



Invesco Capital Management LLC Brochure

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(Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of Invesco Capital Management LLC (“ICM”, the “Adviser” or “Managing Owner”, sometimes referred to as “we” or “us” throughout this document). If you have any questions about the contents of this brochure, please contact Melanie H. Zimdars, Chief Compliance Officer of ICM at: (630) 868-7174 or by email at: Melanie.Zimdars@invesco.com. Additional information may be obtained from the Invesco ETFs website at www.invesco.com/us/en/solutions/invesco-etfs.html.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”), or by any state securities authority. Additional information about ICM is available on the SEC’s website at www.adviserinfo.sec.gov.

ICM is a registered investment adviser with the SEC and a commodity pool operator. Registration does not imply a certain level of skill or training.

March 27, 2024

Item 2 Material Changes

Material Changes since the Last Annual Update made on March 31, 2023:

Item 4 Advisory Business

- Assets under management have been updated as of December 31, 2023
- Addition of disclosure items related to Invesco Tax Insights Program

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

- Addition of disclosure related to the new Invesco Galaxy Bitcoin ETF and Blockchain and Cryptocurrency Risks
- Addition of new risk disclosures and amendments to existing risk disclosures

Item 10 Other Financial Industry Activities and Affiliations

- Updated to reflect current affiliated lending program.

Item 15 Custody

- Updated to reflect publisher of website for performance information.

Item 17 Voting Client Securities

- Updated to reflect current processes related to proxy voting and management of conflicts of interest.

The brochure has also been updated throughout to include disclosures related to a new Invesco Galaxy Bitcoin ETF.

Full Brochure Available

If you would like to receive a complete copy of our Firm Brochure, please contact Melanie H. Zimdars, Chief Compliance Officer (“CCO”) of ICM by telephone at: (630) 868-7174 or by email at: Melanie.Zimdars@invesco.com.

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Item 4 Advisory Business

Firm Description

Invesco Capital Management LLC was founded in 2003.

ICM is the investment adviser to the exchange-traded funds (the “ETFs” or “Funds”) organized as series of Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II, Invesco India Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Fund Trust, Invesco Actively Managed Exchange-Traded Commodity Fund Trust and Invesco Exchange-Traded Self-Indexed Fund Trust (each a “Trust” and collectively the “Trusts”).

For the Funds organized as a series of the Invesco Exchange-Traded Fund Trust, Invesco Exchange-Traded Fund Trust II and the Invesco India Exchange-Traded Fund Trust, the Adviser or an affiliated sub-adviser seeks to track the investment results, before fees and expenses, of an index (the “Underlying Index”). These ETFs may be referred to as “Index-Based ETFs”. For the Funds organized as a series of the Invesco Exchange-Traded Self-Indexed Fund Trust, the Adviser seeks to track the investment results, before fees and expenses, of an Underlying Index provided by an affiliated index provider. These ETFs may be referred to as “Self-Indexed ETFs”. ETFs organized under the Invesco Actively Managed Exchange-Traded Fund Trust and Invesco Actively Managed Exchange-Traded Commodity Fund Trust may be managed by ICM or an affiliated sub-adviser and are actively managed, such that they do not seek to track the investment results of an Underlying Index. These may be referred to as “Actively Managed ETFs”.

In addition, ICM serves as the Managing Owner and Commodity Pool Operator (“CPO”) to eight commodity pools (the “Commodity Pools”) regulated by the Commodity Futures Trading Commission (the “CFTC”) and the National Futures Association (the “NFA”), as well as Commodity Trading Adviser (“CTA”) to the eight Commodity Pools. Each Commodity Pool trades exchange-traded futures contracts on commodities included in its underlying index (“Commodity Index”) and seeks to track the applicable Commodity Index. Invesco Specialized Products, LLC (the “Sponsor” or “ISP”) is a Delaware limited liability company whose sole member is ICM. ISP serves as the Sponsor to the CurrencyShares Trusts (the “CurrencyShares”) which are registered under the Securities Act of 1933 and are listed on NYSE Arca, Inc., whose investment objective is for the shares of that trust to reflect the price of the currency held by the trust. Similar to the Commodity Pools, the CurrencyShares are not registered under the Investment Company Act of 1940. However, unlike the Commodity Pools, the CurrencyShares are not subject to regulation by the CFTC or the NFA.

ICM provides portfolio management and certain portfolio operations support (“sub-advisory services”) to seven affiliates: Invesco Investment Management Ltd. (“IIML”), Invesco Canada Ltd. (“Invesco Canada”), Invesco Advisers, Inc. (“Invesco Advisers”), Invesco Asset Management (Japan) Limited (“IAMJ”), Invesco Trust Company (“ITC”), Invesco Australia Limited (“Invesco Australia”) and Invesco Asset Management Singapore Ltd. (“Invesco Singapore”). ICM is also a sub-adviser to a fund managed by Lincoln Investment Advisors Corporation (“LIAC”), an unaffiliated investment adviser.

The Invesco Tax Insights program (“Program”) is a marketing program which

provides analysis and information to advisers and intends to identify potential large capital gains distributions and tax loss harvesting opportunities in portfolios. The Program does not offer tax advice or specific tax related recommendations, it only provides Invesco ETFs as potential alternatives if clients determine they would like to replace a current fund holding. ICM does not receive any direct compensation from the Program, however, certain ETFs may experience an increase in assets due to potential investments suggested by the Program.

ICM serves as the sponsor to the Invesco QQQ Trust, Series 1 (the “QQQ”), which is an exchange-traded product organized as a unit investment trust for which The Bank of New York Mellon (“BNYM”) serves as Trustee. Although ICM does not provide advisory services to the QQQ, BNYM and ICM entered into an Agency Agreement, dated November 16, 2012 (the “Agency Agreement”), under which ICM performs certain functions on behalf of BNYM. Such functions relate to: (a) evaluation of the portfolio securities held by the QQQ for purposes of determining the net asset value, and (b) rebalancing of and adjustments to the QQQ portfolio.

ICM also serves as the sponsor to the Invesco Galaxy Bitcoin ETF (the “BTCO”), an exchange traded fund that is a Delaware statutory trust, for which Delaware Trust Company (the “Trustee”) serves as Trustee. Shares of the BTCO are registered with the SEC under the Securities Act of 1933, and BTCO is not registered under the Investment Company Act of 1940. The investment objective is to reflect the performance of the spot price of bitcoin as measured using the Lukka Prime Bitcoin Reference Rate (the “Benchmark”), less the expenses and other liabilities. BTCO is passively managed, and the Sponsor does not actively manage the bitcoin held by the fund.

As of December 31, 2023, ICM had approximately \$545.5 billion of assets under management, \$314.5 billion managed on a discretionary basis for the Trusts, Commodity Pools and other sub-advised funds and accounts. ICM managed the remaining \$231.0 billion on a nondiscretionary basis for the QQQ and CurrencyShares.

Principal Owners

Invesco Group Services, Inc. is the sole owner of Invesco Capital Management LLC and Invesco Ltd. (“Invesco”) is its ultimate parent company. Invesco is a publicly traded leading independent global investment management firm dedicated to helping investors worldwide achieve their financial objectives. Shares of Invesco are listed on the New York Stock Exchange under the symbol “IVZ” and Invesco is a constituent of the S&P 500®.

Types of Advisory Services and Agreements

ICM provides investment advisory services to the Trusts pursuant to Investment Advisory Agreements between the Trusts and ICM, subject to review and approval by the non-interested members of the Trusts’ Board of Trustees. ICM also serves as CPO for the Commodity Pools and ICM provides sub-advisory services to IIML, Invesco Canada, Invesco Advisers, IAMJ, ITC, Invesco Australia, Invesco Singapore and LIAC, pursuant to sub-advisory agreements with each respective entity. ICM provides discretionary investment advice as a sub-adviser to funds and separately managed accounts advised

by its affiliates pursuant to the terms of individually negotiated investment management agreements. The investment objectives and guidelines applicable to separate accounts may be customized by each separate account client.

Item 5 Fees and Compensation

Description

ICM receives fees from each of the Funds for the investment advisory services it provides. Advisory fees for certain Funds are expressed as a management fee and are based on a fraction of a percent of assets under management. ICM has agreed to cap the total amount of certain expenses of each of these Funds. For Funds that do not pay fees pursuant to the management fee/cap structure described in the previous sentences, ICM charges these Funds a set unitary fee, based on a fraction of a percent of assets under management (the “Unitary Fee Structure”). Please refer to the prospectus or statement of additional information of each Fund for a more detailed description of fees.

Each Commodity Pool is structured as a partnership and pays the Managing Owner a unitary fee, monthly in arrears, in an amount equal to a percentage per annum of the daily net asset value of the applicable pool. The management fee is paid in consideration of the Managing Owner’s commodity futures trading advisory services. Please see each Commodity Pool’s disclosure document for further details, including investment breakeven information.

Pursuant to the Unitary Fee Structure of the Funds and Commodity Pools, ICM is responsible for all fund expenses, including the cost of transfer agency, custody, fund administration, legal, audit and other services, except for distribution fees, if any, brokerage expenses, taxes, interest, litigation expenses and certain other extraordinary expenses.

The BTCO Trust will pay the Sponsor (ICM) a unified fee as compensation for services performed under the Trust Agreement, except for during periods during which the Sponsor Fee is being waived. The Sponsor has agreed to pay all of the Trust’s ordinary expenses out of the Sponsor’s unified fee, including, but not limited to, the Trustee’s fees, the fees of The Bank of New York Mellon (for its services as the Administrator, Transfer Agent, and Cash Custodian), the fees of the Bitcoin Custodian, the fees of the Execution Agent, Exchange listing fees, Securities and Exchange Commission (“SEC”) registration fees, printing and mailing costs, legal costs and audit fees. The Sponsor also paid the costs of the Trust’s organization.

ICM serves as sub-adviser to certain funds and separate accounts managed by affiliated investment advisers/investment managers, as well as an unaffiliated investment adviser, and shares management fees pursuant to the terms of applicable sub-advisory agreements.

Fee Billing

ICM does not bill the Funds and Commodity Pools, however, expenses for the management fee and unitary fee are accrued daily for each Fund/Commodity Pool. The fees are deducted from the assets of each Fund/Commodity Pool and disbursed to ICM on a monthly basis. The Annual Fund/Commodity Pool Operating Expenses, paid as a

percentage of assets, are deducted from the Fund/Commodity Pool's total assets on a daily basis.

Other Fees

Custodians charge transaction fees on purchases or sales of certain securities. These fees are charged to the Authorized Participants ("APs") and are not deducted from the assets of the Funds or Commodity Pools.

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

ICM does not charge performance-based fees.

Item 7 Types of Clients

Description

ICM serves as investment adviser to the Funds organized under the Trusts; Managing Owner, CPO and CTA to the Commodity Pools; sponsor to the QQQ and BTCO; sole member of the Sponsor to the CurrencyShares; and provides sub-advisory services for funds and separate accounts (which may include investors regulated under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA")) managed by affiliated entities (IIML, Invesco Canada, Invesco Advisers, IAMJ, ITC, Invesco Australia, and Invesco Singapore) and an unaffiliated adviser (LIAC).

Account Minimums

ICM does not maintain client accounts. Fund and Commodity Pool shares are not individually redeemable, and owners of the shares may acquire shares from a Fund/Commodity Pool and tender shares for redemption to the Fund/Commodity Pool in large blocks of shares only (called "Creation Units"), which may consist of between 10,000 and 200,000 shares through an AP.

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

Methods of Analysis

For ICM's Index-Based ETFs, Self-Indexed ETFs and certain separate accounts, the Adviser or an affiliated sub-adviser seeks to track the investment results, before fees and expenses, of an Underlying Index. For many of the Index-Based ETFs and certain Self-Indexed ETFs, ICM employs a "full replication" methodology, meaning the ETF generally invests in all of the securities comprising its Underlying Index in proportion to the weightings of the securities in the Underlying Index. However, under various circumstances, it may not be possible or practicable to purchase all of those securities in those same weightings. In those circumstances such ETFs may purchase a sample of securities in its Underlying Index. A "sampling" methodology means that ICM uses quantitative analysis to select securities from an Underlying Index universe to obtain a

representative sample of securities that have, in aggregate, investment characteristics similar to the Underlying Index in terms of key risk factors, performance attributes and other characteristics. Due to the practical difficulties and expense of purchasing all of the securities in the Underlying Index of certain Index-Based ETFs and Self-Indexed ETFs, ICM utilizes a sampling methodology as its primary approach in seeking to track such Underlying Indexes.

For the Commodity Pools, the Managing Owner pursues its investment objective by investing in a portfolio of exchange-traded futures on the commodities comprising its Commodity Index. The Managing Owner generally employs “full replication” techniques when attempting to track their respective Commodity Indexes.

For the BTCO, in seeking to achieve its investment objective, the Trust will hold bitcoin. The value of bitcoin held by the Trust is determined based on the estimated fair market value (“FMV”) price for bitcoin, reflecting the execution price of bitcoin on its principal market as determined each day by Lukka Inc., an independent third-party digital asset data company (the “Benchmark Provider”).

For the Actively Managed ETFs, the Adviser or affiliated sub-adviser does not seek to track the investment results of an Underlying Index but may use a quantitative rules-based investment strategy designed to provide returns that correspond to the performance of an index. Methods of security analysis employed may include proprietary stock screening, charting, fundamental analysis, technical analysis and credit analysis. Each Actively Managed ETF seeks a stated investment objective as described in the applicable Actively Managed ETF’s prospectus.

Certain Actively Managed ETFs employ a proprietary Environmental, Social, and corporate Governance (“ESG”) screening process on all investment opportunities. First, the Fund screens the issuers in the investment universe for exclusions, such as substantial involvement (i.e. generating more than 0-10% of the issuer’s revenue) in tobacco, alcohol, controversial and conventional weapons, recreational cannabis, extraction of thermal coal, extraction of fossil fuels from unconventional sources, and operations of private prisons. Issuers are also excluded based on their non-compliance with the United Nations Global Compact principals. Next, investment opportunities are evaluated on multiple ESG factors under each individual pillar of the ESG framework. The individual pillars include but are not limited to: environmental pillar (“E”) factors: natural resources, pollution and waste, supply chain impact, and environmental opportunities; social pillar (“S”) factors: workforce, community, product responsibility, and human rights; governance pillar (“G”) factors: management, shareholders, board of directors, auditors, regulatory issuers, corporate social responsibility strategy, anti- corruption, and business ethics. Each ESG pillar and investment opportunity are considered separately and neither weighs each pillar equally, nor consistently emphasizes one pillar over another.

Investment Strategies

The primary investment strategy for each Fund is stated in the applicable Fund’s registration statement, or investment management agreement for other client accounts.

Each Fund's prospectus may be viewed at www.invesco.com/ETFs or obtained for free by calling 800.983.0903.

Risk of Loss

Investing in securities involves risk of loss that ICM's clients should be prepared to bear. Investors should carefully consider investment objectives, risks, charges and expenses carefully before investing. Please see an individual Fund's prospectus for more complete information, which may be obtained at www.invesco.com/ETFs. Only a Fund's prospectus should be relied upon for a full explanation of all the risks associated with investing in a Fund. Broad risks generally faced by Fund investors include:

- **Active Trading Risk:** Active trading of portfolio securities may result in added expenses, a lower return and increased tax liability.
- **American Depositary Receipt ("ADR") and Global Depositary Receipt ("GDR") Risk:** ADRs are certificates that evidence ownership of shares of a foreign issuer and are alternatives to purchasing the underlying foreign securities directly in their national markets and currencies. GDRs are certificates issued by an international bank that generally are traded and denominated in the currencies of countries other than the home country of the issuer of the underlying shares. ADRs and GDRs may be subject to certain of the risks associated with direct investments in the securities of foreign companies, such as currency, political, economic and market risks, because their values depend on the performance of the non-dollar denominated underlying foreign securities. Moreover, ADRs and GDRs may not track the price of the underlying foreign securities on which they are based, and their value may change materially at times when U.S. markets are not open for trading.
- **Affiliated Index Provider Risk:** To the extent the Index Provider of an Underlying Index is an affiliated person of the Adviser, it may pose the appearance of a conflict of interest. For example, a potential conflict could arise between an affiliated person of the Index Provider or the Adviser and a Fund if that entity attempted to use information regarding changes and composition of an Underlying Index to the detriment of a Fund. Additionally, potential conflicts could arise with respect to the personal trading activity of personnel of the affiliated person who may have access to, or knowledge of, pending changes to an Underlying Index's composition methodology or the constituent securities in an Underlying Index prior to the time that information is publicly disseminated. If shared, such knowledge could facilitate "front- running" (which describes an instance in which other persons trade ahead of a Fund). Although the Adviser and the Index Provider have taken steps designed to ensure that these potential conflicts are mitigated (e.g., via the adoption of policies and procedures that are

designed to minimize potential conflicts of interest and the implementation of informational barriers designed to minimize the potential for the misuse of information about an Underlying Index), there can be no assurance that such measures will be successful.

