



# **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) 228-8330 or by email at: [Kate.Archibald@invesco.com](mailto:Kate.Archibald@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](http://www.adviserinfo.sec.gov)

March 31, 2022

# Material Changes

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## 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.

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## Material Changes since the Last Annual Update

The material changes since the last annual update dated March 30, 2021, are as follows:

- **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**
  - This section has been amended to include additional investment strategies and material risks.

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## Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (416) 228-8330 or by email at:

[Kate.Archibald@invesco.com](mailto:Kate.Archibald@invesco.com)

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## 4. Advisory Business

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### 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 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 U.S. investment funds

As of December 31, 2021, Invesco Canada manages approximately US \$25.3 billion in assets for approximately 139 clients on a discretionary basis.

## 5. Fees and Compensation

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### 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**

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### **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 U.S. retail mutual funds (the “U.S. Funds”) and globally affiliated funds (ex-U.S.) for our affiliates, and may advise U.S. institutional and other separately managed portfolios.

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### **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

### Investment Strategies

Invesco employs several methods of analysis and investment strategies in managing assets, each of which is discharged by discrete investment centers. These are each described in the table below.

Investment Center	Summary of Philosophy and Process	Sub-strategies/mandates
EQV International Equities (Austin)	The Adviser's EQV International Equities investment strategies employ a rigorous, bottom-up stock selection process that seeks to identify companies with sustainable earnings growth, efficient capital allocation, and attractive prices.	EQV Asia Pacific Equity EQV Emerging Markets All Cap EQV European Growth Equity European Small Company Global Growth EQV International Growth Equity International Small Company OFI International Growth
Global and International Equity (NY)	The Adviser's Global and International Equity investment strategies, run by the NY-based team, invest in what they believe to be high quality businesses that are exposed to structural global growth trends. The team takes a generalist approach to research, seeking best ideas regardless of sector or country, and builds high conviction portfolios independent of any benchmark.	International Equity International Diversified International Small-Mid Cap Global Focus Global Equity Global Multi Cap Growth (Global Opportunities)
Emerging Markets Equity	The Adviser's Emerging Markets Equity Team seeks to invest in companies that benefit from structural growth tailwinds and deliver above-average long-term earnings and cash flow growth, profitability and have sustainable competitive advantages and options that manifest over time. The team employs a disciplined, bottom-up, research-intensive approach that is benchmark agnostic, with respect to region or country, sector or security.	Emerging Markets Equity (Developing Markets) Emerging Markets Innovators
US Growth Equities (Houston)	The Adviser's US Growth Equities investment strategies utilize a rigorous, bottom-up stock selection process that seeks to maximize alpha through the selection of stocks, which offer attractive growth opportunities based on valuation and	Global Consumer Trends Large Cap Growth Multi-Cap Growth Small Cap Core

Investment Center	Summary of Philosophy and Process	Sub-strategies/mandates
US Discovery Growth Equities	<p>perceived quality. Specific to Conservative Multi-Cap Growth, the strategy excludes investments in companies whose primary business involves alcohol, tobacco or gambling.</p> <p>The Adviser's US Discovery Growth Equities, run by the NY-based team, seeks to invest in premier growth companies that provide high sustained growth rates.</p>	<p>Small Cap Growth Sector (Technology)</p> <p>Capital Appreciation</p> <p>Discovery Mid Cap Growth</p> <p>Discovery Small Cap Growth Sector (Health Care)</p> <p>Invesco Select Growth ETF</p>
US Core	<p>The Adviser's US Core team seeks to build an "all weather" portfolio which seeks to outperform in most market environments. The team focuses on companies with sustainable competitive and/or superior execution that are also priced at reasonable valuations.</p> <p>The Large Cap Core ESG ETF strategy uses fundamental analysis to seek to identify companies with sustainable competitive advantages, strong management teams, high ESG standards, and reasonable valuation. The strategy seeks to achieve its investment objective by investing mainly in common stock of U.S. companies that meet the strategy's ESG standards, as determined by a proprietary framework for evaluating each issuer based on ESG criteria that the portfolio managers have determined to be important in the investment selection process. The ESG methodology actively uses both proprietary and third party ESG indicators, as well as ESG exclusionary screens.</p>	<p>Large Cap Core</p> <p>Mid Cap Core</p> <p>Small Cap Core</p> <p>All Cap Core</p> <p>Dividend Growth</p> <p>Large Cap Core ESG ETF</p>
US Value Equities	<p>The Adviser's US Value Equities strategies utilize several different methodologies, each predicated on a rigorous, bottom-up, value-oriented security selection process.</p> <p>The US Deep Value strategy is a contrarian approach to stock selection with a long-term investment time horizon of typically 5-7 years to take advantage of</p>	<p>Deep Value</p>



Investment Center	Summary of Philosophy and Process	Sub-strategies/mandates
	<p>significant discrepancies between the current stock market price and the underlying intrinsic value of a company.</p> <p>The Relative Value and Managed Volatility strategies typically follow a balanced investing approach, focusing on capturing potential market upswings while mitigating risk through broad diversification across stocks, bonds and convertible securities. Within equities and convertible securities, these strategies will invest primarily in large, well-established, undervalued companies that are experiencing a positive change, or catalyst. The fixed income securities in which the Equity &amp; Income and the Managed Volatility teams' strategies may invest in include investments in government agencies, US Treasuries and investment grade corporate bonds, which acts as a capital buffer during market downturns and provide current income. The Managed Volatility strategy includes an overlay that seeks to cap volatility by selling short equity futures during periods of heightened volatility.</p> <p>The Dividend Value strategies typically employ a total return approach – emphasizing appreciation, income and preservation, with strong upside participation and better downside preservation over a full market cycle. The sustainability and growth of a company's dividend is critical to the Dividend Value research process.</p> <p>The Intrinsic Value strategy utilizes a traditional approach that seeks to create wealth by maintaining a long-term time horizon and investing primarily in US companies that are significantly undervalued on an absolute basis. The philosophy is based on the idea that companies have a measurable intrinsic value, independent from the stock market, that is based on the future cash flows generated by the business and that market prices are more volatile than business values and investors regularly overreact to negative news.</p>	<p>Relative Value (Large- &amp; Mid-cap Equity &amp; Balanced)</p> <p>Dividend Value</p> <p>Intrinsic Value (Small- &amp; Mid-cap)</p> <p>Convertible Securities</p>

Investment Center	Summary of Philosophy and Process	Sub-strategies/mandates
	<p>The Convertible Securities strategy seeks to construct a well-diversified portfolio with strong long-term performance and lowered risk, emphasizing well-managed companies with strong balance sheets, a clear business focus and competitive advantages, compared to peers. Factors such as the macro-economic environment and specific industry fundamentals are continuously monitored to target equity sensitivity in a portfolio. The strategy does not invest in common equity outside of conversion, does not hold non-convertible debt, synthetics convertibles or other derivative instruments.</p>	
Select Equity	<p>The Adviser's Select Equity strategies investment philosophy is simple; the team invests in high-quality businesses, with strong management, at an attractive price. Stock selection and independent research is fundamentally driven, bottom-up, and emphasizes three factors: High-quality businesses that possess sustainable competitive advantages that provide opportunities for long-term growth, strong management teams that are strong capital allocators and efficient operators, and businesses that are believed to be attractively priced in relation to their intrinsic value. The team believes this philosophy will allow it to deliver high active share portfolios targeting significant outperformance over a market cycle.</p> <p>The portfolios are concentrated by business ideas that are weighted based on the team's conviction of their expected risk adjusted returns. While country and sector allocations are by-products of stock selection, the team mitigates risk by diversifying portfolio holdings into different businesses located in various regions around the globe.</p>	<p>International Select Equity Emerging Markets Select Equity</p>
Global Core Equity	<p>The Adviser's Global Core Equity strategy seeks to invest in high quality companies whose competitive advantages provide opportunities for long-term growth. The investment team look for companies run by strong management teams, and that are believed to be attractively priced in relation to their intrinsic value. The strategy is actively managed,</p>	Global Core Equity

