CONFLICTS OF INTEREST POLICY

INVESCO EMEA EX-UK

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1. INTRODUCTION

Under the MiFID regulation (2004/39/EG) and specifically under article 13 (3), "an investment firm shall maintain and operate effective organizational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest as defined in Article 18 from adversely affecting the interests of its clients". This European directive was then further implemented into local laws and regulations, and similar obligations related to the identification and prevention of Conflicts of Interest were extended to a broader scope of institutions and financial services through the UCITS IV Implementing Directive (2010/43/EC), the AIFM Directive (2011/61/EU) and the Level II Ordinance, Section 2, impacting directly or indirectly the Invesco entities stated hereafter.

In the normal course of business, as in any large financial institution, situations resulting in potential or actual conflicts of interests may arise. There is nothing inherently unethical if and when such situations arise, subject to compliance with regulatory and legal requirements. However, the abuse of such situations is clearly improper and Invesco is committed to managing these conflicts of interest to prevent abuse and protect our clients, employees and other counterparties.

Invesco, as a fiduciary, is required to take all reasonable steps to identify, manage, record and, where relevant, disclose actual or potential conflicts of interest between ourselves (including our managers, employees, directors and any person directly or indirectly linked) and our clients and between one client and another and to have in place a policy relating to conflicts of interest. This includes conflicts that may arise where Invesco undertakes a particular activity for both undertakings for collective investment in transferable securities (UCITS) schemes, alternative investment funds (AIFs) and any other client.

This Policy is applicable to and adopted by the following firms, their employees, managers, officers and directors, and wider Invesco Limited Group companies where applicable (together "Invesco") in respect of all regulated activities and ancillary activities and services provided to clients:

- **INVESCO ASSET MANAGEMENT SA (& BRANCHES IN AMSTERDAM, BRUSSELS, MADRID, MILAN, STOCKHOLM)**
- **INVESCO ASSET MANAGEMENT DEUTSCHLAND GMBH (& INVESCO REAL ESTATE BRANCH IN MUNICH)**
- **INVESCO ASSET MANAGEMENT OSTERREICH GMBH**
- **INVESCO ASSET MANAGEMENT (SCHWEIZ) AG**
- **INVESCO MANAGEMENT SA**
- **INVESCO REAL ESTATE MANAGEMENT SARL**
  INVESCO GLOBAL ASSET MANAGEMENT IRELAND LIMITED

And incorporated fund vehicles where applicable, including but not limited to:

- **SHORT-TERM INVESTMENT FUNDS (GLOBAL SERIES) PLC**
- **POWERSHARES GLOBAL FUNDS IRELAND PLC**
- **INVESCO FUNDS, SICAV**
- **INVESCO MULTI SICAV**
- **FCPE IBM D**

And portfolio / funds managed for third parties.

This Policy also takes into account any conflicts between the interests of other companies within the wider Invesco Limited Group of companies (and persons connected thereto) and the duty Invesco owes to a client, including in the context of relevant outsourcing and delegation arrangements entered into and in respect of services Invesco may provide to or receive from the wider Invesco Limited Group.

Integrity, fairness, impartiality and primacy of clients' interests occupy a leading place in our ethical rules and values.

This Policy is designed to address conflicts of interest management for Invesco appropriate to the nature, scale and complexity of its business. Specifically it has been prepared in the context of Invesco being a major retail fund manager, the manager of collective investment schemes and providing discretionary investment manager services to professional clients.

Invesco will endeavour to manage any potential conflicts of interest in accordance with the fair treatment of customers.

2. CONFLICT OF INTEREST DEFINED

A conflict of interest is a situation where there is a material risk of damage to the interests of a client arising because the interests of:

- Invesco and our clients (including UCITS/AIF schemes and UCIs/AIFs managed) differ; and
- any client (including UCITS/AIF schemes and UCIs/AIFs managed) and those of another client differ.

An interest is the source of any advantage, direct or indirect, of whatever nature, tangible or intangible, professional, commercial, financial, non-financial or personal. However, it should be noted that it is not enough that Invesco may gain a benefit if there is not also a possible disadvantage to a client, or that one client to whom Invesco owes a duty may make a gain or avoid a loss without there being a concomitant possible loss to another such client.

