



# **Invesco Asset Management Limited**

## **Firm Brochure** (Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of Invesco Asset Management Limited. If you have any questions about the contents of this brochure, please contact a member of our Compliance Department at:

**Invesco Asset Management Limited**  
**Compliance Department**  
**Perpetual Park**  
**Perpetual Park Drive**  
**Henley-on-Thames**  
**Oxfordshire**  
**RG9 1HH**  
**United Kingdom**

Telephone number: +44 (0) 1491 417 031  
Facsimile number: +44 (0) 1491 417 309  
Email: paul\_campbell@invescoperpetual.co.uk  
Website Address: [www.invesco.com](http://www.invesco.com)

The information contained in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Invesco Asset Management Limited is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Registration does not imply a certain level of skill or training.

March 28, 2014

# Material Changes

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## **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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## **Material Changes since the Last Update**

No material changes have occurred since the previous release of the firm brochure.

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## **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact a member of our Compliance Department by telephone at: +44 (0) 1491 417 031 or alternatively email: paul\_campbell@invescopetual.co.uk

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# Advisory Business

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## Firm Description

### **Invesco Asset Management Limited (IAML)**

Invesco Asset Management Limited ("IAML") is an indirect wholly owned subsidiary of Invesco Limited ("Invesco Ltd"). Further details on Invesco Ltd can be found below.

The principal activity of IAML is the provision of investment management services on both a discretionary and non-discretionary basis to pension and profit sharing plans, educational institutions, investment companies, insurance companies, individuals and holding companies. IAML also acts as investment advisor for a number of mutual funds on a sub-advised basis.

IAML is authorized and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom. Additionally, IAML is registered with the United States Securities and Exchange Commission as a registered investment adviser.

### **Invesco Ltd (Invesco)**

Invesco Ltd ("Invesco") is an independent global investment management organization serving retail, institutional and high-net-worth clients around the world and whose sole focus is investment management. With no distractions from competing interests, all global resources and local commitment can be focused on providing clients with the investment expertise and client service they seek.

Specialized investment teams with distinct perspectives deliver diversified investment strategies ranging from major equity and fixed income asset classes to other alternative asset classes including real estate, private equity and commodities. These strategies are managed across investment centers worldwide, each of which focus on distinct asset classes, investment styles or regional expertise and adhere to clearly defined investment philosophies aligned with client expectations.

Through a distinctive combination of independent thought within individual investment centers and collaboration across investment centers, Invesco Ltd provides clients the reach and resources of a global organization and the focus and attention of a boutique firm. Invesco's investment capabilities are diverse and specialized, global in reach yet local in presence. Processes are disciplined yet can be delivered in customized ways.

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## **History**

The company was incorporated on 7th March 1969 as Cavalier Securities Limited. The name of the company was changed to Drayton Portfolio Management Limited on 11<sup>th</sup> October 1973, to Drayton Montagu Portfolio Management Limited on 2<sup>nd</sup> May 1974, to Montagu Investment Management Limited 29<sup>th</sup> October 1982, to MIM Limited on 1<sup>st</sup> August 1985, to Invesco MIM Management Ltd on 1<sup>st</sup> January 1991 and to Invesco Asset Management Limited on 21<sup>st</sup> June 1993.

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## **Types of Advisory Services**

IAML is an investment management company that manages segregated institutional accounts and other mutual pooled funds on a sub-advised basis.

IAML also provides investment advisory services to structured funds such as Collateralized Loan Obligations "CLOs".

IAML operates a number of different investment centers. These include:

### **Invesco Perpetual (IP)**

Invesco Perpetual ("IP") is a business name of IAML in the United Kingdom. IAML manages assets for institutional investors and mutual funds (both onshore and outside the UK) through a broad product range.

Through a specialist institutional division IP is able to deliver multi-product, style and process solutions to institutions including public bodies, local authorities, corporate bodies, charities and other sophisticated investors.

Located in Henley on Thames the team structure exhibits many typical boutique firm advantages. Small high quality teams, a location away from the main UK investment centers fosters a culture of independent thought in an environment where challenge and discussion are encouraged.

### **Invesco Global Liquidity London (Global Liquidity)**

Invesco Global Liquidity London ("Global Liquidity") is a specialist Money Market Fund manager based in the UK since 1994 with funds domiciled in the United States, Canada and Europe.

As a specialist in cash management Global Liquidity sub-advises on a range of money market pooled investment vehicles which actively invest their assets in a diversified portfolio of high grade, short-term money market instruments.

### **Invesco Fixed Income London (IFI)**

The Invesco Fixed Income London ("IFI") investment management team operates worldwide, with operations in the United States, the United Kingdom, Continental Europe and Australia.

Product offerings cover an array of investor needs including money market funds, global bond funds, European focused funds, and specialty sectors such as broad alpha funds and emerging market funds.

IFI provides a full range of investment solutions for institutional clients including pension funds, insurance companies and sovereign wealth funds worldwide. It also sub-advises on a range of mutual pooled funds on behalf of IAML.

Please note that Global Liquidity and IFI form part of the same business area but are two distinct units. For the purposes of this document they have been referred to individually.

### **Invesco Real Estate (IRE)**

Invesco Real Estate ("IRE") is the property investment management arm. It operates in the UK as a division of IAML. IRE has been providing full service investment solutions in the US since 1983, in Europe since 1996 and in Asia since 2006. Expertise ranges from fund management and structuring finance, acquisitions and asset management.

Through a network of 14 offices around the globe, IRE is ideally placed to provide a wide range of cross border real estate investment products and services to international institutional clients. Clients include:

- Insurance Companies
- Pension Funds
- Banks
- Asset Managers
- Fund of funds

IRE manages real estate assets on a separate account and a pooled fund basis. The choice of vehicle depends on the investor's requirement and investment goals. IRE currently manages real estate investment solutions for clients via a range of fund strategies investing in the office, retail, industrial and hotel sectors and in all European property markets.

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## Asset Management

Assets under management for IAML have been calculated as at December 31, 2013 and are detailed below:

	<b>U.S. Dollar Amount</b>
Discretionary:	\$130,149,241,000.00
Non-Discretionary:	\$0.00
<b>Total:</b>	<b>\$130,149,241,000.00</b>

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### Please Note:

Where necessary the information detailed throughout this brochure has been answered in respect of each investment center:

- Invesco Perpetual (IP)
- Invesco Global Liquidity London (Global Liquidity)
- Invesco Fixed Income London (IFI)
- Invesco Real Estate (IRE)

## Fees and Compensation

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The fees described in this section are strictly for the provision of investment advisory services and do not include other fees that a client account may incur, such as custody fees or fees charged by other service providers retained by the accounts. IAML does not receive, or participate in the sharing of custody fees or otherwise receive any benefit as a result of custodial arrangements entered into by its clients' accounts.

