundamental qualities that are not specifically ESG related factors.

To ensure a positive portfolio bias and ownership of best in class ESG companies across the diverse real assets universe, the investment portfolio will ultimately only be constructed with holdings that earn an ILRA Team ESG Rating in the top half of ILRA Team's ESG Rating universe from an intra-sector standpoint.

ILRA Team ESG Ratings

The ILRA Team ESG Rating offers a holistic view of each company's ESG characteristics and is derived alongside the Fundamental Ranking Process. Individual factors within the Fundamental Ranking process are characterised, where relevant, as environmental (E), social (S) or governance (G) related and are ascribed a weighting. These factors are aggregated into overall E, S and G ratings for each company. In determining the overall ESG Rating, the E, S and G ratings are weighted to reflect a view that for real assets, environmental and governance factors have a greater overall impact and relevance than social factors.

The ILRA Team ESG Rating is reviewed quarterly in line with the Fundamental Ranking review. Changes to ESG Ratings may see a company rating fall below the portfolio's ESG Rating threshold. In this circumstance, any holding in the company will be divested as soon as practically possible.

Key ESG characteristics

Environment Rating

Scoring uses a mix of proprietary research and third-party data. The aim is to bias the portfolio to companies with assets which have:

- a high standard of design, able to contribute to net zero emissions targets and lower levels of asset carbon emissions intensity
- higher levels of clean energy use
- locations which can integrate into sustainable cities and evolving living and movement patterns that facilitate efficient use of resources and maximise transportation infrastructure opportunity for future asset improvement and retrofitting for economic and environmental gain.
- assets should be less likely to become stranded by changes in technology or rising environmental standards and occupier demands
- less locational vulnerability to climate change risks, such as extreme weather or natural resource shortage

The factors within the ILRA Team ESG Rating seek to ensure portfolio bias to important ESG factors.

Key factors and biases are summarized below.

Social Rating

Scoring uses a mix of proprietary and third-party data. The aim is to bias the portfolio to companies with:

- greater local community engagement activity
- higher standards of health and safety and employee welfare and relations
- higher levels of corporate diversity
- less exposure to financial risks associated with social and demographic change

Governance Rating

Scoring uses a mix of proprietary and third-party data. The aim is to bias the portfolio to companies with:

- appropriate, long term focused capital structures with higher financial coverage levels
- highly skilled executive management, with clear long term focused corporate strategies and capital allocation plans.
- diversified revenue sources
- high levels of business ethics, transparency and reporting quality
- appropriate levels of executive compensation and insider ownership consistent with clear shareholder alignment
- non-executive independence and diversity and effective governance structures

The ILRA Team ESG Rating uses a combination of inputs from:

- Invesco's proprietary ESG ratings (ESGintel), which are created and managed by Invesco's centralized Global ESG team
- the Real Asset investment team's research activities
- other third-party data providers offering relevant analysis

ESGintel is used to provide a base of standardised ESG data and characteristics. ESGintel draws on best available data sources including Sustainalytics, ISS, CPD, Transition Pathway Initiative and Bloomberg.

Real Asset specific considerations are generated using third-party data from sources including but not limited to Bloomberg and the World Resources Institute. All other real asset specific considerations are based on internal research, leveraging the investment team's deep specialist industry knowledge, company engagement and wider Invesco investment team collaboration.

The individual company ESG Ratings are created by comparing companies within distinct industry or geographic clusters of the qualified universe and assigning scores on a relative basis within each industry or geography. This methodology allows portfolios to be diversified across all real asset sectors and geographies while allowing best in class characteristics to be recognised.

ILRA Team ESG Rating Composition

The weighting system of the ILRA Team Environment, Social and Governance ratings is shown below. Weightings across E, S, and G can differ between sectors (Real Estate, Infrastructure, Natural Resources, and Timber). Furthermore, ESGintel and Real Asset specific factors can differ between sectors. Overall ESG Ratings are analysed intra-sector to ensure proper diversification.

	Environment Rating (40%)	Social Rating (20%)	Governance Rating (40%)
ESGintel Rating	40%	50%	30%
Real Asset Specific Factors	60%	50%	70%

Key ESG characteristics

Exposure to sustainable investments/themes¹

While the Fund does not target sustainable/ impact investments per se as an objective, the investable universe does include exposure to sustainable investments (i.e. activities contributing to an environmental or social objective). This will include exposures to sectors such as green infrastructure and clean energy which are likely to be the higher scoring ESG investments. This will be analysed versus the return opportunity of other high scoring ESG investments options.

