

23 February 2024

Prospectus

Contents

Definitions.....	5
01 The Company	9
02 The Manager	9
03 The Investment Adviser	11
04 The Depositary	11
05 Administration and Register of Shareholders	13
06 Fund Accounting.....	13
07 The Auditor	13
08 Shares	13
09 Buying, selling and switching of Shares.....	15
10 Suspension of dealings.....	19
11 Minimum investment and holding	20
12 Restrictions and compulsory transfer and redemption.....	20
13 Other dealing information	21
14 Governing law.....	22
15 Fees and expenses	22
16 General information	24
17 Risk factors	26
18 Valuation of the Company	31
19 Calculation of the Net Asset Value	32
20 Price per Share in each Fund and each Share Class	33
21 Single price	33
22 Pricing basis	34
23 Publication of prices of Shares	34
24 Dilution adjustment	34
25 Income equalisation.....	34
26 Shareholder meetings and voting rights	35
27 Conflicts of interest	36
28 Winding-up and termination of a Fund of the Company.....	36
29 Taxation.....	37
APPENDIX 1 - INVESTMENT AND BORROWING POWERS AND RESTRICTIONS.....	41
APPENDIX 2 - ELIGIBLE SECURITIES MARKETS.....	62
APPENDIX 3 - ELIGIBLE DERIVATIVES MARKETS.....	63
APPENDIX 4 - PAST PERFORMANCE	64
APPENDIX 5 - INVESTMENT OBJECTIVES, POLICIES AND OTHER DETAILS OF THE FUNDS	65
Invesco Global Targeted Income Fund (UK)*	66
Invesco Global Targeted Returns Fund (UK)*	68
APPENDIX 6 - DILUTION ADJUSTMENT	70
APPENDIX 7 - DIRECTORY	71
APPENDIX 8 - LIST OF DEPOSITARY'S DELEGATES AND SUB-DELEGATES.....	72
APPENDIX 9 - CALCULATION OF GLOBAL EXPOSURE	75

**This Fund is no longer available and is in the process of being terminated.*

This document constitutes the Prospectus for Invesco Diversified Returns Investment Series ICVC (the “Company”) which has been prepared in accordance with the Rules of the Financial Conduct Authority as contained in the Collective Investment Schemes Sourcebook (“COLL Sourcebook”).

This Prospectus is dated and is valid as at 23 February 2024 and replaces any previous prospectuses issued by the Company. Copies of this Prospectus have been sent to the FCA and the Depositary.

This Prospectus is based on information, law and practice at the date hereof. The Company is not bound by any out of date Prospectus when it has issued a new Prospectus, and investors should check the Invesco website (www.invesco.co.uk) that this is the most recently published Prospectus. This Prospectus has been approved for the purpose of section 21 of the Financial Services and Markets Act 2000 by Invesco Fund Managers Limited.

Invesco Fund Managers Limited, the Manager of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information in this document does not contain any untrue or misleading statements or omit any matters required by the Open-Ended Investment Companies Regulations 2001 and the COLL Sourcebook to be included in it. Invesco Fund Managers Limited accepts responsibility accordingly.

The Depositary is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the Regulations or otherwise.

The provisions of the Company’s Instrument of Incorporation are binding on each of its Shareholders (who are taken to have notice of them).

Investors should also refer to the relevant Key Investor Information Document before investing, or re-investing, in a Fund. The most up-to-date version of the relevant Key Investor Information Document for each Share Class is also available on the Invesco website.

No person has been authorised by the Company to give any information or make any representations in connection with the offering of Shares other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied on as having been made by the Company. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including the United States provisions commonly known as “FATCA”. As a result, the Company may need to disclose the name, address, taxpayer identification number and investment information relating to certain investors in the Company to HM Revenue & Customs, who may in turn exchange this information with their overseas counterparts in relevant jurisdictions.

By signing the application form to subscribe for Shares, each prospective Shareholder is agreeing to provide information upon request to the Company or its agent. If a Shareholder does not provide the necessary information, the Company will be required to report it to HM Revenue & Customs.

The distribution of this Prospectus and the offering or purchase of Shares in any of the Funds may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus in any such jurisdiction may treat this Prospectus as constituting an invitation to them to subscribe for Shares unless, in the relevant jurisdiction, such an invitation could lawfully be made to them. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares in any of the Funds to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares in any of the Funds should inform themselves as to legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile. The Manager therefore reserves the right to reject applications in Shares of any of the Funds from any non-UK investor.

Shares in the Company are not listed or dealt on any investment exchange.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any related matters and are recommended to consult their own professional advisers if they require further information or advice regarding their individual circumstances. If you are unsure whether any Fund is suitable for you, you should seek advice from a financial adviser.

Important information for U.S. persons

No fund is open for investment by any U.S. person (as defined below) except in exceptional circumstances and only with the prior consent of the Manager.

The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “1933 Act”), the United States Investment Company Act of 1940 as amended (the “1940 Act”), or the securities laws of any of the states of the United States of America and may not be offered or sold, directly or indirectly, in the United States of America or to or for the account or benefit of any U.S. Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act, the 1940 Act and any applicable securities laws.

Definition of U.S. Person

"U.S. Person", is as defined in the U.S. Internal Revenue Code of 1986 and under Regulation S of the U.S. Securities Act of 1933, as amended, which includes the following:

- a. a natural person resident in the U.S.;
- b. an estate with any U.S. Person as executor or administrator;
- c. a corporation or partnership organised under U.S. law;
- d. any trust of which any trustee is a U.S. Person;
- e. any agency or branch of a foreign entity located in the United States of America;
- f. any non-discretionary account or similar account (other than an estate or trust) held by a dealer; or
- g. other fiduciary for the benefit or account of a U.S. Person;
- h. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident of the United States of America;
- i. any partnership or corporation if: (i) organised or incorporated under the laws of any foreign jurisdiction; and (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts; and
- j. any entity formed by or on behalf of any of the foregoing for the purpose of investing in the Company as well as any other individual or entity the Manager otherwise may determine to be a U.S. Person.

The Manager may amend the definition of "U.S. Person" without notice to Shareholders as necessary in order to reflect current applicable U.S. law and regulations. If you have further questions, please contact your sales representative for a list of persons or entities that qualify as "U.S. Persons".

