



Invesco Hong Kong Limited

Firm Brochure

(Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of Invesco Hong Kong Limited. If you have any questions about the contents of this brochure, please contact us at: (852) 3128 6317 or by email at: Gary.Ho@invesco.com. The information 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 Hong Kong Limited is available on the SEC's website at www.adviserinfo.sec.gov

March 30, 2015

Material Changes

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.

Material Changes since the Last Update

The investment strategies have been updated.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (852) 3128 6317 or by email at: Gary.Ho@invesco.com

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Advisory Business

Firm Description

Invesco Hong Kong Limited (“IHKL”) was founded in 1972.

IHKL is an indirect, wholly owned subsidiary of Invesco Ltd. Invesco’s regional presence covers investment capabilities in domestic and specialist Asian products, available to local investors as well as investors worldwide.

IHKL is an investment adviser, which offers funds encompassing equity, bond, balanced and money market vehicles, to retail investors. The funds are distributed through most of the major financial institutions, including retail and private banks, and insurance companies. The role of IHKL is to make investment decisions, execute trades and provide portfolio securities administration for the funds it manages.

Apart from the retail business, IHKL manages assets for institutions ranging from public funds and pension funds to institutional working capital, according to the mandates’ investment objectives and guidelines.

Invesco Taiwan Limited became a wholly-owned subsidiary of IHKL on May 31, 2012.

In September 2012, IHKL entered into an agreement to acquire a 49 percent interest in Religare Asset Management Company Private Limited (RAMC) in India. The acquisition was formally completed on April 2, 2013. RAMC has been renamed as Religare Invesco Asset Management Company Private Limited.

Principal Owners

IHKL is wholly-owned by Invesco Asset Management Pacific Limited which is wholly-owned by Invesco Pacific Group Limited. Invesco Pacific Group Limited is wholly-owned by Invesco Holding Company Limited whose parent (100% owned) is Invesco Ltd, which is publicly traded on the New York Stock Exchange under the symbol IVZ.

Types of Advisory Services

IHKL provides investment supervisory services, also known as asset management services; manages investment accounts and provide investment advice for the advisory accounts; issues periodical materials about the fund performance as well as market views.

As of 31 December 2014, IHKL manages approximately \$ 15,296 million in assets for its discretionary and advisory accounts.

Tailored Relationships

The goals and objectives for each client are documented in investment management agreements/ advisory agreements. Clients may impose restrictions on investing in certain securities or types of securities.

Types of Agreements

The following agreements define the typical client relationships.

Investment Management Agreement

Most clients choose to have IHKL manage their assets through an Investment Management Agreement. These include full discretionary, Asian Investment portfolio services to clients based in the United States of America or other regions. Portfolio management services commonly relate to country specific or regional portfolios.

These services will be furnished against the payment of a fee which is based on the value of asset under management and complexity of the mandate, and it is subject to negotiation.

The scope of work and fee for an Investment Management agreement is provided to the client in writing prior to the start of the relationship.

Asset Management

This represents the management of mutual funds which are distributed outside the U.S., usually distributed through major financial institutions,

including retail and private banks, insurance companies or financial consultants.

These services will be furnished against the payment of a fee which is based on the value of asset under management (management fees). As an indication, the retail fund products currently charge up to 2% management fees depending on different type of products. The initial charge is usually up to 5.25 % depending on the distributors. All the fees and charges are stated in the relevant prospectuses.

Investments mainly include equities (stocks), debt, cash and cash equivalents and financial derivative instruments.

Advisory Service Agreement

Some of the IHKL's clients would like to obtain IHKL's advice on IHKL's expertise of managing a portfolio of Asian securities and enter an advisory agreement with IHKL.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship.

These services will be furnished against the payment of a fee which is based on the value of asset under management and complexity of the mandate, and it is subject to negotiation.

IHKL will also provide sub-advisory services to affiliated entities under the common ownership of Invesco Ltd.

Termination of Agreement

Investment advisory services generally may be terminated by either party upon prior written notice. Upon termination, any unearned fee will be refunded to the client in accordance with the terms of the agreement with the client.

Fees and Compensation

Description

With regards to most of the IHKL's managed or advisory portfolios, IHKL receives payment of a fee which is based on the value of asset under management and complexity of the mandate which are subject to negotiation.

Billing

Investment management fees are billed in arrears, meaning that IHKL invoices the client after the billing period ended. Billing period would be subject to the agreement with the client. Payment in full is expected upon invoice presentation.

Performance fees

As negotiated with certain clients, additional fees may be paid, based on portfolio out-performance relative to an agreed formula.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds. These transaction charges are usually small and incidental to the purchase or sale of a security. Brokerage fees would also be incurred during the execution of securities.

IHKL may buy or sell securities or investment products in which IHKL or IHKL's affiliates or the portfolios managed by IHKL or IHKL's affiliates may have some financial interest.

Concerning the mutual funds, there may be other fees such as the initial fees or the redemption charges which are stated in the relevant prospectuses.

Conflicts of Interest

IHKL may acquire funds which are managed by IHKL's affiliates for the clients' portfolios. In these cases, pre-approvals from clients need to be obtained in

writing and the limits on such investment, as well as the fees are needed to be agreed before any purchase can be made.

Types of Clients

Description

IHKL generally provides investment advice/ managed assets for financial institutions, investment companies, pension, trusts or foundations, corporations or business entities, or other entities.

Client relationships vary in scope and length of service.