3. COMPLIANCE ROLE

Invesco EMEA ex-UK Compliance seeks to ensure that Conflicts of Interests, or potential Conflicts of Interests are a) detected and b) are prevented or c), if unavoidable are being handled appropriately and disclosed and recorded where required. To achieve this, training is provided to all employees (on at least an annual basis) and to new joiners, and ongoing monitoring is carried out covering areas such as Gifts/Benefits & Entertainment, Staff Dealing, cross trade requests, requests for outside directorships and related parties process, amongst others.

4. TYPES OF CONFLICT OF INTEREST

When identifying services and activities that may entail a material risk of damage to the interests of a client, Invesco will, as a minimum, take into account the following types of conflict:

- the likelihood of Invesco making a financial gain or avoiding a loss at the expense of a client (including UCITS/AIF schemes and UCIs/AIFs managed);
- whether Invesco has an interest in the outcome of a service or an activity provided to, or transaction carried out on behalf of a client (including UCITS/AIF schemes and UCIs/AIFs managed) that is distinct from the client's interest in that outcome;
- whether Invesco Real Estate allocates real estate investment opportunities in a fair and equitable manner to its clients (including AIFs and mandates managed or advised);
- whether Invesco has a financial or other incentive to favour the interest of one client or group of clients over the interests of other clients or UCITS/AIF schemes and UCIs/AIFs managed;
- whether Invesco carries out the same activities performed by our clients; or in the case of activities carried out for UCITS schemes, such activities are also carried out for AIF clients; and
- whether there are inducements deriving from sources other than the client (including UCITS/AIF schemes and UCIs/AIFs managed) in relation to the services provided, in the form of monies, goods or services, other than the standard commission or fee for the services in question.

Having identified generic and specific conflict of interest risks and circumstances, Invesco establishes and implements effective organisational and administrative arrangements that demonstrate all reasonable steps have been taken to prevent such conflicts from constituting or giving rise to a material risk of damage to the interests of clients.

Invesco will try to avoid conflicts of interest and, when they cannot be avoided, seek to ensure that its clients, including UCITS/AIF schemes and UCIs/AIFs, are fairly treated.

Where a potential conflict arises, Invesco will always seek to ensure that transactions and services are effected on terms that are not materially less favourable to the client than those had the conflict, real or potential, not existed.

Where internal arrangements maintained by Invesco are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented, then appropriate disclosure will be made to all relevant parties (see section 6 below).

5. ACTIVITIES AND SERVICES CARRIED OUT WHICH MAY GIVE RISE TO CONFLICTS OF INTEREST AND GENERAL MITIGATION ARRANGEMENTS

Invesco provides and undertakes the following services and activities (varying from entity to entity):

- a management company providing collective portfolio management for UCITS /AIFs, UCIs and other schemes;
- a common platform firm providing investment management services to international institutional clients;
- a common platform firm providing real estate related investment advice and investment management services to professional clients;
- holding client assets and client monies;
- marketing of own retail and institutional investment services;
- distribution of own and third party retail and investment products both directly and through third parties;
- the provision of investment brokerage services to professional clients;
- the development of investment research solely for use within the business;
- accounting and secretarial services to certain institutional clients such as Investment Trusts;
- the execution of investment transactions through third-party counterparties;
- the purchase of third party investment research and other permitted services from execution counterparties under commission sharing arrangements;
- the provision of shareholder services;
- the provision of distribution, investment management and administrative services to Invesco Limited Group companies and their clients;
- exercise of voting rights attaching to portfolio investments and other governance and stewardship activity; and
- the provision and receipt of business entertainment, non-monetary benefits and gifts.

In conducting its business activities, Invesco entities might outsource key functions to internal or external third- parties. Key out-sourcing services include: Fund Accounting, Pensions Administration, Trading and Transfer Agency.

Invesco does not deal, make markets, underwrite or otherwise act as principal in securities transactions (save in respect of units/shares in collective investment schemes as a management company); distribute or otherwise disseminate investment research; take deposits; provide investment advice; provide corporate finance services.

As part of its senior management governance framework, Invesco has established organisational and administrative arrangements and internal control systems, which are designed to manage potential conflicts and to prevent material risk of damage to the interests of its clients.

Senior Management of Invesco, with support from the Compliance, Risk, Internal Audit and Legal functions, has responsibility for careful and consistent identification and management of conflicts of interest situations, either actual or potential. Operational business areas are responsible on a more general basis for monitoring their risks.