Important information for Canadian residents

The Shares in the Funds which are described in this Prospectus have not been and will not be registered for distribution in Canada and may not be directly or indirectly offered or sold in Canada or to or for the account or benefit of any resident of Canada, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of Canada and/or its provinces and where the Canadian resident is able to demonstrate and certify that they are able to purchase the relevant Fund and are an "accredited investor".

Other information

The Manager reserves the right not to accept applications for Shares until all appropriate checks, including anti-money laundering and bank verification checks, have been completed. Applicants must be 18 years of age or over.

This document is only available in English.

Important: If you are unsure whether any Fund is suitable for you, you should seek advice from a financial adviser.

Privacy Notice: When you are investing in the Funds or otherwise interact with Invesco, Invesco collects information about you which constitutes personal data under applicable laws and regulations. Invesco's Privacy Notice explains how it collects, uses and protects your personal data. You can find Invesco's Privacy Notice on the Invesco website and it is also available upon request.

Definitions

“accredited investors”	a person who is able to certify their status as an “accredited investor” as defined by Canadian National Instrument 45-106 as may from time to time be amended or re-enacted;
“Accumulation Shares”	accumulation Shares denominated in the Base Currency as may be in issue from time to time and in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules;
“Accumulation Shares (NC)”	Accumulation Shares denominated in the Base Currency in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules. The entry criteria for Accumulation Shares (NC) are set out in section 08 and Appendix 5. Please note that Accumulation Share(s) (NC) will also be referred to as “No Trail” Accumulation Shares;
“Act”	Financial Services and Markets Act 2000, as amended from time to time;
“Adviser”	a person or firm authorised by the FCA or the PRA or an equivalent overseas regulator to provide retail investors with investment advisory services;
“Approved Bank”	has the meaning given to it in the glossary of definitions in the FCA Rules;
“Approved Derivative”	an approved derivative is one which is traded or dealt on an eligible derivatives market and any transaction in such a derivative must be effected on or under the rules of the market;
“Auditor”	PricewaterhouseCoopers LLP and/or such other person appointed from time to time to provide auditing services to the Company;
“Base Currency”	the base currency of each Fund, as set out in Appendix 5. The base currency does not necessarily correspond to the currency in which the Fund’s assets are invested;
“Benchmark Regulation”	the UK version of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which is part of UK law by virtue of the EUWA;
“Client Money”	any money that a firm regulated by the FCA holds for, or on behalf of, a client in the course of, or in connection with, its fund management business, unless otherwise specified in the FCA Rules;
“COLL Sourcebook” or “COLL”	the rules contained in the Collective Investment Schemes Sourcebook of the FCA Rules as amended (or any successor or replacement rule book), excluding, for the avoidance of doubt, any guidance or evidential provisions;
“Company”	Invesco Diversified Returns Investment Series;
“Dealing Day”	Monday to Friday excluding UK public and bank holidays or any day on which the London Stock Exchange plc is not open or such other day as the Manager may with the consent of the Depositary decide from time to time. The list of expected non-Dealing Days is available on the Invesco website (www.invesco.co.uk);
“Comparator Benchmark”	as defined in the COLL Sourcebook, without being a Target Benchmark or a Constraining Benchmark, where the Fund’s performance is compared against the value or price of an index or indices or any other similar factor;
“Constraining Benchmark”	as defined in the COLL Sourcebook, without being a Target Benchmark, where arrangements are in place in relation to a Fund according to which the composition of the portfolio of the Fund is, or is implied to be, constrained by reference to the value, the price or the components of an index or indices or any other similar factor;
“Depositary”	Citibank UK Limited, and/or such other person appointed from time to time to provide depositary services to the Company;
“EEA”	the European Economic Area;
“EEA State”	a member state of the European Union and any other state which is within the European Economic Area;
“Eligible Institution”	has the meaning given to it in the glossary of definitions in the FCA Rules;
“Eligible Markets”	a market which the Manager, in consultation with the Depositary, has deemed to be an eligible securities market or an eligible derivatives market, and which satisfies the requirements set out in the COLL Sourcebook. A list of such markets can be found in Appendix 2 and Appendix 3;
“Emerging Markets”	markets in all the countries in the world other than: (a) the UK;

	(b) Members of the EU that the Investment Adviser regards as developed countries; (c) USA; (d) Canada; (e) Japan; (f) Australia; (g) New Zealand; (h) Norway; (i) Switzerland; (j) Hong Kong; and (k) Singapore;
“Entry Charge”	a charge imposed by the Manager upon the buying of Shares by investors;
“EEA UCITS Scheme”	a collective investment scheme established in accordance with the UCITS Directive in an EEA State;
“EUWA”	the European Union (Withdrawal) Act 2018;
“FCA”	the Financial Conduct Authority of the United Kingdom and/or any successor regulatory body thereto;
“FCA Rules”	the FCA Handbook of Rules and Guidance made under the Act as amended, revised, updated or supplemented from time to time, including for the avoidance of any doubt, the COLL Sourcebook, excluding for the avoidance of doubt, any guidance or evidential provisions;
“Fund” or “Funds”	a Fund of the Company (being part of the Scheme Property of the Company which is pooled separately) and to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to that Fund;
“Fund Management Fee”	an annual fee that the Manager charges for its services in managing the Company which will be inclusive of the fees and expenses which are paid by the Manager in relation to the operation and administration of the Funds of the Company, which the Manager pays and is reimbursed for as part of a single charge that it deducts from the Scheme Property of the Company;
“ICVC”	an investment company with variable capital incorporated under the OEIC Regulations;
“Income Shares”	income Shares denominated in the Base Currency as may be in issue from time to time which pay interest distributions or dividend distributions, and in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the FCA Rules;
“Income Share(s) (NC)”	<p>Income Shares denominated in the Base Currency which pay interest distributions or dividend distributions and in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the FCA Rules. The entry criteria for Income Shares (NC) are set out in section 08 and Appendix 5.</p> <p>Please note that Income Share(s) (NC) will also be referred to as “No Trail” Income Shares;</p>
“Instrument of Incorporation”	the instrument of incorporation of the Company as amended from time to time;
“Investment Adviser”	such entity or entities for the time being appointed as (an) investment adviser(s) to provide investment management services to any or all of the Funds as set out in section 08 and Appendix 5;
“ISA”	an individual savings account set up under the Individual Savings Account Regulations 2008, as amended from time to time;
“KIID”	a Key Investor Information Document;
“Manager” or “Authorised Corporate Director”	Invesco Fund Managers Limited which acts as the authorised corporate director of the Company;
“Net Asset Value” or “NAV”	the value of the Scheme Property of (or attributable to) the Company, a Fund or a Share Class (as the context may require) less the liabilities of (or attributable to) the Company, Fund or Share Class concerned as calculated in accordance with the Instrument of Incorporation;
“Net Asset Value per Share” or “NAV per Share”	the Net Asset Value of a Share Class in issue in respect of any Fund divided by the number of Shares of the relevant Share Class in issue or deemed to be in issue in that Fund;