Account Minimums

In general, the minimum account size is \$ 20 million of assets under management for the separate accounts which have direct holdings on the investments. For discretionary fund-of-funds accounts, the minimum account size is \$ 5 million. IHKL has the discretion to waive the account minimum. Accounts of less than \$5 million may be set up when there is potential that the client will add additional funds to the accounts bringing the total to \$ 5 million within a reasonable time.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods are primarily fundamental analysis.

The main sources of information include meetings with company management (and its annual reports / prospectus), sell-side brokers / strategists' reports etc.

Investment Strategies

General

IHKL's investment style is 'core blend' - a blend of growth stocks at a reasonable price (GARP) and quality stocks on cheap valuation that will benefit from a pick-up in the earnings cycle (value + catalyst).

Major components to risk management are shown as follows:

- Portfolio managers construct portfolios based on the performance objectives, benchmark and pre-determined risk budget of the specific mandate. Risk budget is expressed as a target min-max level of tracking error. If a portfolio's ex-ante tracking error is outside the target range, we need to understand the reasons and if appropriate, take action to rectify.
- The risk and performance team under regional Head of Risk & Performance is responsible for risk analytics and performance attribution analyses. They provide regular reporting and monitoring of portfolio risk and performance using Barra, FactSet and proprietary systems (RiskExplorer).

Investment Process: China mandates

Investment philosophy

Our goal is to take advantage of market inefficiencies through a disciplined bottom-up stock selection process. We believe that by having an experienced team conducting proprietary, on-the-ground research and capturing their best ideas, we can gain informational advantages and opportunities for favourable returns.

Along with our investment philosophy, we believe in the following approaches:

Selective Approach

- Focus on companies with sustainable leadership and competitive advantages
- Favour companies with superior creativity and efficiencies

Original Ideas

- Act before consensus is formed
- Look for under-researched ideas

Valuation Focus

- Utilize a disciplined fundamental analysis driven process
- Evaluate fair value versus target price

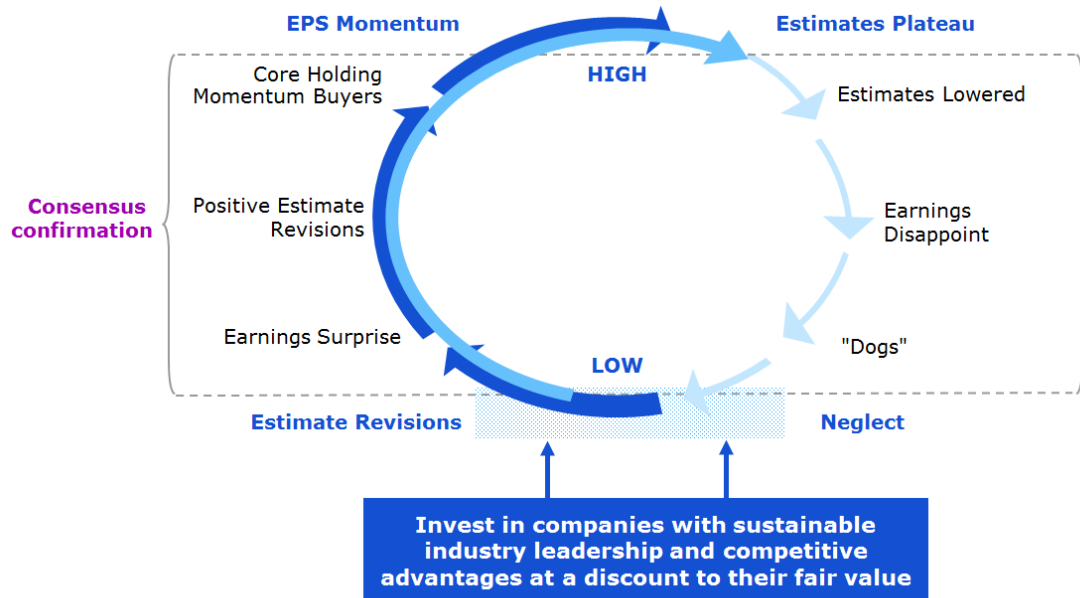
Long-term investment horizon

- Emphasize both dividend income and capital appreciation
- Willing to ride through short term earning cycles

Investment style

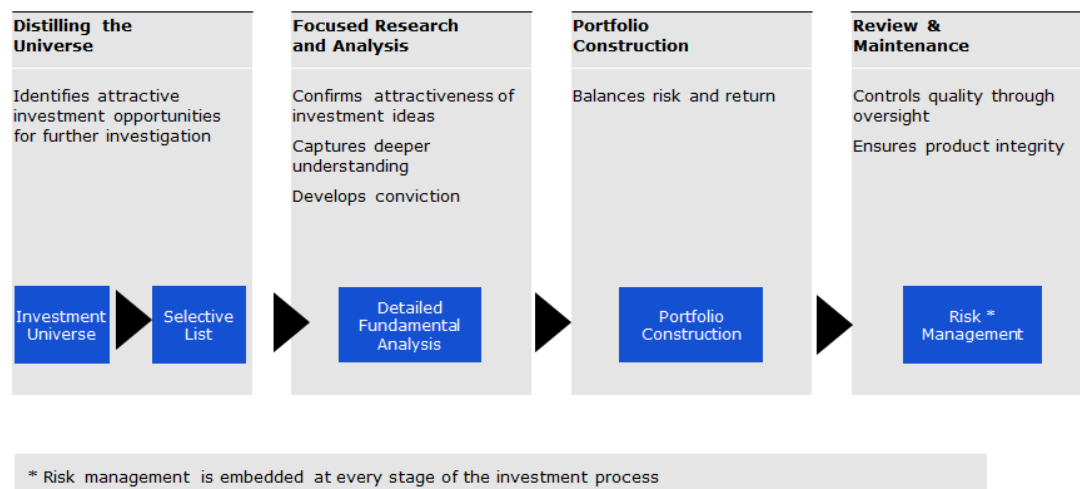
Our investment style is 'sustainable value investment', as illustrated in the diagram on the next page. We focus on acquiring companies with sustainable leadership positions and competitive advantages when they trade at a discount to their fair value. We believe there are pockets of inefficiencies in China markets resulting in frequent mispricing of stocks due to over/under-reaction to

new information. We seek to systematically take advantage of market inefficiencies through identifying changes in fundamentals and strictly adhering to a disciplined investment process focusing on earnings and valuation of each company.



