Invesco Balanced Risk 10 Pension Fund
As at 30 September 2023

Fund Manager: Scott Wolle (lead) and Invesco Global Asset Allocation Team[2]

Key facts	
Fund Manager	Invesco Global Asset Allocation Team[2]
Launch date	15 March 2017
Fund size	£38.16m[1]

Benchmark: 40% UK Gilts 30 Years Index (Total Return), 30% MSCI World Index GBP-Hedged (Net Total Return) & 30% S&P Goldman Sachs Commodity Index GBP-Hedged (Total Return)

This is a Comparator Benchmark. Given the Underlying Fund's investment approach and volatility target, the Fund's performance can be compared against this blended benchmark that balances the risk contribution from three main asset classes: debt securities, equity securities and commodities. However, the Underlying Fund is actively managed and is not constrained by any benchmark.

1 This pension fund is invested in the Invesco Balanced Risk 10 Fund (UK) ICVC (fund size £41.96m).
2 Membership of the Invesco Global Asset Allocation Team can be found at www.invesco.com/uk

Fund strategy
The fund aims to achieve long-term capital growth through different economic environments by investing in derivatives and other financially linked instruments to gain exposure to three distinct macro factors: growth, defensive and real return. We seek to balance the risk contribution from each of these macro factors to build a strategic allocation, which is then adjusted tactically to make the portfolio more adaptive to the near-term environment. The fund will aim to target 10% average volatility over a full market cycle.

Investment objective
The objective of the Fund is to achieve long-term (5 years plus) capital growth.

The Fund invests in the Invesco Balanced Risk 10 Fund (UK), a fund managed by Invesco (the "Underlying Fund"). The Underlying Fund invests in derivatives to gain exposure to three main asset classes: debt, shares of companies and commodities worldwide, although some investments may be made directly.

The Underlying Fund balances the risk of each of these asset classes through different economic environments. The Underlying Fund targets 10% average volatility (a measure of the size of short-term changes in the value of an investment) over a full market cycle (5 years plus). However, no assurances can be made that this target will be met.

Annualised performance	% growth	
	3 year	5 years
Fund	1.83	2.37
Benchmark	1.03	0.49

Standardised rolling 12-month performance					% growth
	30.09.18 30.09.19	30.09.19 30.09.20	30.09.20 30.09.21	30.09.21 30.09.22	30.09.22 30.09.23
Fund	5.45	0.94	25.08	-19.92	5.43
Benchmark	3.52	-3.99	19.25	-16.11	3.08

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.

Performance data is as at 30 September 2023. Performance figures are total returns, denominated in sterling, net of fees. They are calculated on a single swinging price (no bid-offer spread) basis, net of the annual management charge payable in respect of the institutional share class of 0.55%.

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Fund portfolio breakdown[3]	%
Investment in the Underlying Fund	98.81
Tax Receivable	0.74
Cash	0.45
Total	**100.00**

Portfolio exposure of the Underlying Fund[3]	%
Growth	22.69
Defensive - Japan	17.04
Growth - US	13.38
Growth - Japan	12.86
Defensive - Germany	12.19
Real Return - Agriculture	11.83
Real Return - Energy	11.32
Growth - Emerging	10.00
Real Return - Industrial Metals	7.83
Defensive - Canada	7.72
Defensive - US	7.71
Growth - Europe	7.65
Defensive - Australia	7.43
Growth - UK	7.36
Defensive - UK	7.31
Real Return - Precious Metals	4.74
Total	**169.06**

Target risk exposure of the Underlying Fund[3,4]		%
	Target risk[4]	Target contribution
Growth	4.16	43.07
Real Return	3.89	40.26
Defensive	1.61	16.67
Total	**9.66**	**100.00**

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

Management Risk
The investment performance of a fund is substantially dependent on the services of the manager. In the event of the death, disability, departure, insolvency or withdrawal of the manager's key personnel, including portfolio managers, the performance of the fund may be adversely affected.

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 Risk
An investment in one or more of the funds will involve exposure to those risks normally associated with investment in stocks and shares such as general economic conditions, market events and the performance of the underlying investments. As such, the price of units and the income from them can go down as well as up and an investor may not get back the full amount invested. There is no assurance that the investment objectives of any fund will actually be achieved.

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.

Currency Exchange Risk
A fund's assets may be invested in securities denominated in currencies other than Pound Sterling. Changes in exchange rates may adversely affect the value of any investment, which will have a related effect on the price of units.

Investing in Repurchase/Reverse Repurchase agreements
To the extent that a fund may invest in Repurchase/Reverse Repurchase agreements, investors must notably be aware that; (A) in the event of the failure of the counterparty with which cash of a fund has been placed there is the risk that collateral received may yield less than the cash placed out, whether because of inaccurate pricing of the collateral, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; (B) (i) locking cash in transactions of excessive size, (ii) delays in recovering cash placed out, or (iii) difficulty in realising collateral may restrict the ability of the fund to meet redemption requests, security purchases or, more generally, reinvestment; and (C) repurchase/ reverse repurchase transactions will, as the case may be, further expose a fund to risks similar to those associated with optional or forward financial derivative instruments.

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.