As a result, it is expected that the Fund will have a higher exposure to these sustainable sectors/economic activities than the benchmark.

Scope of the ESG policy, including usage of derivatives and cash management

The ESG characteristics defined in this policy, covering exclusions, negative and positive screening as well as materiality assessments, are applied to the entire portfolio of equity investments of the Fund.

The Fund may enter into financial derivative instruments only for efficient portfolio management and hedging purposes only, and as such the derivatives may not be fully aligned with the ESG guidelines in terms of negative and positive screening. However, there will be no unaligned derivative positions held for investment purposes.

The Fund is managed on a fully invested basis and cash investments are residual, held for technical reasons and not for investment purposes. As such financial institutions where the cash is held and cash instruments are not specifically assessed on their sustainability characteristics.



¹ 'Sustainable investment' means an investment in an economic activity that contributes to an environmental objective, as measured, for example, by key resource efficiency indicators on the use of energy, renewable energy, raw materials, water and land, on the production of waste, and greenhouse gas emissions, or on its impact on biodiversity and the circular economy, or an investment in an economic activity that contributes to a social objective, in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations, or an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

Investment Process

Investment process steps



Source: Invesco. For illustrative purposes only.

01

Qualified Universe

The Investment Team screens out companies that do not meet minimum market capitalization and do not have sufficient transparency to allow rigorous underwriting. In addition, exclusionary ESG screening criteria is applied in Step 1. This results in a Qualified Universe of potential Real Estate, Infrastructure, Natural Resources and Timber investments. Companies that make the Qualified Universe are screened using the following steps:

- ESG Rating
- Fundamental Ranking
- Securities Analysis
- Portfolio Construction

02

Sector Allocation

The Real Asset Governance Committee is composed of senior investment professionals that cover each underlying component of real assets. The committee is responsible for determining the overall sector allocation. Investment meetings are held on a regular basis where discussions are held regarding economic growth, inflation expectations, supply and demand dynamics, valuation, and the potential impacts of monetary/fiscal/political policy.

ESG Rating & Fundamental Ranks

ESG factors are embedded in the Fundamental Rank process along with other factors that help to determine higher fundamental quality and growth prospects. A proprietary ILRA Team ESG Rating for each company is derived alongside the Fundamental Ranking process.

Each company is scored on a 1 to 10 scale (10 being the best) against ESG factors outlined in the table below. Proprietary ESG Ratings are applied on a real assets sector or geographic cluster basis. The analysis combines elements of third-party data and internal proprietary research focused on real asset specific factors. Many of the factors considered in the analysis relate to determining ESG related characteristics. Considerations are illustrated below, with factors specific to environmental, social or governance issues highlighted. Companies with an ESG Rating in the top half of the appropriate sector or peer group are considered for investment.

The Fundamental Ranking analysis is an integrated top-down and bottom-up analysis designed to identify the most attractive companies to own over the long-term on the basis of Market Cycle Analysis (market strength rating), Asset Evaluation, and Management and Corporate Structure (these items are further outlined in the table below). Each company is scored on a 1 to 10 scale (10 being best) against a number of factors, with only companies scoring five or more considered for investment. Companies scoring less than five normally account for approximately one third of the Qualified Universe.

The Fundamental Ranks and ESG Ratings processes are reviewed quarterly. Companies must pass both the Fundamental quality rank screen and the positive ESG screen to be considered for investment. Companies which upon review, de-rate to a score below the minimum acceptable threshold are sold as soon as practically possible if they are held in a portfolio.

