

Invesco launches first global direct real estate fund exclusively for UK DC pension schemes

LONDON, 24 January 2024 – Invesco Real Estate, the £73.8bn global real estate investment business of Invesco Ltd. (NYSE: IVZ), has today launched a fund exclusively for Defined Contribution (DC) pension schemes in the UK.

The first such real estate vehicle dedicated solely to a DC audience, the Invesco Global Direct Property Fund (GDPF) aims to improve DC investment outcomes by investing in direct global real estate, offering potentially higher returns and a lower risk profile through portfolio diversification and straightforward access to a mainstream global asset class at low cost.

Importantly, GDPF includes specific and innovative liquidity terms for DC schemes, platforms and master trusts. The launch builds on Invesco's range of global real estate funds established for different investors worldwide.

"We have long seen demand among DC schemes to invest in global direct real estate but there have been surprisingly few options for them. The launch of GDPF represents, in our view, a new approach for the DC investor and demonstrates Invesco's commitment to being a leading provider of investment solutions to UK DC schemes and their members," said Kate Dwyer, Head of UK Distribution, Invesco.

"This fund builds on Invesco's long-term track record in the institutional market and our belief that DC stakeholders deserve the same opportunities as sophisticated institutional investors but with terms aligned to their needs. GDPF not only supports the DC industry's focus on increasing allocation to alternative asset classes but also the UK Government's Value for Money consultation."

Simon Redman, Managing Director, Head of DC and Wealth at Invesco Real Estate commented: "Improving outcomes for DC members through easily accessible investments in private markets is a key focus for many at the current time. Real estate is by far the largest private markets asset class, but it has not been fully optimised in portfolios. Despite recent macroeconomic news and equity and bond market volatility, real estate as an asset class has continued to offer attractive historic performance and low volatility."

Sachin Bhatia, Head of Pensions and EMEA Consultant Relationships at Invesco, added: "GDPF finally gives DC members access to this asset class via a dedicated DC fund, which we believe will improve member outcomes. The fund leverages our £73.8bn real estate business where we have 40 years' experience and, at its core offering, has an implicit sustainability focus with an explicit business-wide net zero target, which we believe enhances potential returns."

DC pension schemes typically invest in direct UK-only property or global REITs. In contrast, investing in global direct real estate can potentially reduce risk and enhance returns. The UK comprises less than

5% of global investible real estate and, by investing globally, DC investors can benefit from stable income backed by physical buildings but without the risk of being constrained to a single country. Investors will also benefit from Invesco Real Estate's active approach to reducing CO2 emissions, water and waste.

At launch, the fund will invest its assets globally through Invesco Real Estate managed funds that predominantly focus on direct properties in Europe, the US and Asia Pacific developed markets. Investors into GDPF will, therefore, be investing in a direct real estate portfolio of more than US\$30bn, which is one of the largest directly managed portfolios in the market today.

Examples of underlying investments include residential in Japan, logistics facilities in South Korea, healthcare in the US, and luxury retail in Milan.

Simon added: "With over 95% of real estate markets around the world being outside of the UK, they offer different opportunities to those available in the UK and also react differently to market circumstances – there are compelling opportunities to invest in sectors such as Japan cold storage, Australian student housing, and US single family housing which are simply not available in the same way in the UK.

"GDPF will provide diversification through access to international markets and sectors that can be less volatile and potentially offer more rewarding income and growth."

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About Invesco Ltd.

Invesco Ltd. (Ticker NYSE: IVZ) is a global independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. With offices in more than 20 countries, our distinctive investment teams deliver a comprehensive range of active, passive and alternative investment capabilities. Invesco managed USD 1.5 trillion in assets on behalf of clients worldwide as of 30 September 2023. For more information, visit www.invesco.com/corporate.

About Invesco Real Estate

Invesco Real Estate is a global leader in the real estate investment management business with USD 88.9 billion in real estate assets under management, 612 employees and 21 regional offices across the U.S., Europe and Asia. Invesco Real Estate has a 40-year investment history and has been actively investing across the risk-return spectrum, from core to opportunistic, in equity and debt real estate strategies, and in direct and listed real estate for its c.500 institutional client relationships during this time. In Europe, Invesco Real Estate has eight offices in London, Munich, Milan, Madrid, Paris, Prague, Luxembourg and Warsaw, and 194 employees. It manages 200 assets across 14 European countries and with assets under management of USD 16.3 billion. Source: Invesco Real Estate as at 30 June 2023

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Property and land can be difficult to sell, so investors may not be able to sell such investments when they want to. The value of property is generally a matter of an independent valuer's opinion and may not be realised.

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