Source: Bank of America Securities - Merrill Lynch Quantitative Analysis, Invesco.
For illustrative purposes only.

For the China equity strategy, we focus on bottom-up stock selection where we believe we are able to add the most value. We adopt a transparent and disciplined investment process, which is summarized in the diagram below.



For illustrative purposes only.

Selective List

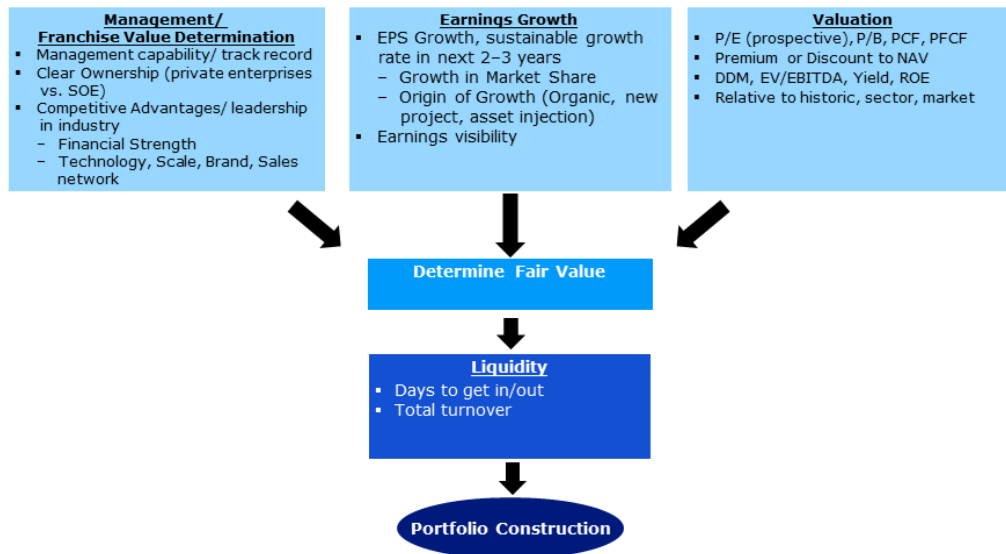
The first step of our investment process is to come up with a 'selective list', being a list of ~100 most competitive China enterprises within our investable universe. Investment ideas are not bounded by the selective list. The list is dynamic and will continue to increase over time to include more interesting ideas. We look for Chinese private enterprises that will benefit from China's secular growth. Specifically, we rely on our proprietary research to identify companies with sustainable leadership and competitive advantages. We favour companies with superior creativity, solid cashflow and high operating efficiency. We are also open-minded and will consider state owned enterprises that will benefit from China reforms.

Stocks included in the selective list are closely monitored to identify attractive investment candidates. These stocks are researched by the team to determine their fair values for the purpose to provide guidance on entry and exit levels. Fair values are determined based on a multiple of valuation methods, including P/BV, PER, EV/EBITDA, ROE, PEG, P/FCF, discount to NAV, Yield, sum-of-the-parts, etc. We do not believe one valuation methodology works across all sectors or the entire earnings cycle.

Focus Research Analysis – through Detailed Fundamental Analysis

Our key challenge is to seek opportunities where the earnings or improvement in fundamentals are not fully reflected in the valuation of that stock. We conduct proprietary company research via company visits, SWOT analysis, multi-factor score sheet, earnings & valuation analysis, financial models including P&L, balance sheet and cash flow analysis. Investment thesis are documented in Stock Research Discussion Notes ("SDRN") and discussed in the Wednesday meetings to uncover biases, develop conviction and confirm attractiveness of the investment idea.

The team's proprietary stock analysis focuses on quantitative factors such as growth prospects and profitability, valuation parameters, as well as qualitative factors such as quality and sustainability of growth, management quality, in particular, the team conducts fundamental analysis based on the three main criteria as illustrated below.

