



Invesco Asset Management (India) Private Limited

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Firm Brochure

(Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of Invesco Asset Management (India) Private Limited. If you have any questions about the contents of this brochure, please contact us at: (+9122) 67310 105 or by email at: Suresh.Jakhotiya@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 Asset Management (India) Private Limited is available on the SEC's website at www.adviserinfo.sec.gov. Registration does not imply a certain level of skill or training.

June 29, 2018

Item 2. 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.

Full Brochure Available

Please contact us by telephone (+9122) 67310 105 or by email Suresh.Jakhotiya@invesco.com to receive a complete copy of our Firm Brochure.

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Item 4. Advisory Business

Firm Description

Invesco Asset Management (India) Pvt. Ltd. (“IAMI”/“AMC,”), is a company incorporated under the Companies Act, 1956 and approved by the Securities and Exchange Board of India (“SEBI”) to act as the Asset Management Company for the schemes of Invesco Mutual Fund. Each scheme has a separate offering document, defined investment objective investment pattern and balance sheet. As of March 31, 2018, Invesco Mutual Fund had 2 schemes. Invesco Mutual Fund is registered with SEBI under SEBI (Mutual Funds) Regulations 1996 (**‘the Regulations’**) pursuant to registration no. MF/045/06/01 dated May 5, 2016. The original date of registration of Invesco Mutual Fund with SEBI was July 24, 2006 and the IAMI has been acting as investment manager to Invesco Mutual Fund since July 24, 2006.

IAMI is also registered with SEBI as a Portfolio Manager pursuant to registration no. PM/INP000005273 dated November 2, 2016 under SEBI (Portfolio Managers) Regulations, 1993. IAMI has been acting as a Portfolio Manager since December 21, 2009 and managing segregated mandates for clients since that time.

IAMI also provides non-binding, non-exclusive, non-discretionary advisory services to Offshore Funds under its Portfolio Management Services platform.

Previously, IAMI was a joint venture between Religare Securities Limited (“RSL”) and Invesco Hong Kong Limited (“Invesco HK”) with RSL holding 45.31%, RGAM Investment Advisers Private Limited (‘RGAM’) holding 5.69% and Invesco HK holding 49% of the share capital of IAMI. Pursuant to the agreement entered between RSL, Invesco HK and others, there was a change in the controlling interest of IAMI whereby Invesco HK and Invesco Asset Management Pacific Limited acquired the remaining 51% of the total share capital of IAMI (on a fully diluted basis) from the existing shareholders. As a result of this acquisition, RSL and RGAM ceased to be the shareholders of IAMI on April 7, 2016. Pursuant to change in the controlling interest, IAMI became 100% subsidiary of Invesco HK and Invesco Asset Management Pacific Limited which are indirect subsidiaries of Invesco Ltd., their ultimate parent company. Further, the share held by Invesco Asset Management Pacific Limited was transferred to Invesco Singapore Pte Limited on March 31, 2017.

Principal Owners

Invesco HK and Invesco Singapore Pte Limited are joint owners of IAMI; Invesco Ltd. is their ultimate parent company. Invesco Ltd. is a publicly owned company whose shares are listed on the New York Stock Exchange under the symbol IVZ and is a constituent of the S&P 500.

Advisory Services

Currently, IAMI is acting as an investment manager to schemes of Invesco Mutual Fund. Each scheme has a separate offer document, defined investment objective, investment pattern and investment strategies. The type of instruments in which the schemes may invest, inter-alia, include equities, derivatives, bonds, debentures, government securities, money market instruments as well as physical gold of 995 purity. The investments by each scheme would be as per its investment objective and asset allocation pattern. All the investment decisions in respect of each scheme are made by IAMI in line with the offer document of the respective scheme(s) and within the permissible limits as per the Regulations.

In addition to managing the schemes, IAMI also issues periodical materials about scheme performance which IAMI manages as well as market views.

Further, IAMI manages portfolios for clients under segregated mandates and provides non-binding, non-exclusive, non-discretionary advisory services to investment managers of offshore funds. In case of advisory mandates, the investment decisions will be made by the investment manager of the respective offshore funds and IAMI's role is only to provide non-discretionary, non-binding investment advice.

As of March 31, 2018, IAMI managed approximately \$ 5.44 billion in assets for Mutual Funds, segregated mandates and advisory mandates. IAMI managed approximately \$ 3.63 billion on a discretionary basis and \$ 1.81 billion on a non-discretionary basis.

Tailored Relationships

The investment objectives, asset allocation patterns and investment strategies of Invesco Mutual Funds schemes are mentioned in the respective offering documents. Before launch, each scheme requires prior approval from the Board of Invesco Trustee Private Limited ('ITPL') (Trustees to Invesco Mutual Fund) and SEBI. At the time of approving the offer document, SEBI may impose restrictions on investing in certain securities or type of securities. After SEBI approval, IAMI is required to manage each scheme as per the mandate mentioned in the offer document and cannot deviate in any manner. The investment management agreement between IAMI and ITPL also prescribes obligations, roles and responsibilities on IAMI and ITPL.

In case of segregated mandates, the goals and objectives for each client are documented in the Portfolio Management Services agreements ("PMS Agreements) and/or advisory agreements or product brochure. The segregated mandates could be either discretionary or non-discretionary. In case of discretionary mandate, while IAMI has complete discretion with respect to

investment decisions, the client may impose restrictions on investing in certain securities or type of securities. In case of non-discretionary and advisory mandates, the role of IAMI is to provide recommendations and the investment decision ultimately lies with investor/client.

Types of Agreements

The following agreements define the typical client relationships:

Investment Management Agreement (for Invesco Mutual Fund)

ITPL and IAMI, with the prior approval of SEBI, have entered into an Investment Management Agreement on April 27, 2006, as amended by first amendment dated March 28, 2013. The Investment Management Agreement contains clauses as mentioned in the Fourth Schedule of the Regulations and other clauses necessary for the purpose of entrusting investment management of Invesco Mutual Fund.

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, financial consultants, independent financial advisors.

Investments mainly include equities (stocks), debt, government securities, money market instruments, short term deposits with banks, cash & cash equivalents and financial derivative instruments.

IAMI is entitled to charge an investment management and advisory fees including other recurring expenses as a percentage of daily net assets within regulatory limits.