Investment Center	Summary of Philosophy and Process	Sub-strategies/mandates
	concentrated and employs a long-term investment horizon.	
Global Liquidity	The Adviser's Global Liquidity strategies provide high quality cash management and ultrashort fixed income solutions through a disciplined investment approach designed to maximize current income consistent with the preservation of capital and maintenance of liquidity.	Treasury Cash Management Government Cash Management Prime/Liquid Assets Cash Management Tax-Free Cash Management Ultrashort/Conservative Income
Global Debt	<p>The Advisor's Global Debt strategies are driven by top down global macro analysis, which determines the overall portfolio risk budget and the allocation of that risk budget across three levers: foreign currencies, interest rates and credit. Bottom up country analysis identifies what the Advisers believe to be favorable country-specific opportunities. Country views are then expressed directionally via one or a combination of the three levers, influenced by the attractiveness of their risk-reward profiles.</p> <p>The team believes that a robust investment process is based on a risk allocation framework, which is more efficient than forecasting returns. Finally, an investment horizon of 9-18 months allows the team to look through short-term noise while seeking to add value through both allocation and security selection.</p>	Multi-Sector Income International Bond Emerging Markets Local Bond
Stable Value	The Adviser's Stable Value strategy uses a unique approach to stable value construction that seeks to consistently achieve the following objectives: preservation of principal; book value liquidity for all participant withdrawals; and competitive returns that move in the general direction of interest rates. Portfolios are typically broadly diversified across fixed income sectors with a focus on high quality, securitized credit sectors like asset-backed securities, mortgage-backed securities and commercial mortgage backed securities.	
Investment Grade Credit	The Adviser's Investment Grade strategies employ a structured and disciplined investment process to maintain consistency, but build in flexibility to adapt to dynamic markets. The investment process integrates macroeconomic and credit analysis into a broad risk and asset allocation strategy and key themes to	Core Bond Core Plus Bond Corporate Credit Equity Enhanced Fixed Income

Investment Center	Summary of Philosophy and Process	Sub-strategies/mandates
	guide decision-making. The strategy caters to changing market environments by finding value in both benchmark and non-benchmark securities and targeting continuity of results.	Long Duration Corporate Bond Short Term Bond
Municipals	<p>The Adviser's Municipal Bond strategies managed based on the belief that creating long term value through comprehensive forward-looking research are the keys to providing clients with investment solutions that are both consistent and successful. Proprietary credit research and risk management are the foundations of the investment process, supported by an experienced team of investment professionals with expertise that spans the municipal investment universe. The team maintains an integrated, team-based investment process that combines the strength of its fundamental credit research staff with the market knowledge and investment experience of the portfolio managers. The position as a market leader in the municipal space allows the team to access preferred market opportunities that enhance the execution in daily transactions and deliver valuable market insights. This value-oriented combination of proprietary research and integrated risk controls allows the team to create highly diversified portfolios that seek to maximize risk-adjusted returns.</p> <p>The Adviser seeks to focus the Fund's investments in municipal securities issued by issuers involved in projects or technologies with high potential positive environmental impact, as determined by the Adviser using its proprietary evaluation system, in areas such as land, water and energy conservation. Generally, the Adviser views projects or technologies with high potential positive environment impact to include opportunities likely to result in lower or net-zero emissions, environmental conservation, environmental rehabilitation, increased use or creation of renewable energy, increased</p>	<p>Short Term Municipal Limited Term Municipal Intermediate Term Municipal AMT-Free Municipal Income Municipal Income Short Duration High Yield High Yield Municipal Rochester Municipal Opportunities Limited Term California Municipal California Municipal Rochester Limited Term New York Municipal Rochester AMT-Free New York Municipal Invesco Rochester New York Municipals New Jersey Municipal Pennsylvania Municipal</p> <p>Environmental Focus Municipal</p>

Investment Center	Summary of Philosophy and Process	Sub-strategies/mandates
	sustainability, or other positive environmental outcomes.	
Structured Investments	<p>The Adviser's Structured Investments strategies are founded upon collaboration within its comprehensive research platform through the integration of macro and credit research.</p> <p>Within this investment process, the team believes there are two particularly distinctive elements to its strategies and overall value proposition. The first is a rigorous primary portfolio design process based on proprietary risk-based techniques that establish clear exposure level targets for each client portfolio. These exposure levels are adaptable to changing market conditions and shifts in the risk cycle assessment. The second key element is alpha generation through individual top-down and bottom-up decisions.</p>	<p>US Mortgage-Backed Agency Focused</p> <p>High Quality Variable Rate Bond</p> <p>US Mortgage-Backed Securities</p> <p>Real Estate Fixed Income Opportunity</p> <p>Opportunistic Mortgage</p> <p>Diversified Income</p> <p>U.S. High Quality Short Term Bond</p>
Multi-Sector Credit	The Adviser's Multi-Sector Credit strategy takes a discretionary approach across core credit asset classes to pursue attractive strategic beta, tactical beta, and security selection alpha opportunities that can potentially enhance overall income and total return potential. The strategy applies a disciplined, research-intensive investment process that combines top-down and bottom-up analysis.	Active Multi-Sector Credit
High Yield	The Adviser's High Yield strategies are constructed with a primary focus on risk management and a secondary focus on return potential to optimize risk-adjusted returns for clients. The team's process is based on the ability to compare not just risk and return across analysts, but also industries and companies and is designed to guard against excessive risk-taking or extreme conservatism.	<p>Global High Income</p> <p>High Yield</p> <p>Short Duration High Yield</p>
Emerging Markets Debt	<p>The Adviser's Emerging Markets Debt strategy rests on three pillars:</p> <ul style="list-style-type: none"> <li>• The belief that top-down, macro factors drive most asset returns.</li> <li>• The belief that rigorous bottom-up fundamental research uncovers opportunities in volatility and market dislocations.</li> <li>• The importance of having a comprehensive and structured approach for managing risk.</li> </ul>	
Investment Solutions	The Adviser's Investment Solutions Team (IIS) combines strategic and tactical asset allocation with manager selection capabilities to deliver outcome-oriented solutions to clients. The team evaluates	<p>Target Risk</p> <p>Target Date</p> <p>Global Multi-Asset</p>

Investment Center	Summary of Philosophy and Process	Sub-strategies/mandates
	<p>capabilities across various investment strategies and combines them in a way that's designed to meet specific client objectives. As an independent team that is not affiliated with a particular Invesco investment discipline, the IIS team has the flexibility to tap into a broad set of capabilities. The team utilizes strategic asset allocation and/or tactical asset allocation approaches to design and implement solutions across a wide range of vehicles for its clients.</p>	<p>Balanced Income</p> <p>Balanced (Equity, Fixed Income, Alternatives)</p>
Global Asset Allocation – Multi-Asset Suite	<p>The Adviser's Global Asset Allocation ("GAA") team deploy several different multi-asset investment strategies.</p> <p>The philosophy for the Balanced-Risk Allocation strategy considers these tenets:</p> <ul style="list-style-type: none"> <li>• The simple math of compound returns requires that investors limit downside risk while participating in positive return environments.</li> <li>• A focus on risk management, particularly on those periods where riskier assets, such as equities, do poorly.</li> <li>• Reducing overall risk with a focus on standard deviation results in a symmetric reduction in the upside and downside. The team believes it can create a portfolio that significantly reduces downside exposure while maintaining the majority of the upside potential.</li> </ul> <p>The GAA team strives to achieve its investment philosophy in two ways within the Balanced-Risk Allocation strategy:</p> <ul style="list-style-type: none"> <li>• The primary approach is to strategically balance the amount of risk exposure the portfolio has to diverse set of macro factor exposures. This should limit the impact of surprise outcomes on the portfolio.</li> <li>• Secondly, the team tactically shifts from a precise balance to each macro factor in order to emphasize those assets that are most likely to outperform cash.</li> </ul> <p>The philosophy for the Invesco Macro Allocation Strategy focuses on two key concepts:</p>	<p>Balanced-Risk Allocation</p> <p>Balanced-Risk Allocation 10%</p> <p>Balanced-Risk Allocation 12%</p> <p>Macro Allocation</p>