Use of Warrants
The fund may invest in warrants. Warrants are instruments where the price, performance and liquidity are linked to that of an underlying security. However, the warrants market is generally more volatile and there may be more fluctuations in the price of the warrant than in the underlying security.

3 All portfolio figures within this leaflet are as at 30 September 2023 (source: Invesco).
4 In terms of volatility as measured by standard deviation.

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.

Fund of funds
The fund will be subject to the risks associated with the underlying funds in which it invests.

Investing in Equity Securities
Investing in equity securities involves risks associated with the unpredictable drops in a stock's value or periods of below-average performance in a given stock or in the stock market as a whole. Shares' prices on equity markets may fluctuate. Such fluctuations, or volatility, have historically been much greater for equity markets than the volatility of fixed income markets.

Investing in Fixed Interest Securities
The following is a brief summary of some of the more common risks associated with funds that invest in fixed interest securities:

- **Interest Rate Risk** – Funds that invest in bonds or other fixed income securities may be impacted by interest rate changes. The level of income received from fixed income securities may be reduced in periods of low interest rates. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.
- **Market Liquidity Risk** – A fund may be adversely affected by market conditions such as a decrease in market liquidity which may mean that it is not easy to buy or sell securities. A fund's ability to acquire or to dispose of securities at their intrinsic value may also be affected.
- **Issuer Risk** – A fund that invests in bonds and other fixed income securities are subject to the risk that issuers do not make payments on such securities. A lowering of the credit rating of the issuer of a bond or of the bond itself may cause volatility in the price or reduce the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

Government Obligations Risk
The fund may invest in obligations issued by sovereign governments and sovereign government agencies and instrumentalities that may receive varying levels of support from their respective government issuers. The respective government issuers may choose not to provide financial support to their respective government obligations or government sponsored agencies or instrumentalities if it is not legally obligated to do so, in which case, if the issuer defaulted, the fund holding securities of the issuer might not be able to recover its investment from the government issuer.

Commodity Risk
The fund's significant investment exposure to the commodities markets and/or a particular sector of the commodities markets, may subject the funds to greater volatility than investments in traditional securities, such as stocks and bonds. The commodities markets 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. Prices of various commodities may also be affected by factors such as drought, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments. The prices of commodities can also fluctuate widely due to supply and demand disruptions in major producing or consuming regions. Because the performance of the funds is linked to the performance of volatile commodities, investors should be willing to assume the risks of potentially significant fluctuations in the value of the fund's shares.

Commodity-Linked Notes Risk
The fund's investments in commodity-linked notes may involve substantial risks, including risk of loss of a significant portion of their principal value. In addition to risks associated with the underlying commodities, they may be subject to additional special risks, such as the lack of a secondary trading market and temporary price distortions due to speculators and/or the continuous rolling over of futures contracts underlying the notes. Commodity-linked notes are also subject to counterparty risk, which is the risk that the other party to the contract will not fulfil its contractual obligation to complete the transaction with the fund.

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.

All funds 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.

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Investment risks

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;
- a leverage risk which exists when a fund purchases or sells an instrument or enters into a transaction without investing cash in an amount equal to the full economic exposure of the instrument or transaction and a fund could lose more than it invested. Leveraged transactions multiply the risk of potential losses when position results are contrary to expected market directions, compared to direct holdings, and may add significant risks because of added payment obligations.
- 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.

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.

Exchange-Traded Funds Risk
An investment by the funds in ETFs generally presents the same primary risks as an investment in a collective investment fund. In addition, an ETF may be subject to the following: (1) a discount of the ETF's shares to its net asset value; (2) failure to develop an active trading market for the ETF's shares; (3) the listing exchange halting trading of the ETF's shares; (4) failure of the ETF's shares to track the referenced index; and (5) holding troubled securities in the referenced index. ETFs may involve duplication of management fees and certain other expenses, as the funds indirectly bear their proportionate share of any expenses paid by the ETFs in which it invests. Further, certain of the ETFs in which the funds may invest are leveraged. The more the fund invests in such leveraged ETFs, the more this leverage will magnify any losses on those investments.

Exchange Traded Notes Risk
Exchange Traded Notes (ETNs) are subject to credit risk, including the credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark of strategy remaining unchanged. The values of an ETN may also be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underling assets, changes in the applicable interest rates, changes in the issuer's credit rating, and economic, legal, political, or geographic events that affect the referenced underlying asset.

Developing Markets Securities Risk
Investments by the funds in securities issued by foreign companies and governments located in developing countries may be affected more negatively by inflation, devaluation of their currencies, higher transaction costs, delays in settlement, adverse political developments, the introduction of capital controls, withholding taxes, nationalisation of private assets, expropriation, social unrest, war or lack of timely information than those in developed countries.

Concentration Risk
To the extent the funds invest a greater amount in any one sector or industry, the performance of the fund will depend to a greater extent on the overall condition of the sector or industry, and there is increased risk to the funds if conditions adversely affect that sector or industry.

Important information

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 Institutional Trustee Investment Plan Brochure and Institutional Trustee Investment Plan Key Features Document, and to the fund's Key Information Document. These documents are available on the Invesco Pensions Website: www.invesco.co.uk/pensions

Telephone calls may be recorded.

Contact information

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