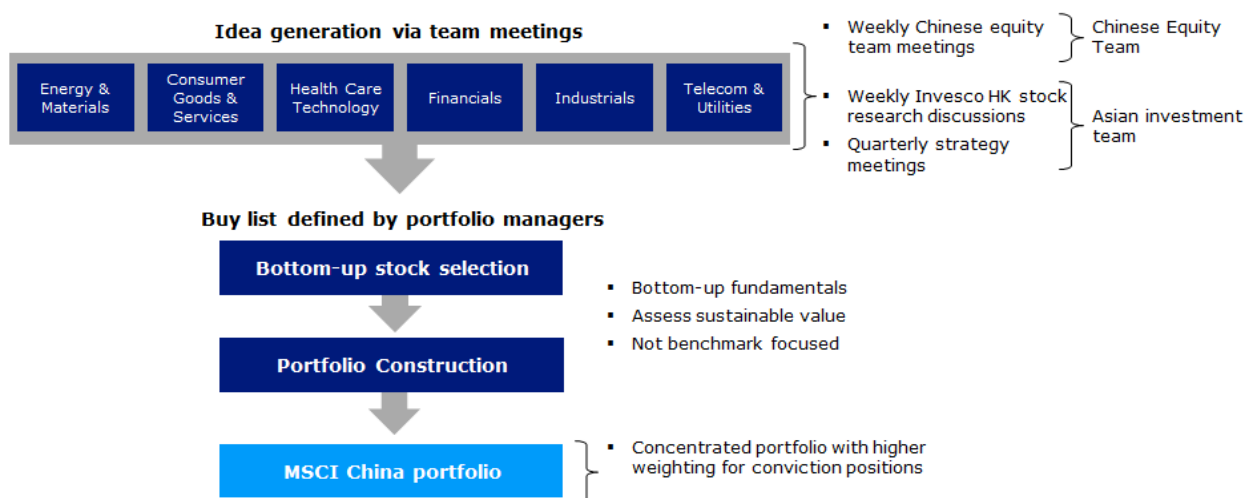


Detailed research and analysis is summarized and documented in the Stock Discussion Research Notes (SDRNs) and discussed in the Wednesday meetings. By encouraging discussions and expressions of different views, and incorporating the best ideas from our highly experienced Asia ex Japan team with different perspectives, our China equity portfolios can benefit from the team's collective knowledge and insight. During these Wednesday meetings the Asia ex Japan team challenges the investment thesis. However, it is ultimately the decision of the lead fund manager, Mike Shiao, as to whether a stock is included in the China equity portfolio.

In addition to the daily open discussions, there is a weekly Tuesday afternoon meeting of the Chinese equities team to update research and recommendations, update company results and developments, discuss company visits, review fair values and review major buy/sell transactions.

Portfolio construction

Our portfolio construction process for China equities is shown below.



For illustrative purposes only.

^ Under normal market situations.

There are normally around 40-60 stocks in our China equity portfolio. We hold higher weightings/active stock weightings where we have high conviction, taking into consideration the expected investment return of a stock based on its fair value, as well as its risk and liquidity. We may have a market/sector preference within China, but market/sector weightings are generally a by-product of stock selection. We keep part of the position as our core holding unless the fundamentals of the company are worsening for a prolonged period of time. In taking active positions, we are not constrained by the benchmark and take active bets.

Buy discipline

Companies in China with:

- Sustainable industry leadership and competitive advantages, trading at a discount to fair value
 - Management capability / track record
 - Technology, operational scale, sales network, brand value
 - Financial strength – ability to finance franchise expansion and pay dividend through internal resources (without unnecessary fund raising)
- Fairly predictable earnings visibility

- Ability to sustain earnings multiple over longer term or enjoy potential multiple expansion

Sell discipline

Companies in China with:

- Sell/Avoid stocks at risk of earnings multiple contraction:
 - Loss of confidence in management
 - Inability to sustain or loss of clear leadership or competitive advantages (market share, technology, scale etc) or potential to become leader in industry

Investment Process: Pacific growth equities strategy (Asia Pacific ex Japan portion only)

The Pacific Growth Equities Strategy adopts a similar transparent and disciplined investment process with regard to bottom-up stock selection. It also incorporates country analysis process to determine allocation across regional markets through a quarterly investment meeting to focus on domestic economic cycle positioning and how it relates to corporate earnings – e.g. analysis of monetary / interest rate trends and forecasting liquidity developments.

Investment Process: Asia Balanced

Asset Allocation

The fund adopts a dynamic approach to asset allocation between equities and bonds to aim at achieving optimal risk adjusted total return. The allocation tilt is based on the evaluation of relative attractiveness between equities and bonds, via observing the spread between Asian companies earnings yield versus bond yield (MSCI AC Pacific ex Japan Earnings Yield minus HSBC ADBI Bond Yield).

Equity Portion

Investment philosophy

There are pockets of inefficiencies in Asian equity markets that we can systematically take advantage by strict adherence to a disciplined process focusing on earnings growth, valuation and management / franchise value.

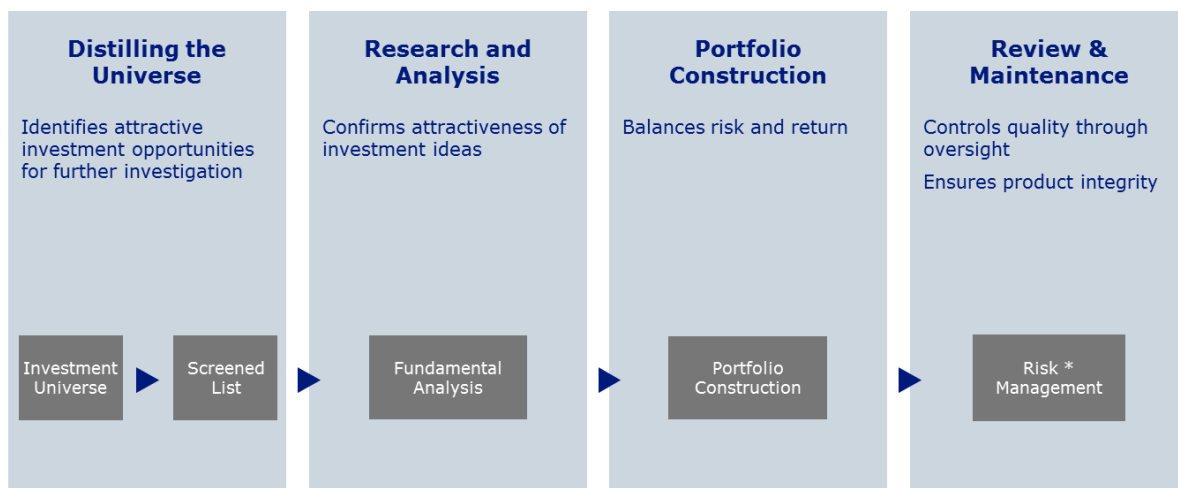
It is our belief that through an experienced team conducting extensive research and capturing the team's best ideas, we can offer information advantage and add value over a full market cycle.