"Non-Qualified Person"	<p>any Canadian resident or U.S. Person or any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legally or beneficially) would or, in the reasonable opinion of the Manager, might:</p> <p>(a) be in breach of any law, governmental regulation or rule (or any interpretation of a law, governmental regulation or rule by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or</p> <p>(b) require the Company, the Investment Adviser or the Manager to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Company to be required to apply for registration or comply with any registration requirements in respect of any of its Shares, whether in the United States of America or any other jurisdiction in which it is not currently registered; or</p> <p>(c) cause the Company, its Shareholders, the Investment Adviser or the Manager some legal, regulatory, taxation, pecuniary or material administrative disadvantage which it or they might not otherwise have incurred or suffered;</p>
"OECD"	the Organisation for Economic Co-operation and Development;
"OEIC Regulations"	the Open-Ended Investment Companies Regulations 2001 (as amended from time to time);
"OTC"	over-the-counter. Direct trades between a buyer and a seller rather than via the stock market (in relation to a derivatives and forward transaction in an investment);
"PRA"	the Prudential Regulation Authority of the United Kingdom and/or any successor regulatory body thereto;
"Register of Shareholders"	the register of Shareholders kept by or on behalf of the Company pursuant to paragraph 1(1) of Schedule 3 to the OEIC Regulations;
"Regulated Activities Order"	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 SI 2001/544;
"the Regulations"	the OEIC Regulations and the FCA Rules;
"Scheme Property"	the property of the Company to be given to the Depositary for safe-keeping, as required by the COLL Sourcebook, including income on that property;
"Securities Financing Transactions"	<p>as defined in article 3 of the Securities Financing Transactions Regulation, i.e. any or all of the following:</p> <p>(a) a repurchase contract;</p> <p>(b) securities or commodities lending and securities or commodities borrowing;</p> <p>(c) a buy-sell back transaction or sell-buy back transaction;</p> <p>(d) a margin lending transaction;</p>
"Securities Financing Transactions Regulation"	the UK version of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as amended by the Transparency of Securities Financing Transactions and of Reuse (Amendment) (EU Exit) Regulations 2019, which is part of UK law by virtue of the EUWA and as such may be further amended, supplemented or replaced from time to time;
"Share" or "Shares"	a share or shares in the Company in relation to a single Fund;
"Share Class"	all of the Shares issued by the Company as a particular class of Shares relating to a single Fund;
"Shareholder"	a holder of Shares in a Fund;
"SONIA"	Sterling Overnight Index Average. SONIA is the effective interest rate for unsecured interbank transactions in overnight sterling and is published by the Bank of England daily. Where we refer to '3 month SONIA', this means ICE 3 month Term Sterling Overnight Index Average (SONIA) Reference Rate;
"Sustainability Risk"	an environmental, social or governance event or condition that the Manager considers could have a material negative impact on the financial value of one or more investments in a Fund.
"UCITS Directive"	Directive 2009/65/EC of the European Parliament and of the Council dated 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU and which applies to EEA UCITS Schemes;
"Target Benchmark"	as defined in the COLL Sourcebook, where a target for a Fund's performance has been set, or a payment out of a Fund's property is permitted, by reference to a comparison of

	one or more aspects of the Fund's property or price with fluctuations in the value or price of an index or indices or any other similar factor;
"UK"	the United Kingdom of Great Britain and Northern Ireland;
"UK UCITS Rules"	the COLL Sourcebook and the Collective Investment Schemes (Amendment etc) (EU Exit) Regulations 2019 No.325 including any amendments or updates made in relation thereto;
"UK UCITS Scheme"	a UK UCITS as defined in the glossary of definitions to the FCA Rules;
"Valuation Point"	the point, whether on a periodic basis or for a particular valuation, at which the Manager carries out a valuation of the property of the Company or a Fund (as the case may be) for the purpose of determining the price at which Shares of a Share Class may be issued, cancelled, exchanged or redeemed, as further set out in Appendix 5 in respect of each of the Funds;
"Y Accumulation Share(s)"	Accumulation Shares denominated in the Base Currency in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules. The entry criteria for Y Accumulation Shares are set out in section 08 and Appendix 5;
"Y Income Share(s)"	Income Shares denominated in the Base Currency which pay interest distributions or dividend distributions and in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the FCA Rules. The entry criteria for Y Income Shares are set out in section 08 and Appendix 5;
"Z Accumulation Share(s)"	Accumulation Shares denominated in the Base Currency in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules. The entry criteria for Z Accumulation Shares are set out in section 08 and Appendix 5;
"Z Income Share(s)"	Income Shares denominated in the Base Currency which pay interest distributions or dividend distributions and in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the FCA Rules. The entry criteria for Z Income Shares are set out in section 08 and Appendix 5;

In this Prospectus the words and expressions set out in the first column above shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Prospectus but not defined herein shall have the same meanings as in the FCA Rules unless the contrary is stated. All references to "Sterling" and "£" are to the currency of the United Kingdom.

01 The Company

The Company is an open-ended investment company with variable capital. The Company is incorporated in England and Wales with registered number IC000985 and is authorised pursuant to Regulation 14 of the OEIC Regulations. The effective date of the authorisation order made by the FCA was 30 August 2013, and the Company's product reference number is 603602.

The Head Office of the Company is at Perpetual Park, Perpetual Park Drive, Henley on Thames, Oxfordshire. RG9 1HH and this is also the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

The base currency for the Company is Sterling.

The minimum share capital of the Company is £100 and the maximum share capital is £100,000,000,000. Shares in the Company are not listed on any investment exchange.