Market Cycle Analysis Rating

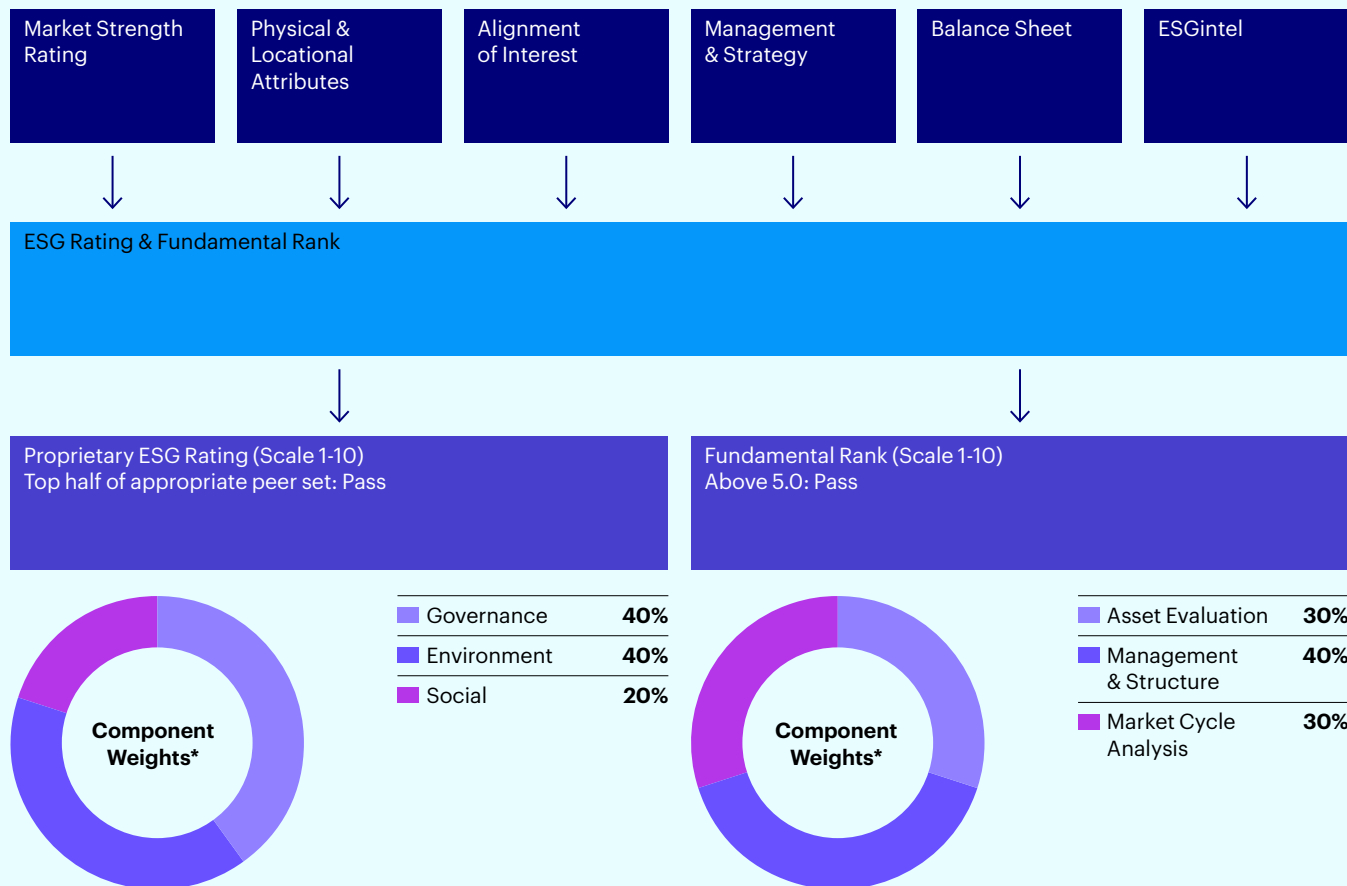
Market Strength Rating

Revenue/Asset Value Growth Prospects

	Environmental	Social	Governance		Environmental	Social	Governance
Asset Evaluation				Management & Structure			
Physical Attributes				Alignment of Interest			
Functionality/Aesthetics/ Stranding Risks		✓		Inside Ownership			✓
Environmental Footprint		✓		Board Structure/Executive Pay/Business Standards			✓
Maintenance Capex Burden				Transparency			✓
Customer Credit Quality and Diversified Income Sources				Internal/External/ % Not Floated			✓
Locational Attributes				Management & Strategy			
Proximity to Infrastructure/ Transport/Improvement		✓		Quality of Team			✓
Surrounding Environment Quality/Amenity		✓	✓	Focus/Strategic Plan/ Capital Allocation			✓
Portfolio Concentration/ Local Benefit			✓	Asset Improvement Strategy		✓	
Residual Land Value/ Higher Value Use Opportunity		✓	✓	Social & Demographic Change Risk			✓
Impact from Climate Change		✓		Diversity/Labor Force/ Social Contribution		✓	
Regulation Risk		✓	✓	Balance Sheet			
Asset Liquidity				Interest Coverage			✓
				Leverage			✓

Source: Invesco Listed Real Assets Team. For illustrative purposes only. Not an exhaustive list of metrics considered.