Investment Style

Our investment style is to invest in quality stocks within the Asia Pacific ex Japan region that are enjoying above average dividend yields, sustainable business models, low earnings volatility and steadily growing cash income streams.

Investment Process

Following our Asia ex Japan equity process, for the equity portion of the Asia Balanced portfolio, we adopt a transparent and disciplined investment process, which is summarized in the chart below. The stock selection process starts with a systematic screening of the investment universe to identify companies that the investment team would focus on:



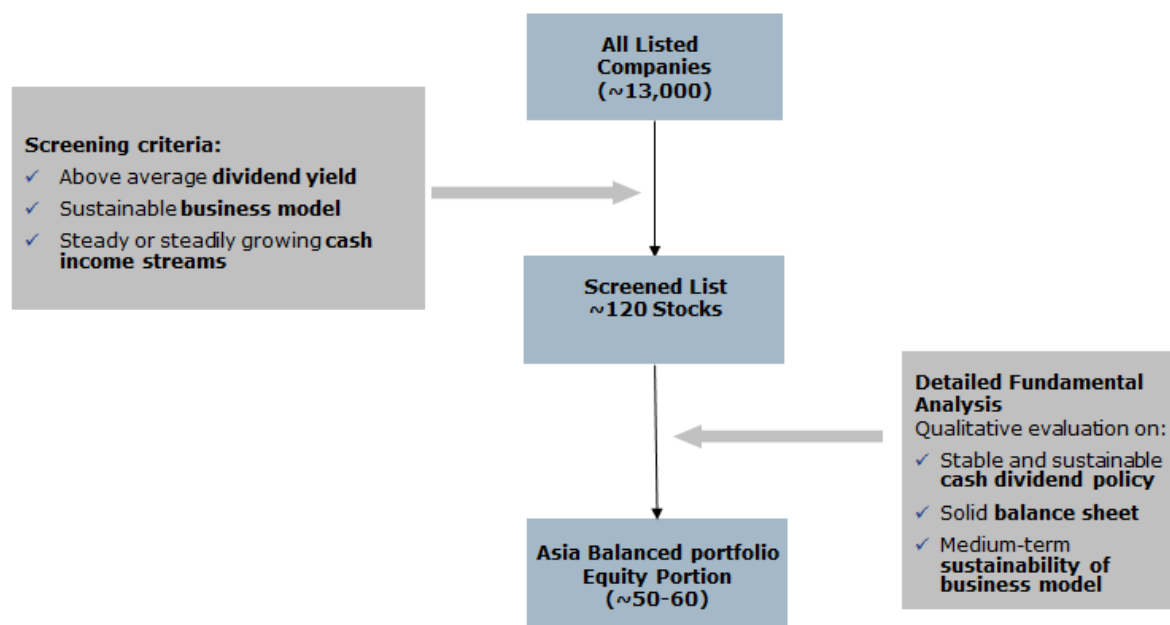
*** Risk management is embedded at every stage of the investment process**

Distilling the universe

The first step of the stock selection process is distilling the investment universe through:

- Above average dividend yield
- Sustainable business model
- Steady or steadily growing cash income streams

The flowchart below summarizes how we narrow our research focus and generate investment ideas for the equity portion of the Asia Balanced portfolio:



Source: Invesco, as at March 2013

For illustrative purposes only. Subject to change, without further notice.

NB: All Listed Companies and the Stock Universe is based on the Pacific ex Japan countries which include Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Taiwan, and Thailand

The Screened List is comprised of approximately 120 stocks that are closely followed by our fund managers to identify attractive investment candidates. Ranked from the highest to lowest in terms of dividend yield, each stock in the Screened List fulfills the screening criteria, including above average dividend yield, sustainable business model, low earnings volatility and steadily growing cash income streams. The List is generated on a monthly basis to capture changes in fundamentals of the companies.

Fundamental analysis

Based on the Screened List, fundamental analysis is conducted to provide quality and qualitative evaluation on the likelihood of these companies delivering these earnings / dividend projection and the sustainability of their business models.

Subsequent to the review by the fund managers, companies that reflect deterioration in fundamentals and do not satisfy the above qualitative evaluation will be removed from the Screened List.

Portfolio construction

The portfolio's level of diversification is a function of the mandate guidelines, market conditions and the number of attractive opportunities available.

Sector weights are typically fallout of the stock selection process. Position adjustments are made from time to time, upon changes relating to the improvements or deterioration in company fundamentals.

Rebalancing

Rebalancing within the equity portion is done on a semi-annual basis, normally in May and November. Australian companies' fiscal year typically ends in June, with results announced before the end of September. Asia Pacific ex Japan companies' fiscal year typically ends in December, with results announced before the end of March. Rebalancing in May and November allow us to evaluate the latest operational results of the companies we invest in and make changes accordingly. When reviewing the existing portfolio, based on the latest Screened List and the qualitative assessment, companies experiencing difficulties in providing a stable and sustainable cash dividend policy or financial statement problems would be removed from the portfolio. The managers would then evaluate the next attractive investment candidate on the Screened List (as ranked by above average dividend yield).