The Company is an umbrella company authorised as a UK UCITS Scheme for the purposes of the FCA Rules and, as at the date of this Prospectus, consists of two Funds:

- Invesco Global Targeted Income Fund (UK)*
- Invesco Global Targeted Returns Fund (UK)*

Subject to the Regulations, Instrument of Incorporation and approval from the FCA, the Manager may establish additional Funds from time to time.

On the establishment of a new Fund or Share Class an updated prospectus will be prepared setting out the relevant information concerning the new Fund or Share Class.

**This Fund is no longer available and is in the process of being terminated.*

Company structure

As explained above the Company is a UK UCITS Scheme and an Umbrella Company for the purposes of the OEIC Regulations. The assets of each Fund are separate from those of every other Fund and will be invested in accordance with that Fund's own investment objective and policy. The Company does not intend to own any immovable property or tangible movable property.

Details of the investment objective, policy and certain terms relating to an investment in the Funds are set out in Appendix 5 Investment objectives.

Each of the Funds has a segregated portfolio of assets and accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge directly or indirectly the liabilities of or claims against any other person or body including the Company and any other Fund and shall not be available for any such purpose.

Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund. Within the Funds, charges will be allocated between Share Classes in accordance with the terms of issue of Shares of those Share Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the Manager in a manner which it believes is fair to the Shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Funds.

The Funds and their Investment Objectives and Policies

Details of the investment objective, policy and certain terms relating to an investment in the Funds are set out in Appendix 5.

An investment in a Fund should be based on the investor's attitude to risk, desire for income and/or growth, and intended length of time for investment and should be considered in the context of the investor's overall portfolio. Further details of the typical investor profile of each Fund can be found in Appendix 5. If you are unsure whether any Fund is suitable for you, you should seek advice from a financial adviser.

02 The Manager

The Manager of the Company is Invesco Fund Managers Limited which is a private company limited by shares whose ultimate holding company is Invesco Ltd. The Manager was incorporated in England on 14 February 1967 under the Companies Act 1948. The Manager is authorised and regulated by the Financial Conduct Authority.

Share capital of the Manager: Issued and paid up: 10,000,000 ordinary shares of £1 each.

Invesco Ltd. was incorporated as a public company in Bermuda on 12 September 2007 under company number 40671. Its registered address is Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda.

The Manager is responsible for managing and administering the Company's affairs in compliance with the Regulations. The Manager may delegate its management and administration functions, but not responsibility, to third parties, including associates subject to the rules in the Regulations.

The Manager also acts as authorised corporate director of the following UK authorised investment companies with variable capital:

- Invesco 3 Investment Series;
- Invesco American Investment Series;
- Invesco Diversified Balanced Risk Investment Series;
- Invesco European Investment Series;
- Invesco Far Eastern Investment Series;
- Invesco Fixed Interest Investment Series;
- Invesco Global Investment Series;
- Invesco Managed Investment Series;
- Invesco Smaller Companies and Markets Investment Series;
- Invesco Summit Growth Investment Series;
- Invesco UK Investment Series; and
- Invesco UK 2 Investment Series.

Registered office and head office of the Manager

Invesco Fund Managers Limited
Perpetual Park
Perpetual Park Drive
Henley on Thames
Oxfordshire, RG9 1HH
United Kingdom

Administration Centre

Invesco Administration Centre
PO Box 586
Darlington
DL1 9BE
United Kingdom

Directors of the Manager

Julian Bartlett (independent non-executive director)

Elaine Clements (independent non-executive director)
Matthieu Grosclaude
Rene Marston
Hayley Norford
Douglas Sharp
Alan Trotter

The above-mentioned directors may also be directors of other Invesco group companies, including the Investment Adviser.

ACD Agreement

The Manager has been appointed as the Company's authorised corporate director under an agreement dated 14 February 2017 between the Company and the Manager (as amended from time to time) (the "ACD Agreement"). Pursuant to the ACD Agreement, the Manager shall manage and administer the Company in accordance with the Regulations, the Instrument of Incorporation, the Prospectus and any relevant legislation or regulation applicable to the Manager. The ACD Agreement contains detailed provisions relating to the responsibilities of the Manager, which include the management of the property of the Company in order to achieve the various investment objectives of its Funds as well as administrative, accounting, secretarial and other services. The Manager may delegate its management and administration functions to third parties including associates, subject to the FCA Rules. The specific functions the Manager has delegated are set out below.

The ACD Agreement provides that the appointment of the Manager may be terminated by the Company on six months' written notice or immediately if the Manager ceases for any reason to be the Company's authorised corporate director. The Manager

may voluntarily terminate the ACD Agreement at any time on written notice, however no such notice may take effect until the FCA has approved the appointment of another authorised corporate director in place of the Manager. The ACD Agreement will also terminate, in certain specific circumstances, on notice given by the Depositary in accordance with the COLL Sourcebook. The Manager is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily realised in settling or realising any outstanding obligations including those referred to in section 15. No compensation for loss of office is provided for in the ACD Agreement.

The Manager is under no obligation to account to the Depositary or the Shareholders for any profit it makes on the issue or re-issue of Shares or cancellation of Shares which it has redeemed. The Manager's fee is included within the Fund Management Fee as detailed in section 15 below.

The ACD Agreement provides that the Company will indemnify the Manager against any liability incurred by the Manager in carrying out its powers, duties, authorities or discretions as authorised corporate director of the Company except to the extent such liability arises as a direct result of the fraud, negligence, wilful default, breach of duty or bad faith on the part of the Manager.

The Manager has delegated dealing, fund valuation, fund accounting, registration functions and investment management services in respect of the Funds. The Manager remains responsible for ensuring that the entities to which it delegates any of its functions perform those delegated functions in compliance with the Regulations.

03 The Investment Adviser

The Manager has appointed the Investment Adviser to provide investment management services. The Investment Adviser of the Company is Invesco Asset Management Limited. The Head Office and Registered Office address is Perpetual Park, Perpetual Park Drive, Henley on Thames, Oxfordshire RG9 1HH. The Investment Adviser's ultimate holding company is Invesco Ltd. and it is in the same group of companies as the Manager.

