



Invesco Canada Ltd.

Firm Brochure

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Invesco Canada Ltd. If you have any questions about the contents of this brochure, please contact us at: (416) 228-8669 or by email at: daniela.nalli@invesco.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Invesco Canada Ltd. is available on the SEC's website at www.adviserinfo.sec.gov

January 14, 2016

Material Changes

Annual Update

The U.S. Securities and Exchange Commission (“SEC”) requires the registrants to disclose any material changes to be updated. The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The material changes since the last annual update dated March 26, 2015 are as follows:

- Update of executive officer’s list
- Changes to the investment leadership structure. There is one Chief Investment Officer with three Investment Heads
- Update to the Brokerage Practices as a result of an additional affiliate broker Invesco Capital Markets, Inc for US trades
- Update to the Risk of Loss and Other Financial Industry Activities and Affiliations sections as a result of the fund launch Invesco International Companies Fund

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (416) 228-8669 or by email at:

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4. Advisory Business

Firm Description, Principal Owner and Types of Advisory Services

Invesco Canada Ltd. carrying on business as Invesco Canada (“Invesco Canada”) is an Ontario (Canada) corporation that went through several corporate restructurings since 1981. Invesco Canada is an indirect wholly-owned subsidiary of Invesco Ltd. (the “Invesco Parent”). Invesco Canada is a direct wholly-owned subsidiary of Invesco Canada Holdings Inc. which is an indirect wholly-owned subsidiary of Invesco Parent.

Invesco Canada provides advisory services for equity and fixed-income investments, based on a bottom up fundamental analysis, without regard to index-based sector allocations. Invesco Canada’s advice is limited to certain types of investments.

Invesco Canada’s Canadian clients include regulated mutual funds, unregulated investment pools, other investment management companies, banks, insurance companies, trusts, estates, pensions, endowments, charities and corporations, provincial and or municipal government entities. Invesco Canada strives to place clients in regulated mutual funds or unregulated investment pools managed by it but may tailor its services through a separate account to suit investor needs. Invesco Canada provides advisory services to its affiliated US investment adviser.

All clients’ assets are managed on a discretionary basis. As at December 31, 2014, Invesco Canada manages approximately US\$ 25.2 billion for its Canadian clients and US\$ 3.1 billion for its affiliated US client.

5. Fees and Compensation

Description

Invesco Canada is compensated for its services by way of an asset-based fee. Attached as Appendix 1 is its fee schedule by mandate offered, setting forth the maximum fee that it charges. This fee may be negotiated by the client based on the account type, type of business, size of account, geographic location and other factors. This schedule does not include fees that Invesco Canada charges for Canadian retail mutual funds (“Canadian Funds”), which constitute the majority of its business, because it is also the manager of those funds and, therefore, the fee charged is a management and advisory fee, rather than an advisory fee alone. As such, those fees are, in all cases, higher than the attached fee schedule.

For Canadian Funds, fees are deducted from the account. For all other clients, fees are either deducted from the account or billed to the client and paid directly to Invesco Canada. In most cases, Invesco Canada’s clients prefer to be billed directly and to not have the amounts deducted from their account. Fees are billed either monthly or quarterly.

Invesco Canada charges fund operating expenses to the Canadian Funds on a cost recovery basis. Typically, Invesco Canada does not charge operating expenses to its other accounts, clients are instead charged a management

fee. However, clients are responsible for their own transaction costs including brokerage costs and spreads payable to derivative counterparties. For a discussion of its brokerage practices, please refer to section 12 – Brokerage Practices, of this form.

In no instances does Invesco Canada require that clients pay fees in advance. Further, no individual involved in portfolio management receives compensation based on the sale of securities or other investment products.

6. Performance-Based Fees

Invesco Canada does not use a performance-based fee structure.

7. Types of Clients

Description

Invesco Canada primarily provides investment advice to the Canadian Funds. In addition, Invesco Canada provides investment advice to investment companies, charitable organizations, pension plans, endowments, charities and corporations, banks, pooled investment vehicles, provincial or municipal government entities and insurance companies. Those clients can buy either an existing product or can have a separately managed account.

Account Minimums

Minimum investments in Canadian Funds range from \$500 to \$100,000, depending on the series of shares or units purchased.

For institutional clients who use an investment pool, a minimum purchase is typically \$1,000,000. This account minimum can be waived at Invesco Canada's discretion. For clients that enter into sub-advisory arrangements or obtain advice through separately managed accounts, minimums are established by the applicable Invesco investment team on such arrangement and can vary from one strategy to another. Our typical minimum for a separately managed account mandate is \$25 million.