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### Description

#### Institutional Segregated Accounts

Where IAML manages segregated institutional accounts, management and performance fees are charged. Management fees are negotiated with the client and charged on a monthly basis or quarterly subject to agreement.

Performance fees are charged on an annual basis although subject to agreement can be charged quarterly.

Please refer to the Institutional Segregated Accounts IP fee schedule in **Appendix A** from which forms the basis from which negotiations can start.

### **Sub-Advised Accounts**

Where IAML provides investment management services on a sub-advised basis i.e. on behalf of another investment adviser within the Invesco group, IAML will receive 40% of the net management and performance based fees charged (net management fees are fees net of any rebates).

Management fees are paid out of fund assets to the fund's investment adviser (or its affiliates) for managing the fund's investment portfolio. Clients are therefore not invoiced and do not have fees deducted from their accounts.

Fees are not charged in advance of any investment management service being provided.

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### **Invesco Perpetual**

Negotiations with the client will centre on the mandate's investment guidelines, client reporting requirements and access to the investment team.

Fees are agreed at the point of completing the Investment Management Agreement for an institutional mandate.

Please note that IP mutual funds do not accept US investors.

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### **Invesco Fixed Income London**

For the institutional market in the US, IFI will typically provide global or international bond solutions on a separate account basis. A standard fee schedule for such Global Aggregate strategies (those comprising government bonds and non-government bonds) is detailed below.

0.40% on the first \$50 million

0.30% on the next \$50 million

0.25% for additional amounts thereafter

For institutional separate accounts, fees can be negotiated based on other commercial factors which may include pricing trends observed within the competitive peer group for similar strategies, the strength of the client relationship and potential for asset growth going forward.



Fees are agreed upfront and may be reassessed at the end of the contract period or in exceptional circumstances i.e. where the mandate is at risk due to underperformance, lower fees may be considered.

Further details on fees can be found in the relevant fund prospectus.

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## **Invesco Real Estate**

Fees are not standard for IRE and are based on assets under management either calculated based on the net or the gross asset value. Property acquisition, disposal and performance fees may also be charged.

Fund fees vary and are set out clearly in each fund prospectus. Please refer to the relevant fund prospectus for further information.

Fees on separate accounts are negotiated with the client and agreed upfront in the investment management agreement. Negotiations are dependent on a number of variables including:

- size of mandate
- risk return criteria
- return targets
- level of discretion
- scope (geography)

Fees may be reassessed at the end of the mandate or unless there is a change to the mandate or the scope of work.

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## **Potential Conflicts Generated from Varying Fee Structures**

IAML does not operate a standard charging structure. IAML undertakes discretionary portfolio management for more than one client or fund and different fee structures e.g. performance related fees and fixed annual management charges may exist for client portfolios, which may potentially affect incentive for allocation of trades and opportunities.

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## **How are Conflicts Addressed**

IAML has in place strict allocation procedures to ensure fair allocation of opportunities. This is subject to monitoring. In addition, when carrying out client transactions, IAML will combine orders where this is considered to be in the best interest of the clients as a whole.

Any exceptions e.g. where an account would receive an uneconomical allocation, are justified and clearly documented.

# Performance-Based Fees

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## **Invesco Perpetual**

Performance fees will be negotiated on a case by case basis with the client and only typically on accounts over \$100m.

**Appendix B:** Our Conflicts of Interest Policy details how conflicts are identified and managed. The section on Execution / order handling details how we execute trades on behalf of clients to ensure that one client is not favored to the detriment of another.

In addition, fund managers are compensated predominantly based on their three year performance returns. This system is designed specifically to avoid short-term risks being taken to achieve performance goals.

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## **Invesco Global Liquidity London**

Not applicable.

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## **Invesco Fixed Income London**

In new business proposals for institutional mandates, IFI is periodically required to submit a suggested performance fee or acknowledge a client's methodology for performance fees. IFI does not routinely charge performance fees but it is prepared to consider such fee structures on a client by client basis. IFI does not currently charge performance based fees on either pooled funds managed for US retail clients and sub-advised by IFI or on separate accounts for US institutional clients who either contract directly with IAML or on a sub-advised basis.

The way in which IFI's investment process is structured nullifies the potential for conflicts in how the portfolio manager approaches the management of accounts with performance and flat fees. The portfolio design process clearly sets out how each portfolio should be invested with reference to its excess return objective.

The portfolio manager then implements this considering all relevant investment recommendations from the analyst group according to each design. In this way, all accounts can be simultaneously managed as a group and in accordance with their different performance objectives. No preference is given to accounts with performance-based fees versus those with standard flat fee structures.

In instances where full allocation is not possible i.e. the final allocation of bonds may be less than originally put in for, the approach of the credit portfolio management team is allocate pro-rata across all of the funds

that can accept the bonds without breaching the mandate's constraints or guidelines. This allocation process is subject to de minimus limits such as whether the effective position size is an efficiently tradable size. Funds receive the same investment management approach regardless of whether the fund incurs a performance fee or flat fee, as the investment platform only stores each portfolio's investment constraints.

We do not pay fees to brokers however we may pay execution fees to external vendor as part of the bid/offer if traded on an electronic platform. This varies by product and platform used.

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### **Invesco Real Estate**

Dependent on the investment selected and the criteria of the mandate set up, performance fees may be charged. These will be negotiated and agreed in the investment management agreement.

No two strategies are the same therefore conflicts as a result of differing fees are mitigated

## **Types of Clients**

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### **Invesco Perpetual**

Clients include: institutional investors including public bodies, local authorities, corporate bodies, charities and other sophisticated investors.

The minimum opening account size that would be considered for a segregated institutional mandate is typically:

- Invesco Perpetual Pan European Equity strategy - \$75m
- Invesco Perpetual Japanese Equity strategy - \$100m
- Invesco Perpetual Asian Equity strategy - \$100m
- Invesco Perpetual Asia Pacific Equity strategy - \$100m
- Invesco Perpetual Global Equity & ex US Equity strategies - \$75m
- Invesco Perpetual Global Smaller Companies strategy - \$100m
- Invesco Perpetual Fixed Interest strategy - \$200m
- Invesco Perpetual Emerging Equities strategy - \$100m
- Invesco Perpetual Global ex US Smaller Companies strategy (previously known as Invesco Perpetual International Small Cap Equities strategy) - \$100m
- Invesco Perpetual Global Equity Income strategy - \$75m
- Invesco Perpetual Europe ex UK Equities strategy - \$75m

- Invesco Perpetual Global Targeted Returns - \$825m

These limits are however subject to negotiation.