Investment Center	Summary of Philosophy and Process	Sub-strategies/mandates
	<ul style="list-style-type: none"> <li>Over time, the risky assets included in the strategy are expected to generate a risk premium, or excess return to cash.</li> <li>However, these assets behave differently during the unique phases of the economic cycle and earn this risk premium at different times.</li> </ul> <p>The strategy uses long and short positions to capture positive performance in both rising and falling markets with zero to low correlation to market indices. The investment process for the Invesco Macro Allocation Strategy is completely quantitative. This helps ensure a consistent and disciplined process. The investment team first applies fundamental market concepts to identify both directional and relative investment opportunities. The team then accounts for volatility and correlation differences to set a risk-balanced core. In the final step of the process, portfolio construction, the team attempts to control the frequency, depth and duration of portfolio losses and rebalances the portfolio on a monthly basis.</p> <p>The Global Asset Allocation Strategy is a combination of 55% Invesco Balanced-Risk Allocation and 45% Invesco Macro Allocation Strategy.</p> <p>The Small Cap Index Plus strategy is 50% Macro Allocation Strategy and 50% Russell 2000. The objective is to generate a total return in excess of its benchmark. The strategy seeks to accomplish this by owning two types of assets: excess return-generating assets and benchmark-replicating assets.</p>	<p>Global Asset Allocation</p> <p>Small Cap Index Plus</p>
Global Asset Allocation - Commodities	<p>The GAA's Balanced-Risk Commodities strategy takes an active approach to commodity investing due to some of the unique return sources available in the commodity markets. The investment strategy focuses on four key drivers of commodity returns: term structure weighting, equal risk contribution, optimal roll yield, and tactical allocation. The strategy does not seek to replicate the performance of a benchmark index.</p> <p>The strategy is diversified across the commodity complexes, including, but not limited to, energy, agriculture, precious metals, and industrial metals.</p>	Balanced-Risk Commodities

Investment Center	Summary of Philosophy and Process	Sub-strategies/mandates
	Specifically, the team selects the appropriate assets for the strategy, allocates them based on their proprietary risk management and portfolio construction techniques, and then applies an active positioning process to improve expected returns.	
Global and US Real Assets— Direct Real Estate	The Adviser's Global and US Real Assets Direct Real Estate strategies have several methodologies and systems in place to manage risk and to ensure consistent application of the direct real estate investment philosophy and process through a house view. The house view combines the empirical and anecdotal evidence from multiple investment disciplines, including Strategic Analytics, Transactions, Transaction Analytics, Valuations, Portfolio Management, Real Estate Securities, Investment Management and Financing/Dispositions and sets forth where management sees the best relative value from a property type allocation, market selection and asset attribute standpoint. Portfolio Management then incorporates the up-to-date house view into investment plans and is charged with implementation. Risk is managed throughout the acquisition/origination process through a series of checks and balances. Investment-specific risks evaluated by the team include (but are not limited to) financial, operational, tenant-related, environmental, structural, lease-related, title-related and legal. A transaction team is formed for every potential acquisition/origination consisting of members from each of the investment disciplines - Portfolio Management, Transactions, Transaction Analytics, Closing and Due Diligence, and Investment Management. Each member of the team evaluates each opportunity from the point of view of their expertise, providing for collaborative input on each opportunity. Unanimous consent is ultimately required from the applicable direct real estate investment committee for any acquisition/origination or disposition and each decision is made with input from the various investment disciplines.	US Core Equity Investments US Core Debt Investments US Core-Plus Equity Investments US Value-Add and Opportunistic Investments US and Global Opportunistic Investments Income-Oriented Public, Non-Listed REIT Fund-of-Fund Mandates investing in Private Funds, Public REITs, Registered Investment Companies and/or Direct Real Estate
Global and US Real Assets-- Securities	The Adviser's Global and US Real Asset Securities strategies are based upon two fundamental principles: maximizing predictability and consistency of investment returns and minimizing risk through strict attention to portfolio design. The Adviser uses a systematic approach incorporating fundamental research and a bottom up stock selection process; though also incorporates macro-level risk controls for the potential effects of variables such as	US Real Estate Securities Total Return Global Real Estate Securities Total Return Global Real Estate Securities Income-Oriented



Investment Center	Summary of Philosophy and Process	Sub-strategies/mandates
	<p>country/currency exposure, asset demand, construction trends and demographic trends, which may impact an individual company.</p> <p>The Adviser's SteelPath MLP strategy employs a fundamental approach to investing with an emphasis on business risk assessment and bottom-up analysis. On a macro level, the Advisers commodity price scenario analysis across medium and long-term horizons provides a framework for sub-sector allocation and investment selection. The Adviser seeks to perform fundamental, asset-level analysis to find companies with superior risk/reward potential across a range of commodity price scenarios. Furthermore, the Adviser intends to focus on total return through intentional portfolio construction, remaining cognizant of cross-sector exposures while attempting to mitigate unintentional commodity or factor bets when appropriate.</p> <p>The Advisor's Real Assets strategies utilize a fundamental, bottom-up stock selection process that also incorporates sector and macro-level risk analysis including economic outlooks, inflation expectations, monetary &amp; fiscal policy, and supply/demand among others to invest in a portfolio of real assets including real estate, infrastructure, natural resources and timber. The Advisor may also leverage proprietary and/or third party generated ESG factors, as well as ESG exclusionary screens to construct portfolios. The portfolio managers integrate both quantitative and qualitative ESG research in an effort to create a holistic perspective on a company's ESG practices. The investment team considers each ESG pillar and investment opportunity separately. This analysis generally identifies those companies with functionally efficient assets with positive environmental credentials, operating as highest and best use with relatively positive local impact.</p>	<p>Global Infrastructure Securities Total Return</p> <p>Energy Infrastructure - Master Limited Partnerships</p> <p>Real Assets Securities Total Return</p> <p>Real Assets ESG ETF</p>
Quantitative Strategies	<p>The Adviser's Quantitative Strategies translate fundamental and behavioral finance insights into portfolio selections through a systematic and structured process that is combined with rigorous risk controls. The team believes that financial markets are driven by exposures to fundamental factors as well as behavioral biases, which it seeks to exploit with its multi-factor-based model. The Quantitative Strategies model uses several factors to rank the attractiveness of individual securities. These factors are grouped into three concepts: momentum (both earnings and price), quality and value. Each of these concepts</p>	<p>US Market Neutral</p> <p>Enhanced Index</p> <p>US Low Volatility</p> <p>Global Low Volatility</p>

Investment Center	Summary of Philosophy and Process	Sub-strategies/mandates
	represents one fundamental and/or behavioral bias of the stock market.	

## Risk Descriptions

Investing in securities involves risk of loss that clients should be prepared to bear. For example, an account may lose all or a substantial portion of its investments and investors in such funds or portfolios must be prepared to bear the risk of losses of their investments.

Other material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the funds or portfolios, include the following. However, this section does not identify every possible risk associated with investing.

