Invesco Physical Gold GBP Hedged Pension Fund
As at 30 June 2023

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Fund Manager: David Aujla and Richard Batty

Key facts

Fund Manager	David Aujla and Richard Batty
Launch date	4 March 2021
Fund size	£2.13k[1]

Benchmark: London Bullion Market Association ("LBMA") Gold Price (PM) GBP Hedged which is a recognised benchmark for gold.

This is a Target Benchmark given the Underlying ETC's target to provide the performance of the spot gold price, less fees.

The Fund's performance can be measured against the Target Benchmark as a means to assess if the Underlying ETC's target has been achieved. There should not be an expectation that this target is guaranteed.

Fund strategy

Exposure to physical gold through investment in the Invesco Physical Gold GBP Hedged ETC.

Investment objective

The Invesco Physical Gold GBP Hedged Pension Fund (the "Fund") aims to achieve long-term (5 years plus) capital growth and to provide the performance of the spot gold price hedged into GBP, less fees.

The Fund invests in the Invesco Physical Gold GBP Hedged ETC, a physically backed exchange traded commodity managed by Invesco Physical Markets plc (the "Underlying ETC"). The Underlying ETC aims to provide the performance of the London Bullion Market Association ("LBMA") Gold Price hedged to GBP through certificates collateralised with gold bullion.

Each underlying Gold ETC is a certificate which is secured by gold bullion held in J.P. Morgan Chase Bank's London vaults. The Underlying ETC's investment return is achieved by holding gold bullion, which is valued daily at the London PM auction price. The Underlying ETC uses a "swing bar" approach, whereby gold bullion equals to at least the full value of the certificates that will be held in an allocated account in the name of the issuer.

The latest indication provided by the custodian shows that 100% of gold bars held in the segregated account of the Gold ETC are minted post-2012, meaning they adhere to the LBMA Responsible Gold Guidance in compliance with the highest ethical standards.

The issuer of the underlying certificates, Invesco Physical Markets PLC, is an Irish-domiciled company administered by J.P. Morgan Administration Services (Ireland) Limited.

Currency hedging

The Underlying ETC uses a hedging mechanism which is designed to reduce the exposure of the underlying precious metal (and hence the relevant certificates) to exchange rate fluctuations between US dollars and GBP. The mark-to-market of the hedging mechanism is realised daily through the purchase or sale of physical gold to ensure the structure remains fully invested in gold.

Performance[2]

% growth

	3 months	YTD	1 year	3 years	5 years
Fund	-4.13	3.48	2.65	-	-
Benchmark	-3.41	5.43	5.24	-	-

Standardised rolling 12-month performance

% growth

	30.06.18 30.06.19	30.06.19 30.06.20	30.06.20 30.06.21	30.06.21 30.06.22	30.06.22 30.06.23
Fund	-	-	-	1.91	2.65
Benchmark	-	-	-	3.05	5.24

Past performance is not a guide to future returns.
The standardised past performance information is updated on a quarterly basis. Source: Invesco. Should you require up-to-date past performance information this is available by contacting our Pension Support Team on 0800 169 6282.

General Risk Factors

You should consider the following general risk factors before investing in the Plan.

Fund of Fund Risk

The product is exposed to Fund of Funds risk and will be subject to the risks associated with the underlying funds in which it invests.

Depositary Risk

The assets owned by each fund are held on trust for the fund by a depositary that is also regulated by the Financial Conduct Authority. The Financial Conduct Authority requires that the depositary ensures that there is legal separation of non-cash assets held under custody and that records are maintained that clearly identify the nature and amount of all assets under custody, the ownership of each asset and where the documents of title to that asset are located. In case of a potential bankruptcy of the depositary, cash positions in the fund are not protected and there may be a delay in regaining full control of the non-cash assets.

Market Suspension Risk

A fund may invest in securities dealt on a market or exchange. Trading on a market or exchange may be halted or suspended due to market conditions, technical problems or other events and during such circumstances, the fund will not be able to sell the securities traded on that market until trading resumes.

Further, trading of the securities of a specific issuer may be suspended by a market due to circumstances relating to the issuer. If trading of a particular security is halted or suspended, the relevant fund will not be able to sell that security until trading resumes.

Fund Suspension Risk

Investors should be aware that the dealing can be suspended in fund(s) in exceptional circumstances. More information on this can be found in the Terms and Conditions.

Market Liquidity Risk

A fund may be affected by a decrease in market liquidity for the securities in which it invests which may mean that shares in those securities may not be sold at their true value.