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### **Invesco Global Liquidity London**

This investment team provides investment management services on a sub-advised basis to a series of Irish domiciled money market funds (mutual funds).

Clients of the underlying fund include: insurance companies, Corporates, Banks, Pension Funds, Asset Management companies, Charities and Educational establishments.

Initial opening balance, minimum account size: US \$150,000; EURO 150,000; Sterling £100,000. There are no minimum balance requirements thereafter.

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### **Invesco Fixed Income London**

Clients include: institutional clients including pension funds, insurance companies, mutual funds on a sub-advised basis and sovereign wealth funds.

Initial opening balance, account size for global bond strategies for example is: US \$50 million for institutional clients seeking separate accounts.

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### **Invesco Real Estate**

IAML manages funds and segregated accounts on both a direct and sub-advised basis.

Clients include: international institutional clients including insurance companies, pension funds, banks, asset managers and fund of funds.

Minimum investment into a fund is typically €5-10m although there is discretion to waive this. The minimum investment for a separate account is not typically below €50-100m.

# Methods of Analysis, Investment Strategies and Risk of Loss

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## Invesco Perpetual

### Methods of Analysis & Investment Strategies

Please refer to the IP Product Profiles in [Appendix C](#) for further details.

- Invesco Perpetual Pan European Equity strategy
- Invesco Perpetual Japanese Equity strategy
- Invesco Perpetual Asian Equity strategy
- Invesco Perpetual Asia Pacific Equity strategy
- Invesco Perpetual Global Equity & ex US Equity strategies
- Invesco Perpetual Global Smaller Companies strategy
- Invesco Perpetual Fixed Interest strategy
- Invesco Perpetual Emerging Equities strategy (includes Latin America and Eastern Europe)
- Invesco Perpetual Global ex US Smaller Companies strategy (previously known as Invesco Perpetual International Small Cap Equities strategy)
- Invesco Perpetual Global Equity Income strategy
- Invesco Perpetual Europe ex UK Equities strategy
- Invesco Perpetual Global Targeted Returns strategy

### Risk of Loss

The following risks apply to all Invesco Perpetual (IP) strategies and will be managed by IP and/or its fund managers, unless otherwise stated, on behalf of their investors.

**Basis risk** is the risk that offsetting investments in a hedging strategy will not experience price changes in entirely opposite directions of each other. Any imperfect correlation between the offsetting investments in such a hedging strategy creates the potential for excess gains or losses and will add risk. Hedging strategies are rarely implemented, except in relation to potential adverse currency movements, usually in relation to a portfolio's base currency, and more often on fixed interest than equity portfolios. However, where they are implemented, basis risk will be managed daily by fund managers with the help of post-trade compliance checking by Invesco's Compliance team of any derivative and forward

hedge positions and any related cover. While this risk recognizes that exact matches or correlation of hedges and assets being hedged is not practical, B Wise (the firm's incident and breach reporting system) incidents are raised for over hedged positions and dealt with appropriately.

**Credit or counterparty risk** is the risk of loss if a portfolio's counterparty fails to meet its financial obligations. This is managed daily by fund managers and equity dealers monitoring and selecting reputable brokers through whom to execute trades. In any case where the reputation of a counterparty is in doubt, the use of that counterparty will be stopped by Invesco Perpetual's Chief Investment Officer until otherwise decided. The exceptional non DVP (Delivery versus Payment) trades are signed off by senior management and monitored on a quarterly basis. In addition, the selection process for each new counterparty means that checks are conducted by the firm's Finance team to assess their financial standing.

**Legal and documentation risk** is the risk of not having contractual certainty if issues arise on the assets of the portfolios or with portfolios' counterparties. This is managed by Invesco Perpetual Investment Management Operations, Legal and Trade Processing where required, specifically for new counterparty set ups either for cash equities or cash fixed income trading or for Over-the-Counter (OTC) derivatives by ensuring relevant documentation is in place. There is a documented account opening process in place for all counterparties which should mitigate any legal risk. Where OTC instruments are used, then appropriate documentation is reviewed and signed by Invesco's UK Legal team.

**Regulatory risk** is the risk of loss from not complying with relevant investment management agreements and investment guidelines. If any breaches are discovered, these are raised and resolved through Invesco's B Wise incident reporting process. If any of these breaches result in losses to investors, these are made good by Invesco Perpetual under the Invesco UK error policy. Details of all applicable investment restrictions are contained within the relevant Portfolio Operating Memorandum (POM) and Fund Manual.

**Market risk** is the risk of loss from fluctuations of or volatility in securities prices. This risk is not within the control of fund managers. However, it may be mitigated by investors by holding their investment for the long term and then selling during a stable time in relevant markets.

**Valuation risk** is the risk of not valuing transactions and positions appropriately. The valuation and pricing department are separate to the fund management department ensuring appropriate segregation of duties. This specific risk is managed on a daily basis by the Invesco European Pricing team and Invesco's Transaction Processing team through the securities valuation, portfolio valuation, reconciliation and trade confirmation and settlement processes. This is done in accordance with the Invesco Securities Valuation Pricing Policy. It is also monitored by fund managers daily and signed off weekly. It is also monitored by the Invesco European Pricing Committee.

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## **Invesco Global Liquidity London**

### **Methods of Analysis & Investment Strategies**

The strategy is to provide investors with as high a level of current income as is consistent with the preservation of capital and liquidity by investing in a diversified portfolio of high quality short-term money market instruments. The account sub-advised is managed in a modified barbell structure.

The structure is part cash investments (approximately 30%) and part core investments (approximately 70%). The cash investments provide liquidity as these are held for 1-7 days. The core investments have a maturity between 7 – 397 days and these provide return.

There is a credit approval process, structured to include initial screening, analytical research and the decision process. This is then followed by a daily credit monitoring process to ensure minimal credit risk.

### **Risk of Loss**

Key risks are credit defaults and liquidity risk, however, a fund is managed with safety as the first priority.

The daily credit monitoring will highlight if issuers no longer meet minimal credit requirements and following analysis issuers may be taken off the approved purchase list.

### **Trading of Securities**

The funds tend to invest in short-term money market instruments which are held to maturity.

Please refer to the Global Liquidity Product Profile in [Appendix D](#) for further details.