The procedures and measures to manage conflicts of interest are both general and specific. Those of a general nature pervade the organisation and establish structures and cultures that seek to ensure good business practice. Those that are specific are designed to address the key risks attributable to conflict circumstances identified.

The general arrangements are set out below. The additional specific arrangements to address circumstances identified above are set out in the Conflicts Register maintained by the Compliance departments (see 8 Record of Conflicts below).

General mitigation arrangements

- Organisational arrangements detailing clear roles and responsibilities.
- Documented policies and procedures covering key business areas and processes.
- Segregation of key duties to provide control and oversight of processes.
- Maintenance of a conflicts of interest policy approved by the relevant Invesco Board , with which all employees are required to comply.
- Directors and senior management emphasis on effective conflicts management.
- Confidential whistle-blowing arrangements for anyone concerned that a conflict has arisen that is not being properly addressed.
- Maintenance of codes of conduct and business ethics policies.
- Annual certification by all employees (and independent non-executive directors of companies/UCITS/AIFs) that all conflict circumstances actual and potential that they are aware of have been elevated and addressed.
- Provision of conflicts of interest training to all employees on joining the company and periodically thereafter.
- The use of physical means to protect against the inappropriate exchange of sensitive information between various parts of the business where applicable (“Chinese Walls”).
- Active consideration of potential conflicts of interest and their effective

management in relation to outsourcing arrangements with third parties (both external firms and other Invesco Group companies), and a requirement that these third parties either have an equivalent conflicts of interest policy or are guided by this policy.

- Active consideration of potential conflicts of interest and their effective management before launching a new fund/product or taking on a new client.
- Active consideration of potential conflicts of interest and their effective management before allocating an investment opportunity to a specific client.
- A requirement on all employees to report all conflicts, potential or otherwise to Compliance.
- Monitoring of potential conflicts of interest and associated mitigations by independent and competent functions.
- Periodic reviews by Internal Audit.

All employees are responsible for identifying and recording the circumstances in which a conflict of interest may arise, or has arisen, as a result of activities carried out by Invesco. This record will be held centrally and subject to monitoring and review by the Compliance Department, executive management and the relevant Invesco Board.

Employees are responsible for identifying and reporting any breaches of the policy to Compliance.

6. SPECIFIC POTENTIAL CONFLICTS OF INTEREST IDENTIFIED AND ASSOCIATED MITIGATION ARRANGEMENTS

To date, a number of specific sources of potential conflicts of interest have been identified as arising from the services provided and activities undertaken by Invesco. These are shown below along with a high-level description of the associated mitigating controls. For ease of understanding and clarity these are grouped into the following key categories: personal conduct and remuneration, the investment management process, and corporate interests.

<u>Personal Conduct and Remuneration</u>

- **Personal Account Dealing**

An employee or director of Invesco engages in personal account dealing, or is otherwise interested in any company whose securities are held or dealt in on the client's behalf, in respect of securities or services and Invesco has a client with an interest which potentially conflicts with such dealing. An employee or director of Invesco who works with real estate developers, intermediaries or financiers, who engages in the purchase of, or otherwise has a personal interest in, the associated real estate. Invesco operates personal account dealing procedures which details requirements for pre-clearance and/or notification, blackout periods and restrictions, and annual declarations. All such transactions are recorded and monitored. Where violations are identified, these are followed up immediately. In addition, periodic reports are produced by the Head of Compliance, which are submitted to the relevant governing body, identifying any violations and, where appropriate, making recommendations for procedural changes.

- **Business Entertainment and Gifts**

Gifts and entertainment (including non-monetary gifts) are received and given that may influence behaviour in a way that conflicts with the interests of Invesco's clients. Invesco has a Gifts, Benefits and Entertainment Policy which details what is acceptable. Only gifts and entertainment which do not impair Invesco's duty to act in the best interests of our clients are allowed. Records are maintained and monitoring undertaken of gifts and entertainment both received and given. In addition, Invesco will make any disclosures necessary under the Inducements regulations.