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

Methods of Analysis

In the implementation of Invesco Canada's investment strategies, its portfolio management teams use a variety of methods of analysis and research including:

Idea Generation

1. Trimark equity team ("the team"): The single largest asset to the team's research effort is the team itself. The team's experience with companies acts as a primary source of ideas. The team's breadth of

experience, coupled with a common philosophy anchored on characteristics such as return on capital, quality, and long-term orientation offers a continuous, fertile breeding ground for investment ideas.

2. Screening: The team employs informal screening, seeking companies that have high return on invested capital, high free cash flow conversion and consistency of returns. Quantitative screening is applied on an ad hoc basis (often before a research trip to a certain country or region).
3. Research: As part of the team's research process, they may also visit company sites, plants, factories and attend investment conferences. When visiting company sites, the team engages with employees at all levels, as well as suppliers and customers. As a secondary source of ideas, the team selectively considers external research, most notably paid research, as a way of obtaining expert information in very specific or obscure areas. The team reads sell-side research to understand market expectations and any value-added insights which may help them in formulating their opinion of a company. However, they do not pay attention to company ratings or price targets, and they do not rely on sell-side research recommendations to make investment decisions.

Fundamental Analysis

The team conducts its own analysis of a potential investment, focused on (i) business quality, (ii) management quality and (iii) valuation analysis. This analysis has both qualitative and quantitative elements, the outcome of which is to develop a view on the long term growth prospects of the business, as well as a view of its intrinsic valuation. The team builds and maintains its own financial model on each company.

Portfolio Construction and risk management

There are three fundamental characteristics that define the team's portfolio construction process:

- Benchmark agnostic: To add value as active managers, one must look different than the benchmark. The team's focus is on stock selection, irrespective of whether it is on/off benchmark. Sector, country and cash allocations are strictly by-products of the bottom-up investment process.
- Concentrated/conviction: Portfolios typically hold between 30 and 50 businesses. True proprietary ideas are relatively rare and hard to find. As such the team wants to put meaningful weight behind our highest conviction ideas. In essence, a concentrated portfolio leads to fewer decisions, which provide more time and energy to make more informed patient decisions; which the team believes raises our batting average of success.

- Diversification: The portfolio is diversified by unique business ideas. A unique business idea is a proprietary thesis on why the team believes a company will grow in the future. The team believes sector diversification is insufficient, as there are businesses in different sectors that may have similar economic drivers. Instead the team seeks to avoid overexposure to any particular risk factor.

Investment Strategies

The team aims to protect and grow capital over the long term by consistently applying a bottom-up fundamental approach to invest in high quality, and well managed businesses that are believed to be undervalued based on their assessment of the businesses' long-term growth prospects.

To seek to generate "alpha" over the long term, which is defined as a full market cycle, the team applies a rigorous bottom-up investment approach to analyze the quality and value of individual companies to determine whether or not to invest in them. There is no attempt to mirror the composition of the portfolio benchmark indices.

The team looks for companies which, at the time of purchase, exhibit

- Sound growth potential and financial strength
- Strong management and leadership in their field
- Attractive valuations in relation to their intrinsic value

As part of a comprehensive assessment of a company's intrinsic value, the team uses a variety of valuation methods and will typically review a company's financial information, competitive position and future prospects. The team may also meet with the company's management and take into account general industry and economic trends. The team will then compare the intrinsic value that it has placed on the company against its current market price, and will consider investing when the market price is sufficiently lower than the value that the team has determined.

The team will typically sell a security under the following conditions: (a) where the price of the security increases to a level that the team considers to be at or near its intrinsic value, (b) where there are more attractive opportunities, or (c) where the original investment thesis for a company is no longer valid.

Risk of Loss

As with any account, loss of money is a risk of investing. The risks associated with the client account can increase during times of significant market volatility.

The specific risks associated with the primary investment strategies and the primary securities that Invesco Canada uses for the U.S. retail mutual funds that it sub-advises (the "U.S. Funds") may include:

- Cash/Cash Equivalents Risk. Holding cash or cash equivalents may negatively affect performance. To the extent the client account holds

cash or cash equivalents rather than securities in which it primarily invests or uses to manage risk, the client account may not achieve its investment objectives and may underperform.

