



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) 228-3670 or by email at: eric.adelson@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

March 31, 2017

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 Annual Update

The material changes since the last annual update dated March 18, 2016 are as follows:

- Update to the list of funds to include fixed income funds
- Update to the Methods of Analysis and Investment Strategies as a result of the addition of the fixed income funds
- Update of executive officer’s list

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (416) 228-3670 or by email at: eric.adelson@invesco.com

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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 its Canadian 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 globally affiliated investment advisers, including certain US investment funds, as well as to US institutional and other separately managed accounts, collectively, US clients.

All clients’ assets are managed on a discretionary basis. As at December 31, 2016, Invesco Canada manages approximately US\$ 22.4 billion for its Canadian clients and US\$ 2.5 billion for its global clients.

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, Canadian 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. Invesco Canada also sub-advises certain US retail mutual funds (the “U.S. Funds”) for our affiliate, and advises US institutional and other separately managed portfolios, and sub-advises globally affiliated funds (ex-US).

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 – Equities

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 equity team"): The single largest asset to the equity team's research effort is the equity team itself. The equity team's experience with companies acts as a primary source of ideas. The equity 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 equity 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 equity team's research process, they may also visit company sites, plants, factories and attend investment conferences. When visiting company sites, the equity team engages with employees at all levels, as well as suppliers and customers. As a secondary source of ideas, the equity team selectively considers external research, most notably paid research, as a way of obtaining expert information in very specific or obscure areas. The equity 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 equity 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 equity team builds and maintains its own financial model on each company.

Portfolio Construction and risk management

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

- Benchmark agnostic: To add value as active managers, one must invest differently than the benchmark. The equity team's focus is on stock selection, and decisions to invest are made regardless of

whether a security is included in a benchmark or not. 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 equity team wants to put meaningful weight behind its 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 equity team believes raises its batting average of success.
- **Diversification:** The portfolio is diversified by unique business ideas. A unique business idea is a proprietary thesis on why the equity team believes a company will grow in the future. The equity team believes sector diversification is insufficient, as there are businesses in different sectors that may have similar economic drivers. Instead the equity team seeks to avoid overexposure to any particular risk factor.

Investment Strategies

The equity 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 equity 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 equity 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 equity team uses a variety of valuation methods and will typically review a company's financial information, competitive position and future prospects. The equity team may also meet with the company's management and take into account general industry and economic trends. The equity 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 equity team has determined.

The equity team will typically sell a security under the following conditions: (a) where the price of the security increases to a level that the equity 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.

Methods of Analysis – Fixed Income

For the Invesco Fixed Income (“IFI”) US high yield strategies, the IFI portfolio management team employs a disciplined portfolio construction process which places a strong emphasis on risk management. The team strives to avoid significant downward price movements in individual securities while seeking to repeatedly participate in positive price movements. The high yield team’s (“HY team”) bottom-up credit analysis and valuation of individual issues is the key component to achieving this objective. Their analytical work is supported by IFI Macro and Credit Research teams, along with conclusions from the IFI Investment Strategy Team to improve portfolio adherence to risk intentions. In addition, this group approaches the market as a portfolio manager-led team of high yield specialists with an integrated approach toward proprietary research, trading, and creation of portfolios.

The HY team’s metric driven, fundamentally based credit process ensures that common metrics are used across sectors enabling portfolio managers to properly compare all potential investments. Analysts use a research framework that uses quantitative and qualitative factors in order to generate an internal risk rating. This risk rating coupled with the proprietary “Invesco Required Spread” model drives the investment decision process. The HY team is mindful of risk and looks to outperform throughout the credit cycle, adding risk when the reward is beneficial, and reducing it as the risk reward balance becomes unfavorable. The HY team’s investment process looks to exploit security mispricings in the market by making accurate calls on a larger number of investment ideas rather than taking concentrated positions.

The Fixed Income risk group conducts regular portfolio reviews of “representative” accounts with the investment team and monitors the performance, risk, and positioning of accounts that are patterned after them to make sure that they are correctly aligned with their representative account.

Portfolio reviews focus on four core components:

1. Performance: Risk management analyzes performance attribution relative to benchmark. What is driving performance? Does performance make sense in the context of the market? Do the sources of performance match the portfolio’s mandate?
2. Risk and positioning: Risk analyzes the portfolio’s predicted tracking error relative to the benchmark and the top contributors to the risk. Are the top exposures to risk in line with the portfolio’s mandate? Is the positioning in line with the portfolio managers’ views and with the portfolio’s mandate?
3. Activity: Changes in portfolio tracking error and positioning between the previous and the current review period in the context of market environment.
4. Outlook: What is the outlook of the portfolio manager and how is it reflected in the portfolio? Risk management conducts various scenario analyses (such as shifts in oil, gold, SP&P, as well as rates and spreads) in order to determine how well the outlook is embedded in the portfolio.