- **Remuneration**

Employees are remunerated on the basis of a variety of compensation components including base salary, cash bonuses, stock/fund deferral awards and long-term equity awards. Cash bonuses and deferral awards are variable components of compensation that are intended to motivate and reward individuals for their contribution to the annual results of the company and not to encourage inappropriate risk taking. Invesco Limited has a Compensation Committee that is comprised of at least three members of the Board each of whom is "independent" of the Company. The Committee meets regularly and is responsible for determining the components and level of compensation paid to our executive officers and for ensuring that compensation is aligned to the long-term interests of our clients and shareholders.

- **Outside Interests**

Invesco employees may be officers of companies not associated with the Invesco Limited Group. This association could potentially lead to the employee not acting in the best interests of Invesco or its clients. This is mitigated by the control that all outside associations are pre-cleared by the Compliance Department after ascertaining that no conflict of interest exists or is likely to exist in the future. In addition, there is an annual sign-off within the Invesco Code of Ethics which requires employees to detail any relevant outside interests. Where an employee has an interest in any company which is connected to Invesco, depending on the circumstances, any remuneration derived from that outside interest must be sacrificed by the employee.

- **Directorships**

In particular, in considering director appointments, including for UCITS/AIFs, the relevant Board shall assess and document its consideration of possible conflicts of interest. A Board of Directors of companies/UCITS is required to identify, manage, record and, where relevant, disclose actual or potential conflicts of interest. In any matter for consideration before a Board where a Director believes that a conflict may arise affecting him/her personally unless otherwise generally disclosed in accordance with relevant Company law, he/she shall disclose such conflict to the Board before the issue is considered by the Board. The Board of Directors will determine whether or not a conflict of interest exists, and whether or not such conflict materially and adversely affects the interests of the Company. A member of the Board whose potential conflict is under review may not debate, vote, or otherwise participate in such determination. If the Board of Directors determines that an actual or potential conflict of interest does exist, the Board shall also determine an appropriate remedy. Such remedy may include, for example, the relevant Director absenting him/herself from the discussion and any voting or decision making in relation to the matter that is the subject of the conflict. If ongoing conflicts of interest arise, which are considered to be impacting the ability of the Board to act in the best interests of the Shareholders, consideration shall be given to changing the membership of the Board.

Investment Management Process

- **Execution, Client Order Handling and Investment Allocation**

Invesco undertakes discretionary portfolio management and real estate related investment services for more than one client or fund and different fee structures (e.g. performance related fees and fixed annual management charges) may exist for client portfolios, which may potentially affect incentive for allocation. Invesco has in place strict allocation procedures to ensure fair allocation of investment opportunities to all clients. This is subject to monitoring.
In addition, when carrying out client transactions, Invesco will arrange to execute orders in due turn but may combine orders where this is believed to be in the best interest of the clients as a whole. If there is insufficient liquidity for either purchases or sales, a pre-formulated allocation policy automatically attributes available liquidity proportionately across all client orders. This is also subject to monitoring. Any exceptions to this policy – e.g. where a client or fund would receive an uneconomical allocation – are justified and clearly documented. In addition, from time to time Invesco may, where permitted by mandate, sell an investment from one client to another. These are recorded and monitored. The transfer of real estate investments requires the confirmation by Invesco Real Estate Senior Management and Compliance that conflicts of interests are appropriately considered.

- **Client's Choice of Broker**

Where a client mandate is managed by Invesco and the client does not accept the standard broker list used by Invesco and directs Invesco to utilise one or several preferred broker(s) a conflict may arise between the client instruction and the duty to provide best execution to all clients. Where, in facilitating the client preference, Invesco may no longer be able to guarantee best execution to the client, this is clearly disclosed in advance that Invesco standard trading orders will take precedence.

- **Cross Trades**

Where permitted by regulation and/ or the client and considered to be in the best interests of clients, cross-trades (contra orders in the same security between funds) may be carried out. Cross-trades involving funds managed by the same fund manager requires pre-trade approval by the CIO or delegate. Cross-trades involving unlisted/unquoted investments require pre-approval by Compliance and the CIO. All other cross-trades require post-trade Compliance sign-off. In all cases, cross trade rationales must be documented by the relevant approved dealer or Fund Manager.