- **Convertible Securities Risk.** The client account may own convertible securities. The values of convertible securities in which the client account may invest may be affected by market interest rates. The values of convertible securities also may be affected by the risk of actual issuer default on interest or principal payments and the value of the underlying stock. Additionally, an issuer may retain the right to buy back its convertible securities at a time and price unfavorable to the client account.
- **Currency risk.** If a client account buys a security denominated in a foreign currency, during the time that the client account owns that security, for the purposes of calculating the NAV of that client account, the value of the security is converted into U.S. dollars on a daily basis. Fluctuations in the value of the U.S. dollar relative to the foreign currency impact the NAV of the client account. If the value of the U.S. dollar has increased relative to the foreign currency, the return on the foreign security may be reduced, eliminated or made negative. The opposite can also occur; that is, a client account holding a security denominated in a foreign currency may benefit from an increase in the value of the foreign currency relative to the U.S. dollar. Some portfolio managers choose or are required to mitigate this risk by using derivatives to hedge the impact of foreign currency fluctuations. However, these derivative transactions may not be fully effective. Some foreign governments may restrict currency exchange. If we cannot exchange the currencies in which a client account is invested, the client account will be less liquid.
- **Debt Securities Risk.** The client account may invest a portion of its assets in debt securities such as notes and bonds. The values of debt securities and the income they generate may be affected by changing interest rates and by changes in their effective maturities and credit quality of these securities.
- **Depository Receipts Risk.** Depository receipts involve many of the same risks as those associated with direct investment in foreign securities. In addition, the underlying issuers of certain depository receipts, particularly unsponsored or unregistered depository receipts, are under no obligation to distribute shareholder communications to the holders of such receipts or to pass through to them any voting rights with respect to the deposited securities.
- **Derivatives Risk.** The value of a derivative instrument depends largely on (and is derived from) the value of an underlying security, currency, commodity, interest rate, index or other asset (each referred to as an underlying asset). In addition to risks relating to the underlying assets, the use of derivatives may include other, possibly greater, risks, including counterparty, leverage and liquidity risks. Counterparty risk is the risk that the counterparty to the derivative contract will default on its

obligation to pay the client account the amount owed or otherwise perform under the derivative contract. Derivatives create leverage risk because they do not require payment up front equal to the economic exposure created by owning the derivative. As a result, an adverse change in the value of the underlying asset could result in the client account sustaining a loss that is substantially greater than the amount invested in the derivative, which may make the client account's returns more volatile and increase the risk of loss. Derivative instruments may also be less liquid than more traditional investments and the client account may be unable to sell or close out its derivative positions at a desirable time or price. This risk may be more acute under adverse market conditions, during which the Client account may be most in need of liquidating its derivative positions. Derivatives may also be harder to value, less tax efficient and subject to changing government regulation that could impact the Client account's ability to use certain derivatives or their cost. Also, derivatives used for hedging or to gain or limit exposure to a particular market segment may not provide the expected benefits, particularly during adverse market conditions.

- **Developing/Emerging Markets Securities Risk.** The prices of securities issued by foreign companies and governments located in developing/emerging markets countries may be impacted by certain factors more than those in countries with mature economies. For example, developing/emerging markets countries may experience higher rates of inflation or sharply devalue their currencies against the U.S. dollar, thereby causing the value of investments issued by the government or companies located in those countries to decline. Governments in developing/emerging markets countries may be relatively less stable. The introduction of capital controls, withholding taxes, nationalization of private assets, expropriation, social unrest, or war may result in adverse volatility in the prices of securities or currencies. Other factors may include additional transaction costs, delays in settlement procedures, and lack of timely information.
- **Energy Industry Sector Risk.** Some client accounts will concentrate its investments in the securities of issuers engaged primarily in energy-related industries. The businesses in which the client account invests may be adversely affected by foreign, federal or state regulations governing energy production, distribution and sale as well as supply-and-demand for energy resources. Although individual security selection drives the performance of the client account, short-term fluctuations in energy prices may cause price fluctuations in its shares.
- **Equity risk.** Companies issue equities, or stocks, to help finance their operations and future growth. A company's operating results, financial strength, competitive position and prospects for future growth will have the most influence on its stock price over the long term. In addition, the economic environment in which the company operates will also impact stock prices. When the economy is expanding, the outlook for many companies will be positive and the value of their stocks should rise. The opposite is also true. In the short term, investor sentiment can

have a significant impact on stock prices as investors necessarily evaluate the uncertainty of a company's future value. The value of a client account is affected by changes in the prices of the stocks it holds. The risks and potential rewards are usually greater for small companies, newly public companies and companies in emerging markets. Investments that are convertible into equity may also be subject to interest rate risk.