- **Agency Debt Risk.** Some Funds may invest in debt issued by government agencies, including the Federal National Mortgage Association (“Fannie Mae”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac”). Instruments issued by government agencies generally are backed only by the general creditworthiness and reputation of the government agency issuing the instrument and are not backed by the full faith and credit of the U.S. government. As a result, there is uncertainty as to the current status of many obligations of Fannie Mae, Freddie Mac and other agencies that are placed under conservatorship of the federal government.
- **Anti-Takeover Provisions Risk.** The organizational documents of certain of the Underlying Funds include provisions that could limit the ability of other entities or persons to acquire control of the Underlying Fund or to change the composition of its board, which could limit the ability of shareholders to sell their shares at a premium over prevailing market prices by discouraging a third party from seeking to obtain control of the Underlying Fund.
- **Arbitrage Risk.** Unlike ETFs that publicly disclose their complete portfolio holdings each Business Day, a Fund provides certain other information intended to allow market participants to estimate the value of positions in fund shares. Although this information is designed to facilitate arbitrage opportunities in Shares to reduce bid/ask spread and minimize discounts or premiums between the market price and the NAV of the Shares, there is no guarantee a Fund’s arbitrage mechanism will operate as intended and that a Fund will not experience wide bid/ask spreads and/or large discounts or premiums to NAV. In addition, market participants may attempt to use the disclosed information to “reverse engineer” a Fund’s trading strategy, which, if successful, could increase opportunities for predatory trading practices that may have the potential to negatively impact a Fund’s performance.
- **Artificial Intelligence Companies Risk.** A Fund may invest in companies that are involved in various aspects of AI technology and, as such, is particularly sensitive to risks of those types of companies. These risks include, but are not limited to, small or limited markets for such securities, changes in business cycles, world economic growth, technological progress, rapid obsolescence, and government regulation. Such companies may have limited product lines, markets, financial resources or personnel. Securities of such companies, especially smaller, start-up companies, tend to be more volatile than securities of companies that do not rely heavily on technology. Rapid change to technologies that affect a company’s products could have a material

adverse effect on such company's operating results. Companies that are extensively involved in AI technology also may rely heavily on a combination of patents, copyrights, trademarks and trade secret laws to establish and protect their proprietary rights in their products and technologies. There can be no assurance that the steps taken by these companies to protect their proprietary rights will be adequate to prevent the misappropriation of their technology or that competitors will not independently develop technologies that are substantially equivalent or superior to such companies' technology. Such companies may engage in significant amounts of spending on research and development, and there is no guarantee that the products or services produced by these companies will be successful.

- **AP Concentration Risk:** Only APs may engage in creation or redemption transactions directly with a Fund. A Fund has a limited number of institutions that may act as APs, and such APs have no obligation to submit creation or redemption orders. Consequently, there is no assurance that APs will establish or maintain an active trading market for the Shares. This risk may be heightened to the extent that securities held by a Fund are traded outside a collateralized settlement system. In that case, APs may be required to post collateral on certain trades on an agency basis (i.e., on behalf of other market participants), which only a limited number of APs may be able to do. In addition, to the extent that APs exit the business or are unable to proceed with creation and/or redemption orders with respect to a Fund and no other AP is able to step forward to create or redeem Creation Units (as defined below), this may result in a significantly diminished trading market for Shares, and Shares may be more likely to trade at a premium or discount to a Fund's NAV and to face trading halts and/or delisting. Investments in non-U.S. securities, which may have lower trading volumes or could experience extended market closures or trading halts, may increase this risk that APs may not be able to effectively create or redeem Creation Units or the risk that the Shares may be halted and/or delisted.
- **Bank Loan Risk.** There are a number of risks associated with an investment in bank loans including credit risk, interest rate risk, liquidity risk, valuation risk and prepayment risk. Lack of an active trading market, restrictions on resale, irregular trading activity, wide bid/ask spreads and extended trade settlement periods may impair a Fund's ability to sell bank loans within its desired timeframe or at an acceptable price and its ability to accurately value existing and prospective investments. Extended trade settlement periods may result in cash not being immediately available to a Fund. As a result, a Fund may have to sell other investments or engage in borrowing transactions to raise cash to meet its obligations. The risk of holding bank loans is also directly tied to the risk of insolvency or bankruptcy of the issuing banks. These risks could cause a Fund to lose income or principal on a particular investment, which in turn could affect a Fund's returns. The value of

bank loans can be affected by and sensitive to changes in government regulation and to economic downturns in the United States and abroad. Bank loans generally are floating rate loans, which are subject to interest rate risk as the interest paid on the floating rate loans adjusts periodically based on changes in widely accepted reference rates.

- **Below Investment Grade Securities Risk.** Like bonds, preferred stocks are rated by credit agencies, and a Fund may invest in preferred stocks with ratings that are below investment grade. Such stocks may be considered speculative or junk. Compared to higher quality securities, the value of below investment grade preferred securities may fluctuate more in response to company, political, regulatory or economic developments, and their values can decline significantly over short periods of time or during periods of economic difficulty. Because preferred securities may be subordinated to bonds or other debt instruments in an issuer's capital structure, an investment in below investment grade preferred stocks may carry an even greater risk of loss relative to an investment in a bond in the event of an issuer's bankruptcy.
- **Beta Risk.** Beta investing entails investing in securities that are more volatile based on historical market index data. A Fund may be more volatile since it seeks to have exposure to the most volatile securities. Volatile stocks may be subject to sharp swings in value, and may change unpredictably, affecting the value of such equity securities and, consequently, the value of the Shares.
- **Blockchain Company Investments Risk.** Companies engaged in the development, enablement and acquisition of blockchain technologies are subject to a number of risks. Blockchain technology is new and many of its uses may be untested. The mechanics of using distributed ledger technology to transact in other types of assets, such as securities or derivatives, is less clear. There is no assurance that widespread adoption will occur. Furthermore, the development and acceptance of competing platforms or technologies may cause consumers or investors to use an alternative to blockchains. A lack of expansion in the usage of blockchain technology could adversely affect the underlying holdings of a Fund. Moreover, the extent to which companies held by a Fund utilize blockchain technology may vary, and it is possible that even widespread adoption of blockchain technology may not result in a material impact on the stock price of such companies. Furthermore, companies that are developing applications of blockchain technology applications may not in fact do so or may not be able to capitalize on those blockchain technologies. A proliferation of recent startups attempting to apply blockchain technology in different contexts means the possibility of conflicting intellectual property claims could be a risk to an issuer, its operations or its business. This could also pose a risk to blockchain platforms that permit transactions in digital securities. Regardless of the merit of any intellectual property or other legal action, any threatened

action that reduces confidence in the viability of blockchain may adversely affect an investment in the Fund. Additionally, blockchain technology is new, and as such may be subject to future laws or regulations. Any such regulatory changes affecting blockchain technology may adversely impact an investment in companies utilizing this technology. Transacting on a blockchain depends in part specifically on the use of cryptographic keys that are required to access a user's account (or "wallet"). The theft, loss or destruction of these keys impairs the value of ownership claims users have over the relevant assets being represented by the ledger (whether "smart contracts," securities, currency or other digital assets). The theft, loss or destruction of private or public keys needed to transact on a blockchain could also adversely affect a company's business or operations if it were dependent on the ledger. In addition, because blockchain functionality relies on the Internet, a significant disruption of Internet connectivity affecting large numbers of users or geographic areas could impede the functionality of blockchain technologies and adversely affect a Fund. In addition, certain features of blockchain technology, such as decentralization, open source protocol, and reliance on peer-to-peer connectivity, may increase the risk of fraud or cyber-attack by potentially reducing the likelihood of a coordinated response.

- **Business Development Company ("BDC") Risk.** There are certain risks inherent in investing in BDCs, whose principal business is to invest in, and lend capital or provide services to, privately held companies. The Investment Company Act of 1940, as amended (the "1940 Act"), imposes certain restraints upon the operations of a BDC. For example, BDCs are required to invest at least 70% of their total assets primarily in securities of private companies or thinly traded U.S. public companies, cash, cash equivalents, U.S. government securities and high-quality debt instruments that mature in one year or less. Generally, little public information exists for private and thinly traded companies, and there is a risk that investors may not be able to make a fully informed investment decision. With investments in debt instruments, there is a risk that the issuer may default on its payments or declare bankruptcy. Additionally, a BDC may incur indebtedness only in amounts such that the BDC's asset coverage equals at least 200% after such incurrence. These limitations on asset mix and leverage may prohibit the way that the BDC raises capital. BDCs generally invest in less mature private companies, which involve greater risk than well-established publicly traded companies. Investments made by BDCs generally are subject to legal and other restrictions on resale and otherwise are less liquid than publicly traded securities. The illiquidity of these investments may make it difficult to sell such investments if the need arises, and if there is a need for a BDC in which a Fund invests to liquidate its portfolio quickly, it may realize a loss on its investments. Investment advisers to BDCs may be entitled to compensation based on the BDC's performance,

which may result in riskier or more speculative investments in an effort to maximize incentive compensation and higher fees. In addition, to the extent that a Fund invests a portion of its assets in BDCs, a shareholder in a Fund not only will bear his or her proportionate share of the expenses of a Fund, but also will bear indirectly the expenses of the BDCs.

- **Call Risk:** If interest rates fall, it is possible that issuers of callable securities with high interest coupons will “call” (or prepay) their bonds before their maturity date. If an issuer exercises such a call during a period of declining interest rates, a Fund may have to replace such called security with a lower yielding security. If that were to happen, a Fund’s net investment income could fall.
- **Cash Transaction Risk:** Most ETFs generally make in-kind redemptions to avoid being taxed on gains on the distributed portfolio securities at the fund level. However, a Fund may also effect creations and redemptions principally for cash, rather than principally in-kind, due to the nature of a Fund’s investments. As such, a Fund may be required to sell portfolio securities to obtain the cash needed to distribute redemption proceeds. Therefore, a Fund may recognize a capital gain on these sales that might not have been incurred if a Fund had made a redemption in-kind. This may decrease the tax efficiency of a Fund compared to ETFs that utilize an in-kind redemption process and there may be a substantial difference in the after-tax rate of return between a Fund and conventional ETFs.
- **Changing Fixed-Income Market Conditions Risk:** Increases in the federal funds and equivalent foreign interest rates or other changes to monetary policy or regulatory actions may expose fixed-income markets to heightened volatility and reduced liquidity for certain fixed-income investments, particularly those with longer maturities. It is difficult to predict the impact of interest rate changes on various markets. In addition, decreases in fixed-income dealer market-making capacity may also potentially lead to heightened volatility and reduced liquidity in the fixed-income markets. As a result, the value of a Fund’s investments and share price may decline. Changes in central bank policies could also result in higher than normal redemptions by, which could also result in higher than normal redemptions by APs (as defined herein), which could potentially increase the Fund’s portfolio turnover rate and transaction costs
- **China Exposure Risk:** The value of securities of companies that derive the majority of their revenues from China is likely to be more volatile than that of other issuers. The economy of China differs, often unfavorably, from the U.S. economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, allocation of resources and capital reinvestment. The Chinese central government historically has exercised substantial control over virtually every sector of the Chinese economy through

administrative regulation and/or state ownership. Actions of the Chinese government authorities continue to have a substantial effect on economic conditions in China. It is difficult for non-Chinese investors to directly access securities in China because of investment and trading restrictions. These limitations and restrictions may impact the availability, liquidity, and pricing of certain securities by the Fund.

- **Climate Change Risk:** Clients may acquire investments that are located in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, the accounts may be vulnerable to the following: risks of property damage to the investments; indirect financial and operational impacts from disruptions to the operations of the investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Funds' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.
- **Clean Energy Companies Risk.** Renewable and alternative energy companies can be significantly affected by the following factors: obsolescence of existing technology, short product cycles, legislation resulting in more strict government regulations and enforcement policies, fluctuations in energy prices and supply and demand of alternative energy fuels, energy conservation, the success of exploration projects, the supply of and demand for oil and gas, world events and economic conditions. In addition, shares of clean energy companies have been significantly more volatile than shares of companies operating in other more established industries and such securities may

be subject to sharp price declines. The clean energy industry is relatively nascent in comparison to more established and mature sectors, and should therefore be regarded as having greater investment risk.

- **Clearing Broker Risk.** A Fund's investments in exchange-traded futures contracts expose it to the risks of a clearing broker (or a futures commission merchant ("FCM")). Under current regulations, a clearing broker or FCM maintains customers' assets in a bulk segregated account. There is a risk that Fund assets deposited with the clearing broker to serve as margin may be used to satisfy the broker's own obligations or the losses of the broker's other clients. In the event of default, the Fund could experience lengthy delays in recovering some or all of its assets and may not see any recovery at all.
- **Collateral Securities Risk.** Collateral may include obligations issued or guaranteed by the U.S. government, its agencies and instrumentalities, including bills, notes and bonds issued by the U.S. Treasury, money market funds and corporate debt securities, such as commercial paper. Although the Fund may hold securities that carry U.S. government guarantees, these guarantees do not extend to shares of a Fund. Money market funds are subject to management fees and other expenses. Therefore, investments in money market funds will cause the Fund to bear indirectly a proportional share of the fees and costs of the money market funds in which it invests. At the same time, a Fund will continue to pay its own management fees and expenses with respect to all of its assets, including any portion invested in the shares of the money market fund. It is possible to lose money by investing in money market funds. Corporate debt securities such as commercial paper generally are short-term unsecured promissory notes issued by businesses. Corporate debt may be rated investment-grade or below investment-grade and may carry variable, or floating, rates of interest. Corporate debt securities carry both credit risk and interest rate risk.
- **Credit risk** is the risk that a Fund could lose money if the issuer of a corporate debt security is unable to pay interest or repay principal when it is due. Some corporate debt securities that are rated below investment-grade generally are considered speculative because they present a greater risk of loss, including default, than higher quality debt securities.
- **Collateralized Debt Obligations Risk.** Investments in CDOs carry the same risks associated with investments in fixed income securities and asset backed securities. CDOs are often highly leveraged and the risks of investing in these instruments may be magnified depending on the class or "tranche" of the CDO securities, that vary in risk and yield. The nature of the risks of a CDO depends largely on the type and quality of the underlying collateral and the tranche of the CDO. In addition, certain CDOs may not hold their underlying collateral directly, but rather, use derivatives such as swaps to create "synthetic" exposure to the collateral

pool. Such CDOs entail the risks associated with derivative instruments.

- **Collateralized Loan Obligations (“CLO”) Risk** In addition to normal interest rate, default, credit, liquidity and other risks associated with investments in loans and fixed income securities generally, CLO securities carry additional risks associated with the CLO structure. For example, certain classes or “tranches” of CLO securities may be subordinate to other classes, collateral values may be volatile, and disputes with the issuer may produce unexpected investment results. CLOs issue classes or “tranches” of securities that vary in risk and yield. Losses caused by defaults on underlying assets are borne first by the holders of subordinate tranches. Accordingly, the degree of risk associated with CLO securities will generally correspond to the specific tranche in which a Fund invests. For example, CDOs that obtain their exposure through synthetic investments entail the risks associated with derivative instruments. **Commercial Paper Risk.** The value of a Fund’s investment in commercial paper, which is an unsecured promissory note that generally has a maturity date between one and 270 days and is issued by a U.S. or foreign entity, is susceptible to changes in the issuer’s financial condition or credit quality. Investments in commercial paper are usually discounted from their value at maturity. Commercial paper can be fixed-rate or variable rate and can be adversely affected by changes in interest rates.
- **Commodity Pool Risk:** A Fund’s investments in futures contracts may cause it to be deemed a commodity pool, thereby subjecting a Fund to regulation under the Commodity Exchange Act and Commodity Futures Trading Commission (“CFTC”) rules. The Adviser is registered as a commodity pool operator (“CPO”) and as a commodity trading advisor (“CTA”), and will manage a Fund in accordance with CFTC rules, as well as the rules that apply to registered investment companies. Registration as a CPO or CTA subjects the Adviser to additional laws, regulations and enforcement policies, which could increase compliance costs and may affect the operations and financial performance of a Fund. Registration as a commodity pool may have negative effects on the ability of a Fund to engage in its planned investment program. Additionally, positions in futures contracts may have to be liquidated at disadvantageous times or prices to prevent a Fund from exceeding any applicable position limits established by the CFTC. Such actions may subject a Fund to substantial losses.
- **Commodity -Linked Derivative Risk.** Investments linked to the prices of commodities may be considered speculative. A fund’s significant investment exposure to commodities may subject the fund to greater volatility than investments in traditional securities. Volatility is defined as the characteristic of an asset, an index or a market to fluctuate significantly in price within a short time period. Therefore, the value of such instruments may be volatile and fluctuate widely based on a variety

of macroeconomic factors or commodity-specific factors. At times, price fluctuations may be quick and significant and may not correlate to price movements in other asset classes, such as stocks, bonds and cash.