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## **Invesco Fixed Income London**

### **Methods of Analysis & Investment Strategies**

IFI invests across global fixed income and currency markets employing a full spectrum of analysis techniques from macroeconomic and fundamental analysis, technical analysis to bottom-up credit analysis. Specialist decision-makers are assigned specific top down investment decisions that directly feed through to each portfolio which is permitted to gain exposure to that area. In credit research, individual analysts follow and make recommendations on an assigned list of bond issuers. Again, investment recommendations about the prospects for each issuer and its bonds are reflected in client accounts, which permit the portfolio manager to take positions in non-government debt.

### **Risk of Loss**

Our portfolios are built around an assumption of long term investment skill at the overall investment strategy and individual decision level. Clearly, the risk, as with any investment approach, is that the level of investment skill is lower than expected. Within the process, investment decision-making is monitored daily with various safeguards built in though the investment technology platform and management oversight functions.

Interest rate risk is typically the most material risk that fixed income investment strategies face. Rising interest rates lead to falls in bond prices. The proportional impact on each investment strategy depends on the level of duration or interest rate sensitivity inherent in the portfolio. Duration risk may be actively managed by selling down longer maturity holdings in favor of short-dated securities or through the use of derivatives such as bond futures or interest rate swaps. Global fixed income strategies may also invest in bonds not issued or guaranteed by governments and as a result, are exposed to credit risk. Credit risk reflects the creditworthiness of the bond issuing entity. Changes in investors' perceptions of credit risk can cause non-government bonds to exhibit greater price volatility than government bonds. Credit risk can be mitigated in numerous ways such as selling down corporate bond exposures and investing in government bonds, allocating more assets to higher credit quality, more defensive issues or by buying protection against default through credit default swaps (CDS). Finally, global fixed income approaches invest in securities denominated in different currencies, exposing the investor to currency risk if the investment



strategy is un-hedged. Currency risks can be eliminated to an extent by using currency forward contracts to lock in current exchange rates for a specific period.

### **Trading of Securities**

We do not believe that our process involves materially higher levels of turnover than other fixed income approaches practiced in the market. Where permitted by client or prospectus guidelines, positions are implemented or adjusted using derivatives (currency forward contracts, futures, interest rate swaps etc.) to minimize transaction costs.

Please refer to the IFI Product Profile in [Appendix E](#) for further details.

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## **Invesco Real Estate**

### **Methods of Analysis & Investment Strategies**

IRE implement a variety of different strategies depending on the nature of the mandate, but the common theme is that they are all invested in private (unlisted) European real estate. IRE is research led and the real estate market research provides the basis for the strategic view which is then supplemented by the “on the ground” execution by the local European transaction and asset management teams.

IRE’s investment philosophy is underpinned by two fundamental principles – to maximize the predictability and consistency of investment returns and to control risk at every step of the investment process and portfolio design. This is achieved through a systematic approach that incorporates top-down economic and market research as well as in-depth bottom-up analysis based on the knowledge and skills of our experts in our well-established platform of local offices across Europe.

IRE’s investment mandates are spread across geography, risk return spectrum and sectors. This provides experience and access to most European markets across a range of strategies.

IRE’s experience and resources for managing both direct real estate and deal structuring and financing provides the ability to adopt different strategies depending on the mandate. However, at the core of all investments is the belief that it is the real estate that will ultimately underpin returns and therefore transactions will only be undertaken if the fundamental real estate investment is a sound one.

### **Risk of Loss**

#### Direct Real Estate

Invesco Real Estate (“IRE”) has several methodologies and systems in place to manage risk and to ensure consistent application of IREs

investment philosophy and process.

The first process is our House View. On a semi-annual basis, our investment teams undertake a formal review of our House view and submit this to the investment committee for approval. The House View combines the empirical and anecdotal evidence from our investment disciplines, research, asset management and acquisitions and sets forth where we see the best relative value from both a property type allocation and market selection standpoint – two very key decisions in providing strong relative returns. Portfolio management then incorporates the House View into the clients’/funds’ investment plans and is charged with implementation.

In addition, IRE utilizes a team-oriented investment process. The team includes members from Portfolio Management, Research, Acquisitions, Underwriting, Closing Services, and Asset Management. Each member of the investment team must sign-off on an investment. A potential investment may be vetoed at any time by one member of the team. The investment review process requires unanimous preliminary and final investment committee approval. We believe it is extremely important to provide several independent checks throughout our due diligence of each potential investment, and it is important to provide structural controls within the ownership documents which limit risk exposure.

To further manage and minimize risk within the account, IRE will take the following measures:

- Purchase assets in IREs qualified markets
- Acquire assets that possess institutional-quality physical and locational attributes that provide reasonable assurance of an adequate pool of potential purchasers upon sale of the property
- Structure the investment to maximize the account’s control
- Place restrictions on the maximum size of any one investment
- Diversify the strategies employed within the program
- Put all investments through IREs rigorous investment and due diligence process
- Carefully monitor leverage levels and maturities consistent with the risk expectations
- Carefully monitor tenant and industry exposure
- IREs Asset Management resources establish processes throughout the holding period to mitigate risk and maximize value of each investment

The proposed account is also governed by the account documents which include the investment guidelines. The account’s portfolio management team reviews compliance to guidelines as part of the quarterly reporting process. Any potential issues related to investment guidelines would be shared with the account's Advisory Committee as well as Compliance. Should a revision be needed, the change would be reflected as an amendment to the account document and all investors would be notified

of the change. All account personnel are Invesco employees and subject to Invesco Compliance policies.

For a comprehensive discussion on risk factors of the account, see the 'Risk Factors & Potential Conflicts of Interest' section in the Private Placement Memorandum.

### **Trading of Securities**

It is not possible to trade real estate frequently, assets are typically held on average for 5 years.

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**Investing in securities involves risk of loss that clients should be prepared to bear.**

## **Disciplinary Information**

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### **Legal and Disciplinary**

On April 28, 2014, the Financial Conduct Authority (FCA), the UK Financial Services Regulator, announced the settlement of an investigation of Invesco Asset Management Limited and Invesco Fund Managers Limited (together Invesco Perpetual) that included the imposition of a financial penalty of £18.6 million.

The issues identified by the FCA related to the period may 2008 to November 2012 and included the following:

- (1) investment restriction breaches in UK-domiciled retail funds managed by Invesco perpetual. Such breaches had been identified by Invesco perpetual and reported to FCA, and the funds were promptly reimbursed where necessary.
- (2) Disclosures regarding the use of, and risks associated with, derivatives were not made or inadequately made in disclosure documents for two UK-domiciled retail funds managed by Invesco perpetual. These disclosure failings were corrected in August 2012.
- (3) Invesco perpetual failed to adequately document allocations of fixed income securities when aggregating client orders. a review by Invesco perpetual determined there was no evidence that this impacted investors.
- (4) Certain fixed income transactions were not posted on a timely basis. This did not result in any need to reprice funds.