The Investment Adviser is appointed under an amended and restated agreement between the Manager and the Investment Adviser dated 14 March 2018, as amended from time to time (the "Investment Advisory Agreement"). In the exercise of the Manager's investment functions, the Investment Adviser has (subject to the overall policy and supervision of the Manager) full power, authority and right to exercise the functions, duties, powers and discretions exercisable by the Manager under the Instrument of Incorporation or the OEIC Regulations to manage the investment of the Scheme Property of the Funds.

Under the Investment Advisory Agreement, the Investment Adviser has the authority to appoint sub-advisers to assist in or manage Funds or sub portfolios within Funds. The Investment Adviser remains liable and responsible to the Manager for the acts or omissions of any such sub-advisers and any fees payable to such sub-advisers shall be met out of the fees paid to the Investment Adviser.

The Investment Advisory Agreement may be terminated without notice by the Manager where it is in the interests of the Shareholders and on one months' written notice by the Manager or the Investment Adviser or earlier upon the occurrence of certain specified events. The Investment Adviser shall continue in office until management responsibility is transferred either to a successor investment adviser appointed by the Manager or to the Manager.

The Investment Adviser does not receive a fee directly from the property of the Funds but is paid by the Manager out of the Manager's remuneration received every month. The Manager's fee and, consequently, the Investment Adviser's fee makes up part of the Fund Management Fee as detailed below in "Fees and Expenses".

The Investment Advisory Agreement provides that the Manager will indemnify the Investment Adviser against losses suffered by the Investment Adviser as a result of a breach of the Investment Advisory Agreement, negligence, fraud or wilful default of the Manager.

The Investment Adviser is authorised and regulated by the Financial Conduct Authority.

04 The Depositary

Introduction and key duties

Under the terms of the Depositary Agreement (as defined below), Citibank UK Limited (the "Depositary") has been appointed as depositary in respect of the Company. The Depositary is responsible for the safekeeping of the Scheme Property of the Company and for fulfilling other duties specified in the FCA Rules which include:

- (i) cash monitoring and verifying the Company's cash flows;
- (ii) ensuring that the sale, issue, repurchase, redemption, cancellation and valuation of Shares are carried out in accordance with the Instrument of Incorporation, the Prospectus, and applicable law, rules and regulations;

- (iii) ensuring that, in transactions involving Scheme Property, any consideration is remitted to the Company within the usual time limits;
- (iv) ensuring that the Company's income is applied in accordance with its Instrument of Incorporation, the Prospectus, and applicable law, rules and regulations; and
- (v) carrying out instructions from the Manager, unless they conflict with the Instrument of Incorporation, the Prospectus, or applicable law, rules and regulations.

Information about the Depositary

The Depositary is a private limited company with registered number 11283101 domiciled in England, whose registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. The Depositary is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Liability of the Depositary**(a) Loss of financial instruments held in custody**

In the case of loss of a financial instrument held in custody by the Depositary, or by a third party to whom custody of the financial instruments has been delegated or sub-delegated, the Depositary must return a financial instrument of an identical type or the corresponding amount without undue delay. The Depositary is however not liable and is not required to comply with the above obligation if it can prove that the loss arose as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

(b) Other losses

As a general rule, the Depositary will be liable for losses other than a loss of a financial instrument referred to in (a) above if these are as a result of the Depositary's negligent or intentional failure to comply with its regulatory obligations except that it will not be liable for any loss where:

- the event which has led to the loss is not the result of any act or omission of the Depositary (or a third party to whom safe custody has been delegated);
- the Depositary could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent depositary as reflected in common industry practice; and
- despite rigorous and comprehensive due diligence, the Depositary could not have prevented the loss.

Delegation of safekeeping functions

Under the terms of the Depositary Agreement, the Depositary has the power to delegate its safekeeping functions. The Depositary's liability will not be affected by any such delegation. For the avoidance of doubt, the use of services provided by securities settlement systems does not constitute a delegation by the Depositary of its functions.

As at the date of this Prospectus, the Depositary has entered into written agreements delegating the performance of its safekeeping functions to the following delegate: The Bank of New York Mellon. As at the date of the Prospectus, The Bank of New York Mellon has appointed the sub-delegates set out in Appendix 8 to this Prospectus.

Conflicts of interest

From time to time, the appointment by the Depositary of any of its delegates may give rise to a conflict of interest with the Company, the Shareholders and/or the Manager. For example, The Bank of New York Mellon which has been appointed by the Depositary to act as custodian of the Scheme Property also performs fund valuation and fund accounting services for the Company, delegated to it by the Manager. It is therefore possible that a conflict of interest could arise. The Bank of New York Mellon and any other delegate are required to manage any such conflict having regard to the FCA Rules and its duties to the Depositary and the Company.

Included in the Depositary's conflict of interest policy are procedures to identify, manage and monitor on an on-going basis any actual or potential conflict of interest involving its delegates or sub-delegates.

There may also be conflicts arising between the Depositary and the Company, the Shareholders and the Manager.

For example, such actual or potential conflicts may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to the Company (or any Fund) or the Manager. In practice, however, the Depositary and other lines of business are functionally and hierarchically separated and operate on an arm's length basis. In addition, the Depositary may have a financial or business interest in the provision of such products or services, or receive remuneration for related products or services provided to the Company or any Fund, or may have other clients whose interests may conflict with those of the Company or any Fund, the Shareholders or the Manager.

The Depositary and any of its affiliates may effect, and make a profit from, transactions in which the Depositary (or its affiliates, or another client of the Depositary or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Depositary's duty to the Funds. This includes circumstances in which the Depositary or any of its affiliates or connected persons: acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Funds in question; acts in the

same transaction as agent for more than one client; has a material interest in the issue of the investments of the Funds or earns profits from or has a financial or business interest in any of these activities.

The Depositary will ensure that any such additional services provided by it or its affiliates are on terms which are not materially less favourable to the Funds than if the conflict or potential conflict had not existed.

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

Depositary agreement

The appointment of the Depositary has been made under an agreement with the Company and the Manager which was novated to the Depositary with effect from 9 October 2021 (the "Depositary Agreement").

Under the terms of the Depositary Agreement, the Depositary may not re-use the Company's Scheme Property for the benefit of the Company unless it receives an instruction to do so by the Company or the Manager.

The Depositary Agreement may be terminated by not less than 6 months' prior written notice (or less in certain circumstances) provided that no such notice shall take effect until the appointment of a successor to the Depositary.