Portfolio Management Agreement (for Segregated Mandates)

Under the segregated mandates, IAMI enters into a PMS Agreement with each client.

(Note: PMS Agreement means agreement executed between the Portfolio Manager and its Clients in terms of Regulation 14 and Schedule IV of SEBI (Portfolio Managers) Regulations, 1993.)

Investments mainly include equities (stocks), debt, government securities, money market instruments, short term deposits with banks, cash & cash equivalents and financial derivative instruments as specified in the Disclosure Document.

These services will be furnished for a fee which can be in nature of fixed fees and/or performance based fees.

Advisory Service Agreement (for non-discretionary advice)

Some of the IAMI's clients enter into non-binding and non-discretionary investment advisory agreements with IAMI to obtain IAMI's advice and investment expertise regarding Indian securities.

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 for a fee which is based on the value of assets under advice and complexity of the advisory mandate, and is subject to negotiation. IAMI also provides advisory services to affiliated entities under the common ownership of Invesco Ltd.

Termination of Agreements

Investment Management Agreement with ITPL

IAMI can request ITPL to terminate the assignment of an asset management company at any time. However, such termination shall become effective only after ITPL has accepted the termination of an assignment and communicated their decision in writing to IAMI.

Portfolio Management Agreement (for Segregated Mandates) / Advisory Agreement (for non-discretionary advice)

Investment advisory services/PMS agreements generally may be terminated by either party upon prior written notice. Upon termination, fees and expenses as mentioned in the agreement/fee schedule (signed by the client) will be charged to the client.

Item 5. Fees and Compensation

Description

For managing schemes of Invesco Mutual Fund, fees and expenses are charged and these expenses include investment management and advisory fees charged by IAMI. In addition to management fees, other recurring expenses which can be charged to scheme include, inter-alia, trustee fees, custodian fees, audit fees, registrar and transfer agents' fees, marketing and selling costs, bank charges, cost of providing account statement, costs towards investor education and awareness etc. Investment management fees and other recurring expenses for operating the scheme are fungible in nature and there are no internal sub-limits. Thus, IAMI may charge entire expenses as investment management fees or part as investment management fees and balance as recurring expenses. The Regulations prescribe a maximum limit up to which recurring expenses can be charged to the scheme. IAMI is entitled to charge investment management and

advisory fees and other recurring expenses on a daily basis as a percentage of daily net assets. These fees cannot exceed the upper limit mentioned in the offer document and are subject to regulatory limits. The fees charged will depend on type of product (i.e. equity, fixed income, index fund, ETF, Fund of Funds etc.).

For Portfolio Management Services (for segregated mandates), portfolio management fees may differ from client to client and will be in accordance with the PMS Agreement and fee schedule executed with each client. Fees charged to a client can be either fixed fees or fixed fees plus performance linked management fees, as opted by the client.

The fees may be in the form of a percentage of assets under management or linked to portfolio returns achieved, or a combination of both. When fees are linked to portfolios returns, the basic principles for calculation of the fees are as follows:

- The fees are charged upon exceeding a hurdle rate or a benchmark rate as specified in the schedule to the PMS Agreement.
- The fee shall be computed on the basis of high water mark principle over the life of the investment.
- High water mark shall be the highest value that the portfolio has reached. The value of portfolio for the computation of high water mark shall be taken to be the value on the date on which performance linked management fees are charged.
- Performance linked management fees would only occur if there is an increase in portfolio value in excess of the previously achieved high water mark.

The portfolio manager may also charge an upfront (entry) fee at the time of subscription and premature exit fees/withdrawal fees at time of redemption of the portfolio by client.

For the advisory mandate, the advisory fee is calculated as a percentage of value of assets under management and depends upon the complexity of the advisory mandate. The advisory fee is subject to negotiation. Per the current advisory mandates with IAMI, the fees range from 30 bps to 80 bps p.a.

Billing

Invesco Mutual Fund

The fees and recurring expenses are charged on a daily basis as a percentage of daily net assets and are deducted from the client's assets on a daily basis. Under the Regulations, it is mandatory to calculate fees on a daily basis as a percentage of net assets.

Portfolio Management Client (Segregated Mandates)

The management fees and expenses are charged to the portfolio per the fee schedule signed by client. The fees are deducted from the client's assets.

Advisory Mandates

Investment advisory fees are billed in arrears meaning that IAMI invoices the client after the billing period ends. The billing period is subject to the agreement with the client.

Other Fees

Other than investment management advisory fees, IAMI does not charge any fees to clients and does not collect investment advisory fees in advance.

Brokerage fees would also be incurred during the execution of securities transactions.

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

Concerning the mutual funds, there may be other fees such as recurring expenses or the redemption charges which are stated in the relevant offer documents.

For Portfolio Management Services under segregated mandates, there may be other charges such as incidental charges and depository account transaction charges.

Item 6. Performance-Based Fees and Side-by-Side Management

Performance fees

The Regulations do not permit IAMI to charge performance fees for Mutual Fund schemes.

For Portfolio Management Services, performance based management fees are charged to investors depending upon the performance of the portfolio.

The fees may be in the form of a percentage of the assets under management or linked to portfolio returns achieved, or a combination of both. In the case of fees linked to portfolio returns, the basic principles for calculation of the fees are as follows:

- The fees are charged upon exceeding a hurdle rate or a benchmark rate as specified in the PMS agreement.
- The fee shall be computed on the basis of high water mark principle over the life of the investment.

- The high water mark shall be the highest value that the portfolio has reached. The value of the portfolio for the computation of high water mark shall be taken to be the value on the date on which performance fees are charged.
- Performance based fees would only occur if there is an increase in portfolio value in excess of the previously achieved high water mark.

Presently, IAMI does not charge any performance linked fees for any investment advisory mandates.

Conflicts of Interest

IAMI's investment team may invest client assets in securities of associate/group companies of Invesco or their associates. IAMI may acquire funds which are managed by IAMI's affiliates for the clients' portfolios and all such transaction will be conducted "at arm's length" and consistent with SEBI Regulations. There are regulatory provisions in SEBI (Mutual Funds) Regulations, 1996 to manage conflicts of interest arising out of investing in securities of associate/group companies. The transactions with associate/group companies will be at arms' length, purely on commercial basis and dealing with associate/group companies will be on the same terms as those applicable to other parties who are not associates/group companies.