Bond Portion

Investment philosophy

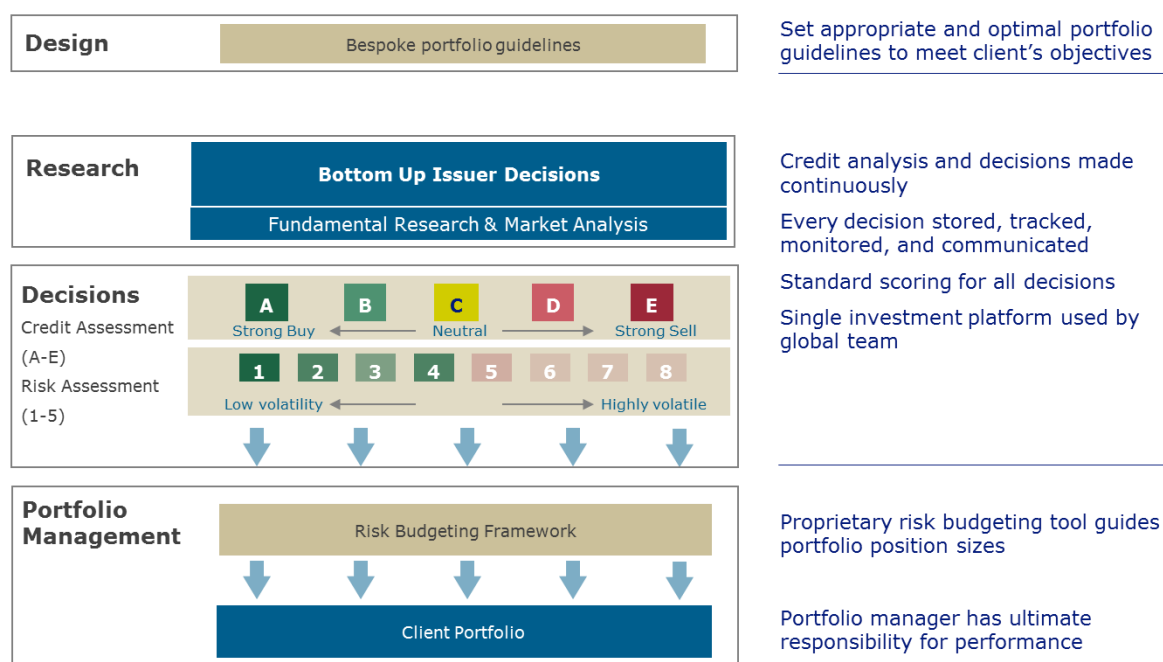
Our Invesco Fixed Income (IFI) team's investment philosophy is built on a belief that increasingly dynamic and complex fixed income markets create opportunities for investors, which are best captured by independent specialist decision makers, interconnected as a global team.

Investment Style

The fund is managed with the ability to allocate dynamically across the component sectors of its benchmark and outside the benchmark, but with an underlying bias towards sectors that offer attractive risk-return profiles. This fund is managed to be 'benchmark aware' rather than 'benchmark constrained', within the overall guidelines of the fund.

Investment Process

The IFI team seeks to exploit the dynamic and complex range of inefficiencies in the market and believes timely investment decisions captured through a rigorous and effective portfolio management process maximise each opportunity within the framework of a common global macro assessment. Within the team, they use a distributed approach to decision-making where proven specialists closest to the information make decisions. These investment decisions are made continuously and shared instantly at a global level, thus allowing for timely implementation in portfolios.



Across IFI, specialist decision-makers follow the same disciplined approach for each decision, which we detail below. Every investment decision, in our various investment strategies, whether a macro level decision, such as duration, or a micro level decision (individual security), has an appropriate pricing basis for determining relative valuation and for tracking the quality and skill of the decision-makers.

Portfolio management

Both top down macro and sector views frame the positioning for the bond portion of the Asia Balanced fund. The top-down macro outlook provides guidance for country allocation, while the top-down credit views provide guidance for sector allocation. The bottom up credit analysis within each country and sector underpins security

selection. Relative value analysis is also a key determinant in final security selection process. Credit review by our analysts is on-going, monitoring changes in credit fundamentals and in relative value opportunities which drive both our buy and sell decisions, but are particularly important in our sell criteria.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good and bad times. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Emerging Market Risk** – Investing in emerging market involves certain risks and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax economic, foreign exchange, liquidity and regulatory risk.

Disciplinary Information

Legal and Disciplinary

IHKL has not been involved in legal or disciplinary events related to our asset management business.

Other Financial Industry Activities and Affiliations

IHKL

IHKL is an indirect, wholly-owned subsidiary of Invesco Ltd. Invesco Ltd is publicly traded on the New York Stock Exchange under the symbol IVZ.

Affiliations

Broker-Dealers

By virtue of Registrant's common ownership by Invesco Ltd, IHKL is a related person to the broker-dealer listed below. From time to time this broker-dealer may distribute funds, limited partnerships or other private placement offerings IHKL advises or sub-advises.

INVESCO DISTRIBUTORS, INC

INVESCO CAPITAL MARKETS, INC.

Investment Advisers

From time to time IHKL or its related parties may have arrangements with the below listed investment advisers associated with creating, sponsoring, advising, owning, or providing services to mutual funds or separate accounts that may be material to the IHKL's advisory business or its clients.

The following are the affiliated SEC Registered Investment Advisers under the common ownership of Invesco Ltd:

INVESCO INVESTMENT ADVISERS LLC

INVESCO PRIVATE CAPITAL, INC

INVESCO SENIOR SECURED MANAGEMENT, INC

INVESCO ASSET MANAGEMENT (JAPAN) LIMITED

INVESCO CANADA LTD.