- **Group Funds**

This conflict may arise where the guidelines authorise transactions in units or shares of funds within the Group or any company of which Invesco or any other Associate is the manager, operator or adviser. Where permitted by investment guidelines of product managed, Invesco funds may only be purchased on their investment merits or where mandated to do so, and this must be disclosed to Compliance prior to investment. Invesco Fund managers must confirm that a purchase of an Invesco fund is driven by investment merit and that there is no non-public information influencing the decision."
Mitigation arrangements also include, where appropriate, a full rebate of the

management fee in order to avoid "double-dipping".

- **Research Material**

In respect of the Invesco firms within which commission is generated, subject to compliance with any local regulations on the use of dealing commission and inducements, Invesco acquires research material from third parties which is paid for, in part, by commissions paid to brokers on fund and client account trades. The value of this research is reviewed and payments are only made where it is believed that such research has been useful in managing client funds. In addition, complimentary or subsidised access to research may be provided to Invesco by brokers. To mitigate the potential for unduly favouring the broker in question, Invesco will only enter into such arrangements where it believes that the research will potentially enhance the quality of its service to clients, and there is no commitment on its part to place an agreed or enhanced amount of business with the broker to continue to have access to the research. This is subject to monitoring.

- **Portfolio Activity**

High turnover of portfolio holding could result in higher commissions to be paid by the portfolio. Portfolio turnover is monitored to ensure excessive commission is not being generated. Commission sharing agreements are negotiated with trading partners independently of fund managers. Dealers have a fiduciary responsibility to obtain best possible results for clients when executing orders and have full discretion for placing deals on behalf of clients with a particular broker to ensure that best execution obligations are met.

- **Inside Information**

A potentially significant conflict that arises on a permanent basis is that some of our employees, to varying degrees, have access to material, non-public information concerning companies which may be price sensitive and about real estate investments which may affect the market price. Where employees become aware of any inside information (and become "insiders"), the securities in question are placed on the Restricted List. Employees are not allowed to trade in respect of any securities on the Restricted List. There is an explicit disclosure and approval process enforced through strict personal account dealing rules and a code of ethics which applies to all employees. Any employees who are on both sides of a Chinese Wall due to their oversight responsibilities are subject to additional clearance requirements on personal account dealing. In the case of real estate, the employee must, prior to any transaction taking place, fully disclose the details of any non-public information held to the local compliance officer who will decide whether the transaction can go ahead. In addition, periodic compliance checks are carried out.

- **Holdings in Brokers**

Invesco funds may invest in the securities of brokers whom Invesco also use to execute orders. These trades generate commissions for the broker concerned, which ultimately contribute to the broker's income. This could incentivise the direction of trades. In addition there could be an incentive for Invesco to support and involve itself in all initial public offerings sponsored by the broker, and for the broker to seek to influence Invesco's decision making in its capacity as a shareholder of the affected companies. Dealers have a fiduciary responsibility to obtain best possible results for clients when executing orders and have full discretion for placing deals on behalf of clients with a particular broker to ensure that best execution obligations are met. The dealing team is segregated from the fund managers such that the managers cannot exert any influence on the execution of orders. Invesco has policies and procedures in place to ensure that best execution is achieved. These policies and procedures are subject to monitoring. In addition, Invesco's involvement in new issues and unquoted companies is subject to consideration by the Chief Investment Officer or delegate.

- **Fund Managers' Investments Into Funds**

Fund Managers can personally invest in the funds that they, or their colleagues, run; this is considered to be a positive thing and is encouraged by Invesco. However, such investment raises the potential for there to be an incentive for these funds to be managed to meet the personal objectives of the fund manager(s) rather than in the best interests of the other investors, and for the fund manager to favour the fund he has invested in over other funds he manages. In mitigation, Invesco has strict allocation procedures to ensure the fair allocation of stocks. Additionally, in respect of the Invesco firms that have a Chief Investment Officer (CIO), there is a CIO Challenge process, and a Dilution Policy with the ability to swing the price where necessary. Each of these controls is subject to compliance review.

- **Trades Executed Via Counterparties**

Invesco manages the segregated mandates of approved counterparty firms and may, at the same time, use such a firm for the execution of investment trades which will result in the payment of commissions. This could incentivise the favouring of a particular broker or client when trading. Dealers have a fiduciary responsibility to obtain best possible results for clients when executing orders and have full discretion for placing deals on behalf of clients with a particular broker to ensure that best execution obligations are met. Fund managers cannot exert any influence and the dealing team is segregated from the fund managers. Invesco has policies and procedures in place to ensure that best execution is achieved. These policies and procedures are subject to monitoring.