IAMI has adopted a policy for managing conflicts of interest. Per the provisions of the said policy, measures to manage conflict of interest arising out of dealing with associates are as follows:

- (i) For securities transactions (including securities issued by an associate or group company), the fund manager is required to prepare research report and also record justification in writing.
- (ii) The investment process is well documented and regulated and subject to scrutiny by the investment committee.
- (iii) All investments in associate/group companies are reported to the Board of IAMI and ITPL on a quarterly basis.

Item 7. Types of Clients

Description

In addition to managing schemes of Invesco Mutual Fund and segregated mandates, IAMI also provides non-binding & non-discretionary advisory services for individuals, financial institutions, investment companies, trusts or foundations, corporations or business entities, and other entities.

IAMI currently provides non-binding & non-discretionary advisory services to offshore investment managers of India dedicated offshore funds.

Client relationships vary in scope and length of service.

Account Minimums

Invesco Mutual Fund

The minimum investment amount for the first purchase in a scheme is approximately \$75.

Discretionary and non-discretionary Portfolio Management Services

The minimum account size is approximately \$38,000.

Non-binding & non-discretionary advisory services

The minimum account size is \$5 million. IAMI has the discretion to waive the account minimum. Accounts less than \$5 million may be set up when there is the potential that the client will add additional funds to the accounts bringing the total to \$5 million within a reasonable time.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

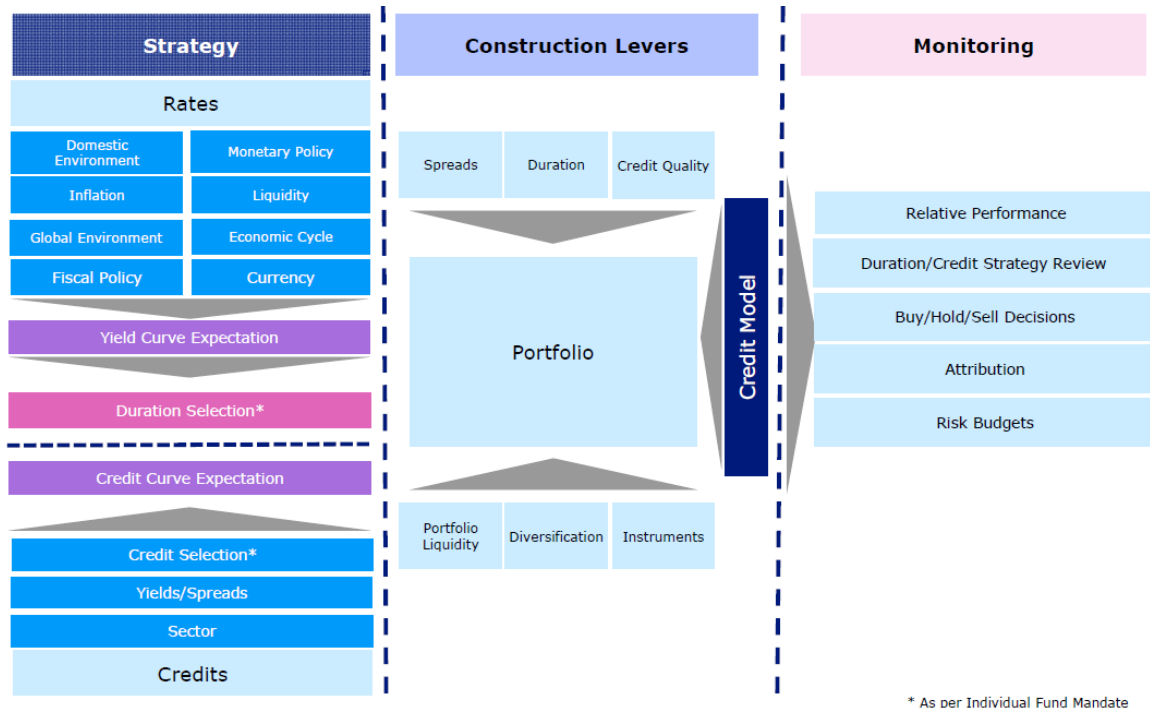
Fixed Income

The philosophy for managing fixed income portfolios revolves around optimizing risk adjusted returns for the investor by investing in high quality credit assets (i.e. fixed income bonds of varying maturities), managing interest rate risk and minimizing liquidity risk.

Investment Philosophy

The fixed income investment philosophy is based on a top down research oriented model with a focus on economic data analysis. The aim is to generate optimized risk adjusted returns by providing for safety of capital, liquidity of funds and investment income for the investors. The portfolios are actively managed for interest rate, credit and liquidity risk. The interest rate risk is managed across duration buckets. Portfolio composition is managed through active asset allocation across various credit quality bonds of varying maturities and the liquidity risk is managed through a well-diversified portfolio.

Investment Process



The investment team follows a disciplined research oriented investment process to meet scheme specific investment objectives on a long-term investment horizon. The fund manager strives to outperform the benchmark by selecting superior credits (fixed income bonds of varying maturities) based on the in-house analytical credit research and interest rate direction calls without compromising on the liquidity risk.