INVESCO ASSET MANAGEMENT LIMITED

INVESCO POWERSHARES CAPITAL MANAGEMENT LLC

WL ROSS & CO. LLC
INVESCO ASSET MANAGEMENT DEUTSCHLAND GMBH
INVESCO ADVISERS, INC.
INVESCO GLOBAL REAL ESTATE ASIA PACIFIC, INC.
IRE (CAYMAN) LIMITED
INVESCO MANAGEMENT S.A.

Insurance Company or Agency/ Trust Company

Under the common ownership of Invesco Ltd, IHKL is also a related person to the affiliated SEC Registered companies below.

INVESCO INSURANCE AGENCY, INC.
INVESCO NATIONAL TRUST COMPANY

Conflict of Interest

IHKL may acquire funds which are managed by IHKL's affiliates for the clients' portfolios. In these cases, pre-approvals from clients need to be obtained in writing and the limits on such investment, as well as the fees are needed to be agreed before any purchase can be made.

IHKL may purchase/sell a security for its clients' portfolios which may be held by its affiliates or its affiliates' managed portfolios. Besides, there may be chances that orders for different portfolios may be aggregated for central dealing. To this, IHKL has a written policy so as to ensure fair allocation and fair treatment to its clients.

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

Code of Ethics

The employees of IHKL have committed to a Code of Ethics. The firm will provide a copy of the Code of Ethics to a client upon request.

Participation or Interest in Client Transactions

IHKL may acquire funds which are managed by IHKL's affiliates for the clients' portfolios. In these cases, pre-approvals from clients need to be obtained in writing and the limits on such investment, as well as the fees are needed to be agreed before any purchase can be made.

It is possible that IHKL's affiliates may have seed money invested in investment products which IHKL's clients may also have made investment. But IHKL does not operate proprietary trading accounts.

If authorized by clients, IHKL may engage in any of its affiliates to perform any services deemed necessary or appropriate in connection with the investment management services provided by IHKL. Such engagements, including fee payments, are required to be on arms-length terms.

IHKL has a Code of Ethics and internal policy designed to promote high ethical and professional standards, and prevent conflicts of interest.

Personal Trading

All covered persons of IHKL must pre-clear with the Compliance Department using the automated review system all personal security transactions involving covered securities for which they have a beneficial interest. Covered persons may be considered to have beneficial interest in securities held by members of his or her immediate family sharing the same household (i.e., a spouse and children) or by certain partnerships, trusts, corporations, or other arrangements.

Additionally, all covered persons must pre-clear personal securities transactions involving securities over which they have discretion.

IHKL does not permit covered persons to trade in a covered security if there is conflicting activity in an Invesco client account. As a basic rule, covered persons may not buy or sell a covered security if there is a client order on that security currently with the trading desk. A non-investment personnel (investment personnel) may not buy or sell a covered security within two (three) trading days before or after a client trades in that security.

The interests of clients and of the shareholders of investment company take precedence over the personal interests of IHKL's covered persons.

Brokerage Practices

Selecting Brokerage Firms

The selected brokers should be chosen from the authorized brokers list, which has been pre-approved by the Investment Director/ Chief Investment Officer, Asia Ex Japan (CIO), Head of Trading, Head of Operations and Head of Compliance upon the satisfaction of at least one of the following criteria:

- over 50% of share equity of the broker or its immediate holding company or ultimate holding company is held by a bank. ;
- shares of broker or its immediate holding company or ultimate holding company are listed on the Stock Exchange;
- share equity of broker or its immediate holding company or ultimate holding company is over USD250M; and/or
- the broker or its local agent should be one of the major brokers/dealers in the country in which security is being traded.

To qualify the first criteria above, the broker should be a wholly owned subsidiary of its immediate holding company or an indirectly wholly owned subsidiary of its ultimate holding company. Exceptions will be given where appropriate.

Best Execution

IHKL defines “best execution” as whether the price is the best available price for the client in the relevant market at the time of the transaction, in light of the type and size of the trade. Unless the circumstances require IHKL to act otherwise in the interest of the client, IHKL will deal at a price which is not less advantageous to the client.

Review on the daily execution report is conducted in which the Compliance Department reviews if the executed price is the best available price by comparing it to the volume weighted average price.

Brokers review is also conducted by the Fund Management Department at least annually in which the fund managers and the traders’ inputs on the brokers’ service including best execution are collected. Rankings are assigned to each of the authorized brokers based on its service delivered and its execution quality.

Soft Dollars

IHKL accumulates soft dollars to pay for the goods and services which are beneficial to the clients and are according to the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission. Those

services include, but are not necessarily limited to, furnishing analysis, research and advisory services, including information on economic factors and trends, portfolio valuation and analysis, performance measurement, market prices services and the use of specialized computer software or other information facilities.

Please refer to Appendix 1 for the goods and services permitted for soft dollars for your reference.

Order Aggregation

Where it has been decided to purchase a security for more than one portfolio, the order will be aggregated for transmission to the broker and then must be allocated between each individual portfolio so as to be fair between portfolios and reasonable in the interests of each portfolio. Allocation must be done by means of auto pro-rata calculation done by the trading systems called Charles River Developments Investment Management System and Aladdin® Enterprise Investment System for equity and bond trading respectively. Partially filled orders will be allocated among all aggregated accounts on pro-rata based on order size.

Review of Accounts

Periodic Reviews

Account reviews are performed quarterly during a formal meeting chaired by Regional Head of Investments, Asia Pacific, with Regional Head of Investment Risk Management and Quantitative Research, CIO and relevant fund managers.