- **Commodity-Linked Notes Risk.** Commodity-linked notes have characteristics of both a debt security and a derivative; typically, they are issued by a bank at a specified face value and pay a fixed or floating rate linked to the performance of an underlying asset, such as commodity indices, particular commodities or commodity futures contracts. As such, a Fund faces the economic risk of movements in commodity prices by investing in such notes. These notes also are subject to credit, market and interest rate risks that in general affect the values of debt securities. In addition, these notes may be leveraged, increasing the volatility of each note's market value relative to changes in the underlying commodity, commodity futures contract or commodity index; as a result, at the maturity of the note, a Fund may receive more or less principal than it originally invested.
- **Concentration Risk.** A Fund may be susceptible to an increased risk of loss, including losses due to adverse occurrences affecting a Fund more than the market as a whole, to the extent that a Fund's investments are concentrated in the securities of a particular issuer or issuers, sector or asset class.
- **Convertible Securities Risk.** Convertible securities are subject to the risks of both debt securities and equity securities. As with other equity securities, the value of a convertible security tends to increase as the price of the underlying stock goes up, and to decrease as the price of the underlying stock goes down. Declining common stock values therefore also may cause the value of a Fund's investments to decline. Like a debt security, a convertible security provides a fixed income stream and also tends to decrease in value when interest rates rise. Moreover, many convertible securities have credit ratings that are below investment grade and are subject to the same risks as lower-rated debt securities, which are considered to have more speculative characteristics and greater susceptibility to default or decline in market value than investment grade (or higher-rated) securities.
- **Counterparty Risk.** Certain fund's investments in derivatives (such as swaps and forward contracts) may involve counterparties, which subjects the fund to counterparty risk. Counterparty risk is the risk that the other party in an agreement or a participant to a transaction, such as a swap counterparty, might default on a contract or fail to perform by not paying amounts due or fulfilling the delivery conditions of the contract or transaction. In that event, the fund will have contractual remedies pursuant to the agreements related to the transaction. However, the fund could experience lengthy delays in recovering its assets and may not receive any recovery at all. Further, there is a risk that no suitable counterparties will be willing to enter into,

or continue to enter into, transactions with the fund, which may cause the fund to experience difficulty in purchasing or selling these instruments in a timely manner.

- **Credit Risk:** The issuer of instruments in which a Fund invests may be unable to meet interest and/or principal payments. An issuer's securities may decrease in value if its financial strength weakens, which may reduce its credit rating and possibly its ability to meet its contractual obligations. Even in the case of collateralized debt obligations, there is no assurance that the sale of collateral would raise enough cash to satisfy an issuer's payment obligations or that the collateral can or will be liquidated.
- **Cryptocurrency Futures Contracts Risk.** Futures on bitcoin or other cryptocurrencies expose a Fund to all of the risks related to cryptocurrencies discussed herein, and also expose a Fund to risks specific to cryptocurrency futures contracts. Regulatory changes or actions may alter the nature of an investment in cryptocurrency futures or restrict the use of a cryptocurrency or the operations of the cryptocurrency network or exchanges on which cryptocurrency trades in a manner that adversely affects the price of cryptocurrency futures and could adversely impact a Fund and necessitate the payment of large daily variation margin payments to settle a Fund's losses. A Fund's investment in cryptocurrency futures may involve illiquidity risk, as cryptocurrency futures are not as heavily traded as other futures given that the cryptocurrency futures market is relatively new. In addition, exchanges on which cryptocurrency futures are traded and their related clearinghouses and a Fund's futures clearing merchants may require a Fund to maintain relatively high levels of initial margin at the clearinghouse and futures commission merchant in connection with such futures. Initial margin requirements may increase if a Fund's cryptocurrency futures investments increase in value.
- **Cryptocurrency Risk.** Cryptocurrencies (also referred to as "virtual currencies" and "digital currencies") are digital assets designed to act as a medium of exchange. Although cryptocurrency is an emerging asset class, there are thousands of cryptocurrencies. While a Fund may not invest directly in cryptocurrencies, the value of a Fund's investments in cryptocurrency-linked assets (including private investment trusts and ETPs) is subject to fluctuations in the value of the cryptocurrency, which have been and may in the future be highly volatile. The value of cryptocurrencies is determined by the supply and demand for cryptocurrency in the global market for the trading of cryptocurrency, which consists primarily of transactions on electronic exchanges. The price of a digital currency could drop precipitously (including to zero) for a variety of reasons, including, but not limited to, regulatory changes, a crisis of confidence, flaw or operational issue in a digital currency network or a change in user preference to competing cryptocurrencies.

Cryptocurrency is a new technological innovation with a limited history; it is a highly speculative asset, and a Fund's exposure to cryptocurrency-linked assets could result in substantial losses to a Fund. Cryptocurrencies trade on exchanges, which are largely unregulated and, therefore, are more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. Cryptocurrency exchanges have in the past, and may in the future, cease operating temporarily or even permanently, resulting in the potential loss of users' cryptocurrency or other market disruptions. Cryptocurrency exchanges are more exposed to the risk of market manipulation than exchanges for traditional assets. Cryptocurrency exchanges that are regulated typically must comply with minimum net capital, cybersecurity, and anti-money laundering requirements, but are not typically required to protect customers or their markets to the same extent that regulated securities exchanges or futures exchanges are required to do so. Furthermore, many cryptocurrency exchanges lack certain safeguards established by traditional exchanges to enhance the stability of trading on the exchange, such as measures designed to prevent sudden drops in value of items traded on the exchange (i.e., "flash crashes"). As a result, the prices of cryptocurrencies on exchanges may be subject to larger and more frequent sudden declines than assets traded on traditional exchanges. In addition, cryptocurrency exchanges are also subject to the risk of cybersecurity threats and have been breached, resulting in the theft and/or loss of cryptocurrencies. A cyber or other security breach or a business failure of a cryptocurrency exchange or custodian may affect the price of a particular cryptocurrency or cryptocurrencies generally. A risk also exists with respect to malicious actors or previously unknown vulnerabilities, which may adversely affect the value of a digital currency. Currently, there is relatively limited use of cryptocurrency in the retail and commercial marketplace, which contributes to price volatility. A lack of expansion by cryptocurrencies into retail and commercial markets, or a contraction of such use, may result in increased volatility or a reduction in the value of cryptocurrencies, either of which could adversely impact a Fund's investment in cryptocurrency. In addition, to the extent market participants develop a preference for one cryptocurrency over another, the value of the less preferred cryptocurrency would likely be adversely affected.

- **Cryptocurrency Tax Risk.** Many significant aspects of the U.S. federal income tax treatment of investments in cryptocurrencies are uncertain and an investment in cryptocurrencies, even indirectly, may produce income that is not treated as qualifying income for purposes of the income test applicable to regulated investment companies, such as a Fund. Accordingly, to the extent a Fund invests in any cryptocurrency-linked assets (such as ETPs or private funds) that generate non-qualifying income, it intends to do so through the Subsidiary. Should the

IRS issue guidance, or Congress enact legislation, that adversely affects the tax treatment of a Fund's use of cryptocurrency-linked assets or the Subsidiary (which guidance might be applied to a Fund retroactively), it could, among other consequences, limit a Fund's ability to pursue its investment strategy.

- **Currency Risk:** Because each Fund's NAV is determined in U.S. dollars, a Fund's NAV could decline if the currency of the non-U.S. market in which a Fund invests depreciates against the U.S. dollar, even if the value of a Fund's holdings, measured in the foreign currency, increases. Generally, an increase in the value of the U.S. dollar against a foreign currency will reduce the value of a security denominated in that foreign currency, thereby decreasing a Fund's overall NAV. In addition, fluctuations in the exchange values of currencies could affect the economy or particular business operations of companies in a geographic region in which a Fund invests, causing an adverse impact on a Fund. As a result, investors have the potential for losses regardless of the length of time they intend to hold Shares
- **Custody and Banking Risks:** Client funds may be maintained with one or more banks or other depository institutions ("banking institutions"), which may include US and non-US banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions, whether or not holding client funds, may inhibit the ability of clients or others to access depository accounts or lines of credit at all or in a timely manner. In such or similar cases, investments may be delayed or forgone, or capital may be called when it is not desirable to do so, which could result in lower performance. In the event of such a failure of a banking institution, access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation (FDIC) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, clients may not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution's assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to client accounts or investments. One or more investors or a Fund's General Partner could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, a Fund's General Partner or similar party may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails.

- **Cybersecurity Risk:** With the increased use of technologies such as the Internet to conduct business, the Funds, like all companies, may be susceptible to operational and information security risks. Cybersecurity incidents involving the Funds or their service providers (including, without limitation, the Adviser, fund accountant, custodian, transfer agent and financial intermediaries), have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, impediments to trading, the inability of Fund shareholders to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. Similar adverse consequences could result from cybersecurity incidents affecting issuers of securities in which the Fund invests, counterparties with which the Fund engages, governmental and other regulatory authorities, exchanges and other financial market operators, banks, brokers, dealers, insurance companies, other financial institutions and other parties. The Funds and their shareholders could be negatively impacted as a result.
- **Cyclical Opportunities Risk.** At times, the Fund might seek to take advantage of short-term market movements or changes in the business cycle by investing in companies or industries that are sensitive to those changes. For example, when the economy is expanding, companies in consumer durables and the technology sector might benefit. There is a risk that if a cyclical event does not have the anticipated effect, or when the issuer or industry is out of phase in the business cycle, the value of the Fund's investment could fall.
- **Declining Yield Risk.** During the final year of a Fund's operations, as the bonds held by a Fund mature and a Fund's portfolio transitions to cash and cash equivalents, a Fund's yield will generally tend to move toward the yield of cash and cash equivalents and thus may be lower than the yields of the bonds previously held by a Fund and/or prevailing yields for bonds in the market.
- **Defaulted Securities Risk.** Defaulted securities involve the substantial risk that principal will not be repaid. Defaulted securities and any securities received in an exchange for such securities may be subject to restrictions on resale.
- **Deflation Risk.** Prices throughout the economy may decline over time, which may have an adverse effect on the market valuation of companies, their assets and revenues. In addition, deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Fund's portfolio.
- **Derivatives Risk:** Derivatives may pose risks in addition to and greater than those associated with investing directly in securities, currencies or

other investments, including risks relating to leverage, imperfect correlations with underlying investments or a Fund's other portfolio holdings, high price volatility, lack of availability, counterparty credit, liquidity, valuation and legal restrictions. Their use is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. Derivatives may be used to create synthetic exposure to an underlying asset or to hedge a portfolio risk. If a Fund uses derivatives to "hedge" a portfolio risk, the change in value of a derivative may not correlate as expected with the underlying asset being hedged, and it is possible that the hedge therefore may not succeed. If the Adviser is incorrect about its expectations of market conditions, the use of derivatives could also result in a loss, which in some cases may be unlimited. Some of the derivatives in which a Fund invests are traded (and privately negotiated) in the over-the-counter ("OTC") market. OTC derivatives are subject to heightened credit, liquidity and valuation risks. Certain risks also are specific to the derivatives in which a Fund invests. . Developments in Financial Markets Risk. Developments in recent years in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. Conditions in markets in the U.S. and abroad over the past few years have caused firms in the financial services sector to take significant losses. The economic conditions have resulted, and may continue to result, in an unusually high degree of volatility in the financial markets. Instability in the financial markets over the past several years has led governments and regulators around the world to take a number of unprecedented actions designed to support financial institutions and segments of the financial markets that have experienced extreme volatility, and in some cases a lack of liquidity. A significant decline in the value of a Fund's portfolio likely would result in a significant decline in the value of an investment in a Fund.

- Digital Asset Company Investments Risk. Companies engaged in the development, enablement and acquisition of digital assets and cryptocurrencies are subject to a number of risks. The technology relating to digital assets, including blockchain, is developing and the risks associated with digital assets may not fully emerge until the technology is widely used. Cryptocurrencies and blockchain technology are new and many of their uses may be untested. The mechanics of using distributed ledger technology to transact in other types of assets, such as securities or derivatives, is less clear. There is no assurance that widespread adoption will occur. Furthermore, the development and acceptance of competing platforms or technologies may cause consumers or investors to use an alternative to cryptocurrencies. A lack of expansion in the usage of cryptocurrencies could adversely affect an investment in a Fund. Currently, there are relatively few companies for which digital assets represents an attributable and significant revenue

stream. Therefore, the values of the companies included in the Underlying Index may not be a reflection of their connection to digital assets, but may be based on other business operations. Furthermore, companies that are developing applications of digital assets and cryptocurrencies may not in fact do so or may not be able to capitalize on those digital assets. Blockchain technology also may never be implemented to a scale that provides identifiable economic benefit to the companies included in the Underlying Index, which could adversely affect an investment in a Fund. A proliferation of recent startups attempting to apply blockchain technology in different contexts means the possibility of conflicting intellectual property claims could be a risk to an issuer, its operations or its business. This could also pose a risk to blockchain platforms that permit transactions in digital securities. Regardless of the merit of any intellectual property or other legal action, any threatened action that reduces confidence in the viability of blockchain and/or cryptocurrencies may adversely affect an investment in a Fund. There may be risks posed by the lack of regulation for digital assets and any future regulatory developments could affect the viability and expansion of the use of digital assets. Transacting on a blockchain depends in part specifically on the use of cryptographic keys that are required to access a user's account (or "wallet"). The theft, loss or destruction of these keys impairs the value of ownership claims users have over the relevant assets being represented by the ledger (whether "smart contracts," securities, currency or other digital assets). The theft, loss or destruction of private or public keys needed to transact on a blockchain could also adversely affect a company's business or operations if it were dependent on the ledger. In addition, because blockchain functionality relies on the Internet, a significant disruption of Internet connectivity affecting large numbers of users or geographic areas could impede the functionality of blockchain technologies and adversely affect a Fund. In addition, certain features of blockchain technology, such as decentralization, open source protocol, and reliance on peer-to-peer connectivity, may increase the risk of fraud or cyber-attack by potentially reducing the likelihood of a coordinated response.

- **Dividend Paying Security Risk:** As a group, securities that pay high dividends can fall out of favor with the market, causing such companies to underperform companies that do not pay high dividends. Also, changes in the dividend policies of the companies in the Underlying Index and the capital resources available for such companies' dividend payments may affect a Fund.
- **Dollar Roll Transaction Risk.** A Fund may enter into dollar roll transactions, in which the Fund sells a mortgage-backed or other security for settlement on one date and buys back a substantially similar security for settlement at a later date. Dollar rolls involve a risk of loss if the market value of the securities that a Fund is committed to buy

declines below the price of the securities a Fund has sold.

- **Emerging Markets Investment Risk:** Investments in the securities of issuers in emerging market countries involve risks often not associated with investments in the securities of issuers in developed countries. Securities in emerging markets may be subject to greater price fluctuations than securities in more developed markets. Companies in emerging market countries generally may be subject to less stringent financial reporting, accounting, auditing and recordkeeping standards than companies in more developed countries. In addition, information about such companies may be less available and reliable. Emerging markets usually are subject to greater market volatility, political, social and economic instability, uncertainty regarding the existence of trading markets and more governmental limitations on foreign investment than are more developed markets. Securities law in many emerging market countries is relatively new and unsettled. Therefore, laws regarding foreign investment in emerging market securities, securities regulation, title to securities, and shareholder rights may change quickly and unpredictably, and the ability to bring and enforce actions may be limited. In addition, the enforcement of systems of taxation at federal, regional and local levels in emerging market countries may be inconsistent and subject to sudden change. Investments in emerging markets securities may be subject to additional transaction costs, delays in settlement procedures, unexpected market closures, and lack of timely information. In addition, lack of relevant data and reliable public information about securities in emerging markets may contribute to incorrect weightings and data and computational errors when the Index Provider selects securities for inclusion in the Underlying Index or rebalances the Underlying Index.
- **Emerging Markets Sovereign Debt Risk.** Government obligors in emerging market countries are among the world's largest debtors to commercial banks, other governments, international financial organizations and other financial institutions. Historically, certain issuers of the government debt securities in which a Fund may invest have experienced substantial difficulties in meeting their external debt obligations, resulting in defaults on certain obligations and the restructuring of certain indebtedness. Such restructuring arrangements have included obtaining additional credit to finance outstanding obligations and the reduction and rescheduling of payments of interest and principal through the negotiation of new or amended credit agreements.
- **Equity Risk:** Equity risk is the risk that the value of equity securities, including common stocks, may fall due to both changes in general economic conditions that impact the market as a whole, as well as factors that directly relate to a specific company or its industry. Such general economic conditions include changes in interest rates, periods

of market turbulence or instability, or general and prolonged periods of economic decline and cyclical change. It is possible that a drop in the stock market may depress the price of most or all of the common stocks that a Fund holds. In addition, equity risk includes the risk that investor sentiment toward one or more industries will become negative, resulting in those investors exiting their investments in those industries, which could cause a reduction in the value of companies in those industries more broadly. The value of a company's common stock may fall solely because of factors, such as an increase in production costs, that negatively impact other companies in the same region, industry or sector of the market. A company's common stock also may decline significantly in price over a short period of time due to factors specific to that company, including decisions made by its management or lower demand for the company's products or services. For example, an adverse event, such as an unfavorable earnings report or the failure to make anticipated dividend payments, may depress the value of common stock.