- **Foreign Securities Risk.** The dollar value of a client account's foreign investments may be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded. The value of the client account's foreign investments may be adversely affected by political and social instability in their home countries, by changes in economic or taxation policies in those countries, or by the difficulty in enforcing obligations in those countries. Foreign companies generally may be subject to less stringent regulations than U.S. companies, including financial reporting requirements and auditing and accounting controls. As a result, there generally is less publicly available information about foreign companies than about U.S. companies. Trading in many foreign securities may be less liquid and more volatile than U.S. securities due to the size of the market or other factors.
- **Geographic Focus Risk.** The client account may from time to time invest a substantial amount of its assets 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 the client account's investment performance.
- **Growth Investing Risk.** Growth stocks tend to be more expensive relative to the issuing company's earnings or assets compared with other types of stock. As a result, they tend to be more sensitive to changes in, or investors' expectations of, the issuing company's earnings and can be more volatile.
- **Gold Bullion Risk.** To the extent the client account invests in gold bullion, it will earn no income. Appreciation in the market price of gold is the sole manner in which the client account can realize gains on gold bullion, and such investments may incur higher storage and custody costs as compared to purchasing, holding and selling more traditional investments.
- **Gold and Precious Metals Industry Risk.** Some client accounts will concentrate its investments in the securities of issuers primarily engaged in gold and precious metals-related industries. Fluctuations in the price of gold and precious metals may affect the profitability of companies in the gold and precious metals sector. Changes in the political or economic conditions of countries where companies in the gold and precious metals sector are located may have a direct effect on the price of gold and precious metals.

- **Investing in the European Union Risk.** Investments in certain countries in the European Union are susceptible to high economic risks associated with high levels of debt, such as investments in sovereign debt of Greece, Italy and Spain. Separately, the European Union faces issues involving its membership, structure, procedures and policies. The exit of one or more member states from the European Union would place its currency and banking system in jeopardy. Efforts of the member states to further unify their economic and monetary policies may increase the potential for the downward movement of one member state's market to cause a similar effect on other member states' markets.
- **Management Risk.** The investment techniques and risk analysis used by some client account's portfolio managers may not produce the desired results.
- **Market Risk.** The prices of and the income generated by the client account's securities may decline in response to, among other things, investor sentiment, general economic and market conditions, regional or global instability, and currency and interest rate fluctuations.
- **Non-Diversification Risk.** The client account may be non-diversified, meaning it can invest a greater portion of its assets in the obligations or securities of a small number of issuers or any single issuer than a diversified client account can. To the extent that a large percentage of the client account's assets may be invested in a limited number of issuers, a change in the value of the issuers' securities could affect the value of the client account more than would occur in a diversified client account.
- **Preferred Securities Risk.** Preferred securities may include provisions that permit the issuer, in its discretion, to defer or omit distributions for a certain period of time. If the client account owns a security that is deferring or omitting its distributions, the client account may be required to report the distribution on its tax returns, even though it may not have received this 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. In addition, in certain circumstances, an issuer of preferred securities may redeem the securities prior to a specified date, and this may negatively impact the return of the security.
- **Small- and Mid-Capitalization Risks.** Stocks of small- and mid-sized companies tend to be more vulnerable to adverse developments and may have little or no operating history or track record of success, and limited product lines, markets, management and financial resources. The securities of small- and mid-sized companies may be more volatile due to less market interest and less publicly available information

about the issuer. They also may be illiquid or restricted as to resale, or may trade less frequently and in smaller volumes, all of which may cause difficulty when establishing or closing a position at a desirable price.

- U.S. Government Obligations Risk. The client account may invest in obligations issued by U.S. Government agencies and instrumentalities that may receive varying levels of support from the government, which could affect the client account's ability to recover should they default.
- Value Investing Style Risk. The client account may emphasize a value style of investing, which focuses on undervalued companies with characteristics for improved valuations. This style of investing is subject to the risk that the valuations never improve or that the returns on value equity securities are less than returns on other styles of investing or the overall stock market. Value stocks also may decline in price, even though in theory they are already underpriced.
- Warrants Risk. Warrants may be significantly less valuable on their relevant expiration date resulting in a loss of money or they may expire worthless resulting in a total loss of the investment. Warrants may also be postponed or terminated early resulting in a partial or total loss of the investment. Warrants may also be subject to illiquidity.

9. Disciplinary Information

Legal and Disciplinary

The firm and its management persons have not been involved in any material legal or disciplinary events related to past or present clients.

10. Other Financial Industry Activities and Affiliations

Financial Industry Activities

Invesco Canada is registered as a Portfolio Manager and Exempt Market Dealer in all the Provinces of Canada.

Invesco Canada is registered in the Province of Ontario, Quebec and Newfoundland and Labrador as an Investment Fund Manager to permit it to direct the business, operations or affairs of an investment fund.

Invesco Canada is registered as a Commodity Trading Manager under the *Commodity Futures Act* (Ontario) to advise on commodity futures.