**Active management risk** – All actively managed funds are dependent on their portfolio management team to select individual securities and, therefore, are subject to the risk that poor security selection or market allocation will cause an actively managed fund to underperform relative to other funds with similar investment objectives or to its benchmark index.

**Asset allocation risk** – Funds that utilize a fund-of-funds asset allocation strategy are dependent on their portfolio management team to determine the asset allocation mix and select the underlying funds for investment. These types of Funds are subject to the risk that poor asset allocation or underlying fund selection will cause a Fund to underperform relative to other funds with similar investment objectives.

**Capital depletion risk** – Some of the Funds and some series of the Funds (such as the T-FLEX Series) aim to make regular monthly distributions of cash at a target rate. Such regular distributions will generally include returns of capital. For example, if the net income generated by the Fund's investments in a month is less than the dollar amount of the target distribution for that month, then a portion of the monthly payment will be comprised of a return of capital. Investors in those Funds should monitor the Fund's rate of return and compare that to the distribution rate. If the Fund's rate of return is less than the distribution rate, your investment could be depleted and the amount of future distributions could be for a lower cash amount. In addition, monthly distribution rates may be changed without prior notice.

**Commodity risk** – Some Funds may invest in companies engaged in commodity-focused industries, such as oil or gas, or may invest (i) directly, or indirectly through derivatives, in gold and silver, and (ii) indirectly, in other commodities. The share price of these companies and the price of commodities derivatives (and as a result, the NAV of the Funds holding these investments) will be affected by changes in the price of these commodities, which may occur as a result of a number of factors, including supply and demand, speculation, central bank and international monetary activities, political or economic instability and changes in interest rates. The price of commodities may fluctuate significantly over a short period of time causing volatility in a Fund's NAV.

**Concentration risk** – Some Funds invest in a relatively small number of securities and, as a result, each security may constitute a significant portion of the Fund's portfolio. This concentration could result in the Fund being less diversified and, therefore, less liquid (since, for example, it may be harder to sell large amounts of a single issuer compared to small amounts of many issuers) and more volatile (since price movements in the concentrated securities will have a greater impact on the NAV of the Fund compared to the price movements of securities in a more diversified portfolio). The volatility can act as a benefit to investors when the securities selected outperform the market or a detriment to investors when those securities underperform.

**Country risk** – Funds that invest a significant amount of their assets in a single country (including Canada or the U.S.), either as a result of their investment objective and/or investment strategies or at the portfolio management team's discretion, may be more volatile than a more geographically-diversified fund, and may be strongly affected by the overall economic performance of that specific country. Some Funds have investment objectives to invest primarily in one country, and those Funds must continue to follow their investment objectives regardless of the economic performance of the specific country.

**Credit risk** – Investments in debt securities are subject to certain general investment risks in a manner similar to their effect on equity investments. The market value of a Fund is affected by changes in the prices of the debt securities it holds. In addition to interest rate risk (described below), a number of factors may cause the price of a debt security to decline. For investments in corporate debt securities, these include specific developments relating to the company and general financial, political and economic (other than interest rate) conditions in the countries in which the company operates. For government debt securities, this includes general financial, political and economic conditions. These factors, collectively, are known as credit risk. Credit risk may increase during the disruptive events described under Price fluctuation risk (described above).

Credit risk includes:

- Default risk, which is the risk that the issuer of the debt will not be able to pay interest or repay the debt when it is due. Generally, an increase in the likelihood of default decreases the value of a debt security.
- Credit spread risk, which is the risk that the difference in interest rates (called "credit spread") between the issuer's bond and a bond considered to have little associated risk (such as a Treasury bill) will increase. Generally, an increase in credit spread decreases the value of a debt security.
- Downgrade risk, which is the risk that a specialized credit rating agency, such as Standard & Poor's, will reduce the credit rating of an issuer's debt securities. Generally, a downgrade in credit rating decreases the value of a debt security.
- Collateral risk, which is the risk that (i) it will be difficult to sell the assets the borrower has given as collateral for the debt, (ii) the collateral is found to be invalid or used to pay other outstanding obligations of the borrower, or (iii) the collateral is insufficient to satisfy the borrower's obligations. If an issuer becomes bankrupt, it may be more difficult to access the collateral due to bankruptcy or other insolvency laws which would delay or limit the ability to realize the benefits of the collateral. As well, any specific collateral used to secure a loan may decline in

value or become illiquid. Such difficulties could cause a significant decrease in the value of a debt security. Certain debt securities, such as senior loans, carry a higher collateral risk.

**Currency risk** – The assets and liabilities of each Fund, other than Invesco U.S. Money Market Fund and U.S. Dollar Cash Management Fund, are valued in Canadian dollars. If a Fund buys a security denominated in a foreign currency, during the time that the Fund owns that security, for the purposes of calculating the NAV of that Fund, we convert, on a daily basis, the value of the security into Canadian dollars. Fluctuations in the value of the Canadian dollar relative to the foreign currency impact the NAV of the Fund. If the value of the Canadian dollar has increased relative to the foreign currency, the return on the foreign security may be reduced, eliminated or made negative. Funds holding underlying funds which hold securities denominated in a foreign currency face the same risk, albeit indirectly. The opposite can also occur. That is, a Fund holding (directly or through an underlying fund) a security denominated in a foreign currency may benefit from an increase in the value of the foreign currency relative to the Canadian dollar. Some portfolio managers choose or are required to mitigate currency risk by using derivatives to hedge the impact of foreign currency fluctuations. However, these derivative transactions may not be fully effective. In addition, these derivative transactions will expose those Funds to certain types of risks described below under Derivative risk.

Some foreign governments may restrict currency exchange. If we cannot exchange the currencies in which a Fund is invested (directly or through an underlying fund), the Fund will be less liquid.

**Derivative risk** – The Funds may use derivatives which limit potential gains or losses caused by changes in exchange rates, stock prices or interest rates. This is called hedging. The Funds may also use derivatives for non-hedging purposes, such as reducing transaction costs, increasing liquidity, gaining exposure to financial markets, currencies and commodities or increasing speed and flexibility in making portfolio changes. The use of derivatives has risks, including:

- There is no guarantee a market for the derivative will exist when a Fund wants to buy or sell
- There is no guarantee that the Fund will be able to find an acceptable counterparty willing to enter into a derivative contract
- The counterparty to the derivative contract may not be able to meet its obligations which could result in a loss for the Fund
- A large percentage of the assets of a Fund may be placed on deposit with one or more counterparties, which exposes the Fund to the credit risk of those counterparties
- Securities exchanges may set daily trading limits or halt trading, which may prevent a Fund from selling a particular derivative
- The price of a derivative may not accurately reflect the value of the underlying asset

- Gains or losses from derivatives may result in fluctuations to a Fund's taxable income, which may in turn impact the taxable portion of a Fund's regular distributions or result in distributions that are higher or lower than otherwise anticipated
- If derivatives are being traded on foreign markets, it may be more difficult or take longer to complete a transaction

Where a Fund uses derivatives for hedging purposes, there is a risk that the hedging strategy may not be effective in mitigating losses, or that the derivative will not offset the drop in the value of the underlying security or currency. The use of derivatives for hedging purposes may also reduce the opportunity for gains due to market fluctuations, the cost of the hedge and the nature of the derivative.

**Emerging markets risk** – Some of the Funds invest in securities issued by corporations located in emerging markets. Emerging markets countries are countries that are in the initial stages of their industrial cycles. Emerging markets economies may have the risks described under Currency risk, Foreign investment risk and Liquidity risk. Countries in emerging markets (i) tend to be less stable politically, socially and economically, (ii) may be more subject to corruption, (iii) may have less market liquidity and (iv) may have less stringent regulatory, accounting, auditing and reporting standards. As a result, emerging markets securities may experience larger and more frequent volatility in the short term.