Credit Appraisal Process

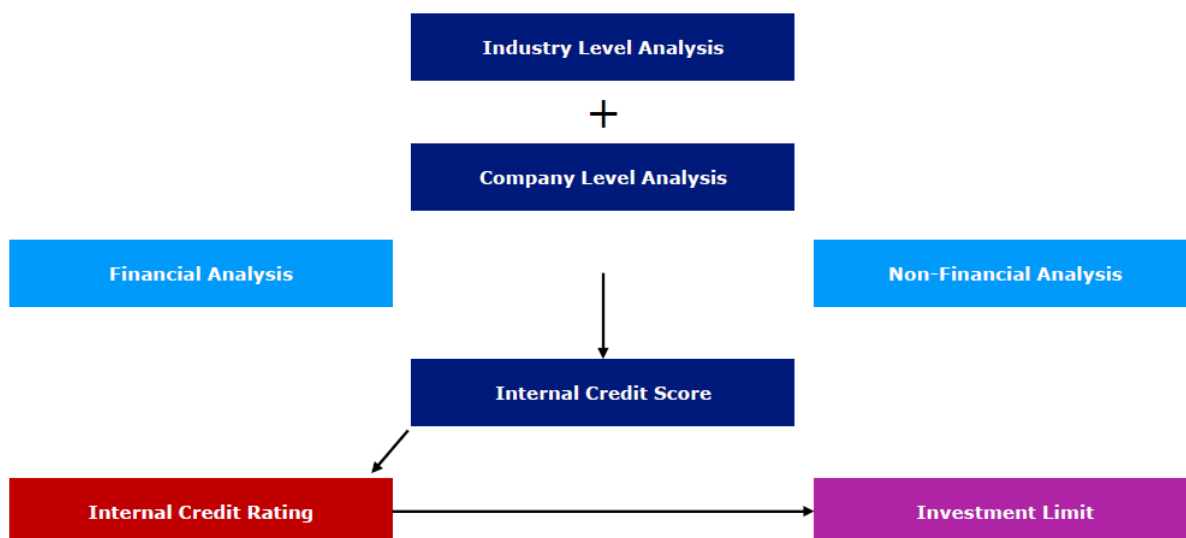
Objective

An analytical approach to generate a view/recommendation on the credit strength of an issuer

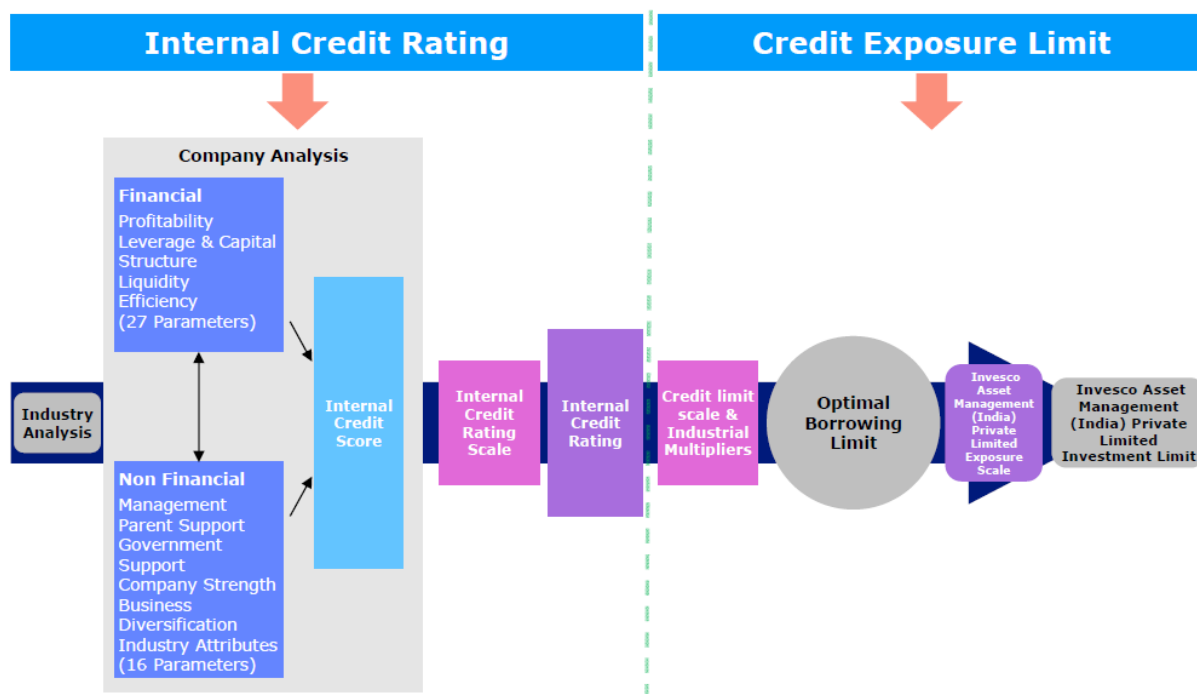
- By applying our proprietary credit model, we determine & monitor the credit worthiness of an issuer, and assess the credit exposure limit

- Risk management tool for portfolio construction – The internal credit rating helps in selecting issuers based on their suitability vis-à-vis the credit strategy of individual funds

Credit Appraisal: Proprietary Model



Issuer Limit Assessment



The credit risk assessment constitutes an integral part of the investment process and is carried out across sectors covering manufacturing, finance and services. By applying the credit model, we determine and monitor the credit worthiness of an issuer and assess the credit exposure limit. Our internal credit rating acts as a powerful risk containment tool that allow the fund manager to narrow down select credits to match the credit strategies of individual funds.

Equity Investments

Investment Philosophy

Active Fund Management

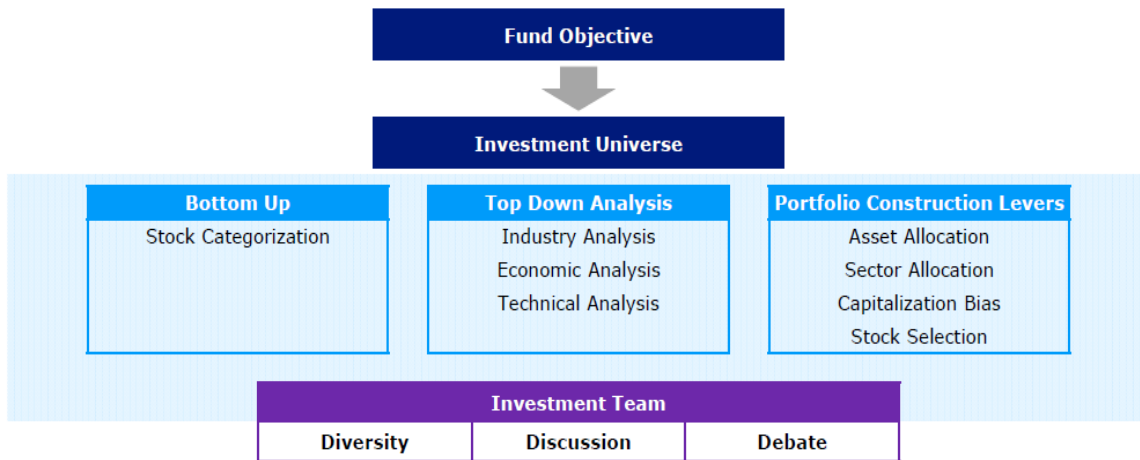
- Our core investment premise is that equity markets are not fully efficient
- A well organized and thorough research effort combined with a disciplined portfolio management approach which will enable out-performance of the market index over time