Invesco Canada is also registered as a Mutual Fund Dealer in certain provinces of Canada (Alberta, British Columbia, Ontario, Québec, Prince Edward Island and Nova Scotia). Invesco Canada acts as a mutual fund dealer in respect of the purchase and sale of securities of the Invesco Canada Funds which are managed by Invesco Canada. Its activities are restricted to servicing accounts held by current and former employees of Invesco Canada and its predecessor companies (the "Employees") as well as

individuals in a special relationship with Employees such as relatives and friends of Employees.

Invesco Canada's officers and directors that are also members of the Executive Committee are approved by the Securities Regulators in all Provinces of Canada as permitted individuals. Invesco Canada's investment personnel are registered either as advising representatives or associate advising representatives with the Ontario Securities Commission and, where required, with other Canadian provincial Securities Commissions.

Invesco Canada is also registered as an Investment Manager with the Central Bank of Ireland for the purpose of providing discretionary investment management services to Irish authorized collective investment schemes that are managed by its affiliate in the UK.

Affiliations

Invesco Canada has affiliations that are material to its advisory business or its clients with a related person who is a broker-dealer. The U.S. Funds are distributed by Invesco Distributors, Inc. ("Invesco Distributors") includes Invesco Endeavor Fund, Invesco Select Opportunities Fund, Invesco Select Companies Fund, Invesco Energy Fund, Invesco Gold & Precious Metals Fund and Invesco International Companies Fund. Invesco Distributors is registered with the SEC as a broker-dealer. Invesco Distributors is an indirect wholly-owned subsidiary of the Invesco Parent and affiliated with Invesco Canada by virtue of this common ownership structure.

In accordance with Canadian securities regulatory policy, Invesco Canada is responsible for all investment portfolio advisory services provided by sub-advisors to the Canadian Funds.

As a Portfolio Manager registered in Canada, Invesco Canada is party to investment management agreements with some Canadian unrelated parties under which it provides investment management services.

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

Code of Ethics

The Invesco Code of Conduct, together with the Invesco Canada Gifts and Entertainment Policy and the Personal Trading Policy form Invesco Canada's Code (the "Code"). The Code defines acceptable corporate behaviour and assists in the management of potential conflicts of interest. The Code, as amended from time to time, is administered by a Code of Ethics Committee (the "Committee"). The Committee consists of members of the Executive Committee and the Legal and Compliance Departments. The Committee is responsible for interpreting the provisions of the Code, for adopting and implementing rules and procedures, for enforcing the provisions of the Code and for determining whether violations of the Code, or any such rules or procedures, have occurred. The Committee is also responsible for reporting

to the Canadian Fund Board in respect of the Canadian Funds, to the U.S. Funds' Boards of Directors and their managers in respect of the U.S. Funds and to the Board of Directors of Invesco Canada in respect of all managed accounts, including mutual funds and investment pools.

The employees of Invesco Canada are committed to the Code. The Invesco Code of Conduct is available for review by clients and prospective clients upon request.

Participation or Interest in Client Transactions

Related persons of Invesco Canada may recommend to clients that they buy or sell securities or investments products in which the related person has some financial interest. The related person may also buy or sell for itself securities that it also recommends to clients.

In accordance with applicable law, some of the Canadian Funds and unregulated investment pools may, respectively, invest in shares or units of other Funds or pools for a "fund-on-fund" arrangement.

From time to time, certain Invesco Canada employees may, in accordance with applicable law, the Invesco Code of Conduct and the Invesco Canada Personal Trading Policy, as amended from time to time, invest in securities held by or deemed suitable for investment by Invesco Canada's clients.

Pursuant to the Invesco Canada Personal Trading Policy, all employees of Invesco Canada are required to report to the Houston based Invesco Parent Code of Ethics department or designee(s) the names of all brokerage, company and other institutional accounts subject to the Invesco Canada Personal Trading Policy 1) in which they have a direct or indirect financial interest, 2) over which they have direct or indirect control, or 3) in which they have securities held for their direct or indirect benefit. Additionally, certain personal securities transactions must be pre-cleared with and/or reported to the Invesco Parent Code of Ethics department or designee(s). Duplicate confirmations or quarterly reports covering these personal securities transactions must be submitted to the Invesco Parent Code of Ethics department or designee(s). Invesco Parent's Code of Ethics department or designee(s) reviews these submissions to ensure that all such transactions are in compliance with the provisions of the Invesco Canada Personal Trading Policy. Employees are prohibited from placing personal trades in certain types of securities altogether (including, for example, IPOs) and from purchasing or selling certain other types of securities (as defined in the Invesco Canada Personal Trading Policy) without prior written approval. Such approval will be given only upon a determination by the Invesco Parent Code of Ethics department or designee(s) that the proposed transaction does not give rise to an actual or potential conflict of interest with managed account activity in the same security and that it does not violate the provisions of the Invesco Canada Personal Trading Policy.