- **Valuation of Securities**

A proportion of fund managers' remuneration is based on the performance of their funds. If fund managers were able to apply a value to individual securities a potential conflict of interest could arise. To mitigate this, the valuation of securities within portfolios is carried out by a department independent of the investment management area. This segregation of duties prevents fund managers from influencing the valuation of securities within portfolios. In addition, Invesco operates a pricing committee which has responsibility for pricing certain securities. This pricing committee does not contain any fund managers. This control mitigates the potential conflict which could exist if the investment managers were solely responsible for security valuation.

- **Valuation of Senior Loans and Real Estate**

A proportion of fund managers' remuneration is based on the performance of their funds and mandates, in particular on the value of the assets under management (AUM). If fund managers were able to apply a value to individual securities/assets a potential conflict of interest could arise. To mitigate this, the valuation of securities/assets in order to determine the AUM of a fund or mandate is carried out by independent valuers.

- **Voting Rights**

Invesco has a responsibility for making investment decisions that are in the best interests of its clients. As part of the investment management process, Invesco may exercise its voting rights where authorised by clients, or in the collective interests of investors in a fund, to vote in respect of the shares/units for which the clients are beneficial owners.

Invesco may be invested into Invesco funds and therefore receive a request to participate in a proxy vote for an Invesco Fund. This could potentially lead Invesco to support a motion which could be considered negative for the other shareholders in the fund, e.g. an increase in fees for the fund. Invesco has adopted safeguards to ensure that our proxy voting is not influenced by interests other than those of our fund shareholders and clients. Under normal circumstances, Invesco will therefore not participate in proxy voting in relation to its funds that it is invested in, although exceptions may be required in relation to the fund lifecycle. Any exceptions will be carefully examined to minimize conflicts of interest

- **Holdings in Client Investors**

Invesco funds may invest in Companies that are themselves client investors in Invesco funds. This could lead to the perception that a potential conflict could arise if the relevant fund managers were to feel under undue pressure to hold the investment solely to retain the Company as a client investor, when to do so might be inappropriate and not in the best interests of investors. In mitigation, fund managers are incentivised to perform well on behalf of investors and would therefore not be incentivised to hold onto an inappropriate investment because the firm wanted them to do so in order to retain clients' investments. Ultimately, in the unlikely event that inappropriate pressure is applied, the relevant fund managers would be able to escalate the matter to the Chief Investment Officer for the required support of their investment decisions.

- **Market Timing**

Certain investors may seek to take advantage of timing differences relating to the closing of foreign stock exchanges to undertake market timing arbitrage, which would be at the potential cost of long-term shareholders. A Fair Value Pricing Policy is in place and adjustments are instigated when tolerances are exceeded against specific benchmarks used to monitor closed markets. These benchmark movements are monitored on a daily basis. Any fair value adjustments and fund impacts are taken into account as part of the pricing of the affected funds prior to the publication of the prices. In addition, there is an Excessive Trading Policy in place with an Excessive Trading Committee which oversees the Policy to ensure it is applied fairly and consistently in the interests of all investors. The Committee is empowered to take action against investors who are believed to be exhibiting patterns of Market Timing.

- **Dilution Adjustment**

The interests of existing shareholders (for sales) or remaining shareholders (for redemptions) may be adversely impacted by patterns of consistent inflows or outflows as well as market timing arbitrage. A Dilution Adjustment Policy is in place which is disclosed within the Prospectus. A Dilution Committee/Swing Pricing Committee is in place to ensure the Policy is fairly and consistently applied in the interests of all investors. All monthly and daily decisions are documented and communicated to the Manager and the Depositary.

- **Excessive Trading**

Excessive trading by an investor may disrupt the management of the fund, which could be at the potential cost of long-term shareholders. An Excessive Trading Policy is in place, with an Excessive Trading Committee which oversees the Policy to ensure it is applied fairly and consistently in the interests of all investors. The Committee is empowered to take action against investors who are believed to be exhibiting patterns of excessive trading. Appropriate disclosure in relation to these procedures is made in the relevant Prospectus.