Review Triggers

Other conditions that may trigger a review are material event in market, or adhoc news.

Regular Reports

Account reviewers include Regional Head of Investments, Asia Pacific, with Regional Head of Investment Risk Management and Quantitative Research, CIO and relevant fund managers.

Clients receive periodic communications, including but not limited to portfolio statement, and commentaries (if applicable), subject to the servicing agreement

agreed upon. Investors in pooled funds can refer to Invesco websites for factsheet information in relation to the funds they invest in.

Client Referrals and Other Compensation

Referrals

IHKL has received a number of client referrals over the years. The referrals came from current clients, independent financial consultants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Other Compensation

IHKL will enter into agreements with licensed entities for distribution of financial products. Compensation will be provided to these entities with regards to their services.

Custody

Account Statements and Transaction Report

Although all assets are held at designated custodians, IHKL provides its clients with monthly valuation and transaction reports at least on a monthly basis. In addition, IHKL will provide those reports to clients more frequently upon request.

Performance Reports

Performance Reports which forms part of monthly valuation report will be sent to the clients at least on a monthly basis.

Discretionary Authority for Trading

IHKL accepts discretionary authority to manage securities accounts on behalf of clients who sign the Investment Management Agreement with IHKL. IHKL has the authority to determine the securities to be bought or sold, and the amount of the securities to be bought or sold. In some cases, clients may place limitations such as setting a block or requesting a prior client approval when trading some

particular stocks. These limitations are all agreed between IHKL and its clients and stated out on the Investment Management Agreement before executing the agreement.

The client approves the custodian to be used and the commission rates paid to the custodian. IHKL does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in clients' accounts on their behalf so that IHKL may promptly implement the investment policy that the clients have approved in writing.

Limited Power of Attorney

The signing of the Investment Management Agreements is a discretionary Authorisation for trading purpose.

Voting Client Securities

Proxy Votes

IHKL may vote proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. A copy of IHKL's proxy voting policy is available upon request.

Financial Information

Financial Condition

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

Business Continuity Plan

General

IHKL has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients of a disaster that dictates moving our office to an alternate location.

Information Security Program

Information Security

IHKL has implemented an Information Security program including the designation of a Chief Information Security Officer leading a dedicated team of information security and IT security operations professionals with the responsibility for overseeing and maintaining all aspects of global information security risk. The program includes the development and implementation of information security policies consistent with industry guidelines (ISO 27001/2) and all applicable statutes, rules or regulations, and includes commercially reasonable administrative, physical and technical safeguards to (i) protect the privacy, confidentiality, integrity and availability of information assets; and (ii) protect those assets against accidental, unlawful or unauthorized access; and (iii) prevent the damage, destruction, or unauthorized disclosure, distribution, loss, manipulation, modification, and/or transmission of those assets.

Data Privacy

There are also important privacy issues associated with the use of technology, and related regulations are evolving. In accordance with IHKL's IT Systems: Acceptable Use policies, all staff are required to use information technology for proper business purposes and in a manner that does not compromise the confidentiality of sensitive or proprietary information. All communications with the

public, clients, prospects and fellow employees must be conducted with dignity, integrity, and competence and in an ethical and professional manner.

Data privacy, as it relates both to our clients and our employees, has become a major political and legal issue in many jurisdictions in which we do business. A variety of laws in each of those jurisdictions governs the collection, storage, dissemination, transfer, use, access to and confidentiality of personal information and patient health information. These laws can work to limit transfers of such data across borders and even among affiliated entities within Invesco Group. IHKL and its staff will comply with all provisions of these laws that relate to its business, including the privacy, security and electronic transmission of financial, health and other personal information. The company expects IHKL's staff to keep all such data confidential and to protect, use and disclose information in the conduct of our business only in compliance with these laws. The company will consider and may release personal information to third parties to comply with law or to protect the rights, property or safety of IHKL and its customers. In accordance with IHKL's policies, each business unit has developed required disclosures and data security procedures applicable to that business unit. All IHKL's staff must comply with the applicable procedures.

With respect to IHKL's staff, all salary, benefit, medical and other personal information shall generally be treated as confidential. Personnel files, payroll information, disciplinary matters, and similar information are to be maintained in a manner designed to protect confidentiality in accordance with applicable laws. All IHKL's staff shall exercise due care to prevent the release or sharing of such information beyond those persons who may need such information to fulfill their job functions. Notwithstanding the foregoing, all personnel information belongs solely to IHKL and may be reviewed or used by the company as needed to conduct its business.

Appendix 1

Soft Dollar Services Permitted In Hong Kong

1. General

IHKL may receive goods or services from a broker in consideration of directing business on behalf of a client to that broker if :-

- (a) the goods or services are of demonstrable benefit to IHKL's clients;
- (b) execution is consistent with best execution standards and brokerage rates are not in excess of customary full service brokerage rates;
- (c) the client has consented in writing to the receipt of such goods and services; and
- (d) disclosure is made of IHKL's practices for receiving such goods and services including a description of the goods and services received.

2. Permitted Goods and Services

- (a) research and advisory services;
- (b) economic and political analysis;
- (c) portfolio analysis including valuation and performance measurement;
- (d) market analysis;
- (e) data and quotation services;
- (f) computer software incidental to the above goods and services;
- (g) clearing and custodian services; and
- (h) investment related publications.

3. Prohibited Goods and Services

- (a) Travel;
- (b) Accommodation;
- (c) Entertainment;

- (d) General administrative goods or services;
- (e) General office equipment or premises;
- (f) Membership fees;
- (g) Employee salaries;
- (h) Direct money payment; and
- (i) Computer hardware.