To the extent permitted by applicable laws and regulations, the Company will indemnify the Depositary against losses, costs, damages, taxes and expenses incurred by the Depositary as a consequence of the failure of the Company or the Manager to perform any of its obligations pursuant to applicable law or the Depositary's proper performance of its functions and duties under the Depositary Agreement. However, the Company shall not be liable to or indemnify the Depositary in respect of any loss resulting from the Depositary's or its agents' negligent actions or omissions, wilful misconduct or failure to satisfy its obligations of due skill care and diligence in the discharge of its functions or any loss for which the Depositary or its agents are liable under applicable law.

The Depositary is entitled to receive fees and expenses for its services from the Scheme Property of the Company, and these are included within the relevant Fund Management Fee detailed in section 15.

Shareholders may request an up to date statement regarding any of the information set out in this section from the Manager.

05 Administration and Register of Shareholders

The Manager has delegated certain of its administration and registrar duties to The Bank of New York Mellon (International) Limited pursuant to an agreement dated 27 November 2020. These services include, but are not limited to, the processing of applications for the sale and redemption of Shares, the servicing of certain investor requests and other administration services relating to the Company.

The Register of Shareholders for the Company is kept and may be inspected (together with the plan registers) between 9.00am and 5.00pm on each Dealing Day by any Shareholder or any Shareholder's duly authorised agent at the Manager's premises at Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK.

06 Fund Accounting

The Manager has appointed The Bank of New York Mellon to provide certain fund valuation and fund accounting services pursuant to an agreement dated 23 December 2008 (as amended).

07 The Auditor

The auditor of the Company is PricewaterhouseCoopers LLP whose address is Atria One, 144 Morrison Street, Edinburgh, EH3 8EX, United Kingdom.

08 Shares

08.01 Characteristics of Shares

Several Share Classes may be issued in respect of each Fund. Share Classes differ with respect to various criteria including (without limitation): the type of investor for whom they are designed, the distribution policy, the policy with respect to charges

and expenses, minimum initial investment, minimum subsequent investment limits and minimum holding amounts (as further detailed in Appendix 5). Entry criteria or minimum initial investment limits may be waived at the discretion of the Manager. The following Share Classes may be issued:

- Accumulation Shares and Income Shares;
- Accumulation Shares (NC) and Income Shares (NC);
- Y Accumulation Shares and Y Income Shares;
- Z Accumulation Shares and Z Income Shares; and

The Share Classes presently available for each Fund are set out in Appendix 5. Further Share Classes for each Fund may be made available in due course, as the Manager may decide.

Shares in the Company have no par value and therefore the share capital of each Fund at all times equals the Company's current Net Asset Value.

Where a Fund has different Share Classes, each Share Class may attract different charges and so monies may be deducted from Share Classes in unequal proportions. In these circumstances the proportionate interests of the Share Classes within a Fund will be adjusted accordingly.

Shareholders are entitled (subject to certain restrictions) to switch all or part of their Shares in one Fund for Shares in a different Fund of the Company or in a fund of another ICVC operated by the Manager. Shareholders are also entitled (subject to certain restrictions) to convert all or part of their Shares in a Fund for Shares of another Share Class in the same Fund. Further details of how to switch or convert Shares and the applicable restrictions are set out in sections 09.04, 11, 12 and 15.02.

08.02 Types of Shares

Income Shares

Holders of Income Shares, which are net paying Shares where the relevant Fund makes interest distributions, are entitled to be paid the distributable income attributed to such Shares in respect of the relevant interim and/or annual distribution period for that Share Class.

Accumulation Shares

Holders of Accumulation Shares are not entitled to be paid the income attributed to such Share Class in relation to the relevant interim and/or annual distribution periods, but that income is automatically transferred to (and retained as part of) the capital assets of a Fund on the last day of the relevant interim and/or annual distribution period. This is reflected in the price of an Accumulation Share.

Accumulation Shares (NC) and Income Shares (NC)

Accumulation Shares (NC) and Income Shares (NC) are available only to investors who in the Manager's reasonable opinion satisfy either of the following criteria:

1. invest with us directly; or
2. invest through an Adviser who has terms of business or arrangements with the Manager or an affiliate of the Manager as to the terms on which they or their clients may invest in the Company, and to whom we do not pay commission in respect of the Shares.

Y Accumulation Shares and Y Income Shares

Y Accumulation Shares and Y Income Shares are only available to an investor who meets the minimum investment levels set out in Appendix 5 and who in the Manager's reasonable opinion satisfies the following criteria:

1. it (or its nominee) is a firm which has a written agreement in place with the Manager or an affiliate of the Manager, such as a platform, distribution, fund link, investment or similar agreement; and
2. the written agreement referred to in 1. above enables the firm (or its nominee) to invest in Y Accumulation Shares and Y Income Shares and requires that the firm (or its nominee) is or will be the registered holder of such Shares.

Z Accumulation Shares and Z Income Shares

Z Accumulation Shares and Z Income Shares are only available to an investor who meets the minimum investment levels set out in Appendix 5 and who in the Manager's reasonable opinion satisfies the following criteria:

1. it (or its nominee) is a firm which has an agreement in place with the Manager or an affiliate of the Manager, such as a platform, distribution, fund link, investment or similar agreement; and
2. the agreement referred to in 1. above enables the firm (or its nominee) to invest in Z Accumulation Shares and Z Income Shares and requires that the firm (or its nominee) is or will be the registered holder of such Shares.

09 Buying, selling and switching of Shares

The dealing office of the Manager is open on each Dealing Day from 8.30am to 6.00pm to receive requests for the buying, selling and switching of Shares in the Company, which will be effected at prices determined at the next Valuation Point following receipt of such request. Where the next Valuation Point is on a non-Dealing Day, the request will be effected at prices determined at the Valuation Point on the next Dealing Day.

09.01 Buying Shares

Procedure

Shares in each Fund may be purchased or sold on any Dealing Day, provided the eligibility requirements, which are set out in section 08.02 "Types of Shares", are met. All orders will be dealt at a forward price, this being the price calculated by reference to the next relevant Valuation Point after the order is received by the Manager. Investors should note that they will not know the actual purchase price of their Shares until their order has been fulfilled.

When first subscribing for Shares in one or more Fund(s) of the Company, the initial subscription must be made by completing and signing an application form and sending it to the Administration Centre in respect of each Fund, as appropriate. Application forms are available from the Administration Centre or from the Invesco website.