- **Portfolio Disclosures**

If portfolio disclosures are made to specific clients this may give them an information advantage over other investors. A Portfolio Disclosure Policy is in place to ensure that portfolio disclosures are made fairly and consistently in the interests of all investors and that selective disclosures are not made. In addition, a Portfolio Disclosure Committee is in place which is responsible for reviewing any request for portfolio information against the policy.

Corporate Interests

- **Withdrawal of Seed Money**

Where Invesco provides Seed Money to facilitate the initial setting up of a fund, this Seed Money can subsequently be withdrawn once the fund is established. Where Invesco chooses to withdraw its Seed Money from a fund, this could potentially conflict with the interests of the remaining investors in that fund. Invesco operates a Dilution Committee which, whenever Seed Money is withdrawn, will carry out a review and decide whether a dilution adjustment needs to be applied to mitigate the cost of selling the underlying securities.

- **Fees**

Transactions may be in relation to an investment in respect of which Invesco may benefit from a commission, fee, mark-up or mark-down payable otherwise than by the client, and Invesco may also be remunerated by the counterparty to any such transaction. Fees for our services are determined in advance and stipulated in contracts and acknowledgement letters and disclosed where necessary.

- **Allocation of Costs**

Fund prospectuses and regulations may allow certain infrequent ad hoc costs, outside of normal operating costs, to be charged to the funds. There may be an incentive for the investment manager to charge excessive amounts of these ad hoc infrequent costs to the funds rather than pay for them directly. All infrequent ad hoc costs are reviewed on a case by case basis by both the Compliance and Legal departments, or by a relevant governance committee, to ensure they meet the requirements of both regulation and the prospectus. In addition, fund board approval is sought to ensure equitable treatment of clients.

- **Service Provider Firms**

In conducting its business activities, Invesco enters into contracts to outsource some of its key functions to Service Provider Firms. Where these Service Provider Firms are also Invesco clients, this could create the potential for Invesco to retain the services of an underperforming Service Provider Firm rather than dispensing with their services to avoid adversely affecting the client relationship. Invesco manage the service provider relationship and all aspects of quality of service provision. Service Level Agreements and management reporting are put in place to monitor service provider performance. Where this falls below acceptable standards, procedures are followed to escalate to senior management within Invesco and the Service Provider Firm for resolution. Persistent underperformance of a Service Provider Firm is not tolerated by Invesco and, should this occur, Invesco management will take appropriate action to ensure proper service levels are provided to clients, products and Invesco.

7. DISCLOSING CONFLICTS OF INTEREST

Where internal arrangements maintained by Invesco are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented, then:

- the general nature and/or sources of the conflict will be disclosed to the relevant client(s) before undertaking relevant investment business for the client(s);

- in respect of UCITS/AIF schemes and UCIs Invesco manages, or of its unitholders, this will be promptly reported to the relevant Invesco Board to take any necessary decision to ensure Invesco acts in the best interests of the UCITS/AIF scheme or UCI and its unit holders. Any such decision, and the reasons for it, will be reported to the unit holders of the UCITS/AIF scheme or UCI.

Disclosures made will include sufficient detail, taking into account the nature of the client to enable that client to take an informed decision with respect to the service in the context of which the conflict of interest arises. Disclosures will be made in an appropriate durable medium such as the Report and Accounts, the Prospectus, letters, e-mail, etc.

The disclosure of a conflict of interest to a client does not exempt Invesco from maintaining and operating effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent conflicts of interest from constituting or giving rise to a material risk of damage to the interests of its clients.

The relevant client facing function is responsible to disclose any potential or factual conflict of interest to its client; Compliance is providing advice and guidance and will regularly monitor these activities.

8. RECORDS OF CONFLICTS

This policy document will be reviewed when necessary, and at least annually, by the relevant Invesco Board to ensure it remains current based upon the scope of Invesco's activities, its operating structure, strategic plans, applicable regulatory changes and the nature of its clients.

A register of conflicts will be maintained detailing the nature of the conflict, how it gives rise to a material risk of disadvantage to clients, the mitigating action proposed, how this complies with the conflicts of interest policy, and assurance procedures undertaken to confirm effective implementation. Responsibility for maintaining this register rests with Compliance.

A report will be produced by Compliance detailing all new conflicts recorded and propose changes to previously identified conflicts for submission to the relevant Invesco Board each quarter.