Investment Process



Source: Invesco. For illustrative purposes only. *Weights can differ across sector of appropriate peer set.

04

Securities Analysis

The Investment Team evaluates and ranks stocks according to relative value using earnings data and other fundamental variables. Individual factors used in determining the return opportunity for each individual stock can be summarized into four categories. These include but are not limited to:

- Cash Flow Quality and Growth
- Valuation
- Dividend Policy
- Trends & Liquidity

Each of these factors is considered in the calculation of each company's relative value intra-sector. Over time, and as markets change, the relative importance assigned to the individual factors may change. While the grouping of factors has proven to be relevant over full economic cycles, the relevance and significance of a given factor may change over time.

Portfolio Construction

The investment portfolio is built within a series of parameters with the aim of delivering a clear bias to higher ESG standards across the Real Asset investment universe and excess performance over its reference benchmark.

The portfolio will offer a broadly diversified exposure across real asset investment opportunities and will be optimised against desired risk constraints and managed within measured and pre-set risk tolerances. The ESG relevant parameters around which the portfolio is built are as follows:

Positive Screening

- All portfolio holdings must achieve a score of 5 or above in Fundamental Rank
- All portfolio holdings must achieve an ESG Rating in the top half of the Qualified Universe from an intra-sector standpoint

ILRA Team uses a portfolio optimisation process that allows constraints to be created and desired risk and return characteristics and real asset sector biases to be actively added and managed in line with investment objectives.

Portfolio risk is measured and monitored along a variety of pre-set statistical and non-statistical portfolio attributes. The measured attributes include the following:

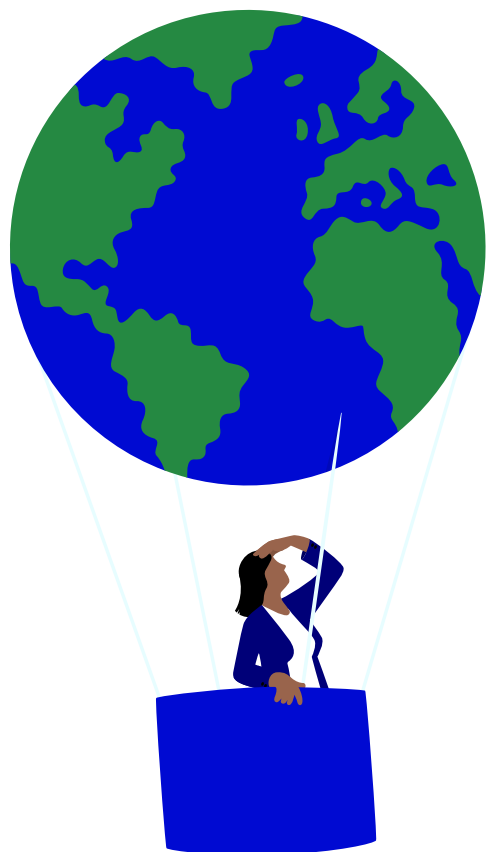
Statistical Attributes

- Expected Beta
- Expected Tracking Error - Systematic vs. Residual
- Active Share
- Expected Return Correlation to Benchmark

Non-Statistical Attributes

- Liquidity
- Asset Class Concentration
- Geographic Concentration

The allocation between the different real asset sectors is actively managed by the Portfolio Managers. The portfolio will balance highest return ideas (allocation of specific risk) against desired asset class exposures and controlled systematic risk exposures.



Fund Facts

Invesco Responsible Global Real Assets Fund

Investment Centre	Invesco Listed Real Assets Team
Fund Manager	Darin Turner James Cowen Ping-Ying Wang Grant Jackson Jim Pfortner
Contracted Vehicle Type	SICAV
Domicile Country	Luxembourg
SICAV Launch Date	11/08/2005
Repositioned Date	08/04/2021
Fund Volume	USD 28.6mn

Source: Invesco as at 31 March 2021.