**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 its stock price. 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 Fund 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.

**ESG investment strategy risk** – Employing an environmental, social and governance (ESG) focused investment strategy limits the types and number of investment opportunities available and, as a result, a Fund or, in the case of a Fund that is a fund of fund, the underlying fund, that has an ESG focus may underperform other funds that do not have an ESG focus. The investment strategy may also result in that Fund or underlying fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG criteria.

In addition, the determination of the ESG criteria to apply, and the ESG assessment of a company or industry by a portfolio management team, index provider or third party data provider may differ from the criteria or assessment applied by someone else. As a result, the companies selected by a portfolio management team or index provider may not always reflect positive ESG characteristics or the ESG values of any particular investor.

**Foreign investment risk** – Some of the Funds invest in securities issued by corporations in, or governments of, countries other than Canada. Investing in foreign securities can be beneficial in expanding your investment opportunities and portfolio diversification, but there are risks associated with foreign investments, including:

- Companies outside of Canada may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in Canada
- The legal systems of some foreign countries may not adequately protect investor rights
- Political, social or economic instability may affect the value of foreign securities
- Foreign governments may impose currency exchange controls that prevent a Fund from taking money out of the country
- Certain foreign economies (particularly emerging market economies) may be smaller, less stable and less transparent, and therefore more volatile than developed economies
- Investment income received by a Fund from foreign investments may be subject to foreign withholding tax; the rate of the withholding may increase at any time and any potential reduced withholding tax rates or withholding tax reclaims may be more costly to pursue than the value of the benefits received by a Fund

**Fund corporation risk** – Each Corporate Fund is comprised of one or more separate share classes of Invesco Corporate Class Inc., a mutual fund corporation. The assets and liabilities of each Corporate Fund are assets and liabilities of the mutual fund corporation as a whole. If the liabilities of a Corporate Fund are greater than its assets, the other classes of the mutual fund corporation may be responsible for those liabilities. A mutual fund corporation, like a mutual fund trust, is permitted to flow through certain types of earnings to investors in the form of dividends. These are dividends from taxable Canadian corporations and capital gains. However, unlike a mutual fund trust, a mutual fund corporation cannot flow through other types of earnings including interest, trust income, foreign source dividends and gains from derivatives treated as income. If these types of earnings, calculated for the corporation as a whole, are greater than the expenses of the corporation and other tax deductible amounts, then the corporation would become taxable. We track the income and expenses of each Corporate Fund separately so that if the corporation becomes taxable, we would have the ability (although we would not be obligated) to allocate the tax to those Corporate Funds whose taxable income exceeded expenses. If a Corporate Fund becomes taxable, this tends to be more disadvantageous for two types of investors: investors in a registered plan and investors with a lower marginal tax rate than the Corporate Fund. Investors in registered plans do not immediately pay income tax on income received, so if a Trust Fund earned that income it would distribute it, and the investors in a registered plan would not immediately pay income tax. Since the Corporate Fund cannot distribute the income, the investors in a registered plan will pay the income tax indirectly. The corporate tax rate applicable to mutual fund corporations is higher than some personal income tax rates, depending on the province or territory in which you live and your marginal tax rate. As such, if the income is taxed inside the corporation rather than distributed to you (and you pay the tax), you may indirectly pay a higher rate of tax on that income than you otherwise might.

**Geopolitical Risk** - The strategy is subject to the risk that geopolitical events will disrupt securities markets and adversely affect global economies and markets. Due to the increasing interdependence among global economies and markets, conditions in one country, market, or region might adversely impact markets, issuers and/or foreign exchange rates in other countries, including the U.S. War, terrorism, global health crises and pandemics, and other geopolitical events have led, and in the future may lead, to increased market volatility and may have adverse short- or long-term effects on U.S. and world economies and markets generally. Recent military action by Russia in Ukraine could adversely affect global energy and financial markets and therefore could affect the value of an account's investments, including beyond such account's direct exposure to Russian issuers or nearby geographic regions. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict and could be substantial.

**Index fund risk** – Indexing strategies involve tracking the performance of the securities included in the relevant index. A Fund may seek to track one or more indices by directly purchasing the constituent securities of the index or indices, or by purchasing one or more ETFs that seek to track the performance of such index or indices. Third-party index providers calculate, determine and maintain the indices that are tracked, and such index providers have the right to make adjustments to or cease to calculate the indices, without regard to how this would affect any Funds or any underlying ETFs. This may require us to replace the index, change the investment objectives of the Fund or, in certain circumstances, terminate the Fund. It is unlikely that a Fund will be able to track indices perfectly. This is for several reasons, including:

- The Fund has its own fees and operating and trading costs, which lower returns. Indices do not have these fees or costs
- Certain securities in the index may temporarily not be available for purchase
- If an index fund (or an underlying ETF) tenders securities pursuant to a takeover bid for less than all securities of a constituent issuer, and that issuer is not removed from the index, the fund (or underlying ETF) may have to buy replacement securities at a different price than the takeover bid price
- If there is a significant investment in the Fund, the Fund may have higher than normal cash levels until such time as it is able to obtain exposure to the index because there may be a delay of several days between the time of the investment in the Fund and the time the Fund receives payment for the shares or units of the Fund. This “cash drag” will have a more significant impact on a Fund with relatively smaller assets under management
- Certain Invesco Index and ETF-based Funds may utilize representative sampling or may hold an Invesco ETF that utilizes representative sampling. Representative sampling involves using quantitative analysis to select either a subset of the securities that make up the underlying index or a combination of some or all of the securities that make up the underlying index and other securities that are not part of the underlying index. This may result in a deviation in the performance of the

Fund or the underlying Invesco ETF relative to the applicable index that is being tracked

An index fund may, in basing its investment decisions on an index, have more of its net assets invested in one or more issuers than is usually permitted for mutual funds under applicable securities legislation. In these circumstances, an index fund may be affected more by the performance of individual issuers in its portfolio, with the result that the NAV of the index fund may be more volatile and may fluctuate more than the NAV of a more broadly diversified mutual fund. In addition, this may make the index fund less liquid which may, in turn, have an effect on the index fund's ability to satisfy redemption requests.

Because the investment objective of the index fund is to track the performance of one or more indices, the index fund must continue to invest in the securities of the index or indices, even if the index or indices are performing poorly. The poor performance of a security in the index will not result in the removal of that security from the index fund's portfolio unless that security is removed from the index. The index fund will not attempt to take defensive positions in declining markets. A Fund that is an index fund will not be able to reduce risk by diversifying its investments into securities that are not in the index or indices.

**Interest rate risk** – The value of Funds that hold debt securities that pay a fixed rate of interest will rise and fall as interest rates change. When interest rates fall, the value of an existing fixed-income security will rise. When interest rates rise, the value of an existing fixed-income security will fall. To the extent a Fund invests in fixed-income securities with a negative yield (for example, under conditions where there are negative interest rates), the value of the Fund may decline. The value of a debt security that pays a variable (or "floating") rate of interest, such as a senior loan, is generally less sensitive to interest rate changes. Also, long-term debt securities tend to be more sensitive to interest rate changes than short-term debt securities.

**Large transaction risk** – Some Funds may have investors who subscribe for a significant amount of the Fund's shares or units. These investors could include individual investors but, more typically, would be other Funds managed by Invesco Canada (fund-of-funds portfolios) or other institutional investors who include a Fund as a component of one of their products. These investments entail certain risks.

The initial (or a subsequent) investment by a large investor may increase a Fund's cash flow beyond a normal level. As a result, the portfolio management team may not be able to invest the new cash immediately. If this occurs during a rising market, the excess cash could reduce Fund performance relative to the performance had this investment not been made. In a falling market, the opposite could occur, and the uninvested cash could benefit the Fund's performance.