# Other Financial Industry Activities and Affiliations

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## Financial Industry Activities

IAML is a registered investment adviser with the Securities and Exchange Commission and also authorized and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom.

IAML does not recommend or select third party investment advisers for our clients nor does it receive compensation directly or indirectly from those advisers.

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## Affiliations

IAML provides investment advisory services to structured funds such as Collateralized Loan Obligations "CLOs". CLOs invest in public and private debt instruments, primary floating rate corporate loans.

Related to CLOs, IAML's affiliate Invesco Senior Secured Management, Inc. ("ISSM") provides certain administrative and support services, including operational and accounting, to IAML. ISSM is a SEC registered investment adviser.

In November 2012, IAML entered into a sub-advisory agreement with Invesco National Trust Company (INTC). INTC is the trust company and institutional investment manager for two U.S. collective retirement trusts (CRT). IAML manage the CRT's.

Invesco Real Estate (the property management arm of Invesco) operates in the UK as a division of IAML and in the US as a division of Invesco Advisers, Inc. A member of the portfolio management team manages assets for US portfolios from the UK (London) office. This portfolio manager is registered with the FCA and approved to manage investments but reports directly to the US. For further information about Invesco Real Estate funds, please refer to filings made with the SEC by Invesco Advisers, Inc.

IAML has entered into various advisor/sub-advisor arrangements with the following related investment advisers:

- Invesco Asset Management (Japan) Limited
- Invesco Senior Secured Management, Inc
- Invesco Advisers, Inc
- Invesco Hong Kong Limited
- Invesco Trimark Limited
- Invesco Asset Management Deutschland, GMBH

Certain other registered investment adviser subsidiaries of Invesco Ltd. may from time to time have other arrangements not specified in this filing. For more complete information regarding these related persons, please refer to filings made with the SEC by the following related persons:

Invesco Canada Ltd.	File No.	801- 62166
Invesco Asset Management (Japan) Limited	File No.	801- 52601
Invesco Private Capital, Inc.	File No.	801- 45224
Invesco Senior Secured Management, Inc.	File No.	801- 38119
Invesco Advisers, Inc	File No.	801- 33949
Invesco Hong Kong Limited	File No.	801- 47856
Stein Roe Investment Counsel, Inc.	File No.	801- 57986
Invesco PowerShares Capital Management LLC	File No.	801- 61851
Invesco Asset Management Deutschland, GMBH	File No.	801- 67712
WL Ross & Co. LLC	File No.	801- 67779
Invesco Australia Limited	File No.	801- 68638
Invesco Investment Advisers LLC	File No.	801- 1669
Invesco Distributors, Inc.	File No.	801- 21323
Invesco Insurance Agency, Inc.	Tax ID No.	76- 0457666
Invesco National Trust Company	File No.	N/A
Invesco Capital Markets, Inc.	File No.	8-19412
Invesco Global Real Estate Asia Pacific, Inc.	File No.	801 - 74650
IRE (CAYMAN) Limited	File No.	802 - 74648

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## **Conflicts**

### **Trades Executed Via Counterparties**

IAML may manage segregated mandates of clients that may also be approved counterparty firms and may, at the same time, use such a firm for the execution of investment trades which will result in the payment of commissions to pay for research. This could incentivize the favoring of a particular broker or client when trading. Invesco mitigates this by having policies and procedures in place to ensure that best execution is achieved.

### **Group Funds**

Transactions may be undertaken in units or shares of funds within the Group or any company of which Invesco or any other Associate is the manager, operator or adviser. Funds are only purchased on their investments merits or where mandated to do so and are disclosed.

Please refer to the Conflicts of Interest Policy in [Appendix B](#) for further details.

### **Execution/Client Order Handling**

IAML undertakes discretionary portfolio management for more than one client or fund and different fee structures (e.g. performance related fees and fixed annual management charges) may exist for client portfolios, which may potentially affect incentive for allocation. IAML has in place strict allocation procedures to ensure fair allocation of stocks. This is subject to monitoring. In addition, when carrying out client transactions, IAML will combine orders where this is in the best interest of the clients as a whole. Cases where a client or fund would receive an uneconomical allocation are justified and clearly documented.

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **Code of Ethics – Overview**

The employees of IAML have committed to a Code of Ethics (the Code). The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

The IAML Code of Ethics applies to all employees and certain related parties (covered accounts) and covers the following topics:

- Prohibitions related to material, non-public information;
- Personal securities investing;
- Service as a director and other business opportunities;

This Code also imposes on employees certain personal account dealing restrictions and reporting obligations. Adherence to the Code, both letter and spirit, is a fundamental and absolute condition of employment with IAML.

It is appreciated that no Code of Ethics can address every circumstance that may give rise to a conflict, a potential conflict or an appearance of a conflict of interest. As a consequence, we request that every employee should be alert to any actual, potential or appearance of a conflict of interest with IAML's clients and we ask that they conduct themselves with

good judgment. Failure to exercise good judgment, as well as violations of the Code, may result in the imposition of sanctions on an employee, including suspension or dismissal.

### **Statement of General Principles**

A statement of general principles found in the Code denotes that;

As a fiduciary, IAML owes an undivided duty of loyalty to its clients. It is IAML's policy that all employees conduct themselves so as to avoid not only actual conflicts of interest with IAML's clients, but also that they refrain from conduct which could give rise to the appearance of a conflict of interest that may compromise the trust our clients have placed in us.

The Code is designed to ensure, among other things, that the personal securities transactions of all employees are conducted in accordance with the following general principles:

- A duty at all times to place the interests of IAML's clients first and foremost;
- The requirement that all personal securities transactions be conducted in a manner consistent with the Code and in such a manner as to avoid any actual, potential or appearance of a conflict of interest or any abuse of an employee's position of trust and responsibility; and
- The requirement that employees should not take inappropriate advantage of their positions.

IAML's policy is to avoid conflicts of interest and, where they unavoidably occur, to resolve them in a manner that clearly places our clients' interests first.

No employee should have ownership in or other interest in or employment by any outside concern which does business with IAML. This does not apply to stock or other investments in a publicly held company, *provided* that the stock and other investments do not, in the aggregate, exceed 5% of the outstanding ownership interests of such company. IAML may, following a review of the relevant facts, permit ownership interests which exceed these amounts if management or the Board of Directors, as appropriate, concludes that such ownership interests will not adversely affect Invesco's business interests or the judgment of the affected staff.