- **ESG Investing Strategy Risk:** The stocks of companies with favorable ESG attributes may underperform the stock market as a whole. As a result, the Fund may underperform other funds that do not screen companies based on ESG attributes. The criteria used to select companies for investment may result in the Fund investing in securities, industries or sectors that underperform the market as a whole or underperform other funds screened for ESG standards.
- **Exchange-traded Note ("ETN").** ETNs are unsecured, unsubordinated debt securities of an issuer that are listed and traded on a domestic or foreign stock exchange. An ETN's returns generally are linked to the performance of a particular market benchmark or strategy minus applicable fees. ETNs do not provide principal protection and may or may not make periodic coupon payments. ETNs are subject to credit risk, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or strategy remaining unchanged. The value of an ETN also may be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying assets, changes in the applicable interest rates, changes in the issuer's credit rating, and economic, legal, political, or geographic events that affect the referenced underlying asset
- **Extension Risk.** Extension risk is the risk that repayments of fixed-income securities will occur more slowly than expected by the market. It typically occurs when interest rates rise. This may drive the prices of securities down because their interest rates are lower than the current interest rate and they have longer duration (resulting in increased sensitivity to interest rate changes).
- **Financial Institutions Risk.** Investments in financial institutions may be subject to certain risks, including, but not limited to, the risk of regulatory actions, changes in interest rates and concentration of loan portfolios in an industry or sector. Financial institutions are highly regulated and may suffer setbacks should regulatory rules and interpretations under which

they operate change. Likewise, there is a high level of competition among financial institutions, which could adversely affect the viability of an institution. In addition, certain financial institutions are undergoing numerous changes, including continuing consolidations, development of new products and structures and changes to their regulatory framework. The deterioration of the credit markets in recent years has caused an adverse impact on a broad range of financial markets, including mortgage, asset-backed, auction rate and other markets, thereby causing certain financial institutions to incur large losses. Certain financial institutions have experienced declines in the valuation of their assets and have even ceased operations.

- **Fixed-Income Securities Risk:** Fixed-income securities are subject to interest rate risk and credit risk. Interest rate risk refers to fluctuations in the value of a fixed-income security resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of most fixed-income securities go down. When the general level of interest rates goes down, the prices of most fixed-income securities go up. Fixed-income securities with longer maturities typically are more sensitive to changes in interest rates, making them more volatile than securities with shorter maturities. Credit risk refers to the possibility that the issuer of a security will be unable and/or unwilling to make timely interest payments and/or repay the principal on its debt. Debt instruments are subject to varying degrees of credit risk, which may be reflected in credit ratings. There is a possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may occur quickly and without advance warning following sudden market downturns or unexpected developments involving an issuer, and which may adversely affect the liquidity and value of the security.
- **Foreign Fixed-Income Investment Risk:** Investments in fixed-income securities of non-U.S. issuers are subject to the same risks as other debt securities, notably credit risk, market risk, interest rate risk and liquidity risk, while also facing risks beyond those associated with investments in U.S. securities including, among others, greater market volatility, the availability of less reliable financial information, higher transactional costs, taxation by foreign governments, decreased market liquidity and political instability. Foreign issuers are often subject to less stringent requirements regarding accounting, auditing, financial reporting and record keeping than are U.S. securities, and therefore, not all material information regarding these issuers will be available. Securities exchanges or foreign governments may adopt rules or regulations that may negatively impact a Fund's ability to invest in foreign securities or may prevent a Fund from repatriating its investments.
- **Foreign Investment Risk:** Investments in the securities of non-U.S. issuers involve risks beyond those associated with investments in U.S. securities. Foreign securities may have relatively low market liquidity,

greater market volatility, decreased publicly available information and less reliable financial information about issuers, and inconsistent and potentially less stringent accounting, auditing and financial reporting requirements and standards of practice, including recordkeeping standards, comparable to those applicable to domestic issuers.

Foreign securities also are subject to the risks of expropriation, nationalization, political instability or other adverse political or economic developments and the difficulty of enforcing obligations in other countries. Investments in foreign securities also may be subject to dividend withholding or confiscatory taxes, currency blockage and/or transfer restrictions and higher transactional costs. As a Fund will invest in securities denominated in foreign currencies, fluctuations in the value of the U.S. dollar relative to the values of other currencies may adversely affect investments in foreign securities and may negatively impact a Fund's returns.

- **Forward Contracts Risk.** Forward contracts are over-the-counter derivative transactions between the Fund and a counterparty to buy or sell a specified amount of an underlying investment at a specified price on a specified date in the future. The market for forward contracts is substantially unregulated and can experience lengthy periods of illiquidity or volatility. Forward contracts can increase the Fund's risk exposure to underlying investments and their attendant risks, such as credit risk, currency risk, market risk, and interest rate risk, while also exposing the Fund to counterparty risk, liquidity risk and valuation risk.
- **Fund of Funds Risk:** Because it invests primarily in other funds, a Fund's investment performance largely depends on the investment performance of the Underlying ETFs. An investment in a Fund is subject to the risks associated with the Underlying ETFs. In addition, at times, certain of the segments of the market represented by Underlying ETF's in which a Fund invests may be out of favor and underperform other segments. A Fund will indirectly pay a proportional share of the expenses of the Underlying ETFs in which it invests (including operating expenses and management fees), in addition to the fees and expenses it already will pay to the Adviser.
- **Futures Contracts Risk.** Risks of futures contracts include: (i) an imperfect correlation between the value of the futures contract and the underlying commodity or commodity index; (ii) possible lack of a liquid secondary market; (iii) the inability to close a futures contract when desired; (iv) losses caused by unanticipated market movements, which may be unlimited; (v) an obligation for a Fund to make daily cash payments to maintain its required margin, particularly at times when a Fund may have insufficient cash or must sell securities to meet those margin requirements; (vi) the possibility that a failure to close a position may result in a Fund receiving an illiquid commodity; and (vii) unfavorable execution prices from rapid selling. Unlike equities, which

typically entitle the holder to a continuing stake in a corporation, futures contracts normally specify a certain date for delivery of the underlying asset for settlement in cash based on the level of the underlying asset. As the futures contracts approach expiration, they may be replaced by similar contracts that have a later expiration. This process is referred to as “rolling.” If the market for these contracts is in “contango,” meaning that the prices of futures contracts in the nearer months are lower than the price of contracts in the distant months, the sale of the near-term month contract would be at a lower price than the longer-term contract, resulting in a cost to “roll” the futures contract. The actual realization of a potential roll cost will be dependent upon the difference in price of the near and distant contract. In addition, futures contracts may be subject to contractual or other restrictions on resale and may lack readily available markets for resale. .

- **Geographic Concentration Risk:** A Fund may from time to time have a substantial amount of its assets invested in securities of issuers located in a single country or a limited number of countries. Adverse economic, political or social conditions in those countries may therefore have a significant negative impact on a Fund’s investment performance. For example, a natural or other disaster could occur in a country or geographic region in which a Fund invests, which could affect the economy or particular business operations of companies in that specific country or geographic region and adversely impact a Fund’s investments in the affected region.
- **Growth Investing Risk.** The market values of “growth” securities may be more volatile than other types of investments. The returns on “growth” securities may or may not move in tandem with the returns on other styles of investing or the overall stock market. Growth securities typically invest a high portion of their earnings back into their business and may lack the dividend yield that could cushion their decline in a market downturn. Thus, the value of a Fund’s investments will vary and at times may be lower than that of other types of investments.
- **High Yield Securities (Junk Bond) Risk:** Compared to higher quality debt securities, high yield securities (commonly referred to as “junk bonds”) involve a greater risk of default or price changes due to changes in the credit quality of the issuer because they are generally unsecured and may be subordinated to other creditors’ claims. They are considered speculative with respect to the issuer’s capacity to pay interest and repay principal. In addition, high yield debt securities often are issued by smaller, less creditworthy companies or by highly leveraged (indebted) firms, which generally are less able than more financially stable firms to make scheduled payments of interest and principal. The values of junk bonds often fluctuate more in response to company, political, regulatory or economic developments than higher quality bonds, and their values can decline significantly over short periods of time or during periods of economic difficulty when the bonds could be difficult to value or sell at a fair price.

- **Income Risk.** A Fund's income may decline when interest rates fall because a Fund may hold a significant portion of short duration securities and/or securities that have floating or variable interest rates. To the extent that a Fund invests in lower yielding bonds, and as the bonds in its portfolio mature, the Fund needs to purchase additional bonds, thereby reducing a Fund's income.
- **Index Provider Risk:** A Fund seeks to track the investment results, before fees and expenses, of its Underlying Index, as published by the Index Provider. There is no assurance that the Index Provider will compile an Underlying Index accurately, or that an Underlying Index will be determined, composed or calculated accurately. While the Index Provider gives descriptions of what an Underlying Index is designed to achieve, the Index Provider generally does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in such indices, and it generally does not guarantee that an Underlying Index will be in line with its methodology. Errors made by the Index Provider with respect to the quality, accuracy and completeness of the data within an Underlying Index may occur from time to time and may not be identified and corrected by the Index Provider for a period of time, if at all. Therefore, gains, losses or costs associated with Index Provider errors will generally be borne by a Fund and its shareholders.
- **Index Rebalancing Risk:** Pursuant to the methodology that the Index Provider uses to calculate and maintain an Underlying Index, a security may be removed from a Fund's Underlying Index in the event that it does not comply with the eligibility requirements of the Underlying Index. As a result, a Fund may be forced to sell securities at inopportune times or for prices other than at current market values or may elect not to sell such securities on the day that they are removed from the Underlying Index, due to market conditions or otherwise. Due to these factors, the variation between a Fund's annual return and the return of its Underlying Index may increase significantly.

Apart from scheduled rebalances, the Index Provider may carry out additional ad hoc rebalances to an Underlying Index, for example, to correct an error in the selection of index constituents. When a Fund in turn rebalances its portfolio, any transaction costs and market exposure arising from such portfolio rebalancing will be borne by a Fund and its shareholders. Unscheduled rebalances also expose a Fund to additional tracking error risk. Therefore, errors and additional ad hoc rebalances carried out by the Index Provider may increase a Fund's costs and market exposure.

- **Index Risk:** Unlike many investment companies, many Funds do not utilize an investing strategy that seeks returns in excess of an Underlying Index. Therefore, a Fund would not necessarily buy or sell a security unless that security is added or removed, respectively, from its Underlying Index, even if that security generally is underperforming.

Additionally, a Fund rebalances its portfolio in accordance with its Underlying Index, and, therefore, any changes to the Underlying Index's rebalance schedule will result in corresponding changes to the Fund's rebalance schedule.

- **Industry Concentration Risk:** In following its methodology, the Underlying Index will be concentrated to a significant degree in securities of issuers operating in a single industry or industry group. As a result, a Fund will also concentrate its investments in such industries or industry groups to approximately the same extent. By concentrating its investments in an industry or industry group, a Fund faces more risks than if it were diversified broadly over numerous industries or industry groups. Such industry-based risks, any of which may adversely affect the companies in which a Fund invests, may include, but are not limited to, the following: general economic conditions or cyclical market patterns that could negatively affect supply and demand in a particular industry, competition for resources; adverse labor relations, political or world events, obsolescence of technologies, and increased competition or new product introductions that may affect the profitability or viability of companies in an industry. In addition, at times, such industry or industry group may be out of favor and underperform other industries or the market as a whole.
- **Inflation Risk:** The U.S. economy is currently in a period of high inflation. Investments could have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, an investment could earn more revenue but could incur higher expenses. As inflation declines, an investment might not be able to reduce expenses commensurate with any resulting reduction in revenue. Inflation may pose a risk to investors because it can reduce savings and investment returns. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Central banks, such as the U.S. Federal Reserve, generally attempt to control inflation by regulating the pace of economic activity. They typically attempt to affect economic activity by raising and lowering short-term interest rates. At times, governments may attempt to manage inflation through fiscal policy, such as by raising taxes or reducing spending, thereby reducing economic activity. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and a Client's investments may not keep pace with inflation, which may result in losses to the Client and its investors. If inflation continues to increase, the real value of investments could decline and the interest payments on a client's or fund's borrowing,

if any, may increase. There can be no assurance that a higher rate of inflation will not have a material adverse effect on investments.

- **Inflation-Linked Security Risk.** The value of inflation-linked securities generally will fluctuate in response to changes in real interest rates, generally decreasing when real interest rates rise and increasing when real interest rates fall. Real interest rates represent nominal (or stated) interest rates reduced by the expected impact of inflation. In addition, interest payments on inflation-indexed securities will generally vary up or down along with the rate of inflation.
- **Interest Rate Risk:** Interest rate risk refers to the risk that fixed-income securities prices generally fall as interest rates rise; conversely, fixed-income securities' prices generally rise as interest rates fall. Specific fixed-income securities differ in their sensitivity to changes in interest rates depending on their individual characteristics, including duration. "Duration risk" is related to interest rate risk; it refers to the risks associated with the sensitivity of a bond's price to a one percent change in interest rates. Fixed-income securities with longer durations (i.e., a greater length of time until they reach maturity) face greater duration risk, meaning that they tend to exhibit greater volatility and are more sensitive to changes in interest rates than fixed-income securities with shorter durations.
- **Investment Risk:** As with all investments, an investment in a Fund is subject to investment risk. Investors in a Fund could lose money, including the possible loss of the entire principal amount of an investment, over short or long periods of time.
- **Issuer-Specific Changes Risk:** The value of an individual security or particular type of security may be more volatile than the market as a whole and may perform differently from the value of the market as a whole.
- **Leverage Risk.** Leverage occurs when the Fund's market exposure exceeds the amounts invested. The Fund's exposure to derivatives and other investment techniques, such as short sales, can create a leveraging effect on the portfolio. This leverage will vary over time and may at times be significant. Engaging in transactions using leverage or those having a leveraging effect subjects the Fund to certain risks. Leverage can magnify the effect of any gains or losses, causing the Fund to be more volatile than if it had not used leverage. The Fund may have a substantial cash position due to margin and collateral requirements related to the Fund's use of derivatives, and to cover its positions in these investments due to the effects of leverage. Such margin and collateral requirements may limit the Fund's ability to take advantage of other investment opportunities, and the Fund also may have to sell or liquidate a portion of its assets at inopportune times to satisfy these requirements. This may negatively affect the Fund's

ability to achieve its investment objective. In addition, the Fund's assets that are used as collateral to secure these transactions may decrease in value while the positions are outstanding, which may force the Fund to use its other assets to increase collateral. The use of leverage is considered to be a speculative investment practice and may result in the loss of a substantial amount of the Fund's assets. There is no assurance that a leveraging strategy will be successful.