Additionally, Invesco Canada may give advice or take actions in the performance of its duties to some of its clients that differ from advice given or the nature of actions taken with respect to other of its clients' accounts.

Certain other registered investment adviser subsidiaries of the Invesco Parent have similar policies and may, from time to time, engage in other practices.

Personal Trading

All employee trades are reviewed by the Invesco Parent Code of Ethics department with exceptions, violations and concerns reported to, and discussed with, the Invesco Canada Chief Compliance Officer (“CCO”) or designee.

12. Brokerage Practices

Selecting Brokerage Firms

The general policy of each trade desk utilized by Invesco Canada in selecting a broker to effect a transaction is the broker’s ability to obtain best execution and secondarily, the quality of research goods and services provided. Factors that may be considered when selecting an approved broker for a specific transaction include¹:

- The price and commission
- Brokerage services provided by brokers, including execution capability, commission rate, willingness to commit capital, anonymity and responsiveness;
- The nature of the market for the security;
- The timing of the transaction;
- The size and type of the transaction;
- Coverage of the security;
- The quality of the services rendered by the broker in other transactions;
- Research products and services provided by the broker (this is permissible when the trader believes that more than one Broker can satisfy the objectives of best execution); and
- Trade settlement capabilities.

Invesco Canada may pay more than the lowest commission or spread for executing a securities transaction in return for research services and products to be used in connection with Invesco Canada’s advisory decision-making process.

Invesco Canada may use an affiliated broker, Invesco Capital Markets, Inc. (ICMI) to execute trades. ICMI is registered as a broker under the Securities Exchange Act of 1934, as amended and is a member of the Financial Industry Regulatory Authority. ICMI and Invesco Canada are both indirect subsidiaries

¹ The same factors, other than the provision of research products and services and coverage of the security, shall be taken into consideration for affiliated brokers.

of Invesco Parent. Invesco Canada will not use trades with ICMI to generate soft dollars.

Certain other registered investment adviser subsidiaries of the Invesco Parent may, from time to time, have other arrangements not specified herein.

Suggesting Broker-Dealers

While Invesco Canada does not have any of these types of arrangements, certain other registered investment adviser subsidiaries of the Invesco Parent may, from time to time, have such arrangements not specified herein.

Best Execution

Invesco Ltd.'s Global Trading Oversight Committee ("GTOC") defines best execution as "the process of executing securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favourable under the circumstances".

Under the direction of the Head Trader, Traders take into account best execution, price, and market conditions when considering a trade. The Investment Technology Group prepares reports summarizing the results of third-party best execution and transaction cost analysis of trades executed by the Toronto Trade Desk. These reports are reviewed by the Head Trader and the Head of Americas Equity Trading. Best execution is also a standing agenda item for the quarterly meetings of GTOC.

Research Services

External research provides a diverse perspective on financial markets and therefore improves the quality of investment advice to all accounts. Research goods and services received are available for the general benefit of all accounts managed by Invesco Canada. These services may be paid for as follows:

- a) as a portion of the commissions paid to a full-service broker to execute portfolio transactions for accounts i.e., the cost of research is embedded in the commission paid to the full-service broker, and is often referred to as "soft dollars";
- b) by way of a commission sharing agreement ("CSA") where a portion of the commission paid to a broker to execute portfolio transactions for accounts are paid to third-party providers of research goods and services;
- c) in cash by Invesco Canada.

Options a) and b) above may result in a higher commission or spread being paid to the broker executing the portfolio transactions than would otherwise have been payable.

Invesco Canada only makes payments under CSAs and soft dollar payments to third party providers or brokers that provide research goods and services or order execution goods and services.

In general, if a portfolio transaction is executed by a broker and soft dollars or payments under a CSA will be made, the client account for which the portfolio transaction is being placed must benefit from the research goods and services or order execution goods and services provided by the broker who receives soft dollars or the third party provider who will receive payments under the CSA.

Invesco Canada's policy indicates that all CSAs initiated by Invesco Canada must be in writing and pre-approved by the Head Trader and AVP, Investment Ops and reviewed by the Invesco Canada Legal and Compliance departments.

On an annual basis, the Board Compliance Committees review and approve the proposed payments to be made via CSAs in advance of such payments being made.

