



New Word Order

It's not just about what you say; it's what people hear.

In an effort to help plan sponsors and financial professionals communicate more effectively with participants, Invesco Consulting teamed up with the political consultants and word specialists, Maslansky + Partners, to conduct one of the largest, most comprehensive studies of its kind on financial language. The research included measuring investors' emotional responses to words using unique instant dial-response technology. We then conducted a national survey with the goal of validating our findings, and here is what we found.

Key words to use when communicating with participants

Financial security	Costs	Straightforward	Diversified	Strategies
Which is more important to you today? Achieving ... ?	Which of the following do you LEAST like to pay as an investor?	When it comes to the costs of investing, what kind of fee arrangement do you prefer? One that is ...	What type of investment approach appeals to you most?	Which of the following do you most want to hear about when managing investments?
<ul style="list-style-type: none"> ■ 85% Financial security ■ 15% Financial freedom 	<ul style="list-style-type: none"> ■ 53% Fees ■ 26% Commissions ■ 15% Charges ■ 6% Costs 	<ul style="list-style-type: none"> ■ 58% Straightforward ■ 23% Clear ■ 20% Transparent 	<ul style="list-style-type: none"> ■ 42% Diversified ■ 33% Balanced ■ 13% Mixed-asset ■ 12% Comprehensive 	<ul style="list-style-type: none"> ■ 40% Strategies ■ 22% Solutions ■ 21% Advice ■ 17% Opportunities

Toxic words and phrases to never use when communicating with participants

You say	1. "Automatic/default"	2. "Longevity risk"	3. "Institutional management"	4. "Outlive your money"	5. "Beta" (or other technical investment terms)
They hear	"Loss of choice and control"	"Isn't 'longevity' a benefit and 'death' a risk?"	"Felon's are managing the money."	"You are scaring me into investing. I would rather discuss having enough money for as long as I live."	"This is going over my head. It's hard work, and it's confusing."

Which words resonate with investors today?

- “Dream retirement” or “comfortable retirement”?
- “Financial freedom” or “financial security”?
- “Investment solutions” or “investment strategies”?

4 communication principles

In addition to uncovering toxic words and phrases to never use, we found four core communication principles based on the research findings.

Communication principle 1

Positive: Don't sell fear or risk

Which is the best way to describe the level of contributions taken from your salary?

Voluntary contribution level	57%
Automatic contribution level	37%
Default contribution level	6%

Communication principle 2

Plausible: Sell credible potential benefits

When it comes to retirement, my top priority is:

Comfortable retirement	57%
Maintain current lifestyle	32%
Dream retirement	11%

Communication principle 3

Plain English: Avoid jargon

Which is most appealing?

Automatic monthly investments	51%
Regular interval investing	30%
Dollar-cost averaging	19%

Communication principle 4

Personalize: Personalize the potential benefits

How likely are you to put your entire portfolio into a:

Comprehensive diversification strategy that maximizes potential for growth while adjusting for the appropriate level of risk as your needs change over time	63% “What it does”
Target-date fund	24% “What it is”

Contact us

For more information or the latest defined contribution insights from Invesco, visit our website at invesco.com/dc.

About Invesco Consulting

Founded in 1998, Invesco Consulting (I-C) specializes in unique and creative programs designed to help plan sponsors tailor the messages and words they use with the goal of better resonating with participants. The group has published dozens of books and programs based on leading-edge financial language and investor communications research.

About Maslansky + Partners

Maslansky + Partners specializes in communications and research strategies. They advise leading organizations on what to say, how to say it and most important, why it matters. They have conducted hundreds of research projects in twenty countries using the firm's proprietary polling and focus group methodology and have been cited by *The New York Times*, *The Washington Post*, *The New Yorker*, *60 Minutes*, *Nightline*, and PBS's *Frontline*, among others.

About Invesco

At Invesco, we're dedicated to delivering an investment experience that helps people get more out of life. We offer a wide range of investment capabilities across equity, fixed income and alternative asset classes, delivered through a diverse set of investment vehicles.

With extensive experience in the defined contribution market and a clear understanding of today's regulatory and market environment, Invesco can help identify the right solutions to meet your retirement plan needs. To better serve qualified retirement plans, Invesco makes our investment products available through a number of vehicles including mutual funds, separate accounts, subadvised portfolios, ETFs, and over 70 daily-valued collective investment trusts.¹

Our focus on investment quality has helped us grow to more than \$834.8 billion in assets under management as of Mar. 31, 2017.² Invesco is listed on the New York Stock Exchange under the symbol IVZ.

1 Some products available via affiliates of Invesco Distributors, Inc.

2 Invesco Ltd. Client-related data, investment professional, employee data and AUM are as of March 31, 2017, and include all assets under advisement, distributed and overseen by Invesco. Invesco Distributors, Inc. is the US distributor for Invesco Ltd.'s retail products. The entities listed are each indirect, wholly owned subsidiaries of Invesco Ltd., except Invesco Great Wall in Shenzhen, which is a joint venture between Invesco and Great Wall Securities, and the Huaneng Invesco WLR Investment Consulting Company Ltd. in Beijing, which is a joint venture between Huaneng Capital Services and Invesco WLR Limited. Please consult your Invesco representative for more information.

"New Word Order" is based on our firm's research with Maslansky + Partners. Invesco Distributors, Inc. is not affiliated with Maslansky + Partners. This material is for illustrative, informational and educational purposes only. We make no guarantee that participation in this program or utilization of any of its content will result in increased business. It does not constitute a recommendation of the suitability of any investment strategy for a particular investor. Diversification does not guarantee a profit or eliminate the risk of loss.

The opinions expressed are subject to change without notice. These opinions may differ from those of other Invesco investment professionals.

Important information

This document has been prepared only for those persons to whom Invesco has provided it for informational purposes only. This document is not an offering of a financial product and is not intended for and should not be distributed to retail clients who are resident in jurisdiction where its distribution is not authorized or is unlawful. Circulation, disclosure, or dissemination of all or any part of this document to any person without the consent of Invesco is prohibited.

This document may contain statements that are not purely historical in nature but are "forward-looking statements", which are based on certain assumptions of future events. Forward-looking statements are based on information available on the date hereof, and Invesco does not assume any duty to update any forward-looking statement. Actual events may differ from those assumed. There can be no assurance that forward-looking statements, including any projected returns, will materialize or that actual market conditions and/or performance results will not be materially different or worse than those presented.

The information in this document has been prepared without taking into account any investor's investment objectives, financial situation or particular needs. Before acting on the information the investor should consider its appropriateness having regard to their investment objectives, financial situation and needs. You should note that this information:

- may contain references to amounts which are not in local currencies;
- may contain financial information which is not prepared in accordance with the laws or practices of your country of residence;
- may not address risks associated with investment in foreign currency denominated investments; and
- does not address local tax issues.

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. Investment involves risk. Please review all financial material carefully before investing. The opinions expressed are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals.

The distribution and offering of this document in certain jurisdictions may be restricted by law. Persons into whose possession this marketing material may come are required to inform themselves about and to comply with any relevant restrictions. This does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.