Being True to Mandate

- The fund's investment objective is paramount
- Stock selection, industry and asset allocation flow from the fund's objective
- No style ideology; to use stock appropriate measures

Equity Investment Process

Equity - Investment Process



Benefits of Stock Categorization

- **Focuses on the source of risk & return**
 - By identifying the key fundamental attributes of the company & drivers of stock price performance
- **Stock appropriate valuation methodology**
 - Valuation attractiveness judged in the context of the category
 - Provides a framework in which we can judge both under & overvaluation
- **Consistency across sectors and team members**
- **Portfolio level clustering can be monitored**

Responsibility Framework

Chief Investment Officer/Head of Equity Funds	
<ul style="list-style-type: none"> All companies are discussed by the investment team and are subject to final approval by the Head of Equity Funds The fund managers have independence within the flexibility laid down by the Portfolio Construction Levers but are subject to monitoring and review by the Head of Equity Funds 	
Fund Manager	Equity Analysts
<ul style="list-style-type: none"> The responsibility for performance of the fund relative to benchmark is that of the Fund Manager Fund managers have final say on stock and sector allocations as well as trade decisions for each fund subject to adherence to limits laid down for the Portfolio Construction Levers for the specific fund Fund Managers cannot buy stocks, which are not categorized 	<ul style="list-style-type: none"> Analysts lead the bottom up categorization process for their sector Analysts provide sector view, relative stock preferences and manage the model portfolio for their sector If the analyst downgrades the recommendation to a sell or de-categorizes the company, then the fund manager must exit in due course and cannot buy the stock

Risk Management



For advisory services, IAMI has a detailed proprietary investment process both for Equity and Fixed Income which is used in formulating investment strategies for investment advice. Risk factors associated with each advisory mandate are detailed in the respective advisory agreements.

Investment Strategies (Material risks involved)

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

Risk associated with Equity and Equity Related Instruments:

Equity and equity related instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of equity and equity related instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the government,

taxation laws, political, economic or other developments, general decline in the Indian markets, which may have an adverse impact on individual securities, a specific sector or all sectors. Consequently, the NAVs of the units issued under the scheme(s) may be adversely affected.

Further, the equity and equity related instruments are risk capital and are subordinate in the right of payment to other securities, including debt securities.

Equity and equity related instruments listed on the stock exchange carry lower liquidity risk; however the scheme's/portfolio's ability to sell these investments is limited by the overall trading volume on the stock exchanges. In certain cases, settlement periods may be extended significantly by unforeseen circumstances. The inability of the scheme(s)/portfolio(s) to make intended securities purchases due to settlement problems could cause the scheme(s)/portfolio(s) to miss certain investment opportunities. Similarly, the inability to sell securities held in the scheme(s)/portfolio(s) may result, at times, in potential losses to the scheme(s)/portfolio(s), should there be a subsequent decline in the value of securities held in the scheme(s)/portfolio(s).

Further, the volatility of medium/small - capitalization stocks may be higher in comparison to liquid large capitalization stocks.

The scheme(s)/portfolio(s) may invest in securities which are not listed on the stock exchanges. These securities may be illiquid in nature and carry a higher amount of liquidity risk, in comparison to securities that are listed on the stock exchanges or offer other exit options to the investor. The liquidity and valuation of the scheme's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to the target date of disinvestment.

Risk associated with Fixed Income and Money Market Instruments:

Interest - Rate Risk

Fixed income and money market instruments involve interest-rate risk. Generally, when interest rates rise, the prices of existing fixed income securities fall and when interest rates fall, the prices increase. In the case of floating rate instruments, an additional risk could arise because of the changes in the spreads of floating rate instruments. With the increase in the spread of floating rate instruments, the price can fall and with decrease in spread of floating rate instruments, the prices can rise.

Credit Risk

Credit risk or default risk refers to the risk that the issuer of a fixed income security may default on interest payment or even in paying back the principal amount on maturity. In case of government securities, there is minimal credit risk.

Lower rated or unrated securities are more likely to react to developments affecting the market and credit risk than the highly rated securities which react primarily to movements in the general level of interest rates. Lower rated or

unrated securities also tend to be more sensitive to economic conditions than higher rated securities.

Liquidity or Marketability Risk

The ability of the scheme(s)/portfolio(s) to execute sale/purchase order is dependent on the liquidity or marketability. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. The securities that are listed on the stock exchange carry lower liquidity risk, but the ability to sell these securities is limited by the overall trading volumes. Further, different segments of Indian financial markets have different settlement cycles and may be extended significantly by unforeseen circumstances.

Re-investment Risk

This refers to the interest rate risk at which the intermediate cash flows received from the securities in the scheme(s)/portfolio(s) including maturity proceeds are reinvested. Investments in fixed income securities may carry re-investment risk as interest rates prevailing on the interest or maturity due dates may differ from the original coupon of the debt security. Consequently, the proceeds may get invested at a lower rate.

Risks associated with investing in ADR/GDR and Foreign Securities

Subject to necessary approvals, the schemes/portfolios may also invest in ADRs/ GDRs/overseas financial assets as permitted under the applicable regulations. The value of an investment in foreign securities may depend on general global economic factors or specific economic and political factors relating to the country or countries in which the foreign issuer operates. To the extent the assets of the scheme(s)/portfolio(s) are invested in overseas financial asset, there may be risk associated with fluctuation in foreign exchange rates, restriction on repatriation of capital and earnings under the exchange control regulations and transaction procedure in overseas market. The repatriation of capital to India may also be hampered by changes in regulations concerning exchange controls, political circumstances, bi-lateral conflicts or prevalent tax laws.

Investment in foreign securities carries currency risk. Currency risk is a form of risk that arises from the change in price of one currency against other. The exchange risk associated with a foreign denominated instrument is a key element in foreign investment. This risk flows from differential monetary policy and growth in real productivity, which results in differential inflation rates. The risk arises because currencies may move in relation to each other.

Risks associated with investing in Derivatives

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such

opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies. The risks associated with the use of derivatives are different from or possibly greater than the risks associated with investing directly in securities and other traditional investments. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly.