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### **Preclearance of Personal Account Trading and Blackout Restrictions**

All transactions by employees which are subject to preclearance requirements through Compliance are also subject to certain trading restrictions.

Blackout Restrictions – transactions generally will not be permitted during a specific period before and after a client account trades in the same security or instrument.

Certain employees may generally not buy or sell a security or any instrument within 3 days before or after the day on which any client account trades in the same security or instrument or in a security convertible into or exchangeable for such security or instrument.

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## **Conflicts**

### **Fund Managers' Investments into Funds**

Fund Managers can personally invest in the funds that they, or their colleagues, run; this is considered to be a positive thing and encouraged by IAML. However, such investment raises the potential for there to be an incentive for these funds to be managed to meet the personal objectives of the Fund Manager(s) rather than in the best interests of the other investors, and for the Fund Manager to favor the fund he has invested in over other funds he manages. In mitigation, IAML has strict allocation procedures to ensure the fair allocation of stocks, a Chief Investment Officer Challenge process, and a Dilution Policy with the ability to swing the price where necessary. Each of these controls is subject to compliance review.

### **Personal Account Dealing**

An employee or director of IAML engages in personal account dealing, or is otherwise interested in any company whose securities are held or dealt in on the client's behalf, in respect of securities or services and Invesco has a client with an interest which potentially conflicts with such dealing. Invesco operates personal account dealing procedures which details requirements for pre-clearance and/or notification, blackout periods and restrictions, and annual declarations. All such transactions are recorded and monitored. In addition, an annual report is produced by the Head of Compliance, which is submitted to the UK Executive Committee, identifying any violations and, where appropriate, making recommendations for procedural changes.

### **Business Entertainment and Gifts**

Gifts and entertainment (including non-monetary gifts) are received and given that may influence behavior in a way that conflicts with the interests of IAML's clients. IAML has a Gifts, Benefits and Entertainment Policy which details what is acceptable. Only gifts and entertainment which do not impair IAML's duty to act in the best interests of our clients are allowed. Records are maintained and monitoring undertaken of gifts



and entertainment both received and given. In addition, IAML will make any disclosures necessary under the UK's Inducements regulations.

### **Inside Information**

A potentially significant conflict that arises on a permanent basis is that some of our employees, to varying degrees, have access to material, non-public information concerning companies which may be price sensitive. We mitigate this by explicit disclosure and approval through strict personal account dealing rules and a Code of Ethics which applies to all employees. In addition, periodic compliance monitoring checks are carried out.

## **Brokerage Practices**

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### **Selecting Brokerage Firms / Best Execution**

Trading counterparties must have undergone an approval process before IAML can use them.

The decision making process concerning the routing of an order to a counterparty that achieves the best result will be considered by reference to various Execution Factors: price, costs, speed, likelihood of execution and settlement, size and nature of order and any other consideration relevant to its execution. The choice of relevant venue and the means of accessing that venue are assessed by professional, competent traders falling within the Financial Conduct Authority (FCA) Controlled Function Regime, weighing the main Execution Factors listed above. It is important to understand that the weightings considered, are dynamic and may depend upon several variables and characteristics including the specific security being traded, the order type and market/execution venue conditions.

Subject to the weightings given to the Execution Factors referred to above, IAML considers that the best possible result to the client will be driven by price considerations. Other Execution Factors, particularly size of order and likelihood of execution (both reflections of liquidity) will be considered in so much as they affect price.

## **Brokerage Fees**

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### **Invesco Perpetual**

Brokerage fees are paid to the trading counterparties which we deal with for execution and research. Brokerage fees (including the split between execution and research elements) are confirmed on an annual basis. We assess peer research / benchmarking to ensure that our brokerage costs are not significantly different from other asset managers. This determines the reasonableness of broker fees. The overriding control is ensuring that best execution is achieved for our clients.

Commission Sharing Agreements (CSA) are utilized in accordance with the UK Financial Conduct Authority's (FCA) Conduct of Business Rules (COBS).

CSAs are utilized to pay for third party services restricted to execution and research services. Oversight, independent of the fund management teams, is provided through the Dealing Commission Committee (DCC) which has its authority delegated from the Invesco Asset Management Ltd (IAML) Board. The DCC will monitor levels of CSA trades on the funds and ensure only allowable services are paid for through CSA commissions.

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### **Invesco Global Liquidity London & Invesco Fixed Income London**

There is no transaction fee or commission paid on fixed income or cash management securities. The brokers involved in these transactions charge bid/ask spreads on the securities. Futures trades are subject to both a clearing and execution fee.

(IFI pays for third party research with cash (hard dollars)).

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### **Invesco Real Estate**

Not applicable.

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### **Research and Other Soft Dollar Benefits**

Soft Dollar benefits are not permitted in the UK under the rules of the Financial Conduct Authority (FCA). IAML may receive research and execution services as allowed under Conduct of Business Rules (COBS). The use of client brokerage commissions and the use of brokers is governed by our internal Dealing Commission Committee.

To mitigate the potential for unduly favouring any particular broker IAML will only enter into such arrangements where it believes that the research

received will potentially enhance the quality of its service to clients, and there is no commitment on its part to place an agreed or enhanced amount of business with the broker to continue to have access to the research. Additionally, budgetary limits for research commissions are applied to individual brokers and subject to approval of the DCC.

Our best execution procedures are our primary driver for broker selection and to manage any potentially perceived conflicts of interest.

## Directed Brokerage

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### **Please Note**

Client specific instructions are permitted within IAML. By directing brokerage, clients may be unable to achieve most favorable execution of transactions.

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There is no client directed brokerage on our equity or global liquidity accounts.

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If a client directs IAML to use a specific broker to execute transactions for its account, it is such client's responsibility to ensure the following:

- all services provided by the designated broker will inure solely to the benefit of the client's account and any beneficiaries of the account, and are proper and permissible expenses of the account, and may properly be provided in consideration for brokerage commissions or other remuneration paid to the designated broker-dealers;
- using the designated brokers in the manner directed is in the best interests of the client's account and any beneficiaries of the account, taking into consideration the services provided by the designated brokers;
- its directions will not conflict with any obligations persons acting for the clients account may have to the account, its beneficiaries or any third parties, including any fiduciary obligations persons acting for the account may have to obtain the most favorable price and execution for the account and its beneficiaries, and;
- persons acting for the client's account have the requisite power and authority to provide the directions on behalf of the account

and have obtained all consents, approvals or authorizations from any beneficiaries of the account and third parties that may be required under application law or instruments governing the account.