- **Liquidity Risk:** Liquidity risk exists when a particular investment is difficult to purchase or sell. If a Fund invests in illiquid securities or current portfolio securities become illiquid, it may reduce the returns of the Fund because the Fund may be unable to sell the illiquid securities at an advantageous time or price.
- **Management Risk:** A Fund is subject to management risk because it is an actively managed portfolio. In managing a Fund's portfolio holdings, the Adviser applies investment techniques and risk analyses in making investment decisions for a Fund, but there can be no guarantee that these will produce the desired results.
- **Market Disruption Risks Related to Armed Conflict.** As a result of increasingly interconnected global economies and financial markets, armed conflict between countries or in a geographic region, for example the current conflicts between Russia and Ukraine in Europe and Hamas and Israel in the Middle East, has the potential to adversely impact the Fund's investments. Such conflicts, and other corresponding events, have had, and could continue to have, severe negative effects on regional and global economic and financial markets, including increased volatility, reduced liquidity, and overall uncertainty. The negative impacts may be particularly acute in certain sectors. The timing and duration of such conflicts, resulting sanctions, related events and other implications cannot be predicted. The foregoing may result in a negative impact on Fund performance and the value of an investment in the Fund, even beyond any direct investment exposure the Fund may have to issuers located in or with significant exposure to an impacted country or geographic region.
- **Market Risk and Market Fluctuations:** Securities in the Underlying Index are subject to market fluctuations. You should anticipate that the value of the Shares will decline, more or less, in correlation with any decline in value of the securities in the Underlying Index. Additionally, natural or environmental disasters, widespread disease or other public health issues, war, acts of terrorism or other events could result in increased premiums or discounts to a Fund's NAV.
- **Market Trading Risk:** A Fund may face numerous market trading risks, including the potential lack of an active market for the Shares, losses from trading in secondary markets, and disruption in the

creation/redemption process of the Fund. In stressed market conditions, the market for Shares may become less liquid in response to deteriorating liquidity in the markets for the Fund's portfolio holdings, which may cause a variance in the market price of Shares and their underlying NAV. In addition, an exchange or market may issue trading halts on specific securities or financial instruments. As a result, the ability to trade certain securities or financial instruments may be restricted, which may disrupt a Fund's creation/redemption process, potentially affect the price at which Shares trade in the secondary market, and/or result in a Fund being unable to trade certain securities or financial instruments at all. In these circumstances, a Fund may be unable to rebalance its portfolio, may be unable to accurately price its investments and/or may incur substantial trading losses. Any of these factors may lead to the Shares trading at a premium or discount to a Fund's NAV.

- **Metals Sector Risk.** A fund may invest in Commodities Futures and Commodity-Related Assets that are linked to different types of commodities from the metals sector, and is subject to the risks inherent in the metals sector. Such risks may include, but are not limited to: general economic conditions or cyclical market patterns that could negatively affect supply and demand in a particular industry; changes in environmental conditions, energy conservation and environmental policies; competition for or depletion of resources; adverse labor relations; political or world events; increased regulatory burdens; changes in exchange rates; imposition of import controls; obsolescence of technologies; and increased competition or new product introductions. The performance of a fund in part is linked to the daily performance of the spot price of certain industrial metals, including iron ore, copper, aluminum, nickel and cobalt. Investments in metals may be highly volatile and can change quickly and unpredictably due to a number of factors, including the supply and demand of each metal, environmental or labor costs, political, legal, financial, accounting and tax matters and other events that the fund cannot control. In addition, changes in international monetary policies or economic and political conditions can affect the supply of metals, and consequently the value of metal investments. The United States or foreign governments may pass laws or regulations limiting metal investments for strategic or other policy reasons. Further, the principal supplies of metal industries may be concentrated in a small number of countries and regions. Consequently, the price of a metal held by a fund could decline, which would adversely affect the Fund's performance.
- **Momentum Investing Risk:** Momentum is the tendency of an investment to exhibit persistence in its relative performance; a "momentum" style of investing therefore emphasizes investing in securities that have had better recent performance compared to other securities, on the theory that these securities will continue to increase in value. Momentum investing is subject to the risk that the securities

may be more volatile than the market as a whole. High momentum may also be a sign that the securities' prices have peaked, and therefore the returns on securities that have previously exhibited price momentum may be less than returns on other styles of investing.

Momentum can turn quickly, and stocks that previously exhibited high momentum may not experience continued positive momentum. Certain Underlying ETFs may experience significant losses if momentum stops, reverses or otherwise behaves differently than predicted. In addition, there may be periods when the momentum style of investing is out of favor and therefore, the investment performance of such Underlying ETFs may suffer.

- **Mortgage- and Asset-Backed Securities Risk:** A Fund may invest in mortgage- and asset-backed securities (including commercial mortgage-backed securities), which are subject to call (prepayment) risk, reinvestment risk and extension risk. In addition, these securities are susceptible to an unexpectedly high rate of defaults on the mortgages held by a mortgage pool, which may adversely affect their value. The risk of such defaults depends on the quality of the mortgages underlying such security, the credit quality of its issuer or guarantor, and the nature and structure of its credit support. For example, the risk of default generally is higher in the case of mortgage pools that include subprime mortgages, which are loans made to borrowers with weakened credit histories or with lower capacity to make timely mortgage payments..
- **Municipal Insurance Risk.** A portion of the municipal securities that a Fund holds may be covered by insurance that guarantees the bond's scheduled payment of interest and repayment of principal. Municipal security insurance does not insure against market fluctuations or fluctuations in a Fund's share price. In addition, a municipal security insurance policy will not cover: (i) repayment of a municipal security before maturity (redemption), (ii) prepayment or payment of an acceleration premium (except for a mandatory sinking fund redemption) or any other provision of a bond indenture that advances the maturity of the bond, or (iii) nonpayment of principal or interest caused by negligence or bankruptcy of the paying agent. A mandatory sinking fund redemption may be a provision of a municipal security issue whereby part of the municipal security issue may be retired before maturity.
- **Municipal Securities Risk** Litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on the ability of an issuer of municipal securities to make payments of principal and/or interest. Political changes and uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders can significantly affect municipal securities. Because many securities are issued to finance similar projects, especially those relating to education,

health care, transportation and utilities, conditions in those sectors can affect the overall municipal market. In addition, changes in the financial condition of an individual municipal issuer can affect the overall municipal market. If the Internal Revenue Service (“IRS”) determines that an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could become taxable and the security could decline significantly in value.

- **Non-Correlation Risk:** A Fund’s return may not match the return of the Underlying Index for a number of reasons. For example, a Fund incurs operating expenses not applicable to the Underlying Index, and incurs costs in buying and selling securities, especially when rebalancing a Fund’s securities holdings to reflect changes in the composition of the Underlying Index. In addition, the performance of a Fund and the Underlying Index may vary due to asset valuation differences and differences between a Fund’s portfolio and the Underlying Index resulting from legal restrictions, costs or liquidity constraints.
- **Non-Diversified Fund Risk:** Because certain Funds are non-diversified and can invest a greater portion of assets in securities of individual issuers than a diversified fund, changes in the market value of a single investment could cause greater fluctuations in Share price than would occur in a diversified fund. This may increase a Fund’s volatility and cause the performance of a relatively small number of issuers to have a greater impact on a Fund’s performance.
- **Non-Investment Grade Securities Risk:** All or a significant portion of the loans in which a Fund will invest may be determined to be non-investment grade loans that are considered speculative. A Fund also may invest in junk bonds. Non-investment grade loans and bonds, and unrated loans and bonds of comparable credit quality are subject to the increased risk of a borrower’s or issuer’s inability to meet principal and interest payment obligations. These securities may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the non-investment grade securities markets generally, real or perceived adverse economic and competitive industry conditions and less secondary market liquidity. If the borrower of lower-rated loans or issuer of lower rated bonds defaults, a Fund may incur additional expenses to seek recovery.
- **Non-Transparent Actively Managed Fund Risk:** A Non-Transparent Actively Managed Fund (“NTA Fund”) publishes each Business Day on its website a “Tracking Basket,” which is designed to closely track the daily performance of the NTA Fund but is not the NTA Fund’s actual portfolio. The Tracking Basket is comprised of: (1) Strategy Components; (2) Representative ETFs; and (3) cash and cash equivalents. The NTA Fund also publishes each Business Day on its website the “Tracking Basket Weight Overlap,” which is the percentage weight overlap between the holdings of the prior Business Day’s

Tracking Basket compared to the holdings of the NTA Fund that formed the basis for the NTA Fund's calculation of NAV per share at the end of the prior Business Day. The Tracking Basket Weight Overlap is designed to provide investors with an understanding of how similar the Tracking Basket is to the NTA Fund's actual portfolio in percentage terms. Given the differences between the NTA Fund and ETFs that disclose their complete holdings daily, there is a risk that market prices of the NTA Fund may vary significantly from NAV, and that the Shares may trade at a wider bid/ask spread—and therefore cost investors more to trade—than shares of other ETFs. These risks are heightened during periods of market disruption or volatility.

- **Operational Risk:** A Fund is exposed to operational risks arising from a number of factors, including, but not limited to, human error, processing and communication errors, errors of a Fund's service providers, counterparties or other third-parties, failed or inadequate processes and technology or systems failures. A Fund and the investment adviser seek to reduce these operational risks through controls and procedures. However, these measures do not address every possible risk and may be inadequate to address these risks.
- **Options Risk.** Options or options on futures contracts give the holder of the option the right to buy (or to sell) a position in a security or in a contract to the writer of the option, at a certain price. They are subject to correlation risk because there may be an imperfect correlation between the options and the securities or contract markets that cause a given transaction to fail to achieve its objectives. The successful use of options depends on the Adviser's ability to predict correctly future price fluctuations and the degree of correlation between the options and securities or contract markets. Exchanges can limit the number of positions that can be held or controlled by a Fund or the Adviser, thus limiting the ability to implement a Fund's strategies. Options are also particularly subject to leverage risk and can be subject to liquidity risk.
- **Portfolio Turnover Risk:** A Fund may engage in frequent trading of its portfolio securities in connection with the rebalancing or adjustment of the Underlying Index. A portfolio turnover rate of 200%, for example, is equivalent to a Fund buying and selling all of its securities two times during the course of a year. A high portfolio turnover rate (such as 100% or more) could result in high brokerage costs for a Fund. While a high portfolio turnover rate can result in an increase in taxable capital gain distributions to a Fund's shareholders, the Fund will seek to utilize

the in-kind creation and redemption mechanism (described below) to minimize the realization of capital gains to the extent possible.

- **Preferred Securities Risk:** There are special risks associated with investing in preferred securities. Preferred securities may include provisions that permit the issuer, in its discretion, to defer or omit distributions for a certain period of time. If a Fund owns a security that is deferring or omitting its distributions, a Fund may be required to report the distribution on its tax returns, even though it may not have received any income. Further, preferred securities may lose substantial value due to the omission or deferment of dividend payments. Preferred securities may be less liquid than many other securities, such as common stocks, and generally offer no voting rights with respect to the issuer. Preferred securities also may be subordinated to bonds or other debt instruments in an issuer's capital structure, subjecting them to a greater risk of non-payment than more senior securities.
- **Prepayment Risk.** The ability of the borrower of a loan to repay principal prior to maturity can limit the potential for gains by the Fund. During periods of declining interest rates, the borrower of a loan may exercise its option to prepay principal earlier than scheduled, forcing the Underlying Index, and therefore the Fund, to replace such a loan with a lower-yielding loan. If interest rates are falling, the Fund may have to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund's income.
- **Privately Offered Cryptocurrency Trusts Risk.** In seeking to track the Underlying Index, a Fund may obtain investment exposure to cryptocurrencies indirectly through investments in GBTC. Shares of GBTC may trade at a premium or discount, may not directly correspond to the price of any digital currency, and are highly volatile. An investment in GBTC also exposes a Fund to all of the risks related to cryptocurrencies discussed herein and also exposes a Fund to risks specific to private investment vehicles and private funds generally, which may include, but are not limited to, liquidity risk, lack of a secondary market to trade securities, management risk, concentration risk and valuation risk. The securities of GBTC are not registered under the Securities Act, or any state securities laws, and therefore such and investment will not benefit from the protections and restrictions of such laws. A Fund will indirectly pay a proportional share of the expenses (including operating expenses and management fees) of GBTC, in addition to the fees and expenses a Fund already will pay to the Adviser. As a result, shareholders will absorb duplicate levels of fees with respect to a Fund's investments in GBTC.
- **Regional, Small and Medium Bank Risk.** Investing in securities of small and medium banks involves greater risk than customarily is associated with investing in larger, more established banks. Small and medium banks' securities may be more volatile and less liquid than those of more

established banks. These securities may have returns that vary, sometimes significantly, from the overall securities market. These banks also may be subject to extensive federal and state regulations and to severe price competition. Credit losses resulting from financial difficulties of borrowers can negatively impact these banks. The regional banking industry in which small and medium banks typically compete is highly competitive and failure to maintain or increase market share may result in the loss of market value. The marketing and expansion strategies of many regional banks may place a significant strain on their risk management, financial controls, operations systems, personnel and other resources. There can be no assurance that these banks will complete the necessary improvements to their systems, procedures and controls necessary to support their future operations or rapid growth. The performance of small and medium banks may be impacted by a number of factors, such as adverse economic or regulatory occurrences affecting small and medium banks, economic conditions of the region or depositor base that the bank serves, negative public perception and decreased liquidity in credit markets. To the extent that certain regulatory requirements are relaxed for small and medium banks, such banks could increase their overall risk profile, which may also result in greater overall risk in the banking industry and the financials sector in general.

- **REIT Risk:** REITs are pooled investment vehicles that trade like stocks and invest substantially all of their assets in real estate, and may qualify for special tax considerations. REITs are subject to certain risks inherent in the direct ownership of real estate, including without limitation, a possible lack of mortgage funds and associated interest rate risks, overbuilding, property vacancies, increases in property taxes and operating expenses, changes in zoning laws, losses due to environmental damages and changes in neighborhood values and appeal to purchasers. Further, failure of a company to qualify as a REIT under federal tax law may have adverse consequences to the REIT's shareholders. In addition, REITs may have expenses, including advisory and administration expenses, and REIT shareholders will incur a proportionate share of the underlying expenses
- **Reinvestment Risk.** Reinvestment risk is the risk that a fund will not be able to reinvest income or principal at the same return it is currently earning. Reinvestment risk is greater during periods of declining interest rates, as prepayments often occur faster. This may require the fund to reinvest the proceeds at an earlier date, and it may be able to do so only at lower yields, thereby reducing its return.
- **Rule 144A Securities** A Fund may invest in securities that are normally purchased or resold pursuant to Rule 144A under the Securities Act. Rule 144A securities are restricted securities that are not publicly traded. As such Rule 144A securities may be subject to legal restrictions on resale. Rule 144A securities are generally not traded on established

markets and may be illiquid, difficult to value and subject to wide fluctuations in value. Delay or difficulty in selling such securities may result in a loss to the Fund.

- **Sampling Risk:** A Fund's use of a representative sampling approach could result in it holding a smaller number of securities than are in its Underlying Index. As a result, an adverse development to an issuer of securities that a Fund holds could result in a greater decline in NAV than would be the case if a Fund held all of the securities in its Underlying Index. To the extent the assets in a Fund are smaller, these risks will be greater. In addition, by sampling the securities in the Underlying Index, a Fund faces the risk that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund's Underlying Index, thereby increasing tracking error.
- **Sector Focus Risk.** In pursuing its investment strategy, a Fund may invest to a significant degree in securities of issuers operating in a single sector. In so doing, a Fund may face more risks than if it were diversified broadly over numerous sectors. Such sector-based risks, any of which may adversely affect the companies in which a Fund invests, may include, but are not limited to, legislative or regulatory changes, adverse market conditions and/or increased competition within the sector. In addition, at times, such sector may be out of favor and underperform other sectors or the market as a whole. Information about a Fund's exposure to a particular sector will be available in the Fund's Annual and Semi-Annual Reports to shareholders, as well as on required forms filed with the SEC.
- **Securities Lending Risk:** Securities lending involves a risk of loss because the borrower may fail to return the securities in a timely manner or at all. If a Fund lends its securities and is unable to recover the securities loaned, it may sell the collateral and purchase a replacement security in the market. Lending securities entails a risk of loss to a Fund if and to the extent that the market value of the loaned securities increases and the collateral is not increased accordingly. Any cash received as collateral for loaned securities will be invested in an affiliated money market fund. This investment is subject to market appreciation or depreciation and a Fund will bear any loss on the investment of its cash collateral.
- **Senior Loans Risk:** Investments in senior loans typically are below investment grade and are considered speculative because of the credit risk of their issuers. Such companies are more likely to default on their payments of interest and principal owed, and such defaults could reduce a Fund's NAV and income distributions. In addition, a Fund may have to sell securities at lower prices than it otherwise would to meet cash needs or it may have to maintain a greater portion of its assets in cash equivalents than it otherwise would because of impairments and limited liquidity of the collateral supporting a senior loan, which could negatively affect a Fund's performance.