Investment Strategies

In keeping with the investment philosophy, the HY team employs a bottom-up credit analysis and valuation of each issuer. A proprietary credit risk model is applied to screen securities in the investment universe (“universe”). Each bond in the portfolio undergoes the same rigorous analysis. Once bonds are identified that satisfy the proprietary credit requirements, the bonds are evaluated on a relative value basis. The relative value examination helps determine whether a security is added to the portfolios and the initial sizing of the position. The strategy employs disciplined portfolio construction to ensure adequate liquidity and diversification.

The universe consists primarily of debt securities rated BB+/Ba1 or below including non-rated and defaulted bonds.

The investment process begins with an assessment of broader economic conditions to assess the risk environment for corporate bond investments – deciding how much risk the portfolio can comfortably assume. Having established a risk bias, the high yield universe is screened for companies that pass the proprietary credit risk model. Analysts apply a metric-driven credit analysis to all bonds in the portfolio to ensure consistency of the investment process.

The components of IFI’s credit process include:

- Enhanced asset coverage test
- Free cash flow test
- Qualitative factors
- Model of company financials
- Credit write-up that includes the investment thesis, catalysts for price appreciation, and an explanation as to how IFI’s assessment of credit risk differs from that of the rating agencies

From the above inputs, the HY team determines an internal company rating (BBB-CC). They will also determine the default risk, required minimum risk premiums, and relative value opportunities. After analyzing the creditworthiness of the company, the security selection process begins with a relative value analysis of the companies that have passed the proprietary credit analysis. The relative value formation starts with a derivation of the “Invesco Required Spread” from a combination of default probability, severity of loss, and qualitative adjustments. The HY team uses the outputs from the proprietary credit risk model to determine a common approach for the required spread for secondary and new issues.

The calculation of the “Invesco Required Spread” allows Invesco to compare the risk-adjusted relative value of each security across multiple levels: issue, issuer, subsector, sector, credit rating, and overall market. This approach enables exploitation of pricing inefficiencies within subsectors.

Invesco believes the metric driven, bottom-up credit process distinguishes the strategy from competitors. Invesco assigns internal ratings to find mispriced securities in the market. Additionally, the HY team adjusts the risk-profile of the portfolio throughout the credit cycle to ensure increasing credit risk only

when the risk/reward profile of the market is favorable. Portfolio's credit quality allocations will shift with changes in market conditions. By limiting risk exposure when credit spreads are compressed, there is a higher probability of protecting capital. Conversely, by increasing risk exposure when credit spreads are wide, there is a higher probability of both enhancing income and increasing capital.

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. 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.
- **Changing Fixed Income Market Conditions Risk.** The current low interest rate environment was created in part by the Federal Reserve Board (FRB) and certain foreign central banks keeping the federal funds and equivalent foreign rates at or near zero. Increases in the federal funds and equivalent foreign rates may expose fixed income markets to heightened volatility and reduced liquidity for certain fixed income investments, particularly those with longer maturities. In addition, decreases in fixed income dealer market-making capacity may persist in the future, potentially leading to heightened volatility and reduced liquidity in the fixed income markets. As a result, the value of the client account's investments and share price may decline. In addition, because of changing central bank policies, the client account may experience higher than normal shareholder redemptions which could potentially increase portfolio turnover and the client account's transaction costs and potentially lower the client account's performance returns.
- **Closed End Fund Risk:** There is no assurance that a closed end fund will achieve its investment objective. Like any stock, a closed end fund's share price will fluctuate with market conditions and other factors. At the time of sale, your shares may have a market price that is above or below net asset value, and may be worth more or less than your original investment. Accordingly, it is possible to lose money investing in the Trust.
- **Collateralized Loan Obligations Risk ("CLO").** CLOs are subject to the risks of substantial losses due to actual defaults by underlying borrowers, which will be greater during periods of economic or financial stress. CLOs may also lose value due to collateral defaults and disappearance of subordinate tranches, market anticipation of defaults,

and investor aversion to CLO securities as a class. The risks of CLOs will be greater if the client account invests in CLOs that hold loans of uncreditworthy borrowers or if the client account holds subordinate tranches of the CLO that absorbs losses from the defaults before senior tranches. In addition, CLOs are subject to interest rate risk and credit risk.