In addition, it is a directed brokerage client's responsibility to:

- consider information concerning broker's execution capabilities and pricing or other information client considers relevant;
- conclude that broker is capable of providing best execution of transactions for client's account; and
- determine that the rates for commissions and other fees that apply to client's account are appropriate and reasonable, for all transactions in client's account, in relation to the value of broker services received by or made available to client.

## Trade Aggregation

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### **Invesco Perpetual and Invesco Fixed Income London**

IP and IFI teams are responsible for implementing investment decisions for various portfolios. These portfolios may have differing investment objectives, strategies and/or targeted portfolio characteristics. Accordingly, at any time, investment centers may trade a specific security differently for different portfolios based on unique aspects of a portfolio's objectives, strategies and/or current or anticipated positioning.

Additionally, portfolios may have similar investment objectives, strategies and/or targeted characteristics or may be interested in purchasing or disposing of the same fixed income securities at the same time.

Accordingly, IP and IFI may aggregate orders for fixed income securities for multiple portfolios in an effort to achieve best execution (please note that orders from each team are not combined). All aggregated trades, including financing transactions, shall be allocated among the portfolios in a fair and equitable manner over time.

Generally, when allocating an aggregated trade across multiple portfolios, the investment center will seek to allocate such a trade across the participating portfolios on a pro rata basis. However, IP and IFI may determine that such a pro rata allocation is not appropriate and may consider various factors in connection with allocating any trade across multiple portfolios. These factors include but are not limited to:

- Target portfolio characteristics;
- Investment objectives or strategies;
- Investment restrictions or limitations;
- Risk or investment concentrations;
- The size of the available investment;
- Regulatory restrictions;
- Cash availability;
- Ability to hedge a position;
- Minimum size constraints;
- Liquidity of the security in the market;
- Tax considerations;
- Availability and costs of financing the transactions; and
- Other factors that may be pertinent to the trade.

Any such decision would be documented.

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### **Invesco Global Liquidity London**

A number of trades will be placed at one time but amounts are determined with the broker at the time of placing the trade. We do not buy in bulk and allocate later.

## **Conflicts**

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### **Research Material**

Subject to compliance with the FCA Rules on the use of dealing commission, IAML acquires research material from third parties which is paid for, in part, by commissions paid to brokers on fund and client account trades. The value of this research is subject to approval by the Dealing Commission Committee and payments are only made if we believe that such research has added value to the investment process and that the services meet the FCA rules.

In addition, complimentary or subsidized access to research may be provided to Invesco by brokers. To mitigate the potential for unduly favouring the broker in question, IAML will only enter into such arrangements where it believes that the research will potentially enhance the quality of its service to clients, and there is no commitment on its part to place an agreed or enhanced amount of business with the broker

to continue to have access to the research. This will be subject to monitoring.

## **Review of Accounts**

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### **Invesco Perpetual**

#### **Client Account Reviews**

IAML has in place systems to monitor the investment guidelines and restrictions of all accounts it manages. A check is performed of each fund or mandate on a daily basis and any exceptions are investigated and rectified.

The Chief Investment Officer (CIO) challenge process provides oversight of the fund management processes. The challenge process takes the form of a meeting between the CIO, a senior member of the Performance & Risk Team and the Fund Manager or Investment Team under review. The objective is to review each manager every six months although where particular issues are identified with performance or investment process, these take precedence. The Performance & Risk Team prepare papers for the meeting including; performance, attribution and/or contribution, risk, portfolio positioning and where warranted individual trading patterns. This enables the CIO to have focused meetings with each of the Fund Managers. Minutes of the CIO challenge meetings are taken and retained for internal use only. Any action points or issues are recorded and reviewed at the subsequent meeting.

#### **Client Reporting**

Institutional clients may select the level of reporting suited to their individual needs. Reporting would typically be quarterly, but subject to agreement could be more or less frequent.

These reports will typically contain performance data, valuations, commentary on markets and the portfolio. The clients can again, subject to agreement determine the level of reporting they need to suit their requirements. These reports will be provided in written format.

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### **Invesco Global Liquidity London**

#### **Client Account Reviews**

Global Liquidity do not review client accounts as we do not manage segregated mandates. IAML (Global Liquidity) is the sub-adviser of a series of Collective Investment Schemes.

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## **Invesco Fixed Income London**

### **Client Account Reviews**

Client accounts are monitored on an ongoing basis by the portfolio manager responsible for implementing the portfolio design.

Formal reviews of all accounts by the investment team take place on a quarterly basis, led by the CEO Of Invesco Fixed Income, Head of Global Macro and various heads of business.

### **Client Reporting**

For separate accounts for institutional clients, valuation and administration reports are sent out on a monthly basis. Quarterly reports on investment performance and strategy complete the standard reporting suite.

Our monthly valuation and administration report includes, where appropriate:

- Month end net asset value
- Previous month's net asset value
- Country / asset allocation
- Stock holdings
- Transactions over the month
- Performance data
- Performance attribution
- Cash reconciliation
- Income information

The quarterly report will cover, where appropriate:

- Current investment strategy
- Market and portfolio review including outlook and strategy
- Full valuation of portfolio assets
- Asset allocation review
- Reconciliation of cash balances
- Report of income received
- Review of portfolio activity
- Analysis of portfolio performance

Reports for institutional clients are delivered in writing, either by hard copy or electronically.

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## **Invesco Real Estate**

### **Client Account Reviews**

At least every six months each fund/mandate is subject to review by the "Fund Strategy Review Committee" (FSRC). The FSRC is a sub-set of the investment committee. For each review the portfolio manager is required to provide a full update of the fund and its proposed future strategy in accordance with a closely defined set of criteria. Prior to the update, the portfolio manager will have had to liaise with the asset management, research and acquisition teams in order to assess the overall fund strategy, individual asset business plans and then develop proposals for the fund's future strategy. The proposals are critically reviewed by the FSRC and if accepted, approved.

### **Client Reporting**

At a minimum, client reports are delivered in writing on a quarterly basis although at times more frequently. The reports contain the profile of the portfolio plus an associated commentary.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

IAML receives a referral fee from its affiliate, Invesco Advisers, Inc. for introducing IAML clients into the Short Term Investment Trusts. Such fees are paid by Invesco Advisers rather than by the client. These fees typically involve the firm paying a portion of its investment management fee to IAML. Invesco Advisers will not charge the referred client a higher fee to compensate for the fee it pays to the referring party.

For further information please refer to filings made with the SEC by Invesco Advisers, Inc.



In addition, IAML may contract to pay solicitors if, following an invitation from a solicitor to participate in a search process, IAML agrees to participate in the search and a client appoints IAML as their appointed portfolio manager.