- **Short-Term and Intermediate-Term Bond Risk:** The amount of time until a fixed-income security matures can lead to various risks, including changes in interest rates over the life of a bond. Short- and intermediate-term fixed-income securities generally provide lower returns than longer-term fixed-income securities. The average maturity of a Fund's investments will affect the volatility of a Fund's share price.
- **Small- and Mid-Capitalization Company Risk:** Investing in securities of small- and mid-capitalization companies involves greater risk than customarily is associated with investing in larger, more established companies. These companies' securities may be more volatile and less liquid than those of more established companies. These securities may have returns that vary, sometimes significantly, from the overall securities market. Often small- and mid-capitalization companies and the industries in which they focus are still evolving and, as a result, they may be more sensitive to changing market conditions.
- **Sovereign and Quasi-Sovereign Debt Risk:** Investments in sovereign or quasi-sovereign debt securities involve special risks. Sovereign debt includes securities issued by or guaranteed by a foreign sovereign government, and quasi-sovereign debt includes securities issued by or guaranteed by an entity affiliated with or backed by a sovereign government. The governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to the extent of its foreign reserves; the availability of sufficient foreign exchange on the date a payment is due; the relative size of the debt service burden to the economy as a whole; or the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. If an issuer of sovereign debt defaults on payments of principal and/or interest, a Fund may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, and a Fund's ability to obtain recourse may be limited. Similar to other issuers, changes to the financial condition or credit rating of a government may cause the value of a sovereign debt obligation to decline. Quasi-sovereign debt obligations are typically less liquid and less standardized than sovereign debt obligations.
- **State-Specific and U.S. Territories' Concentration Risk.** The Fund will be less diversified geographically than a fund investing across many states and therefore has greater exposure to adverse economic and political changes in that state.
- **Structured Notes Risk.** Investments in structured notes involve risks including interest rate risk, credit risk and market risk. Interest rate risk refers to fluctuations in the value of a note resulting from changes in the

general level of interest rates. When the general level of interest rates goes up, the prices of notes tend to go down. Credit risk refers to the possibility that the issuer of a note will be unable and/or unwilling to make timely interest payments and/or repay the principal on its debt. Depending on the factors used, changes in interest rates and movement of such factors may cause significant price fluctuations. Structured notes may be less liquid than other types of securities and more volatile than the reference factor underlying the note. This means that a Fund may lose money if the issuer of the note defaults, as a Fund may not be able to readily close out its investment in such notes without incurring losses.

- **Subsidiary Investment Risk.** By investing in the Subsidiary, a Fund is indirectly exposed to the risks associated with the Subsidiary's investments. The Subsidiary is not registered under the Investment Company Act of 1940, as amended (the "1940 Act") / 1940 Act; therefore, a Fund will not receive all of the protections offered to investors in registered investment companies. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of a Fund and/or the Subsidiary to operate as intended, which may negatively affect a Fund and its shareholders.
- **Swap Agreements Risk.** Swap agreements are contracts entered into primarily by institutional investors for periods ranging from one day to more than one year and may be negotiated bilaterally and traded OTC between two parties or, in some instances, must be transacted through a futures commission merchant and cleared through a clearinghouse that serves as a central counterparty. Risks associated with the use of swap agreements are different from those associated with ordinary portfolio securities transactions, due to the fact they could be considered illiquid and many swaps trade on the OTC market. Swaps are particularly subject to counterparty credit, correlation, valuation, liquidity and leveraging risks. Certain standardized swaps are subject to mandatory central clearing. Central clearing is intended to reduce counterparty credit risk and increase liquidity, but central clearing does not make swap transactions risk-free.
- **Tax Risk:** For a fund to qualify as a regulated investment company ("RIC"), the fund must meet a qualifying income test each taxable year. Failure to comply with the qualifying income requirements would have significant negative tax consequences to fund shareholders, including the imposition of an entity-level tax on the fund, which would reduce the amount available for distribution to shareholders. Although a fund, through its investment in the Subsidiary, generally will seek to invest in derivative instruments that it believes generate qualifying income, the treatment of income from certain derivative instruments under the qualifying income requirements is not entirely clear. A fund will seek to limit its non-qualifying income so as to qualify as a RIC, and its investment in the Subsidiary is intended to provide exposure to

commodities in a manner consistent with the “qualifying income” requirement applicable to RICs. Accordingly, a Fund may invest in certain commodity-linked notes: (a) directly, relying on an opinion of counsel confirming that income from such investments should be qualifying income or (b) indirectly through the Subsidiary. Should the Internal Revenue Service (“IRS”) issue further guidance, or Congress enact legislation, that adversely affects the tax treatment of a Fund’s use of the Subsidiary (which guidance might be applied to a Fund retroactively), it could limit a Fund’s ability to pursue its investment strategy and the Fund might not qualify as a RIC for one or more years.

- **Taxable Municipal Securities Risk:** Litigation, legislation or other political events, local business or economic conditions or the bankruptcy of the issuer could have a significant effect on the ability of an issuer of municipal securities to make payments of principal and/or interest. Political changes and uncertainties in the municipal market related to taxation, legislative changes or the rights of municipal security holders can significantly affect municipal securities. Because many securities are issued to finance similar projects, especially those relating to education, health care, transportation and utilities, conditions in those sectors can affect the overall municipal market. In addition, changes in the financial condition of an individual municipal issuer can affect the overall municipal market.
- **Tracking Stock Risk:** Many of the risks of investing in common stock are applicable to tracking stock. Tracking stock is a separate class of common stock whose value is linked to a specific business unit or operating division within a larger company, and which is designed to “track” the performance of such business unit or division. Therefore, tracking stock may decline in value even if the common stock of the larger company increases in value. In addition, holders of tracking stock may not have the same rights as holders of the company’s common stock.
- **U.S. Government Obligation Risk:** U.S. Government securities include securities that are issued or guaranteed by the United States Treasury, by various agencies of the U.S. Government, or by various instrumentalities which have been established or sponsored by the U.S. Government. U.S. Treasury securities are backed by the “full faith and credit” of the United States, which may be negatively affected by an actual or threatened failure of the U.S. government to pay its obligations. Securities issued or guaranteed by federal agencies and U.S. Government-sponsored instrumentalities may or may not be backed by the full faith and credit of the United States. In the case of those U.S. Government securities not backed by the full faith and credit of the United States, the investor must look principally to the agency or instrumentality issuing or guaranteeing the security for ultimate repayment, and may not be able to assert a claim against the United

States itself in the event that the agency or instrumentality does not meet its commitment. The U.S. Government, its agencies and instrumentalities do not guarantee the market value of their securities, and consequently, the value of such securities may fluctuate.

- **Unrated Securities Risk.** The Sub-Adviser may internally assign ratings to securities that are not rated by any nationally recognized statistical rating organization, after assessing their credit quality and other factors, in categories similar to those of nationally recognized statistical rating organizations. There can be no assurance, nor is it intended, that the Sub-Adviser's credit analysis process is consistent or comparable with the credit analysis process used by a nationally recognized statistical rating organization. Unrated securities are considered "investment-grade" or "below-investment-grade" if judged by the Sub-Adviser to be comparable to rated investment-grade or below-investment-grade securities. The Sub-Adviser's rating does not constitute a guarantee of the credit quality. In addition, some unrated securities may not have an active trading market or may trade less actively than rated securities, which means that the Fund might have difficulty selling them promptly at an acceptable price.
- **Valuation Risk:** Financial information related to securities of non-U.S. issuers may be less reliable than information related to securities of U.S. issuers, which may make it difficult to obtain a current price for a non-U.S. security held by a Fund. In certain circumstances, market quotations may not be readily available for some Fund securities, and those securities may be fair valued. The value established for a security through fair valuation may be different from what would be produced if the security had been valued using market quotations. Fund securities that are valued using techniques other than market quotations, including "fair valued" securities, may be subject to greater fluctuations in their value from one day to the next than would be the case if market quotations were used. In addition, there is no assurance that a Fund could sell a portfolio security for the value established for it at any time, and it is possible that a Fund would incur a loss because a security is sold at a discount to its established value.
- **Valuation Time Risk:** Because foreign exchanges may be open on days when a Fund does not price its Shares, the value of the non-U.S. securities in a Fund's portfolio may change on days when you will not be able to purchase or sell your Shares. As a result, trading spreads and the resulting premium or discount on the Shares may widen, and, therefore, increase the difference between the market price of the Shares and a Fund's NAV of such Shares.
- **Value Investing Risk.** Value securities are subject to the risk that their valuations never improve or that the returns on value securities are less than returns on other styles of investing or the overall stock market. Thus, the value of the Fund's investments will vary and, at times, may

be lower than that of other types of investments.

- **Variable- and Floating-Rate Instruments Risk.** Securities with floating or variable interest rates can be less sensitive to interest rate changes than securities with fixed interest rates, but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities will not generally increase in value if interest rates decline. A decline in interest rates may result in a reduction of income received from floating rate securities held by the Fund and may adversely affect the value of the Fund's shares. Generally, floating rate securities carry lower yields than fixed notes of the same maturity.
- **When-Issued, Delayed Delivery and Forward Commitment Risk.** When-issued and delayed delivery transactions subject a Fund to market risk because the value or yield of a security at delivery may be more or less than the purchase price or yield generally available when delivery occurs, and counterparty risk because a Fund relies on the buyer or seller, as the case may be, to consummate the transaction. These transactions also have a leveraging effect on a Fund because a Fund commits to purchase securities that it does not have to pay for until a later date, which increases a Fund's overall investment exposure and, as a result, its volatility.

Item 9 Disciplinary Information

Securities and Futures Commission of Korea

In December 2022, The Securities and Futures Commission of Korea fined Invesco Capital Management LLC KRW 60 million (\$48,797.47 USD) for the violation of short sale restrictions on March 19, 2021. Invesco Capital Management LLC paid the fine on January 9, 2023.

Affiliate Disciplinary Information:

Federal Financial Supervisory Authority

On May 31, 2021, Invesco, the ultimate parent company of ICM, agreed to a settlement with the Federal Financial Supervisory Authority ("BaFin") in the amount of 260,000 Euros (approximately \$309,595 USD) for a matter related to ownership filings with the German regulator in relation to German listed companies. BaFin alleged Invesco and AIM international mutual funds failed to submit voting rights notifications to BaFin and issuers by the required deadline. BaFin issued a Notice of Hearing on July 30, 2020 to Invesco alleging that violations of the voting rights requirements occurred on 26 occasions related to the voting rights notifications of Invesco and on 28 occasions relating to the voting rights notifications of AIM international mutual funds between May 2019 and October 2019. Invesco paid the fine on June 30, 2021.

Item 10 Other Financial Industry Activities and Affiliations

Financial Industry Activities

ICM is a member of the NFA and is registered with the CFTC as a Commodity Pool Operator and Commodity Trading Advisor.

Invesco Affiliates

ICM is an indirect wholly owned subsidiary of Invesco. Invesco wholly owns other SEC registered investment advisers, all of whom are disclosed through ICM's Form ADV Part 1. Invesco Capital Markets, Inc. ("ICMI") and Invesco Distributors, Inc. ("IDI") are wholly owned subsidiaries of Invesco Advisers ("IAI"). 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"). Certain management persons of ICM are registered representatives of IDI and/or ICMI.

IAI is also an affiliated lending agent for ETFs participating in the securities lending program in accordance with, and in reliance upon, no-action letters issued by the SEC staff that provide guidance on how an affiliate may act as a direct lender and receive compensation for these services. There are potential conflicts of interest involved in the ETFs' use of IAI as an affiliated securities lending agent, including but not limited to: (i) IAI may have an incentive to increase or decrease the amount of securities on loan, lend particular securities, delay or forgo calling securities on loan, or lend securities to less creditworthy borrowers, in order to generate additional fees for IAI and its affiliates; and (ii) IAI may have an incentive to allocate loans to clients that would provide more fees to IAI. IAI seeks to mitigate these potential conflicts of interest by utilizing a lending methodology designed to provide its securities lending clients with equal lending opportunities over time and in accordance with policies, procedures and contractual obligations. In addition, any compensation paid to IAI as an affiliated lending agent is governed by SEC staff no-action relief.

IDI is the distributor of Creation Units for certain investment portfolios of the Exchange-Traded Fund Trusts, the Commodity Pools, QQQ and the CurrencyShares on an agency basis, and for certain unregistered offerings including money market funds.

ICMI introduces transactions on a fully disclosed basis for affiliated products including ICM's Funds. As introducing broker, ICMI trades equity securities solely on an agency basis and does not hold positions in these securities on behalf of the affiliated products. A third-party clearing firm provides custodial and clearing services to ICMI for these transactions.

As disclosed in Item 4, ISP is the Sponsor to the CurrencyShares and ICM serves as sole member of the Sponsor. The Adviser and the Sponsor share executive officers.

ITC, a Texas state trust company, is a wholly owned, indirect subsidiary of Invesco that serves as trustee and investment manager to Collective Trust Funds. ICM serves as an investment sub-adviser for certain Collective Trust Funds managed by ITC. In this role, ITC pays ICM sub-advisory fees out of its management fees.

The Funds may invest in money market funds that are managed by affiliates of ICM.

Affiliated Index Provider

Invesco, the parent of the Adviser, has created an index provider entity, Invesco Indexing, LLC ("Invesco Indexing"), which compiles and maintains indexes employed by various clients in different use cases. The Adviser manages ETFs and accounts that track or otherwise benchmark its performance against such indexes. Invesco Indexing is considered an affiliated index provider as ICM is the sole owner of Invesco Indexing. ICM and Invesco Indexing share executive officers. This relationship raises potential conflicts of interest for recommendations of the Adviser's ETFs or other products. The affiliated index provider will not provide recommendations to the Adviser regarding the purchase or sale of specific securities. In addition, the affiliated index provider will not provide any information to the Adviser relating to changes to an index's methodology for the inclusion of component securities, the inclusion or exclusion of specific component securities, or the methodology for the calculation or the return of component securities, in advance of a public announcement of such changes by the affiliated index provider. In order to manage potential conflicts of interest, ICM and Invesco Indexing have policies and procedures designed to prevent the undue influence of ICM in the operation of any index developed by Invesco Indexing. Among other matters, these policies and procedures provide for information barriers to restrict the sharing of confidential information (for example, from portfolio management and trading).

Massachusetts Mutual Life Insurance Company

On May 24, 2019 (the "Closing Date"), Invesco completed its acquisition of the Oppenheimer Funds investment management business from Massachusetts Mutual Life Insurance Company ("MassMutual"). In connection with this transaction, Invesco entered into a shareholder agreement (the "Shareholder Agreement") with MassMutual pursuant to which MassMutual will have a relationship with Invesco that is material to its advisory business. The Shareholder Agreement provides for the addition of one director selected by MassMutual to Invesco's board of directors (the "Board"). Invesco will continue to include MassMutual's designee in its slate of Board nominees, and will continue to recommend such nominee, and will otherwise use reasonable best efforts to solicit the vote of Invesco shareholders to elect to the Board the slate of nominees which includes the designee of MassMutual. MassMutual's board designation right will continue as long as it and its controlled affiliates beneficially own at least (i) 10% of the issued and outstanding common shares, \$0.20 par value per share, of Invesco (the "Common Stock") or (ii) 5% of the issued and outstanding shares of Common Stock and \$2 billion in aggregate liquidation preference of the 5.900% fixed rate non-cumulative perpetual series A preference shares, par value \$0.20 per share (the "Preferred Stock"). So long as MassMutual retains the right to designate a nominee to the Board, subject to certain exceptions, Invesco will not be permitted to increase the total number of directors comprising the Board to more than twelve persons without the prior approval of MassMutual's designee. The Shareholder Agreement requires that as long as MassMutual has the right to designate a nominee to the Board, and subject to certain exceptions, MassMutual and its controlled affiliates must vote their shares of Common Stock as recommended by the Board on all matters relating to (i) the election of directors, (ii) matters approved or recommended by the Compensation Committee of the Board,

and (iii) any change of control transaction that the Board (so long as it includes MassMutual's designee) has unanimously recommended in favor of or against, as applicable. Additionally, with certain exceptions, as long as MassMutual and its controlled affiliates beneficially own at least 20% of the issued and outstanding Common Stock, it will be required to vote on all matters as recommended by the Board. The Shareholder Agreement provides MassMutual with certain customary minority rights, including that as long as MassMutual has the right to designate a nominee to the Board, Invesco may not, without MassMutual's prior written approval, among other things: change its capital structure in a manner reasonably likely to result in a two-level (or greater) corporate ratings downgrade; amend its organizational documents in a manner that would adversely affect MassMutual's rights compared to Invesco shareholders generally; subject to certain exceptions, become party to acquisitions of any person or business involving the issuance of Invesco's capital stock constituting more than 10% of the total voting power of the Invesco's capital stock issued and outstanding immediately after completion of such acquisition; or adopt a shareholder rights plan. Subject to certain exceptions specified in the Shareholder Agreement, MassMutual is generally prohibited from transferring any of its shares of Common Stock until May 24, 2021 and shares of Preferred Stock until May 24, 2024. The Shareholder Agreement also contains customary standstill provisions, including that as long as MassMutual has the right to designate a nominee to the Board, it may not, without the Invesco consent, acquire additional shares that would cause it and its controlled affiliates to beneficially own Common Stock representing more than 22.5% (or 24.5% in certain circumstances) of the total voting power of the issued and outstanding shares of Common Stock, and that MassMutual may not, among other matters, propose any merger or similar transaction with Invesco or solicit proxies or take other actions to seek to control or influence the management or policies of Invesco. The Shareholder Agreement also contains customary registration rights requiring Invesco to register the offer and sale of Common Stock and Preferred Stock issued pursuant to the transaction agreements. While Invesco's relationship with MassMutual may give rise to potential conflicts of interests, ICM has policies and procedures in place to address and mitigate any conflicts of interests that may arise as a result of this ownership structure.