Order Aggregation

Invesco Canada Ltd.'s Brokerage Policies (the "Policies") require the Head Trader to aggregate trades in the same securities for all discretionary, non-restricted accounts. When a trade is filled in multiple lots at different prices and with different commission rates, the Order Management System (OMS) calculates a weighted average price and commission rate that apply to all accounts included in the trade. Trades for accounts that do not allow aggregation or for accounts participating in list trade orders (i.e. rebalancing trades for patterned funds) where aggregation would be inefficient will not be aggregated with existing orders and will be completed after the aggregated orders are filled. On a daily basis, the OMS will allocate partial fills among aggregated accounts pro-rata based on order size.

The Policies also outline the procedures for executing aggregate trades and covers topics such as; receiving orders for accounts relating to a particular security simultaneously, allocation of partial fills, the unit price of portfolio securities purchased or sold in aggregated transactions as well as the brokerage commissions and changing allocations for good cause after the order has been executed.

On a quarterly basis, the Invesco Canada Compliance department presents any deviations from pro rata allocations to the Invesco Canada Investment Compliance Committee.

13. Review of Accounts

Periodic Reviews

Accounts are subject to compliance reviews and investment reviews.

Compliance reviews are performed on the Canadian Funds, investment pools, U.S. Funds and separately managed accounts via compliance reports generated in Charles River and Aladdin trading systems. Exceptions identified in these reports are reviewed by the portfolio managers. Monthly summaries of the exceptions identified are communicated via email to the

Senior Vice President, Product Management & Development, CCO, Head of Legal – Canada, Chief Investment Officer and/or applicable Investment Head, President and COO of Invesco Canada, and the SMD and Head of North American Retail and further reviewed by Invesco Canada's Investment Compliance Committee on a monthly basis. The Committee is composed of representatives of the Corporate, Investments, Legal, Compliance, Investment Operations, Product Management & Development, Data Management, Fund Reporting and Fund Accounting departments and other members as may be needed from time to time. For day-to-day compliance purposes, the Compliance Department has programmed equity trade restrictions into Charles River trading system and fixed-income trade restrictions into the Aladdin trading system.

Product integrity reviews are performed by Product Managers in the Product Management department and the results of all reviews are reported to the SVP, Product Management & Development. The SVP, Product Management & Development monitors the performance and style fidelity of all accounts and, on a quarterly basis, reviews the performance of all accounts relative to their benchmarks and peers in order to understand the reasons for any significant performance variances. Reviews of quarterly performance are made within the context of longer-term performance and are not intended to indicate that an account should be managed with quarterly performance specifics in mind.

Review Triggers

Other conditions that may trigger a review are changes in tax laws or investment related regulations, new legislation, the revision of prospectus language or a change in the investment restrictions for a separately managed account. Additional review may also be triggered by an exception identified through daily or monthly monitoring.

Regular Reports

Summaries of the results of monthly compliance reviews are sent to portfolio managers and senior executives within Invesco Canada.

Additional reporting may be made directly to clients or their representatives at their request.

14. Client Referrals and Other Compensation

Client Referrals

Invesco Canada has entered into referral agreements with third parties in Canada pursuant to which Invesco Canada pays such third parties fees for referring Canadian clients to Invesco Canada. The referral fee is calculated as an annual percentage of the referred client's daily assets under management and is payable monthly or quarterly.

Other Compensation

Invesco Canada has arrangements where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. Invesco Canada may, in accordance with its brokerage policies, effect transactions with broker-dealers that furnish research services which Invesco Canada believes will be beneficial to its managed accounts.

Certain other registered investment adviser subsidiaries of the Invesco Parent may, from time to time, receive additional compensation from non-clients.

15. Custody

Account Statements

Invesco Canada does not serve in a custodian role for client accounts. All client assets are held at a qualified custodian. Clients should compare the statements received from the custodian with those they receive directly from Invesco Canada.

16. Investment Discretion

Discretionary Authority

Invesco Canada has discretionary authority over all client accounts. Investment restrictions may be negotiated with the client prior to accepting a mandate and these would be reflected in the relevant agreement governing the mandate or account. Restrictions may be added once an account is in operation and these restrictions would come into effect upon amending the relevant agreement. Restrictions are typically imposed to meet tax or pension requirements.

Certain other registered investment adviser subsidiaries of the Invesco Parent may, from time to time, have other arrangements not specified herein.

17. Voting Client Securities

Summary of Proxy Voting Policies and Guidelines

Proxy voting for all accounts (which includes funds and investment pools) managed by Invesco Canada without the assistance of a sub-advisor is conducted in accordance with the proxy voting policies and guidelines of Invesco Canada, summarized below. Proxy voting for Canadian Funds or pools for which a sub-advisor has been engaged (is conducted in accordance with the proxy voting policies and guidelines of the sub-advisors.