A redemption by a large investor could also be disruptive to the Fund in a number of ways. To fund the redemption, the portfolio management team may have to sell portfolio securities earlier than it would have otherwise had to absent the large redemption. This may cause the Fund to realize capital gains earlier than might have otherwise been the case, accelerating capital gains distributions to investors. To fund a large redemption, a Fund may have to sell certain portfolio securities very quickly to raise cash. In doing so, the Fund could cause a spike in the daily trading volume of such securities, and this could result in the Fund realizing a lower price than if the securities were sold over a longer time



period. The Manager tries to mitigate these risks by attempting to negotiate (or, in cases where one of the Funds is the investor, by observing), where possible, lengthy notice periods for large redemptions at the time a large investment is made. The notice period affords the portfolio management team time to sell portfolio securities without flooding the market with an unduly large number of shares, as this could be expected to decrease the price received on the sale of those portfolio investments. In addition, the redemption of a significant investment would be unlikely to affect the amount of expenses allocated to a series of a Fund in the short term, but it would cause the amount of expenses allocated to remaining investors to increase, which would be reflected in an increase in the management expense ratio of the series of the Fund.

**Liquidity risk** – The liquidity of an asset can be considered on a spectrum. A liquid asset trades on an organized market, such as a stock exchange, which provides price quotations for the asset. The use of an organized market means that it should be possible to convert the asset to cash at, or close to, the quoted price, or the price used to calculate the Fund's NAV.

At the other end of the spectrum are illiquid assets. These assets cannot be disposed of easily due to resale restrictions (whether by law or by contract), or are securities for which the last quoted market price is so detached from the price for which they can actually be sold that, in effect, there is no market price for them.

An asset is considered to be less liquid if it is more difficult to convert it to cash at the price used to value that asset. A company's securities may be less liquid for a variety of reasons, including the following:

- The company is not well known or widely held
- There are few outstanding securities
- There are few potential buyers
- They cannot be resold because of a promise or agreement

Also, in highly volatile markets, securities, especially debt securities, that were considered liquid may suddenly and unexpectedly become illiquid. The value of a Fund that holds illiquid securities may fall substantially if the Fund sells the illiquid securities at prices less than those used in calculating the NAV of the Fund. There are restrictions on the amount of illiquid securities a Fund may hold.

**Preferred share risk** – Preferred shares are a class of equity securities which pay a specified dividend that must be paid before any dividends can be paid to common shareholders, and which takes precedence over common shares in the event of the company's liquidation. Although preferred shares represent a share ownership interest in a company, preferred shares generally do not carry voting rights and have economic characteristics similar to fixed income securities. For instance, preferred shares are subject to many of the risks associated with debt securities, including interest rate risk. In addition, preferred shares may not pay a dividend, an issuer may suspend payment of dividends on preferred shares at any time, and in certain situations an issuer may call or redeem its preferred shares or convert them to common shares.

**Prepayment risk** – Many debt securities, including mortgage-backed securities and floating rate debt instruments, can be prepaid before maturity. If this happens, the debt security can offer less income and/or potential for capital gains.

**REIT risk/Real estate risk** – Investments in real estate-related instruments may be affected by economic, legal, cultural, environmental or technological factors that affect property values, rents or occupancy rates of the real estate holdings of a Fund. Real estate companies, including (real estate investment trusts (REITs)) or similar structures, tend to be small-cap and mid-cap companies and their shares may be more volatile and less liquid. The value of investments in real estate-related companies may be affected by the quality of management, the ability to repay loans, the utilization of leverage and financial covenants related thereto, whether the company carries adequate insurance and environmental factors. If a real estate-related company defaults, the Fund may own real estate directly, which may involve the following additional risks: environmental liabilities, difficulty in valuing and selling the real estate, and economic or regulatory changes.

**Repurchase and reverse repurchase transactions and securities lending risk** – A Fund may use these types of transactions. The other party to these types of transactions may default under the agreement or go bankrupt. If that happens in a reverse repurchase transaction and the market value of the security has dropped, the Fund may be unable to sell the security at the price it paid plus interest. If that happens in a repurchase or a securities lending transaction, the Fund may suffer a loss if the value of the security it sold or loaned has increased more than the value of the cash or collateral the Fund holds. To reduce these risks, the value of the collateral the Funds require the other party to post must be at least 102% of the market value of the security sold (for a repurchase transaction), bought (for a reverse repurchase transaction) or loaned (for a securities lending transaction). The value of the collateral is checked and reset daily. The market value of securities sold under repurchase transactions and loaned under securities lending agreements must not exceed 50% of a Fund's assets. This calculation excludes cash held by a Fund for sold securities and collateral held for loaned securities.

**Senior loan risk** – Senior loans are a type of debt security that are typically rated below investment grade or are unrated but deemed to be of comparable quality. Investments in senior loans may be considered speculative because of the credit risk of their issuers. Historically, these companies have been more likely to default on their payments of interest and principal relative to companies that issue investment grade debt securities, and such defaults will reduce a Fund's NAV and income distributions. The value of senior loans may also decrease significantly during an economic downturn because borrowers may have a more difficult time keeping up with payments. Economic and other events (whether real or perceived) can reduce the demand for certain senior loans or senior loans generally, which may reduce market prices. There is no active trading market for certain senior loans. As such, elements of judgment may play a greater role in the valuation of senior loans relative to securities with a more developed secondary market, and it may be harder for a Fund to realize full value if it needs to liquidate the asset. Some senior loans are subject to the risk that a court could mandate that other indebtedness of the borrower is repaid first, and if this happens it is possible that the borrower will default on the senior loan. A court could also take other action which would be detrimental to lenders, such as invalidating loans or causing interest and/or principal previously paid to the lenders to be refunded to the borrower. Such events would negatively impact a Fund's

investment in the senior loan. In some cases a Fund's rights under the senior loan may be limited or a Fund may not be able to unilaterally enforce its rights and remedies under the senior loan. A Fund may purchase and sell interests in senior loans on a when issued and delayed delivery basis. This means that no income accrues to the Fund in connection with the purchase of the senior loan interests until the Fund actually takes delivery of the interests. Because these transactions are subject to market fluctuation, the value of the interests in the senior loans at delivery may be more or less than the purchase price, and the yields available on such interests when delivery occurs may be higher or lower than the yields at the time of purchase. Because the Fund relies on the buyer or seller, as the case may be, to complete the transaction, failure by the other party to adhere to its obligations may result in the Fund missing the opportunity of obtaining an advantageous price or yield. When a Fund is the buyer in such a transaction, it will maintain cash, liquid securities or liquid senior loans having an aggregate value at least equal to the amount of its purchase commitments until payment is made. A Fund will only make commitments to purchase senior loan interests in this manner if it intends to actually acquire the interests, but a Fund may sell such interests prior to the settlement date if the sale is considered to be advisable. Settlement of transactions in most securities occurs several days after the trade date. In contrast, portfolio transactions in senior loans may have longer than normal settlement periods. This potentially longer settlement timeline may create a mismatch between the settlement time for a senior loan and the time in which a Fund must settle redemption requests from its investors.

**Series risk** – Each Fund, and where applicable, each class, may issue more than one series of shares or units. Each series has its own fees and expenses, which are tracked separately. If a Fund and/or class cannot pay the expenses of one series using that series' share of the Fund's and/or class' assets, the Fund and/or class will have to pay those expenses out of the other series' share of the Fund's and/or class' assets attributable to those series. This could lower the investment return of the other series. Similarly, each class has its own fees and expenses, which are tracked separately. If one of two classes cannot pay its expenses using that class' share of a Fund's assets, the other class will be required to pay those expenses out of its share of the Fund's assets attributable to the class. Having to pay any expense or liability of this kind could cause the value of your investment to decline even though the value of your Fund's investments might have increased. We use our best efforts to manage each class so that this does not happen.