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

ICM and its affiliates have implemented firm wide policies and procedures, such as the Global Code of Conduct, Global Privacy, Global Insider Trading Policy, Gifts and Entertainment (aka Inducement Policies), Global Anti-Bribery and Anti-Corruption, all of which are designed to prevent and address conflicts of interest. These policies and procedures reflect the fiduciary principles that govern the conduct of ICM and its employees, some of those policies and procedures are listed below.

Code of Conduct

Invesco operates in a highly regulated and complex global environment. The Global Code of Conduct Policy (the "COC Policy") provides ICM and its employees with a clear statement of our ethical and cultural standards. First and foremost, Invesco serves our clients as fiduciaries. The COC Policy outlines Invesco's key principles, reporting and compliance with the COC Policy, and is meant to supplement Invesco's broader global compliance policies.

No less than annually employees are required to certify to the COC Policy and they are expected to abide both the letter and the spirit of the COC Policy.

Code of Ethics and Personal Trading

Invesco has adopted a written Code of Ethics and Personal Trading Policy (the "Code") pursuant to Rule 204A-1 under the Advisers Act and Rule 17j-1 under the 1940 Act. In conforming with those rules, the Code contains provisions for personal trading and reporting requirements that are designed to address and prevent potential conflicts of interest.

The Code applies to all Invesco employees and their immediate family members, who must pre-clear their personal securities transactions, report and certify to their holdings on a periodic basis. All employees are required to maintain personal accounts with an approved broker-dealer. The Code also includes additional pre-clearance provisions and restrictions for Investment Persons, whom may have incentive to favor products for which they may have a personal interest.

The Code also imposes restrictions on personal securities transactions, such as profiting from short-term trades, instituting blackout periods, restricting certain investment activities, such as participation in IPOs or limited offerings and insider trading.

Invesco also maintains and monitors a restricted list which is designed to avoid potential conflicts of interest or the appearance of an undue influence in the selection of investments.

Invesco has also established a violation and escalation procedure with respect to the Code which outlines what remedial actions should be taken in response to a violation,

including, but not limited to, sanctions such as suspension, compliance policy training or disgorgement of profits.

The Code is available to clients or prospective clients upon request.

Material Non-Public Information/Insider Trading

Invesco adopted a Global Insider Trading Policy, which was designed to detect and prevent Covered Persons (i.e., Directors, Officers, Employees including temporary employees, consultants and independent contractors) who may acquire confidential or material, non- public information pertaining to an issuer that may prevent or prohibit Invesco from providing investment advice to client accounts with respect to such issuer irrespective of a client account's investment objectives or guidelines. Covered Persons are prohibited from trading, either personally or on behalf of others on material non-public information or communicating material non-public information to others in violation of the law. Under this policy, there are restrictions that apply to certain transactions in Invesco's securities (e.g., short-sales or publicly traded options), and there are exemptions specific to certain transactions under Invesco sponsored plans (e.g., stock awards or direct stock purchases, ESPP, 401k and Dividend Reinvestment Plan). In connection with certain activities of Invesco, covered persons may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. Invesco will not be free to act upon any such information. Due to these restrictions, Invesco may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Outside Business Activities

All Invesco employees are subject to the Global Outside Business Activities policy which requires employees to obtain approval before engaging in any outside activity so Invesco has the opportunity to consider whether the activity creates an actual or potential conflict of interest.

Political Contributions

The Global Political Contributions Policy (the “PC Policy”) was established to comply with applicable U.S. federal, state and local regulations. Under the PC Policy, Invesco and its employees are prohibited from making or soliciting political contributions or engaging in political activities for the purpose of procuring and retaining business with U.S. government entities. Non-U.S. nationals are prohibited, as a matter of law, from making contributions to political candidates in U.S. federal, state and local elections. The PC Policy applies to all Invesco employees, the employee’s spouse and dependent children under the age of 26 who live at home and are eligible to vote in U.S. elections. All political contributions must be pre-cleared prior to making any political contribution, and employees are prohibited from making any political contributions on behalf of ICM or any of its affiliates.

Gifts and Entertainment

Invesco has adopted the U.S. Gifts and Entertainment Policy that is designed to (i) restrict and limit the giving or receiving of gifts, entertainment, or meals by personnel, and (ii) along with the Code, address or avoid any potential or actual conflicts of interest between personal interests of such personnel and clients. Occasionally, personnel participate in entertainment opportunities that are for legitimate business purposes, subject to the restrictions and limitations set forth in the U.S. Gifts and Entertainment Policy, and the Code.

Conflicts of Interest

ICM and its affiliates engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and provide transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a client will, from time to time, conflict with the interests of ICM, other clients, or their respective affiliates. Certain of these conflicts of interest, as well as a description of how these conflicts are addressed can be found below.

The material conflicts of interest encountered by a client include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a client. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts. Our policies and procedures are intended to identify these and other potential conflicts and to assure that in all instances, client interests come first.

Employee Co-investment Program and Other Employee Personal Investments

From time to time, ICM’s employees, officers or directors may be offered the opportunity to participate in a co-investment program alongside a client account.

ICM’s employees, officers or directors may also purchase securities in non-public transactions outside the context of co-investment programs. Thereafter, ICM and/or any other Invesco affiliate may recommend the purchase of publicly issued securities of the same issuers for their clients. In this event, the ICM employee, who made a personal investment in a non-public transaction of such issuer, will not participate in the

consideration of whether Invesco clients should invest in that issuer's securities. Such consideration will be subject to independent review by the firm's investment personnel having no personal investment in the issuer.

From time to time, certain employees of ICM and/or any other Invesco affiliates may invest in securities held by or deemed suitable for our clients if prior approval is obtained from the Compliance Department. Notwithstanding the foregoing, no prior approval is required of ICM employees to invest in other types of investments, including but not limited to, U.S. government securities, money market instruments, variable insurance products, currencies, commodities, open-end mutual funds and Unaffiliated ETFs. A "de minimis exemption" under the Code is available to employees if certain requirements have been met. Further, the blackout period restrictions shall not apply to purchases and sales of a Covered Security that comply with certain specifications (e.g., large market capitalization) as may be determined from time to time by the Compliance Department.

Trading for certain employee or client accounts may be restricted due to certain relationships with an actual or potential investee company. ICM maintains and monitors a restricted list for such situations which is designed to avoid potential conflicts of interest or the appearance of an undue influence in the selection of investments.

Our Approach to Potential Conflicts

Various parts of this brochure address potential conflicts of interest based on the Adviser's business. Therefore, Invesco takes steps to mitigate, or at least disclose, potential conflicts when they arise. Conflicts are generally mitigated through written policies and procedures that are developed to protect the interests of our clients. ICM and/or its affiliates, handles these conflicts by complying with the applicable laws, rules and regulations and internal policies and procedures. In addition, ICM and/or its affiliates review its policies and procedures on an ongoing basis to evaluate their effectiveness.

Item 12 Brokerage Practices

Selecting Brokerage Firms

The Adviser has entered into a Delegation Agreement (“Delegation Agreement”) with Invesco to delegate to the Invesco Global Trading Desk (“Trading Desk”) certain responsibilities and obligations with respect to placing orders with brokers on behalf of all funds and accounts for which the Adviser would otherwise be responsible. Under the terms of the Delegation Agreement, the Trading Desk has the ultimate responsibility for broker selection for all equity trades, and the Adviser oversees Invesco’s performance under the Delegation Agreement. The Trading Desk maintains a list of approved brokerage firms in accordance with Invesco’s Trading Policies and Procedures. Generally, trades in fixed-income securities are executed by ICM’s fixed-income portfolio managers. From time to time, trades in fixed-income securities are also executed by the Trading Desk. Trades for the Funds of the Commodity Trust and the Commodity Pools (except currency securities, which are also traded by the Global Trading Desk) are executed by a specific commodity trader, who, in accordance with the Adviser’s Independent Account Controller Policies and Procedures, is both physically and technologically separated from the commodity products managed by other affiliated entities of Invesco.

Invesco Advisers may use an affiliated broker, ICMI, to execute trades for the Funds and other accounts for whom Invesco Advisers has discretion to select broker dealers to execute transactions and to negotiate commissions with these broker dealers. ICMI is registered as a broker under the Securities Exchange Act of 1934, as amended, and is a member of FINRA. ICMI and Invesco Advisers are both indirect subsidiaries of Invesco and, as such, affiliates of ICM.

Invesco Advisers’ trading department will determine if trades should be sent to unaffiliated broker dealers, or to ICMI. Invesco Advisers will not use trades with ICMI to generate soft dollar credits. Invesco will only use the affiliated broker in circumstances where Invesco has received permission to send trades to the affiliated broker and has determined that it can provide the same or better execution than an unaffiliated broker. Transactions executed by ICMI on behalf of investment companies are effected in accordance with Rule 17e-1 under the 1940 Act, and procedures approved by the Trusts’ Board of Trustees.

Invesco Advisers will act in good faith and with due diligence in the selection, use and monitoring of such affiliates, subsidiaries and agents. Invesco Advisers is responsible for our obligations and for all actions of any affiliate, subsidiary, agent or third party to the same extent as Invesco Advisers is responsible for its own actions.

Best Execution

The Adviser seeks to obtain the most favorable prices and efficient execution for clients’ transactions. Best execution is determined differently for each of the three groups of accounts managed by the Adviser: equity accounts (both domestic and international

equity), including actively managed equity accounts that trade derivatives, fixed-income accounts and commodity accounts (Funds that are series of the Commodity Trust, as well as the Commodity Pools).

For equity accounts, the following factors are considered in seeking the most favorable price and execution: the order instruction, the price of the security, the size of the transaction in relation to the average volume, the nature of the market for the security, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker and the quality of the services rendered by the broker in other transactions.

For fixed-income accounts, a determination of best execution is harder to quantify since most securities are not executed through an exchange. When trading fixed-income securities, portfolio managers or traders take into account the price, yield, credit-rating, size and issuer. The process often includes soliciting bids from multiple brokers to ensure that the best possible execution is achieved.

For commodity accounts, best execution is largely determined by assessing execution and settlement quality on such transactions. Commissions and exchange fees are set by product, not by broker, so the basis for choosing a broker is based solely on the quality of execution and settlement.

The Adviser monitors trade execution, brokerage allocations and commissions of the Trading Desk through daily review by the Adviser's portfolio management team (under the overall direction of the lead portfolio manager). The Adviser participates in two brokerage committees, a committee for commodity related products, and Invesco's Americas Trading Oversight Committee for equity and fixed income trading activities (the "Brokerage Committees"). For the Commodity Trust and the Commodity Pools, the Adviser relies on specific exemptions to allow disaggregation between commodity investments at Invesco and commodity investments at ICM for the purpose of calculating position limits. Accordingly, the Adviser's brokerage committee for the Commodity Trust and Commodity Pools does not include Invesco traders.

The Brokerage Committees meet periodically to review reports constructed with trade-level data to monitor and maintain explicit and implicit transaction costs within expectation. The factors noted previously are considered when assessing best execution and determining broker performance. Additionally, the Adviser executes a portion of the Funds' rebalance trades through the in-kind process and monitors these trades for liquidity and price impact, though this is beyond the scope of the formal best execution analysis. Notwithstanding this fact, the Brokerage Committee will review reports (on a post-trade basis) with respect to the custom in-kind baskets used each quarter to determine whether such in-kind baskets are consistent with the Adviser's best execution obligations.

Soft Dollars

The Adviser does not currently participate in any soft dollar transactions, commission recapture or directed brokerage for trades executed on behalf of the Trusts or any other accounts to which it serves as adviser or sub-adviser.

An affiliated sub-adviser to one actively managed ETF may select brokers that are not affiliated with Invesco that provide brokerage and/or research services (i.e., “Soft Dollar Products”) to the ETF and/or the other accounts over which the sub-adviser and its affiliates have investment discretion. The services provided by the broker also must lawfully and appropriately assist the sub-adviser in the performance of its investment decision-making responsibilities. Accordingly, the ETF may pay broker commissions higher than those available from another broker in recognition of the broker’s provision of Soft Dollar Products to the sub-adviser or its affiliates.

Order Aggregation

If the purchase or sale of portfolio securities by more than one Fund or other accounts supervised by the Adviser, or in certain circumstances other accounts of Invesco whose trades are executed by the Trading Desk, are considered at or about the same time, transactions in such securities may be aggregated if such aggregation would be consistent with the Adviser’s trading policies and best execution obligations. Such aggregated trades are allocated in a pro rata manner across all accounts at an average price and commission rate. If there is a partial fill or de minimis fill, a pro rata allocation would also be applied.

Cross Trades

From time to time, ICM may effect securities transactions between the Funds (commonly known as cross trades) which take place for no consideration other than cash payment against prompt delivery of the security for which market quotations are readily available. In accordance with relevant procedures, cross trade transactions between certain series of the Trusts that undergo semi-annual reconstitutions are effected at the price provided by an independent pricing service. In accordance with relevant procedures, cross trade transactions of “NMS Stock” securities may be effected at the Official Closing Price of the security’s primary listing exchange when it is the last sales price that immediately precedes the transaction. Cross trades involving Funds registered under the Investment Company Act of 1940 are effected in accordance with Rule 17a-7 and relevant procedures approved by the Trusts’ Board of Trustees.

Item 13 Review of Accounts

Periodic Reviews

The Adviser's portfolio management team reviews all funds and accounts on a daily basis.

Review Triggers

Each fund and account is reviewed by the portfolio management team each day the New York Stock Exchange is open.

Regular Reports

ICM produces annual and semi-annual reports for each Fund based on the Fund's fiscal year end as required by the SEC. ICM produces quarterly and annual reports for the Commodity Pools as required by the SEC, CFTC and NFA. For the QQQ and CurrencyShares, annual reports are produced per SEC requirement.

Item 14 Client Referrals and Other Compensation

Incoming Referrals

ICM does not receive client referrals.

Referrals

ICM does not accept referral fees or any form of remuneration from other professionals.

Other Compensation

None.

Item 15 Custody

Account Statements

ICM does not serve as custodian for or maintain shareholder accounts; therefore, ICM does not generate account statements.

Performance Reports

Daily, monthly and quarterly performance information for each Fund, Commodity Pool, the QQQ, BTCO, and the CurrencyShares are posted to a public website maintained by affiliates of ICM.

Net Worth Statements

ICM does not maintain shareholder accounts; therefore, ICM does not generate net worth statements.

Item 16 Investment Discretion

Discretionary Authority for Trading

ICM accepts discretionary authority to manage securities accounts on behalf of all the accounts that it manages, except the QQQ, BTCO and CurrencyShares, whose assets are supervised on a non-discretionary basis. ICM has the authority to determine the securities to be bought or sold, and the amount of the securities to be bought or sold. However, for accounts that seek to track the investment results of an Underlying Index, the buying and selling of securities is done to track the investment results of the Underlying Index.

Limited Power of Attorney

ICM does not have a limited power of attorney.

Item 17 Voting Client Securities

Invesco has adopted a Policy Statement on Global Corporate Governance and Proxy Voting (the “Global Proxy Voting Policy” or “Policy”). The Policy, which Invesco believes describes policies and procedures reasonably designed to ensure proxy voting matters are conducted in the best interests of our clients.

The Policy sets forth the framework of Invesco’s corporate governance approach, broad philosophy and guiding principles that inform the proxy voting practices of Invesco’s investment teams around the world. Invesco’s good governance principles, governance structure and processes are designed to ensure that proxy votes are cast in accordance with clients’ best interests, including the Funds and their shareholders.

Invesco understands proxy voting is an integral aspect of the investment management services it provides to clients. As an investment adviser, Invesco has a fiduciary duty to act in the best interests of our clients. Where Invesco has been delegated the authority to vote proxies with respect to securities held in client portfolios, we exercise such authority in the manner we believe best serves the interests of our clients and their investment objectives. We recognize that proxy voting is an important tool that enables us to drive shareholder value. Our internal proxy voting guidelines are both principles and rules-based and cover topics that typically appear on voting ballots. Invesco’s portfolio management teams retain ultimate authority to vote proxies. Given the complexity of proxy issues across our clients’ holdings globally, our investment teams consider many factors when determining how to cast votes. We seek to evaluate and make voting decisions that favor proxy proposals and governance practices that, in our view, promote long-term shareholder value.