Subsequent purchases of Shares may be made in writing or by telephone toll free on 0800 085 8677 or by such other means as the Manager may from time to time make available.

Both initial and subsequent subscriptions for the buying of Shares in an Invesco stocks and shares ISA may be effected by telephone toll free on 0800 085 8677 or by such other means as the Manager may from time to time make available.

Please note this telephone service is only available to investors who can confirm that they have been provided with the relevant KIID, the ICVC Supplementary Information Document and, where investing in an ISA, the ICVC ISA Terms and Conditions, prior to making an investment, where applicable. Telephone conversations of all staff in the Administration Centre are recorded and other calls may also be recorded for mutual protection.

In addition, the Manager may from time to time make arrangements to allow Shares to be bought or sold on-line or through other communication media. At present, transfer of title by electronic communication is only permitted where the Manager has entered into an agreement with the relevant third-party institution. Please call the Contact Centre for further information. Telephone conversations of all staff in the Contact Centre and those of Shareholders may be recorded for mutual protection.

Sales of Shares to direct execution only investors will be transacted on the basis of a telephone instruction, up to the value of £30,000.

All dealings are at forward prices, such that instructions accepted by the Manager on a Dealing Day prior to 12.00 p.m. will normally be priced at the Valuation Point on the same day. Instructions accepted after 12.00 p.m. will be priced at the Valuation Point on the next Dealing Day.

Application forms must be sent in writing to the Administration Centre and must be accompanied by payment for Shares. Payment for Shares purchased by telephone can be paid for by debit card, or alternatively a cheque must be received by the Administration Centre in full within three business days from the relevant Dealing Day or as otherwise outlined in the Settlement Period of Subscription section of Appendix 5.

The Manager may cancel the Shares issued corresponding to any subscription not paid for in full in accordance with these provisions, and the investor submitting the subscription will be liable to the relevant Fund for any loss, costs or expenses incurred directly or indirectly in relation to such cancellation. Investors should make payment as soon as they receive written confirmation of their shareholding from the Administration Centre.

For initial subscriptions, the Manager will require an investor to provide identification documentation to satisfy anti-money laundering requirements, along with proof of bank details. The Manager may also request additional information to substantiate any representation made by the investor in its application forms. Any application that has not been completed to the satisfaction of the Manager will be rejected. Where identification documentation, bank verification or any other information required in connection with anti-money laundering regulations is outstanding or is required by the Manager to be updated, the Manager may also require that the documentation or information is provided with a subsequent subscription.

The Manager has the right to reject, without providing an explanation, on reasonable grounds, any application for Shares in whole or part, and in this event the Manager will return any money sent, or the balance of such monies, as soon as practicable, at the risk of the applicant. In addition, the Manager may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared. The Manager reserves the right to add other forms of dealing at its discretion.

Any subscription monies remaining after a whole number of Shares has been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued in such circumstances.

Transaction Funding

All payments by an investor for the purpose of the purchase of Shares must be paid to the Manager on the settlement date. To the extent that on the settlement date for a purchase of Shares instructed by an investor the amount of funds received from them is less than the amount required for the purchase of such Shares, at the Manager's discretion either (a) the instruction shall constitute an instruction to purchase only Shares for which sufficient funds have been received from the investor, or (b) the amount not received from the investor shall (i) be paid by the Manager on their behalf to enable purchase of the full amount of Shares instructed, and (ii) be due and payable to the Manager on that settlement date. The Manager will confirm whether (a) or (b) applies. In the case of (b), the Manager may cease to treat as client money an amount of the client money held for the investor which is equal to the sum of money owed to the Manager in accordance with the FCA's Client Money Rules. The Manager may apply that money in or towards satisfaction of all or part of those amounts due and payable to it from the investor. As a result, the amount of any client money otherwise payable to the investor may be reduced in part or in whole by deduction of amounts due and payable to it by the investor.

Documents the buyer will receive

To confirm a transaction, a contract note or letter of acknowledgement as appropriate giving details of the Shares purchased and the price used will be issued by the end of the business day following the Valuation Point by reference to which the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel. In addition, statements of holdings as at 5th April and 5th October will be sent to all Shareholders on or before 31st May or 30th November each year.

Share certificates will not be issued in respect of Shares. The title to Shares is evidenced by an entry on the Register of Shareholders. Full ownership of Shares will normally be transferred to the investor upon the later of the end of the Settlement Period of Subscription and the receipt of cleared funds. Statements in respect of periodic distributions of income in each Fund will show the number of Shares held by the recipient in the Fund in respect of which the distribution is made. Individual statements of a Shareholder's (or, when Shares are jointly held, the first named holder's) Shares will also be issued at any time on request by the registered holder.

Regular savings plans

The Manager operates a savings plan that enables investors to acquire Shares in their chosen Fund at monthly intervals. The initial investment and monthly contributions are a minimum of £20 per month per Fund. Shareholders in the regular savings plan will be given Accumulation Shares.

Regular payments into a regular savings plan must be made by monthly direct debit payments on the date set out in the investor's application form.

Shareholders in the regular savings plan may make additional lump sum investments on any date in the same manner as described in section 09.01 "Buying and Selling Shares – Procedure". The applicable minimum subsequent investment is set out in Appendix 5 for each Fund. Shares are allocated at the buying price calculated at the next relevant Valuation Point following receipt of a remittance.

Shareholders can change the amount or the Fund(s) they invest in by sending us a direct debit amendment form.

Shareholders in the regular savings plan may make partial sales from the plan provided that they retain Shares to the value of £500 in each of the Funds held within the plan. Shareholders can stop contributions at any time.

A regular savings plan can be terminated by the investor giving written notification to the Manager, who will acquire the Shares at the selling price calculated at the next relevant Valuation Point following receipt of such instructions. The Manager may terminate the regular savings plan if anti-money laundering requirements remain outstanding or if it comes to the attention of the Manager that the regular savings plan is being funded by a bank account which is not held in the name of the Shareholder.

Contract notes are not issued in respect of the buying of Shares held within a regular savings plan. Details of all transactions within a plan as at 5th April and 5th October are set out in a statement issued to Shareholders during May and November each year.

Full details of the regular savings plan can be obtained from the Manager.