**Smaller company risk** – A Fund may make investments in companies with relatively small capitalization. These investments are generally riskier than investments in companies with larger capitalization for several reasons. Smaller companies are often relatively new and may not have an extensive track record. This may make it difficult for the market to place a proper value on these companies. Some of these companies do not have extensive financial resources and, as a result, they may be unable to react to events in an optimal manner. In addition, securities of smaller companies are sometimes less liquid, meaning there is less demand for such securities in the marketplace at a price deemed fair by sellers.

**Specialization risk** – A Fund that invests a significant portion of its NAV in a specific industry, asset class or market sector ("area of specialization") may be more volatile than a less specialized Fund, and may be strongly affected by the overall economic or financial performance of the area of specialization in which the Fund invests. The Fund must

continue to follow its investment objectives regardless of the economic performance of the area of specialization.

**Underlying fund tracking risk** – A Fund may seek to have its returns, or a portion of its returns, linked to the performance of an underlying fund by purchasing shares or units of the underlying fund. The Fund may not be able to track the performance of the underlying fund to the extent desired for the following reasons:

- The Fund bears its own fees and expenses, which affects returns
- If a Fund holds an underlying fund that is listed on a foreign exchange, the Fund may incur withholding tax from the income of the underlying fund(s), which affects returns
- If there is a significant investment in the Fund, the Fund may have higher than normal cash levels until such time as it is able to obtain exposure to the underlying fund because there is typically a delay of several days between the time of the investment in the Fund and the time the Fund receives payment. This “cash drag” will have a more significant impact on a Fund with relatively smaller assets under management.
- A Fund may be permitted to invest in other assets. For example, a Fund which invests at least 90% of its net assets in units of an underlying fund may also be able to invest up to 10% of its net assets in other securities.

**Risk of Loss - Coronavirus and Public Health Emergencies.** There continues to be ongoing outbreaks of the highly contagious coronavirus referred to as covid-19 (“Covid-19”). The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. Measures taken by national and regional governments, states, districts and municipalities, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant impact on Invesco Advisers and its client accounts. The extent of the impact of COVID-19 or any other public health emergency on the operational and financial performance of Invesco Advisers’ client accounts will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the investments held in any client accounts as well as the ability of Invesco Advisers to source, manage and divest investments and achieve the investment objectives of its clients, all of which could result in significant losses to such clients. In addition, the

operations of Invesco Advisers and/or its affiliates may be significantly impacted, or even halted, either temporarily or on a long-term basis, as a result of government quarantine and curfew measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. The full effects, duration and costs of COVID-19 are impossible to predict, and the circumstances surrounding the COVID-19 will continue to evolve.

## 9. Disciplinary Information

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### Legal and Disciplinary

On May 31, 2021, Invesco Ltd., the ultimate parent company of Invesco Canada Ltd., agreed to a settlement with the Federal Financial Supervisory Authority ("BaFin") in the amount of 260,000 Euros (approximately \$309,595 USD) for a matter related to ownership filings with the German regulator in relation to German listed companies. BaFin alleged Invesco Ltd. and AIM international mutual funds failed to submit voting rights notifications to BaFin and issuers by the required deadline. BaFin issued a Notice of Hearing on July 30, 2020 to Invesco Ltd. alleging that violations of the voting rights requirements occurred on 26 occasions related to the voting rights notifications of Invesco Ltd. and on 28 occasions relating to the voting rights notifications of AIM international mutual funds between 05/2019 and 10/2019. Invesco Ltd. paid the administrative fine on June 30, 2021.

## 10. Other Financial Industry Activities and Affiliations

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### 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 its Canadian Funds.

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.

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## **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 Invesco Global Core Equity Fund and Invesco VI Global Core Equity 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**

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### **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 behavior and assists in the management of potential conflicts of interest. The Code, as amended from time to time, is overseen by the Invesco Canada Executive Committee (the "Executive Committee"). The Executive Committee is responsible for the overall scope, application and enforcement of Invesco Canada policies and procedures, including the Code. The Executive Committee also receives quarterly reporting from the CCO on matters related to the Canadian business. This reporting is also provided by the CCO to the Compliance Committee of the Canadian Funds Advisory Board ("FABCC").

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.

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## **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.

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## 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

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### 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 include, but are not limited to<sup>1</sup>:

- 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)
- 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.

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 (FINRA). ICMI and Invesco Canada are both indirect

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<sup>1</sup> 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.



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.

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### **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.

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### **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 favorable under the circumstances".

In seeking best execution and negotiating commission rates, the commission cost is one factor we consider. Other factors include, but are not limited to, price, quality, speed, efficiency, confidentiality, familiarity with potential purchasers or sellers, the ability or willingness of the Broker to clear and settle transactions effected by other Brokers, research and other services provided (if permissible), reliability of brokerage services, execution capability, a firm's financial responsibility, the difficulty of specific transactions, and any other logistical or processing considerations. Invesco Canada also analyzes which services best assist it in fulfilling its overall investment responsibilities to its clients. Invesco Canada weighs all such factors in selecting Brokers that will deliver best execution in the long-term and are in best interests of our clients. Invesco Canada periodically and systematically evaluates the execution performance of brokers executing transactions.

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### **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 separately managed account (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, 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 the Head of Front Office Operations, and reviewed by the Invesco Canada Legal and Compliance departments.

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## **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. 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

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### 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 SMAs 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.

Invesco's risk governance structure follows the "Three Lines of Defense" approach:

- 1st Line - risk management embedded into investment processes and owned by each group CIO
- 2nd Line - independent oversight and monitoring through multiple governance structures (notably, the IRMC referenced below)
- 3rd Line - audit, senior management and board review

The Investment Risk Management Committee ("IRMC") is the formal Investment Risk oversight committee. It establishes a dynamic structure to set risk frameworks and policy. Risk limit breaches are reported to the Global Performance and Risk Committee, chaired by the CEO, quarterly summary to Fund Boards.

Portfolio review is an integral part of the independent oversight. For Invesco equity and balanced strategies, the Investment Risk team conducts a semi-annual "Portfolio Review." Each investment risk analyst 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. Risk analyst analyze the portfolios for which he/she is responsible and reviews his/her findings with the Head of Investment Risk.

The Portfolio 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 of twice per year.

The Portfolio Review focuses on three core components:

1. **Process:** Is the portfolio management team adhering to the investment process? Risk analysts review the portfolio in depth looking for anomalies in portfolio positioning, risk exposures and characteristics. Risk analysts seek to highlight key risk exposures that could impact the portfolio's active return.
2. **Constraints:** Risk analyst review the portfolio to ensure it is managed within regulatory constraints or internal constraints.
3. **Performance:** What is driving performance? Does performance make sense in the context of the discipline? Product managers analyze performance relative to benchmarks and peer groups, as well portfolio attribution to understand the source of returns.

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### **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 SMA. Additional review may also be triggered by an exception identified through daily or monthly monitoring.

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### **Regular Reports**

Summaries of the results of monthly compliance reviews are provided to the Fund Advisory Board 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**

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### **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.

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### **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**

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### **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**

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### **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**

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Invesco Ltd (“Invesco”), the ultimate parent company of Invesco, has adopted a policy statement on global corporate governance and proxy voting (the “Invesco Global Proxy Policy” or “Policy”). The Policy, which Invesco believes describes policies and procedures reasonably designed to ensure that proxies are voted in the best interests of its clients, is intended to help Invesco’s clients understand its commitment to responsible investing and proxy voting, as well as the good governance principles that inform Invesco’s approach to engagement and voting at shareholder meetings.