Proxy Voting at Invesco Canada

In normal circumstances, Invesco Canada will exercise voting rights attached to an account's portfolio securities as part of its obligation to manage the

account. (In some cases, proxy voting rights may be retained by the client, in which case the client's own policies would apply). The description that follows is a summary of Invesco Canada's proxy voting policies. Invesco Canada's policies are based on the following principles:

- The voting of proxies is an inherent part of the investment management process. The voting of proxies is carefully considered and care is taken to ensure that completed proxies are returned so that the votes are counted.
- Invesco Canada's portfolio managers employ a bottom-up stock selection approach. The managers consider themselves "business people buying businesses". A consequence of this approach is that the managers will generally support company management.
- The portfolio management teams, in making decisions, are guided by their views as to the best interests of the account.
- The portfolio management teams have the ultimate decision-making authority as to how any particular proxy is voted.

When a decision is made to vote against a management recommendation, the reasons for such decision must be documented and such documentation must be retained by the Investment Operations & Support department.

Policy Matters

With respect to matters commonly put to shareholders, Invesco Canada's portfolio management teams will generally vote as follows:

- on corporate governance matters, our preference is to vote in favour of strengthening governance. For example, we will vote in favour of measures that enhance the independence of board members.
- on executive compensation, our general approach is to support management. However, we will not vote in favour of plans which are excessively dilutive.
- on corporate reorganization and corporate finance matters, we generally support proposals for stock splits or reverse stock splits as long as they are not excessively dilutive. We will also generally support merger and acquisition proposals that will result in financial and operating benefits and will not have a negative impact on corporate governance or shareholder rights.
- on shareholder rights plans, we will generally support measures which have the effect of lowering barriers to shareholder action, improving protection of shareholder rights or subjecting rights plans to a shareholder vote.

These are guidelines only, rather than fixed positions. Each matter put to a shareholder vote is considered on its own merits, and there may be instances in which a portfolio manager or portfolio management team departs from these guidelines.

Conflicts of Interest

Where a conflict or potential conflict of interest exists, proxies are voted in accordance with investment considerations and investment merits, without regard to any other business relationship that may exist between Invesco Canada and the company. Where an individual portfolio manager has a conflict or potential conflict, such portfolio manager abstains from voting. Portfolio managers are required to report in writing to the Chief Investment Officer and/or to the relevant Investment Head any such conflicts of interest and/or attempts by outside parties to improperly influence the voting process.

Records Management Procedures

Invesco Canada has a dedicated Proxy Administration Team which manages all proxy voting materials. Proxy voting circulars for all companies are received electronically through an external service provider. Circulars for North American companies and American Depositary Receipts are generally also received in paper format.

The Proxy Team is responsible for verifying holdings and eligibility to vote, transmitting voting instructions and tracking votes.

An external proxy service provider retains on behalf of Invesco Canada electronic records of the votes cast. The service provider must make all documents available to Invesco Canada to meet regulatory requirements. In the event that Invesco Canada ceases to use an external service provider, all documents would be maintained and preserved in accordance with regulatory requirements.

Reporting

The Invesco Global Investments Director will report on proxy voting in respect of the Canadian Funds to the Canadian Fund Board annually and, in respect of the U.S. Funds, to their Boards of Directors as required from time to time.

Proxy voting records for the Canadian Funds for the most recent year ended June 30th are posted on Invesco Canada's website. The Compliance Department will review the proxy voting records posted on Invesco Canada's website on an annual basis to confirm that the records are posted by the August 31st deadline.

For the U.S. Funds, a description of the policies and procedures that the funds' use to determine how to vote proxies relating to portfolio securities is available without charge, upon request, from Invesco Advisers, Inc.'s Client Services department at 800 959 4246 or at invesco.com/proxyguidelines.

The information is also available on the SEC website, sec.gov. Information regarding how the Fund voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 is available at invesco.com/proxysearch. The information is also available on the SEC website, sec.gov.

18. Financial Information

Financial Condition

As evidence by the goodwill and deferred sales commissions impairment testing, Invesco Canada does not have any financial impairment conditions that will preclude it from meeting its contractual commitments to clients. A balance sheet is not required to be provided because Invesco Canada does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.

APPENDIX 1

Maximum Fee Schedule for Mandates Advised by Invesco Canada

Domestic Fixed-Income Mandate	75 bps + applicable taxes
Global Fixed-Income Mandate	75 bps + applicable taxes
Balanced Mandate	90 bps + applicable taxes
Canadian Equity Mandate	90 bps + applicable taxes
Global Equity Mandate	90 bps + applicable taxes
Sector Equity Mandate	90 bps + applicable taxes