Other risks include risk of mispricing or improper valuation and the inability of the derivative to correlate perfectly with underlying assets, rates and indices, illiquidity risk whereby the scheme/portfolio may not be able to sell or purchase derivative quickly enough at a fair price.

Risks associated with Securities Lending

For Equity Instruments:

As with other modes of extensions of credit, there are risks inherent to securities lending. During the period the security is lent, the scheme(s)/portfolio(s) may not be able to sell such security and in turn cannot protect from the falling market price of the said security. Under the current securities lending and borrowing mechanism, the scheme can call back the securities lent anytime before the maturity date of securities lending contract. However this will be again the function of liquidity in the market and if there are no lenders in the specified security, the scheme(s)/portfolio(s) may not be able to call back the security and in the process, the scheme(s)/portfolio(s) will be exposed to price volatility. Moreover, the fees paid for calling back the security may be more than the lending fees earned by scheme at the time of lending the said security and this could result in loss to the scheme(s)/portfolio(s). Also, during the period the security is lent, a fund will not be able to exercise the voting rights attached to the security as the security will not be registered in the name of the scheme(s)/portfolio(s) in the records of the depository/issuer.

For Debt Instruments:

As with other modes of extensions of credit, there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities (i.e. the scheme/portfolio) and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved

intermediary. A fund may not be able to sell such lent securities and this can lead to temporary illiquidity.

Risks associated with Short Selling

The scheme(s)/portfolio(s) may enter into short selling transactions, subject to applicable Regulations. Short positions carry the risk of losing money and these losses may grow unlimited theoretically if the price of the stock increases without any limit. This may result in major loss to the scheme(s)/portfolio(s). At times, the participants may not be able to cover their short positions, if the price increases substantially. If numbers of short sellers try to cover their position simultaneously, it may lead to disorderly trading in the stock and thereby can briskly escalate the price even further making it difficult or impossible to liquidate short position quickly at reasonable prices. In additions, short selling also carries the risk of inability to borrow the security by the participants thereby requiring the participants to purchase the securities sold short to cover the position even at unreasonable prices.

For advisory mandates, risk specific to the mandates are specified in the respective advisory services agreement.

Item 9. Disciplinary Events

Legal and Disciplinary

On November 11, 2007, the SEBI initiated an inquiry in response to an inspection of the books and records of the Portfolio Management Services Division of Religare Securities Limited ("RSL"), an affiliated entity of IAML (formerly known as Religare Invesco Asset Management Limited) for the period of September 2004 to December 2005. RSL provided the necessary documentation in response to the review and denied the observations identified by SEBI. SEBI held a formal hearing on April 24, 2009 and issued a notice for cause on October 22, 2009 under Regulation 28 of SEBI (Intermediaries) Regulation 2008 as to why the appropriate penalty should not be imposed on RSL. RSL submitted a reply and was granted a personal hearing on January 8, 2010. As the Certificate of Regulation under the portfolio management regulation was transferred to Religare Invesco Asset Management Limited ("RIAMC") from RSL, RIAMC made an application for consent order on January 12, 2010. SEBI granted RSL an opportunity to attend an internal committee meeting on March 11, 2010 with SEBI officials to present the case. SEBI did not accept the terms of the consent and RIAMC filed an application of consent order with amended terms of settlement on May 21, 2010. RSL paid SEBI approximately \$22,000 USD as a settlement charge on September 22, 2010. This matter is now considered final.

Item 10. Other Financial Industry Activities and Affiliations

IAMI

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

IAMI Affiliations

Broker-Dealers

By virtue of Registrant's common ownership by Invesco Ltd, IAMI is a related person to the broker-dealers listed below.

INVESCO DISTRIBUTORS, INC

INVESCO CAPITAL MARKETS, INC.

ICMI and IDI are registered broker-dealers with the SEC under the Securities Exchange Act of 1934 and are members of the Financial Industry Regulatory Authority ("FINRA"), the Municipal Securities Rulemaking Board ("MSRB") and the Securities Investor Protection Corporation ("SIPC").

Investment Advisers

From time to time IAMI or its related parties may have arrangements with the below listed investment advisers associated with creating, sponsoring, advising, owning, or providing services to separate accounts that may be material to the IAMI'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 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 HONG KONG LTD.

JEMSTEP, INC.

INVESCO REAL ESTATE MANAGEMENT S.A R.L.

Conflicts of Interest

IAMI may acquire funds which are managed by IAMI's affiliates for the clients' portfolios and such acquisitions/purchases are consistent with relevant regulatory requirements.

IAMI may purchase/sell a security for its clients' portfolios which may be held by its affiliates or its affiliates' managed portfolios. In addition, there may be chances that orders for different portfolios may be aggregated for dealing. To address this potential conflict of interest, IAMI has a written policy so as to ensure fair allocation and fair treatment to its clients. In case of equity securities, its policy for trade allocation is as follows:

- (i) Order execution is the responsibility of the dealer as per the instructions of the fund managers.
- (ii) Trade orders are generated at a scheme level. However, order execution by the broker is normally done at a pool level (Invesco Mutual Fund - Pool account)
- (iii) Allocation of an executed quantity is based on a **'first come first serve'** basis principle; however, the event orders are placed at the same time and executed partially, then the same would be allocated on pro rata basis through an automated system driven process.

For Fixed Income Securities, the policy for trade allocation is as follows:

For securities (commercial paper, certificates of deposit, government securities, bonds), the dealer will allocate trades across all the portfolios on a pro rata basis based on the order size. The dealer will seek instructions from the fund manager when allocation is not on a pro rata basis. Non-pro rata allocations are always made in a manner that is determined to be fair and equitable to all the portfolios which are investing.

Apart from the above mentioned securities, any surplus available in the various schemes of IAMI are invested in the facilities provided by the Clearcorp Dealing Systems (India) Limited (Clearcorp), a 100% subsidiary of Clearing Corporation of India Limited (CCIL). CCIL provides market participants two facilities for the investment of short term surplus, namely Collateralized Borrowing and Lending Obligation (CBLO) and Clearcorp Repo Order Matching System (CROMS). These are mostly used for investing surplus from 1 day to 4 days.

CBLO - Clearcorp facilitates in a collateralized environment, borrowing and lending of funds to market participants who are admitted as members in the

Clearcorp CBLO Segment. CCIL becomes the Central Counterparty to all CBLO trades and guarantees settlement of CBLO trades.