- **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.
- **Credit and Interest-Rate Risk:** Credit risk refers to the ability of an issuer to make timely payments of interest and principal. Investments in securities rated below investment grade present greater risk of loss to principal and interest than investment in higher-quality securities. Interest-rate risk refers to fluctuations in the value of a fixed-income security resulting from changes in the general level of interest rates. In a declining interest-rate environment, the portfolio may generate less income. In a rising interest-rate environment, bond prices fall. Should the funds employ leverage, the portfolios may experience increased volatility.
- **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 Credit Exposure Risk.** U.S. dollar-denominated securities carrying foreign credit exposure may be affected by unfavorable political, economic or governmental developments that could affect payments of principal and interest.
- **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.
- **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.

- **High Yield Debt Securities (Junk Bond) Risk.** The client account's investments in high yield debt securities (commonly referred to as "junk bonds") and other lower-rated securities will subject the client account to substantial risk of loss. These securities are considered to be speculative with respect to the issuer's ability to pay interest and principal when due and are more susceptible to default or decline in market value due to adverse economic, regulatory, political or company developments than higher rated or investment grade securities. Prices of high yield debt securities tend to be very volatile. These securities are less liquid than investment grade debt securities and may be difficult to sell at a desirable time or price, particularly in times of negative sentiment toward high yield securities.
- **Liquidity Risk.** The client account may be unable to sell illiquid investments at the time or price it desires and, as a result, could lose its entire investment in such investments. An investment may be illiquid due to a lack of trading volume in the investment or if the investment is privately placed and not traded in any public market or is otherwise restricted from trading. Certain restricted securities require special registration and pose valuation difficulties. Liquid securities can become illiquid during periods of market stress. If a significant amount of the client account's securities become illiquid, the client account may not be able to timely pay redemption proceeds and may need to sell securities at significantly reduced prices.
- **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.
- **Mortgage- and Asset-Backed Securities Risk.** Mortgage- and asset-backed securities, including collateralized debt obligations and collateralized mortgage obligations, differ from conventional debt securities because principal is paid back over the life of the security rather than at maturity. Mortgage- and asset-backed securities are subject to prepayment or call risk, which is the risk that a borrower's payments may be received earlier or later than expected due to changes in prepayment rates on underlying loans. Faster prepayments often happen when interest rates are falling. As a result, the client account may reinvest these early payments at lower interest rates, thereby reducing the client account's income. Mortgage- and asset-

backed securities also are subject to extension risk. An unexpected rise in interest rates could reduce the rate of prepayments and extend the life of the mortgage- and asset-backed securities, causing the price of the mortgage- and asset-backed securities and the client account's share price to fall and would make the mortgage- and asset-backed securities more sensitive to interest rate changes. An unexpectedly high rate of defaults on the mortgages held by a mortgage pool will adversely affect the value of mortgage-backed securities and will result in losses to the client account. The client account may invest in mortgage pools that include subprime mortgages, which are loans made to borrowers with weakened credit histories or with lower capacity to make timely payments on their mortgages. Privately issued mortgage-related securities are not subject to the same underwriting requirements for the underlying mortgages that are applicable to those mortgage-related securities that have government or government-sponsored entity guarantees. As a result, the mortgage loans underlying privately issued mortgage-related securities may, and frequently do, have less favorable collateral, credit risk or other underwriting characteristics than government or government-sponsored mortgage-related securities and have wider variances in a number of terms including interest rate, term, size, purpose and borrower characteristics.

- **Municipal Securities Risk.** The risk of a municipal obligation generally depends on the financial and credit status of the issuer. Constitutional amendments, legislative enactments, executive orders, administrative regulations, voter initiatives, and the issuer's regional economic conditions may affect the municipal security's value, interest payments, repayment of principal and the issuer's ability to sell the security. Municipal obligations may be more susceptible to downgrades or defaults during recessions or similar periods of economic stress. Municipal securities structured as revenue bonds are generally not backed by the taxing power of the issuing municipality but rather the revenue from the particular project or entity for which the bonds were issued. If the Internal Revenue Service determines that an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could be treated as taxable, which could result in a decline in the security's value. In addition, there could be changes in applicable tax laws or tax treatments that reduce or eliminate the current federal income tax exemption on municipal securities or otherwise adversely affect the current federal or state tax status of municipal securities.
- **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.
- **Zero Coupon or Pay-In-Kind Securities Risk.** Zero coupon and pay-in-kind securities may be subject to greater fluctuation in value and less liquidity in the event of adverse market conditions than comparably