A copy of the Invesco Global Proxy Voting Policy is available on Invesco’s web site: <https://www.invesco.com/corporate/about-us/esg>. Invesco makes available its proxy voting

records publicly in compliance with regulatory requirements and industry best practices

in accordance with the U.S. Securities and Exchange Commission regulations, Invesco will file a record of all proxy voting activity for the prior 12 months ending June 30th for each U.S. registered fund. That filing is made on or before August 31st of each year and clients can obtain the Policy by calling Invesco's Client Services department at 1-800-959-4246.

Applicability of Policy

Invesco's portfolio management teams vote proxies on behalf of Invesco-sponsored funds and both fund and non-fund advisory clients that have explicitly granted Invesco authority in writing to vote proxies on their behalf. In the case of institutional or sub-advised clients, Invesco will vote the proxies in accordance with the Policy unless the client agreement specifies that the client retains the right to vote or has designated a named fiduciary to direct voting.

Where our passively managed strategies and certain other client accounts managed in accordance with fixed income, money market and index strategies (including exchange-traded funds) (referred to as "passively managed accounts") hold the same investments as our actively managed equity funds, voting decisions with respect to those accounts generally follow the voting decisions made by the largest active holder of the equity shares. Invesco refers to this approach as "Majority Voting." This process of Majority Voting seeks to ensure that our passively managed accounts benefit from the engagement and deep dialogue of our active investment teams, which Invesco believes benefits shareholders in passively managed accounts. Invesco will generally apply the majority holder's vote instruction to these passively managed accounts. Where securities are held only in passively managed accounts and not owned in our actively managed accounts, the proxy will be generally voted in line with this Policy and internal proxy voting guidelines. Notwithstanding the above, portfolio management teams of our passively managed accounts retain full discretion over proxy voting decisions and may determine it appropriate to individually evaluate a specific proxy proposal or override Majority Voting and vote the shares as they determine to be in the best interest of those accounts, absent certain types of conflicts of interest, which are discussed elsewhere in the Policy. To the extent our portfolio management teams believe a specific proxy proposal requires enhanced analysis or if it is not covered by the Policy or internal guidelines, our portfolio management teams will evaluate such proposal and execute the voting decision

Global Proxy Voting Operational Procedures

Invesco's global proxy voting operational procedures (the "Procedures") are in place to implement the provisions of the Policy . Invesco aims to vote all proxies where we have been granted voting authority in accordance with this Policy, as implemented by the Procedures outlined in this Section II. It is the responsibility of Invesco's Proxy Voting and Governance team to maintain and facilitate the review of the Procedures annually

Oversight and Governance

Oversight of the proxy voting process is provided by the Proxy Voting and Governance team and the Global Invesco Proxy Advisory Committee (“Global IPAC”). For some clients, third parties (e.g., U.S. fund boards) and internal sub-committees also provide oversight of the proxy voting process.

Guided by its philosophy that investment teams should manage proxy voting, Invesco has created the Global IPAC. The Global IPAC is an investments-driven committee comprised of representatives from various investment management teams globally and Invesco’s Global Head of ESG and is chaired by its Director of Proxy Voting and Governance. Representatives from Invesco’s Legal and Compliance, Risk and Government Affairs departments may also participate in Global IPAC meetings. The Global IPAC provides a forum for investment teams, in accordance with this Policy, to:

- monitor, understand and discuss key proxy issues and voting trends within the Invesco complex;
- assist Invesco in meeting regulatory obligations;
- review votes not aligned with our good governance principles; and
- consider conflicts of interest in the proxy voting process.

In fulfilling its responsibilities, the Global IPAC meets as necessary, but no less than semi-annually, and has the following responsibilities and functions: (i) acts as a key liaison between the Proxy Voting and Governance team and portfolio management teams to ensure compliance with this Policy; (ii) provides insight on market trends as it relates to stewardship practices; (iii) monitors proxy votes that present potential conflicts of interest; and (iv) reviews and provides input, at least annually, on this Policy and related internal procedures and recommends any changes to the Policy based on, but not limited to, Invesco’s experience, evolving industry practices, or developments in applicable laws or regulations. In addition, when necessary, the Global IPAC Conflict of Interest Sub-committee makes voting decisions on proxies that require an override of the Policy due to an actual or perceived conflict of interest; the Global IPAC reviews any such voting decisions.

Proxy Voting Process

At Invesco, investment teams execute voting decisions through our proprietary voting platform and are supported by the Proxy Voting and Governance team and a dedicated technology team. Invesco’s proprietary voting platform streamlines the proxy voting process by providing our global investment teams with direct access to proxy meeting materials including ballots, Invesco’s internal proxy voting guidelines and recommendations, as well as proxy research and vote recommendations issued by Proxy Service Providers (as such term is defined below). Votes executed on Invesco’s proprietary voting platform are transmitted to our proxy voting agent electronically and are then delivered to the respective designee for tabulation.

Invesco's Proxy Voting and Governance team monitors whether we have received proxy ballots for shareholder meetings in which we are entitled to vote. This involves coordination among various parties in the proxy voting ecosystem, such as our proxy voting agent, custodians and ballot distributors. If necessary, we may choose to escalate a matter to facilitate our ability to exercise our right to vote.

Our proprietary systems facilitate internal control and oversight of the voting process. To facilitate the casting of votes in an efficient manner, Invesco may choose to pre-populate and leverage the capabilities of these proprietary systems to automatically submit votes based on its internal proxy voting guidelines and in circumstances where Majority Voting, share blocking (as defined below) or proportional voting applies. If necessary, votes may be cast by Invesco or via the Proxy Service Providers Web platform at our direction.

Retention and Oversight of Proxy Service Providers

Invesco has retained two independent third party proxy voting service providers to provide proxy support globally: Institutional Shareholder Services Inc. ("ISS") and Glass Lewis ("GL"). In addition to ISS and GL, Invesco may retain certain local proxy service providers to access regionally specific research (collectively with ISS and GL, "Proxy Service Providers"). The services may include one or more of the following: providing a comprehensive analysis of each voting item and interpretations of each based on Invesco's internally developed proxy voting guidelines; and providing assistance with the administration of the proxy process and certain proxy voting-related functions, including, but not limited to, operational, reporting and recordkeeping services.

While Invesco may take into consideration the information and recommendations provided by the Proxy Service Providers, including based upon Invesco's internal proxy voting guidelines and recommendations provided to such Proxy Service Providers, Invesco's portfolio management teams retain full and independent discretion with respect to proxy voting decisions.

Updates to previously issued proxy research reports and recommendations may be provided to incorporate newly available information or additional disclosure provided by the issuer regarding a matter to be voted on, or to correct factual errors that may result in the issuance of revised proxy vote recommendations. Invesco's Proxy Voting and Governance team periodically monitors for these research alerts issued by Proxy Service Providers that are shared with our portfolio management teams.

Invesco performs extensive initial and ongoing due diligence on the Proxy Service Providers it engages globally. Invesco conducts annual due diligence meetings as part of its ongoing oversight of Proxy Service Providers. The topics included in these annual due diligence reviews include material changes in service levels, leadership and control, conflicts of interest, methodologies for formulating vote recommendations, operations, and research personnel, among other things. In addition, Invesco monitors and communicates with these firms throughout the year and monitors their compliance with Invesco's performance and policy standards.

As part of our annual policy development process, Invesco may engage with other external proxy and governance experts to understand market trends and developments. These meetings provide Invesco with an opportunity to assess the Proxy Service Providers' capabilities, conflicts of interest and service levels, as well as provide investment professionals with direct insight into the Proxy Service Providers' stances on key corporate governance and proxy topics and their policy framework/methodologies.

Invesco completes a review of the System and Organizational Controls ("SOC") Reports for Proxy Service Providers to confirm the related controls operated effectively to provide reasonable assurance.

Market and Operational Limitations

In the great majority of instances, Invesco will vote proxies. However, in certain circumstances, Invesco may refrain from voting where the economic or other opportunity costs of voting exceeds any benefit to clients. Moreover, ERISA fiduciaries, in voting proxies or exercising other shareholder rights, must not subordinate the economic interests of plan participants and beneficiaries to unrelated objectives. These matters are left to the discretion of the relevant portfolio manager. Such circumstances could include, for example:

- Certain countries impose temporary trading restrictions, a practice known as "share blocking." This means that once the shares have been voted, the shareholder does not have the ability to sell the shares for a certain period of time, usually until the day after the conclusion of the shareholder meeting. Invesco generally refrains from voting proxies at companies where share blocking applies. In some instances, Invesco may determine that the benefit to the client(s) of voting a specific proxy outweighs the client's temporary inability to sell the shares.
- Some companies require a representative to attend meetings in person to vote a proxy or submit additional documentation or the disclosure of beneficial owner details to vote. Invesco may determine that the costs of sending a representative, or submitting additional disclosures outweigh the benefit of voting a particular proxy.
- Invesco may not receive proxy materials from the relevant fund or client custodian with sufficient time and information to make an informed independent voting decision.
- Invesco held shares on the record date but has sold them prior to the meeting date.

In some non-U.S. jurisdictions, although Invesco uses reasonable efforts to vote a proxy, proxies may not be accepted or may be rejected due to changes in the agenda for a shareholder meeting for which Invesco does not have sufficient notice, due to a proxy voting service not being offered by the custodian in the local market or due to operational issues experienced by third parties involved in the process or by the issuer or sub-custodian. In addition, despite the best efforts of Invesco and its proxy voting agent, there may be instances where our votes may not be received or properly tabulated by an issuer or the issuer's agent. Invesco will generally endeavor to vote and maintain any paper

ballots received provided they are delivered in a timely manner ahead of the vote deadline.

Securities Lending

Invesco's funds may participate in a securities lending program with affiliated and unaffiliated lending agents. In circumstances where shares are on loan, the voting rights of those shares are transferred to the borrower. If the security in question is on loan as part of a securities lending program, Invesco may determine that the vote is material to the investment and therefore, the benefit to the client of voting a particular proxy outweighs the benefits of securities lending. In those instances, Invesco may determine to recall securities that are on loan prior to the meeting record date, so that we will be entitled to vote those shares. For example, for certain actively managed funds, the lending agent has standing instructions to systematically recall all securities on loan for Invesco to vote the proxies on those previously loaned shares. There may be instances where Invesco may be unable to recall shares or may choose not to recall shares. Such circumstances may include instances when Invesco does not receive timely notice of the meeting, or when Invesco deems the opportunity for a fund to generate securities lending revenue to outweigh the benefits of voting at a specific meeting. The relevant portfolio manager will make these determinations.

Conflicts of Interest

There may be occasions where voting proxies may present a perceived or actual conflict of interest between Invesco, as investment adviser, and one or more of Invesco's clients or vendors.

Firm-Level Conflicts of Interest

A conflict of interest may exist if Invesco has a material business relationship with either the company soliciting a proxy or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Such relationships may include, among others, a client relationship, serving as a vendor whose products/services are material or significant to Invesco, serving as a distributor of Invesco's products, or serving as a significant research provider or broker to Invesco.

Invesco identifies potential conflicts of interest based on a variety of factors, including but not limited to the materiality of the relationship between the issuer or its affiliates to Invesco.

Material firm-level conflicts of interests are identified by individuals and groups within Invesco globally based on criteria established by the Proxy Voting and Governance team. These criteria are monitored and updated periodically by the Proxy Voting and Governance team so up-to-date information is available when conducting conflicts checks. Operating procedures and associated governance are designed to seek to ensure conflicts of interest are appropriately considered ahead of voting proxies. The Global IPAC Conflict of Interest Sub-committee maintains oversight of the process. Companies identified as conflicted will be voted in line with the good governance principles as implemented by Invesco's internal proxy voting guidelines. To the extent a

portfolio manager disagrees with the Policy, Invesco's processes and procedures seek to ensure that justifications and rationales are fully documented and presented to the Global IPAC Conflict of Interest Sub-committee for approval by a majority vote.

As an additional safeguard, persons from Invesco's marketing, distribution and other customer-facing functions may not serve on the Global IPAC. For the avoidance of doubt, Invesco may not consider Invesco Ltd.'s pecuniary interest when voting proxies on behalf of clients. To avoid any appearance of a conflict of interest, Invesco will not vote proxies issued by Invesco Ltd. that are held in client accounts.

Personal Conflicts of Interest

A conflict also may exist where an Invesco employee has a known personal or business relationship with other proponents of proxy proposals, participants in proxy contests, corporate directors, or candidates for directorships. Under Invesco's Global Code of Conduct, Invesco entities and individuals must act in the best interests of clients and must avoid any situation that gives rise to an actual or perceived conflict of interest.

All Invesco personnel with proxy voting responsibilities are required to report any known personal or business conflicts of interest regarding proxy issues with which they are involved. In such instances, the individual(s) with the conflict will be excluded from the decision-making process relating to such issues.

Voting Funds of Funds

There may be conflicts that arise from Invesco voting on matters when shares of Invesco-sponsored funds are held by other Invesco funds or entities. The scenarios below set out how Invesco votes in these instances.

- When required by law or regulation, shares of an Invesco fund held by other Invesco funds will be voted in the same proportion as the votes of external shareholders of the underlying fund. If such proportional voting is not operationally possible, Invesco will not vote the shares.
- When required by law or regulation, shares of an unaffiliated registered fund held by one or more Invesco funds will be voted in the same proportion as the votes of external shareholders of the underlying fund. If such proportional voting is not operationally possible, Invesco will not vote the shares.
- For US funds of funds where proportional voting is not required by law or regulation, shares of Invesco funds will be voted in the same proportion as the votes of external shareholders of the underlying fund. If such proportional voting is not operationally possible, Invesco will vote in line with our internally developed voting guidelines.
- Non-US funds of funds will not be voted proportionally, Invesco will vote in

line with local policies as indicated in Exhibit A. If no local policies exist, Invesco will vote non-US funds of funds in line with the firm level conflicts of interest process described above.

- Where client accounts are invested directly in shares issued by Invesco affiliates and Invesco has proxy voting authority, shares will be voted proportionally in line with non-affiliated holders. If proportional voting is not possible, the shares will be voted in line with a Proxy Service Provider's recommendation.

Review of Policy

It is the responsibility of the Global IPAC to review this Policy and the internal proxy voting guidelines annually to consider whether any changes are warranted. The annual review seeks to ensure that they remain consistent with clients' best interests, regulatory requirements, , local markets and best practices. Further, the Policy and Invesco's internal proxy voting guidelines are reviewed at least annually by various departments within Invesco to seek to ensure that they remain consistent with Invesco's views on best practice in corporate governance and long-term investment stewardship.

Invesco's Good Governance Principles

Invesco's good governance principles outline its views on best practice in corporate governance and long-term investment stewardship. These principles have been developed by Invesco's global investment teams in collaboration with the Proxy Voting and Governance team and various departments internally. The broad philosophy and guiding principles in this section inform Invesco's approach to long-term investment stewardship and proxy voting. The principles and positions reflected in the Policy are designed to guide Invesco's investment professionals in voting proxies; they are not intended to be exhaustive or prescriptive.

Invesco's portfolio management teams retain full discretion on vote execution in the context of our good governance principles and internal proxy voting guidelines, except where otherwise specified in the Policy. The final voting decisions may consider the unique circumstances affecting companies, regional best practices and any dialogue we have had with company management. As a result, different management teams may vote differently on particular proxy votes for the same company. To the extent portfolio management teams choose to vote a proxy in a way that is not aligned with the good governance principles, such manager's rationales are fully documented.

When evaluating proxy issues and determining how to cast our votes, Invesco's portfolio management teams may engage with companies in advance of shareholder meetings, and throughout the year. These meetings can be joint efforts between our global investment professionals.

The principles apply to proxy voting with respect to operating companies. Invesco applies a separate approach to open-end and closed-end investment companies and unit investment trusts. Where appropriate, these guidelines may be supplemented by additional internal

guidance that considers regional variations in best practices, company disclosure and region-specific voting items. Invesco may vote on proposals not specifically addressed by these principles based on an evaluation of a proposal's likelihood to enhance long-term shareholder value.

Invesco's good governance principles may be reviewed in Invesco's Global Proxy Voting Policy, a copy of which is available on Invesco's web site: <https://www.invesco.com/corporate/about-us/esg>.

Item 18 Financial Information

Financial Condition

ICM does not have any financial impairment that would preclude the Adviser from meeting its contractual commitments. ICM does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance, this item is not applicable.