The Policy sets forth the framework of Invesco’s corporate governance approach, broad philosophy and guiding principles that inform the proxy voting practices of Invesco’s investment teams around the world. Invesco’s good governance principles, governance structure and processes are

designed to ensure that proxy votes are cast in accordance with clients' best interests, including Invesco Funds and their shareholders.

Invesco views proxy voting as an integral part of its investment management responsibilities. The proxy voting process at Invesco focuses on protecting clients' rights and promoting governance structures and practices that reinforce the accountability of corporate management and boards of directors to shareholders. The voting decision lies with Invesco's portfolio managers and analysts with input and support from its Global ESG team and Proxy Operations functions. Invesco's proprietary proxy voting platform ("PROXYintel") facilitates implementation of voting decisions and rationales across global investment teams.

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

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### **Applicability of Policy**

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

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).

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### **Global Proxy Voting Operational Procedures**

Invesco's global proxy voting operational procedures are in place to implement the provisions of this Policy (the "Procedures"). At Invesco, proxy voting is conducted by its investment teams through PROXYintel. Invesco's investment teams globally are supported by Invesco's centralized team of ESG professionals and proxy voting specialists. Invesco's Global ESG team oversees the proxy policy, operational procedures, inputs to analysis and research and leads the Global Invesco Proxy Advisory Committee ("Global IPAC"). Invesco's global proxy services team is responsible for operational implementation including vote execution oversight.

Invesco aims to vote all proxies where we have been granted voting authority in accordance with the Policy as implemented by the Procedures. Invesco's portfolio managers and analysts review voting items based on their individual

merits and retain full discretion on vote execution conducted through our proprietary proxy voting platform. Invesco may supplement its internal research with information from independent third-parties, such as proxy advisory firms.

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### **Proprietary Proxy Voting Platform**

Invesco's proprietary proxy voting platform is supported by a dedicated team of internal proxy specialists. PROXYintel streamlines the proxy voting process by providing Invesco's investment teams globally with direct access to meeting information and proxies, external proxy research and ESG ratings, as well as related functions, such as management of conflicts of interest issues, significant votes, global reporting and record-keeping capabilities. Managing these processes internally, as opposed to relying on third parties, is designed to provide Invesco greater quality control, oversight and independence in the proxy administration process.

Historical proxy voting information is stored to build institutional knowledge across the Invesco complex with respect to individual companies and proxy issues. Certain investment teams also use PROXYintel to access third-party proxy research and ESG ratings.

Invesco's proprietary systems facilitate internal control and oversight of the voting process. Invesco may choose to leverage this capability to automatically vote proxies based on its internally developed custom voting guidelines and in circumstances where Majority Voting applies.

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### **Global Invesco Proxy Advisory Committee**

Guided by its philosophy that investment teams should manage proxy voting, Invesco has created the Global IPAC. The Global IPAC is an investments-driven committee comprised of representatives from various investment management teams globally, Invesco's Global Head of ESG and chaired by its Global Proxy Governance and Voting Manager. The Global IPAC provides a forum for investment teams to monitor, understand and discuss key proxy issues and voting trends within the Invesco complex, to assist Invesco in meeting regulatory obligations, to review votes not aligned with our good governance principles and to consider conflicts of interest in the proxy voting process, all in accordance with this Policy.

In fulfilling its responsibilities, the Global IPAC meets as necessary, but no less than semi-annually, and has the following responsibilities and functions: (i) acts as a key liaison between the Global ESG team and local proxy voting practices to ensure compliance with this Policy; (ii) provides insight on market trends as it relates to stewardship practices; (iii) monitors proxy votes that present potential conflicts of interest; (iv) the Conflict of Interest sub-committee will make voting decisions on submissions made by portfolio managers on conflict of interest issues to override the Policy; and (v) reviews

and provides input, at least annually, on this Policy and related internal procedures and recommends any changes to the Policy based on, but not limited to, Invesco's experience, evolving industry practices, or developments in applicable laws or regulations.

In addition to the Global IPAC, for some clients, third parties (e.g., U.S. fund boards) provide oversight of the proxy voting process.

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## **Reporting**

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 [www.invesco.com](http://www.invesco.com).

Information regarding how the Fund voted proxies related to its portfolio securities during the most recent 12-month period ended June 30th is available at <https://www.invesco.ca/ivz/proxy-voting-records>. The information is also available on the SEC website, [www.sec.gov](http://www.sec.gov).

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## **Invesco's Good Governance Principles**

Invesco's good governance principles outline its views on best practice in corporate governance and long-term investment stewardship. These principles have been developed by Invesco's global investment teams in collaboration with the Global ESG team. The broad philosophy and guiding principles in this section inform Invesco's approach to long-term investment stewardship and proxy voting. These principles are not intended to be exhaustive or prescriptive.

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



The principles apply to operating companies. Invesco applies a separate approach to open-end and closed-end investment companies and unit investment trusts. Where appropriate, these guidelines are supplemented by additional internal guidance that considers regional variations in best practices, disclosure and region-specific voting items.

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## **Conflicts of Interest**

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

### **Firm-Level Conflicts of Interest**

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

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

Material firm-level conflicts of interests are identified by individuals and groups within Invesco globally based on criteria established by the global proxy services team. These criteria are monitored and updated periodically by the global proxy services team so as to seek to ensure an updated view is available when conducting conflicts checks. Operating procedures and associated governance are designed to seek to ensure conflicts of interest are appropriately considered ahead of voting proxies. The Global IPAC Conflict of Interest Sub-committee maintains oversight of the process. Companies identified as conflicted will be voted in line with the good governance principles as implemented by Invesco's internally developed voting guidelines. To the extent a portfolio manager disagrees with the Policy, Invesco's processes and procedures seek to ensure justification and rationales are fully documented and presented to the Global IPAC Conflict of Interest Sub-committee for approval by a majority vote.

As an additional safeguard, persons from Invesco's marketing, distribution and other customer-facing functions may not serve on the Global IPAC. For the avoidance of doubt, Invesco may not consider Invesco Ltd.'s pecuniary interest when voting proxies on behalf of clients. To avoid any appearance of

a conflict of interest, Invesco will not vote proxies issued by Invesco Ltd. that may be held in client accounts.

### **Personal Conflicts of Interest**

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

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

### **Voting Fund of Funds**

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

- In the United States, as required by law, proportional voting applies.
  - Shares of an Invesco-sponsored fund held by other Invesco funds will be voted in the same proportion as the votes of external shareholders of the underlying fund, where required by law.
  - Shares of an unaffiliated registered fund held by one or more Invesco funds will be voted in the same proportion as the votes of external shareholders of the underlying fund where the thresholds are met as required by federal securities law or any exemption therefrom.
  - To the extent proportional voting is required by law, but not operationally possible, Invesco will not vote the shares.
- For US fund of funds where proportional voting is not required by law, Invesco will still apply proportional voting. In the event this is not operationally possible, Invesco will vote in line with our internally developed voting guidelines].

- For non-US fund of funds Invesco will vote in line with our above-mentioned firm-level conflicts of interest process unless we have local policies in place.

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### **Review of Policy**

The Global IPAC and Invesco's Global ESG team, global proxy services team, compliance and legal teams annually communicate and review the Policy and its internally developed voting guidelines to seek to ensure that they remain consistent with clients' best interests, regulatory requirements, investment team considerations, governance trends and industry best practices. At least annually, this Policy and Invesco's internally developed voting guidelines are reviewed by various groups within Invesco to ensure that they remain consistent with Invesco's views on best practice in corporate governance and long-term investment stewardship.

## **18. Financial Information**

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### **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