rated securities paying cash interest at regular interest payment periods. Prices on non-cash-paying instruments may be more sensitive to changes in the issuer's financial condition, fluctuation in interest rates and market demand/supply imbalances than cash-paying securities with similar credit ratings, and thus may be more speculative. Investors may purchase zero coupon and pay-in-kind securities at a price below the amount payable at maturity. Because such securities do not entitle the holder to any periodic payments of interest prior to maturity, this prevents any reinvestment of interest payments at prevailing interest rates if prevailing interest rates rise. The higher yields and interest rates on pay-in-kind securities reflect the payment deferral and increased credit risk associated with such instruments and that such investments may represent a higher credit risk than coupon loans. Pay-in-kind securities may have a potential variability in valuations because their continuing accruals require continuing judgments about the collectability of the deferred payments and the value of any associated collateral. Special tax considerations are associated with investing in certain lower-grade securities, such as zero coupon or pay-in-kind securities.

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.

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") and include for equities, Invesco Endeavor Fund, Invesco Select Opportunities Fund, Invesco Select Companies Fund, Invesco Energy Fund and Invesco Gold & Precious Metals Fund, and for fixed income, Invesco High Income Trust II, Invesco High Yield Fund, and Invesco V.I. High Yield 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 overseen by the Invesco Canada Compliance Committee (the "Compliance Committee"). The Compliance Committee meets on a quarterly basis and consists of the Chief Compliance Officer ("CCO"), President/Ultimate Designated Person, and the following department heads: Chief Financial Officer, Chief Financial Officer – Funds, Chief Investment Officer, Global Head of Portfolio Services/Invesco Ltd., SVP, Head of Legal – Canada, Head of Americas Product Management & Investment Analysis, and other attendees as deemed appropriate may be invited to attend. The Compliance Committee is responsible for the overall scope, application and enforcement of Invesco Canada policies and

procedures, including the Code. The Compliance Committee is also responsible for reporting to the Compliance Committee of the Canadian Funds Advisory Board (“CCCFAB”) in respect of the Canadian Funds.

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 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.

For transactions in fixed income securities, brokers shall be selected on the basis of security price, availability of the security, and coverage of the security. If best execution may be achieved through two brokers, the quality of research provided by the brokers may be considered.

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.

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.

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 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 costs or proceeds in each transaction are 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.

The IFI team seeks to obtain "best execution" on all securities transactions for its clients. There is no statutory definition of the term "best execution." IFI believes that best execution is the process of securing prompt and efficient execution of a securities transaction at the best obtainable price with commissions or mark-ups or mark-downs which are reasonable in relation to the value of the services provided by the broker. IFI seeks to obtain best execution by considering, among other factors, the price, the size of the transaction, the nature of the market for the security, the timing of the transaction and taking into account market prices and trends, the reputation, experience and financial stability of the broker, the quality of the service rendered by the broker in other transactions, and research and services provided by the broker for the benefit of client accounts.

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) Through full-service brokerage commissions or spreads, a portion of which Invesco Canada has designated as compensation for research provided by the broker to Invesco Canada 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) A payment pursuant to a commission sharing agreement (“CSA”). Under a CSA, Invesco Canada pays an executing broker for trade execution and asks that executing broker to designate a portion of the commission paid to it when executing a trade for an Invesco Canada Fund or SMA to a “CSA pot”. The CSA pot is used to pay i) third parties for research goods and services provided to the Invesco Canada Fund or SMA, and ii) for research goods and services to full-service brokers, tracking below commission target; or
- 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 parties who provide research goods and services or to brokers for full service brokerage order execution goods and services.

Where the use of an affiliated broker is being used to execute certain portfolio trades for Invesco Canada Funds, the affiliated broker shall not provide any soft dollar services. Any commissions paid to the affiliated broker shall be the same or lower than the commission paid to an unaffiliated execution only broker.

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.

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 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.

Trades in fixed income securities are generally allocated pro- rata based on order size. If the relative net asset values of the accounts change significantly

while an order is being filled, pro-rata allocations may be adjusted, in addition to adjustments made by the OMS to reflect minimum lot sizes traded as a function of the system's allocation algorithm. Fixed income traders/portfolio managers shall conduct next day reviews of the funds for trade allocations to confirm the portfolio structure is what was anticipated prior to trading and that targets have been met.

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 material deviations from pro rata allocations to the 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. Quarterly summaries of the exceptions identified are reviewed by the Compliance Committee on a quarterly basis. 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.

For Trimark equity and balanced strategies, the Product Management team conducts a semi-annual "Portfolio Integrity Review." Each product manager specializes in a group of portfolios, allowing him/her to acquire a deep understanding of the discipline and process employed for each strategy and mandate. Product managers analyse the portfolios for which he/she is responsible and reviews his/her findings with the Head of Americas Product Management.