## **Custody**

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### **Account Statements**

IAML does not have custody of client assets. All assets are held by custodians appointed by the clients, who provide account statements directly to clients.

For segregated institutional accounts, the client selects the custodian where as for mutual funds; each fund has its own custodian/depository.

## **Investment Discretion**

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### **Invesco Perpetual**

For institutional clients with segregated managed accounts, IP will typically have full discretion for all buying and selling investment decisions made. The discretionary investment decisions must be made in accordance with the investment objectives and restrictions agreed with the client who can include geographical, asset type, weightings and specific stock restrictions, within the Investment Management Agreement.

On occasion, clients may choose to retain the discretion to exercise the voting rights attached to their share holdings rather than delegating this responsibility to the investment manager.

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### **Invesco Global Liquidity London**

The investment objective and policies for each Portfolio, and the investment restrictions and distribution policies in relation thereto, will be formulated in all cases subject to the requirements of the UCITS Regulations by the Board of Directors in consultation with the Manager at the time of creation of each Portfolio and will be disclosed in the relevant prospectus.

Any changes to the investment objective or policies of a Portfolio will be the responsibility of the Board of Directors. The investment objective of a Portfolio may be changed with the approval of the shareholders of the relevant Portfolio by way of Ordinary Resolution. This also includes changes to the investment policies that are material in their nature.

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## **Invesco Fixed Income London**

Institutional clients with separately managed accounts may set constraints on portfolio composition that must be adhered to but IFI typically operates with full discretion from the client for all buy and sell decisions within these constraints.

These constraints typically more closely define the exact nature of the investment risks that the client is prepared to be exposed to. Common limitations for fixed income clients include:

- active duration exposures relative to benchmark
- currency risk (whether non-base currency positions are fully hedged, partially hedged or un-hedged)
- credit rating limits

For pooled funds offered to retail investors, IFI will operate with full discretion within the limits set out in the funds prospectuses.

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## **Invesco Real Estate**

There are different levels of discretion depending on the nature of the account. Some accounts and pooled funds have full discretion although it is more common for there to be some set constraints on the portfolio dependent on the investor's requirements and investment goal. Such constraints can include:

- size of the building that can be purchased
- markets permitted to buy in

Pooled funds are managed with discretion in line with the limits set out in the fund prospectus.

There are also mandates which are advisory where all decisions need to be ratified by the client.

# Voting Client Securities

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## Invesco Perpetual

### Options for Clients on Voting

Clients either give us the full discretion to exercise voting rights on their behalf or retain that discretion to make their own arrangements to exercise voting rights.

### Obtaining Information on Voting

Clients with institutional segregated mandates, or investors in our pooled funds, can request voting information from their usual sales contacts. IP will provide the record of votes that will reflect the voting instruction of the relevant fund manager. This may not be the same as votes actually cast as IP is entirely reliant on third parties complying promptly with such instructions to ensure that such votes are cast correctly. Accordingly, the provision of information relating to an instruction does not mean that a vote was actually cast, just that an instruction was given in accordance with a particular view taken.

Please refer to Section 8 of the Invesco Perpetual Policy on Corporate Governance & Stewardship in [Appendix F](#) for further details.

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## Invesco Global Liquidity London and Invesco Fixed Income London

Short-term money market instruments and other fixed income securities do not attract voting rights.

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### Conflicts

IAML has a responsibility for making investment decisions that are in the best interests of its clients. As part of the investment management process, IAML may exercise its voting rights where authorized by clients, or in the collective interests of investors in a fund, to vote in respect of the shares/units for which the clients are beneficial owners.

# Financial Information

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## Financial Condition

IAML does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because IAML does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Business Continuity Plan**

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### **General**

Invesco Ltd ("Invesco") has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services and key people.

A disruptive event is classified as any event that materially limits the operations of Invesco thereof by denying critical infrastructure or business process. The declaration of a disruptive event is made by designated management on site, at the time, depending on the nature of the event.

Business Continuity is a standing department within Invesco and its personnel are dedicated full-time to Invesco's business continuity goals.

Invesco has established recovery teams that cover all departments within the company. Each team has responsibilities when it comes to business continuity:

- To participate in Business Continuity plan exercises and maintenance procedures.
- To understand and be able to follow the Business Continuity plan in times of disaster.
- For IT Services teams, to provide the technology needed to support a recovery effort.
- Major components of disaster recovery/ business continuity planning include:
  - Incident notification procedures
  - Disaster hotline
  - Recovery Plans
  - Recovery Facilities
  - Backing up IT Systems and Data
  - Recovery Exercises

## **Information Security Program**

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### **Information Security**

Invesco Ltd ("Invesco") has a well-defined set of information security policies in place addressing areas including but not limited to:

- Acceptable Use
- Access Control
- Electronic Messaging Systems
- Asset ID and Access Control
- Physical Security
- Employment/Terminations
- Information Security Incident Response
- Third Party Vulnerability Assessments

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## **Policies**

These policies are developed, reviewed and approved in accordance with a defined Security Policy Lifecycle to ensure they remain in line with current security related risks and the direction of the business overall.

Invesco has an Information Security function made up of dedicated security professionals with the specific responsibility of overseeing and maintaining all aspects of information security for Invesco globally. Invesco Information Security closely coordinates its efforts with the business/functional units, Information Technology, Legal, Compliance and Human Resources. The information security and privacy programs within Invesco are reviewed regularly by internal and/or external auditors to ensure best practices are in place within the company.

As Invesco is a global company operating in many jurisdictions, our security and privacy programs are regularly reviewed by various regional/local regulatory agencies to verify compliance with relevant regulation and legislation relating to the safeguard of our investors and employee sensitive information.

## Glossary of Terms

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<b>CLO</b>	Collateralized Loan Obligation
<b>COBS</b>	The Financial Conduct Authority's, Conduct of Business rules
<b>CSA</b>	Commission Sharing Agreement
<b>DCC</b>	Dealing Commission Committee
<b>FCA</b>	Financial Conduct Authority, the UK regulator
<b>Global Liquidity</b>	Invesco Global Liquidity London
<b>IAML</b>	Invesco Asset Management Limited
<b>IFI</b>	Invesco Fixed Income London
<b>Invesco</b>	Invesco Limited
<b>IP</b>	Invesco Perpetual
<b>ISSM</b>	Invesco Senior Secured Management, Inc
<b>SEC</b>	Securities and Exchange Commission, the US regulator
<b>UCITS</b>	Undertakings for Collective Investment in Transferable Securities

## **Appendices**

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