CROMS - Clearcorp provides registered market participants a Repo Facility known where it enables dealing in two kinds of Repos – (1) Basket and (2) Special Repos.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The employees of IAMI 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

IAMI may acquire funds which are managed by IAMI's affiliates for the clients' portfolios and such purchases/acquisitions are consistent with relevant regulatory requirements.

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

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

Personal Trading

IAMI has adopted 'Personal Trading Policy' covering all employees of IAMI and Invesco Trustee Pvt. Ltd. (ITPL) and their covered accounts irrespective of their function, location or designation. The policy is prepared in line with SEBI (Mutual Funds) Regulations, 1996 and SEBI (Prohibition of Insider Trading) Regulations, 2015 and IAMI Global Policy and is approved by the Board of Directors of IAMI & ITPL. The Policy applies to dealing in all securities (except Fixed deposit, Provident Fund, Life Insurance Policies, investment in saving schemes, commodities, government securities, money market instruments including money market mutual funds, liquid schemes, schemes floated by other Mutual Funds/AMCs (except close-ended schemes and Exchange Traded Funds) investments of a non-financial nature such as gold, real estate, etc.,) by the employees either individually or jointly, in the name of employee's spouse, family members sharing same household, employee's parents, siblings and child of such employee or of the spouse, dependent children including a minor child, any of whom is either financially dependent on such employee or consults such

employee in taking decisions relating to trading in securities, in accounts where there is a transaction as a member of Hindu Undivided Family (HUF). The Policy also covers dealing in securities in a fiduciary capacity.

Pre-clearance is required for transactions in all types of securities executed through a secondary market, primary market (excluding Equity IPO's as investment in equity IPO, Private Placements, etc. is prohibited) including purchase of rights/rights renunciation and investments in schemes of Invesco Mutual Fund. There is holding period of 60 calendar days from the date of purchase for all the securities including Mutual Fund units except schemes floated by other Mutual Funds/AMCs (except close-ended schemes and Exchange Traded Funds) (For designated employees the holding period is 6 months for all securities except MF units). Further, there are also standard reporting requirements such as a statement of initial holding within 10 calendar days from the date of joining, a confirmation of acceptance and understanding the Policy within 30 calendar days from the date of joining, a statement of transaction within 7 calendar days from the date of execution of transaction, and an update of the holding statement on Quarterly and annual basis.

All employee transactions are reviewed by the Code of Ethics team. The Board of Directors of IAMI & ITPL review compliance with the Policy in their periodic meetings. The Policy is reviewed by the Board of Directors of IAMI & ITPL annually.

Business Continuity Plan

IAMI 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 personnel.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms as applicable in respective regions, hurricanes, tornados, earthquakes 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, communications line outage, Internet outage, railway accident and aircraft accident. Electronic data 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. In the event of a disaster that dictates moving our office to an alternate location, IAMI will notify its clients of such move as soon as possible.

Information Security

IAMI has in place an information security program and a 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 the related regulations are evolving. In accordance with IAMI'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. IAMI 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 IAMI'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. IAMI will consider and may release personal information to third parties to comply with law or to protect the rights, property or safety of IAMI and its customers. In accordance with IAMI's policies, each business unit has developed required disclosures and data security procedures applicable to that business unit. All IAMI's staff must comply with the applicable procedures.

With respect to IAMI'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

IAMI'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 IAMI and may be reviewed or used by the company as needed to conduct its business.

Item 12. Brokerage Practices

Selecting Brokerage Firms

The selected brokers should be chosen from the empaneled brokers list, which is pre-approved by the Investment Committee of IAMI.

The Norms for Empanelment of Brokers as approved by the Board of IAMI and ITPL are as follows:

1. The broker should be a corporate entity.
2. The broker should have a valid registration with the SEBI and Stock Exchanges (i.e. NSE, BSE, MCX-SX etc.) on which it operates or registration from other relevant regulatory authorities.
3. The broker should have minimum net worth of Rs. 5 Crore (approx. USD 0.747 mn) for brokers operating in equity market and Rs.1 Crores (approx. USD 0.15 mn) for brokers operating in debt market.
4. The broker should have research capabilities and infrastructure commensurate with size and operations of his business.
5. The broker should have at least 3 financial institutions (i.e. Insurance Company, Bank, Mutual Fund, FII etc.) as his clients.
6. The broker should have a good general reputation and track record and there should be no instances of regulatory violations/breach of securities laws or no involvement in scam/fraud etc.

Best Execution

Equity

IAMI defines best execution as the process of executing transactions for the funds in such a manner that the total cost or proceeds in each transaction is the most favorable under the circumstances, including commissions. The lowest possible commission is not the sole determinative factor for best execution. Actual trade allocation to brokers is based on the objective of best execution rather than business allocation targets.

Broker allocations are reviewed every 6 months. The responsibility of monitoring the performance (research, dealing) of the empanelled list of brokers is the responsibility of the investment team. All members of the team take part in the semi-annual rating of the brokers and business allocation targets are based on the ratings. However, actual business may vary due to our primary objective of achieving best execution. Additionally, other factors may have an influence on the actual brokerage allocations, such as: the natural trade flow of the brokers, systems such as Direct Market Access (“DMA”) and nature of strategies such as arbitrage and passive funds.

Fixed Income

The dealer executes the trade to obtain best execution for all transactions. Best execution is the process of securing prompt and efficient execution of securities transactions at the best obtainable prices which are reasonable in relation to the value of the services provided by the broker. While seeking best execution, the dealer considers, among other factors: the price/yield, size of the transaction, nature of market for the security, timing of the transaction taking into account market prices and trends and the reputation, experience and the quality of service rendered by the broker in other transactions.

Soft Dollars

IAMI does not have any soft-dollar arrangements with brokers other than receiving free research reports from Brokers and dedicated telephone-lines with some brokers in the fixed income trading room of Invesco Mutual Fund. These arrangements assist traders in achieving best executions and are in the interest of the investors.

Order Aggregation

The fund management team has a fiduciary duty to act in the utmost good faith with respect to all schemes (‘clients/accounts’) and to provide full and fair disclosure of all material facts. There could be conflict of interest arising out of execution of trade for different schemes because the fund manager may allocate trades to favor a particular scheme, or one scheme may be given favorable treatment over another while allocating an executed trade in the case of partial execution of order. To address such actual or potential conflicts of interest arising out of execution of trade for different schemes of Invesco Mutual Fund, IAMI has put in place following measures:

- The investment process is well documented and regulated and subject to scrutiny by the Investment Committee. This process is applicable to both purchases as well as sales trades.