The Portfolio Integrity Review process is a quantitative and qualitative assessment of the portfolio management team's ability to successfully manage investments using the applicable investment process. It seeks to ensure that the portfolio managers are managing in a way that is consistent, repeatable and adds value for clients. The key findings from these meetings are presented to the applicable Investments and Risk Management leaders at a minimum twice per year.

The Portfolio Integrity Review focuses on three core components:

1. **Process:** Is the portfolio management team adhering to the investment process? Product managers review the portfolio in depth looking for anomalies in portfolio activity, positioning, risk exposures and characteristics. Product managers seek to understand portfolio activity and positioning within the context of the market environment and the investment process
2. **Performance:** What is driving performance? Does performance make sense in the context of the discipline? Product managers analyse performance relative to benchmarks and peer groups, as well portfolio attribution to understand the source of returns
3. **Constraints:** Product Managers review the portfolio to ensure it is managed within regulatory constraints or internal constraints

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 provided to the Invesco Canada Compliance Committee on a quarterly basis.

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 trading for 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 advisory client accounts. Investment restrictions may be negotiated with the client prior to accepting a mandate and these would be reflected in the relevant, prospectus or 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 Invesco 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 integral part of Invesco Canada's investment management responsibilities, and Invesco Canada believes that the right to vote proxies should be managed with the same high

standards of care to investors as all other elements of the investment process.

- The investment teams who vote proxies on behalf of the Funds are guided by their views as to the best interests of the Fund, which Invesco Canada interprets to mean investors' best economic interests.
- Invesco Canada's proxy voting process focuses on maximizing long-term value for investors, protecting investors' rights and promoting governance structures and practices that reinforce the accountability of corporate management and boards of directors to shareholders.
- The portfolio management teams have the ultimate decision-making authority as to how any particular proxy is voted, consistent with Invesco Canada's proxy voting principles and philosophy.

Policy Matters

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

- On shareholder rights plans, they will generally support measures which have the effect of increasing shareholders' opportunities to express their views to boards of directors, lowering barriers to shareholder action, and proposals to promote the adoption of generally accepted best practices in corporate governance, provided that such proposals would not require a disproportionate amount of management attention or corporate resources or otherwise that may inappropriately disrupt the company's business and main purpose.
- On environmental, social and corporate responsibility issues, they will evaluate such proposals on a case by case basis and will vote proposals relating to these issues in a manner intended to maximize long-term shareholder value.
- On corporate reorganization and corporate finance matters, they generally support: (i) a board's decisions about the need for additional capital stock to meet ongoing corporate needs, except where the request could adversely affect Invesco clients' ownership stakes or voting rights, (ii) proposals for stock splits or reverse stock splits as long as they are not excessively dilutive, and (iii) proposals for open-market share repurchase plans if all shareholders participate on an equal basis.
- On corporate governance matters, they will generally vote in favour of strengthening governance. For example, they will vote in favour of measures that enhance the independence of board members.
- On executive compensation, they generally support equity compensation plans that promote the proper alignment of incentives with shareholders' long-term interests. However, they will vote against plans that are overly dilutive to existing shareholders, plans that

contain objectionable structural features, and plans that appear likely to reduce the value of the client's investment.

- On measures designed to protect a company from unsolicited takeover bids, they generally support shareholder proposals directing companies to subject their anti-takeover provisions 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

A conflict of interest may exist if Invesco Canada has a material business relationship with, or is actively soliciting business from, 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 (e.g., issuers that are distributors of Invesco Canada's products, or issuers that employ Invesco Canada to manage portions of their retirement plans or treasury accounts). The proxy governance team maintains a list of all such issuers for which a conflict of interest exists. 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. A conflict also may exist where an Invesco Canada employee has a known personal relationship with other proponents of proxy proposals, participants in proxy contests, corporate directors, or candidates for directorships. All Invesco Canada personnel with proxy voting responsibilities are required to report any known personal 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.

Records Management Procedures

Invesco Canada maintains a proprietary global proxy administration platform, known as the "fund manager portal" and is supported by the Head of Proxy Governance and a dedicated team of internal proxy specialists. The platform streamlines the proxy voting and ballot reconciliation processes, as well as related functions, such as share blocking and managing conflicts of interest issuers.

The platform also includes advanced global reporting and record-keeping capabilities regarding proxy matters that enable Invesco Canada to satisfy investor, regulatory and management requirements. Historical proxy voting information, including commentary by investment professionals regarding the votes they cast, where applicable, is stored to build institutional knowledge

across the Invesco complex with respect to individual companies and proxy issues

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.

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