Termination Risk

A fund may be terminated under certain conditions and in the manner specified in the Terms and Conditions. It is possible that at the time of such termination, certain investments may be worth less than their acquisition cost, resulting in investors having to realise an investment loss and/or being unable to recover an amount equal to their original capital invested.

Counterparty Risk

The funds may enter into derivatives transactions or place cash in bank deposit accounts, which would expose the funds to the credit of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the funds could experience delays in liquidating positions and significant losses, including declines in the value of investments during the period in which a fund seeks to enforce its rights, inability to realise any gains on its investments during such period and fees and expenses incurred in enforcing its rights.

1 This pension fund is invested in the Invesco Physical Gold GBP Hedged ETC.

2 Invesco Physical Gold GBP Hedged Pension Fund performance shown is calculated with reference to the Net Asset Value, inclusive of net reinvested income and net of ongoing charges and portfolio transaction costs in GBP. The figures do not reflect the actual share price, the impact of the bid/offer spread or broker commissions. Returns may increase or decrease as a result of currency fluctuations.

Investment risks
The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Gold Commodity Risk
The fund's investment exposure to the gold commodity market may subject the fund to greater volatility than investments in traditional securities, such as stocks and bonds. The gold price may fluctuate widely based on a variety of factors, including changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or investor expectations concerning interest rates, domestic and foreign inflation rates and investment and trading activities of commingled investment funds, hedge funds and commodities funds. The price of gold can also fluctuate widely due to supply and demand disruptions in major producing or consuming regions. Because the performance of the fund is linked to the performance of gold, investors should be willing to assume the risks of potentially significant fluctuations in the value of the fund's shares.

Exchange Traded Certificate
Exchange Traded Commodities (ETCs) are not regulated funds and therefore present less investor protection when compared to an investment in collective investment funds or exchange traded funds (ETFs). ETCs are subject to the credit risk of the issuer, which in the case of physically secured ETCs is mitigated by being backed by physically stored commodities. If the issuer cannot pay the specified return, the commodity will be used to repay investors, but investors will have no claims on the other assets of the issuer (limited recourse). The value of an ETC will be affected by movements in the price in the underlying commodity and may be influenced by other factors including the level of supply and demand for the ETC alongside the volatility and liquidity of the underlying commodity. In addition, an ETC may be subject to the following: (1) a discount of the ETC's shares to its net asset value; (2) failure to develop an active trading market for the ETC's shares; and (3) the listing exchange halting trading of the ETC's shares.

Covid-19
As a result of COVID-19, markets have seen a noticeable increase in volatility as well as, in some cases, lower liquidity levels; this may continue and may increase these risks in the future.

Investing in Financial Derivatives Instruments
There are certain investment risks that apply in relation to the use of financial derivative instruments. Derivatives may be used to provide protection for an investment or as a cheaper and more liquid alternative for an investment. However should expectations in employing such techniques and instruments be incorrect or ineffective, a fund may suffer a substantial loss, having an adverse effect on its value. The Invesco Physical Gold GBP Hedged Pension Fund may make use of financial derivative instruments for efficient portfolio management (''EPM''). These techniques aim to reduce risk, costs in a fund and/or produce additional capital or income in a fund. Financial derivative instruments may be used as part of the principal investment policies and strategies, where stated in its investment objectives. Such strategies might be unsuccessful and incur losses for the fund, due to market conditions. A fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations.

Investments in financial derivative instruments are subject to normal market fluctuations and other risks inherent in investment in securities. In addition, the use of financial derivative instruments involves certain risks, including:
- dependence on the manager's ability to accurately predict movements in the price of the underlying security;
- imperfect correlation between the movements in securities or currency on which a financial derivative instrument's contract is based and movements in the securities or currencies in the fund;
- the absence of a liquid market for any particular instrument at any particular time which may inhibit the ability of a fund to liquidate a financial derivative instrument at an advantageous price;
- possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of a fund's assets may be segregated to cover its obligations.

Important information

This document is for Professional Clients only and is not for consumer use.

Where individuals or the business have expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice.

For more information on this fund, please refer to the most up-to-date Invesco Institutional Trustee Investment Plan Brochure and Key Features Document. These documents are available on the Invesco Pensions Website: www.invesco.co.uk/pensions

Administration services provided by Mercer Limited for and on behalf of Invesco Pensions Limited.

Telephone calls may be recorded.

Contact information

Pensions team
Telephone 0800 420 042

Email pensions@invesco.com
www.invesco.co.uk/pensions

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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
Head Office and Registered Address
Perpetual Park, Perpetual Park Drive,
Henley-on-Thames, Oxfordshire, RG9 1HH, UK
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