- Order execution is the responsibility of the dealer per the instructions of the Fund managers.
- Trade orders are generated at a scheme level; however, order execution by the broker is normally done at a pool level.
- Allocation of executed quantity is based on a '**first come first serve**' basis principle; however, in case orders are placed at the same time and executed partially, then the same would be allocated on pro rata basis through an automated system driven process.
- In the event the dealer receives a subsequent order in the same security, same side, as an existing aggregated order, IAMI will combine new order and the unexecuted portion of the original order into one order to be executed on a pro-rata basis (based on the order size). The portion of original aggregated order that was executed prior to receipt of subsequent order will be allocated on a pro rata basis among the schemes that participated in the original aggregated order.

Item 13. Review of Accounts

Periodic Reviews

Account reviews are performed during an Investment Committee meeting held on quarterly basis and in Board meetings of IAMI and ITPL.

Review Triggers

Other conditions that may trigger a review are material market events, or other news.

Regular Reports

IAMI releases a Fact Sheet on monthly basis which includes portfolio holdings, performance and commentaries. Further presentations, pertaining to schemes/portfolios, are also released periodically. Fact sheets and other marketing materials are available on the website (www.invescomutualfund.com) Investors of Invesco Mutual Fund can visit the website for factsheet information in relation to the funds they invest in.

In addition, clients under segregated mandates have been provided a login to review the portfolio holdings and other reports generated by the system. Further, IAMI also prepares product presentations/marketing materials for segregated mandates and distributes these materials to clients from time to time.

Item 14. Client Referrals and Other Compensation

Referrals

IAMI does not have any arrangement whereby it receives any economic benefit from any person other than clients for providing investment advice or other advisory services to its clients. Further, if client is referred by any distributor or financial adviser, IAMI may pay distribution commission as per the agreed terms with such distributor or financial adviser.

Other Compensation

IAMI will enter into agreements with licensed entities for distribution of financial products and will compensate (or distribute commissions) to these entities for their services.

Item 15. Custody

Account Statements and Transaction Report

For Invesco Mutual Fund, assets are maintained by designated custodians and those custodians provide transaction reports to IAMI on a periodic basis. For Portfolio Management Services (for segregated mandates) while the depository account is in the name of the client, reports are sent to the investors on monthly basis and the investors also have unique login credentials wherein they can access their portfolio details. In case of Portfolio Management Services clients, un-invested funds are held in pooled bank accounts held in the name of "IAM - Name of the Portfolio."

Performance Reports

IAMI releases a Fact Sheet on monthly basis which includes portfolio holdings, performance and commentaries. Further presentations, pertaining to schemes/portfolios, are also released periodically.

Item 16. Investment Discretion

Discretionary Authority for Trading

With respect to Invesco Mutual Fund schemes, IAMI has complete discretion to buy and sell securities in client accounts as per and investment objective/asset allocation pattern mentioned in the offering document of the respective scheme. IAMI must record the rationale for each transaction involving buy/or sale of securities for schemes of Invesco Mutual Fund.

IAMI accepts discretionary authority to manage securities accounts on behalf of clients who sign the PMS Agreement with IAMI. IAMI has authority to determine which securities, including the amount of securities, to be bought or sold. In some cases, clients may place limitations such as restrictions on purchasing certain stocks/sectors. These limitations are all agreed upon between IAMI and its clients and are included in the Investment Management Agreement prior to execution. Discretionary trading authority facilitates placing trades in clients' accounts on their behalf.

Limited Power of Attorney

The signing of a Power of Attorney is required for segregated mandates and for operating depository and trading accounts of investors.

Item 17. Voting Client Securities

Proxy Votes

Under segregated mandates, securities are held in the name of the client and therefore, IAMI is not entitled to vote on these securities.

For Invesco Mutual Fund, IAMI may vote proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy.

IAMI has fiduciary responsibility to act in the best interest of unit-holders of Invesco Mutual Fund. This responsibility includes exercising voting rights attached to the securities of the companies in which the schemes of the fund invest. It will be IAMI's endeavor to participate in the voting process (i.e. exercise voting rights) based on the philosophy enunciated in the policy.

Good corporate governance ensures that a corporation is managed keeping in mind the long-term interest of shareholders. Promoting good corporate governance standards forms an integral part of corporate ownership responsibilities.

With this in the forefront, IAMI expects all corporations, in which it invests, to comply with high corporate governance standards. Accordingly, as the decision to invest is generally an endorsement of sound management practices, IAMI may generally vote with the management of these corporations. However, when IAMI is of the view that the unit holders will be prejudiced by any such proposal, then it may vote against such proposal to protect the interest of unit holders. Also, in case of resolutions moved by the shareholders of the company, IAMI will exercise its voting rights in the best interest of its unit holders. In certain circumstances, IAMI may also decide to refrain from voting where (1) it has insufficient information, (2) there is conflict of interest or (3) it does not have a clear stance on the proposal under consideration.

IAMI, as an investment manager, will generally vote in accordance with the Voting Policy. However, it may deviate from the policy if there are particular facts and/or circumstances that warrant for such deviation to protect the interests of unit-holders of the fund.

Conflicts of Interest in Exercising Voting Rights

IAMI, under schemes, may invest in the securities of associate/group companies (to the extent permitted under SEBI (Mutual Funds) Regulations, 1996). Further, IAMI is part of a diverse financial services organization consisting of many affiliates. Moreover, IAMI may invest in securities of companies which have invested in schemes of Invesco Mutual Fund. These scenarios may create conflicts of interest.

If an investee company, an affiliate or an associate/group company were to approach IAMI with regard to a particular voting decision, then such matter would be referred to the Voting Committee.

IAMI will attempt to avoid any conflicts of interest and will exercise its voting rights in the best interest of the unit-holders. Voting decisions, in such cases, will be based on merits without any bias and the same parameters will be applied for taking voting decisions as are applied for other companies.

A copy of IAMI's proxy voting policy is available upon request.

Item 18. Financial Information

Financial Condition

Because IAMI does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance, this item is inapplicable.