Registering Shares on behalf of a trust or unincorporated organisation

A Shareholder must be a legal person. A trust or unincorporated organisation cannot be registered as a Shareholder and therefore any Shares bought on behalf of a trust or unincorporated organisation are registered in the names of the individual trustees or representatives (up to a maximum of 4 trustees or representatives). Any appointment of new trustees or representatives or resignation of existing trustees or representatives should be notified to the Manager in writing as soon as possible after the change. It will be necessary to complete a stock transfer form in order to reflect the change on the Register of Shareholders and further documentation may be requested to evidence the change for anti-money laundering purposes. Failure to do this may result in a delay in releasing the proceeds of any sale of Shares.

09.02 Selling Shares

Procedure

Every Shareholder has the right to require that the Company buy back their Shares on any Dealing Day unless dealing has been suspended, or unless the value of Shares which a Shareholder wishes to sell will mean that the Shareholder will hold Shares with a value less than the required minimum holding for the Fund concerned.

The redemption price per Share will be equal to the Net Asset Value per Share as at the relevant Valuation Point less any charges, if any, which may apply as further detailed in section 15 "Fees and Expenses", and subject to any dilution adjustment which the Manager may apply in accordance with section 21 "Dilution adjustment".

Shareholders intending to redeem Shares must notify the Administration Centre in writing or telephone on 0800 085 8677. Instructions accepted by the Manager before 12.00 p.m. on any Dealing Day, will normally be priced at the Valuation Point on the same day. Instructions accepted after 12.00 p.m. on any Dealing Day will be priced at the Valuation Point on the next Dealing Day. No redemption payment may be made until the signed form of renunciation has been received (for joint holdings redeemed over the telephone or where the instruction to redeem was received in writing and that instruction was not signed by the Shareholder or in the case of a joint holding, by all of the joint Shareholders) and all the documentation required by the Company (including any documents in connection with anti-money laundering requirements) and any other anti-money-laundering requirements have been completed. Telephone conversations of all staff in the Administration Centre and those of Shareholders may be recorded for mutual protection.

A request for a partial redemption of Shares may be refused, or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Shares retained by the Shareholder would be less than the minimum holding as set out in Appendix 5.

A redemption request, once given, is irrevocable save with the consent of the Manager (which may be withheld in their discretion).

Payment will be made in the currency of denomination of the Shares being redeemed.

Documents the seller will receive

A contract note giving details of the number and price of Shares sold will be sent to the selling Shareholder (the first named, in the case of joint Shareholders) and/or their duly authorised agents not later than the end of the business day following the Valuation Point by reference to which the redemption price is determined. A form of renunciation will also be sent with the contract note for completion where joint holdings were redeemed over the telephone or where the instruction to redeem was received in writing and that instruction was not signed by the Shareholder or, in the case of a joint holding, by all of the joint Shareholders. Subject to the provisions on in specie redemption below, redemption monies will be paid by cheque or directly into the selling Shareholder's bank or building society account (subject to satisfactory verification of their bank details). In the case of joint Shareholders, the redemption monies will be paid to or transferred to the first named on the Register of Shareholders.

Redemption monies will be paid within three business days of the later of:

- the Valuation Point following receipt by the Manager of the request to sell; and
- in the case of joint holdings only, the receipt by the Manager of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant Shareholders.

In the event that the redemption monies are returned to the Manager by the bank or building society or the Manager is unable to verify the Shareholder's bank details or is unable to make a direct payment for some other reason, the Manager may, at its sole discretion, request alternative bank or building society account details from the Shareholder and make payment of redemption monies to such account, or send the Shareholder a cheque to the Shareholder's (or the first named, in the case of joint Shareholders) registered address. Payments in such circumstances may be made outside of the standard settlement period.

In specie redemption

If a Shareholder requests the sale or cancellation of Shares, the Manager may at its sole discretion, if it considers the deal substantial in relation to the total size of the Fund concerned, arrange for the Company to cancel the Shares and transfer Scheme Property to the Shareholder instead of paying the price of the Shares in cash, or, if required by the Shareholder, pay the net proceeds of sale of the relevant Scheme Property to the Shareholder. A deal involving Shares representing 5% or more in value of a Fund will normally be considered substantial, although the Manager may at its discretion agree an in specie redemption with a Shareholder whose selling Shares represent less than 5% in value of the Fund concerned.

Before the proceeds of cancellation of the Shares become payable, the Manager will give written notice to the Shareholder that relevant Scheme Property (or the proceeds of sale of that relevant Scheme Property) will be transferred to that Shareholder.

The Manager will select the property to be transferred (or sold) in consultation with the Depositary. They must take reasonable care to ensure that the property concerned would not be likely to result in any material prejudice to the interests of the remaining Shareholders. Any such redemption as set out above may be subject to a retention by the Company from that property (or proceeds), for the value (or amount) of any relevant transaction costs including any taxes or duties that arise for the Fund in connection with the redemption.

1. By signing an application form and/or by investing in a Fund an investor agrees that the Manager may hold client money for the investor in the following circumstances and in accordance with the following terms.
2. In relation to monies received by the Manager from an investor or payable by the Manager to an investor, any cash held by the Manager for an investor's account, and any rebates payable, or accruing for payment, by the Manager to a distributor for payment to an investor, the Manager will deposit those monies in a client money account maintained by the Manager with an appropriately regulated bank or institution in accordance with the FCA Rules on client money.
3. The Manager shall have no responsibility for any insolvency, acts or omissions of any bank or credit institution with whom the Manager holds client money for investors. The bank or credit institution with whom the Manager holds client money may hold it in an omnibus account.
4. The Manager shall not pay investors any interest on client money held for investors.
5. Where any obligations owing to the Manager from an investor are due and payable to the Manager, the Manager may cease to treat as client money so much of the client money held on behalf of the investor as equals the amount of those obligations in accordance with the FCA Rules on client money. Each investor agrees that the Manager may apply that money in or towards satisfaction of all or part of those obligations due and payable by such investor to the Manager, and for this purpose, any such obligations shall become immediately due and payable, without notice or demand by the Manager, when incurred by an investor or on his/her behalf. As a result, the amount of any client money otherwise payable to an investor may be reduced in part or in whole by deduction of amounts due and payable to the Manager.
6. Except in respect of de minimis sums transferred to another person as part of a transfer of business to that other person in accordance with the FCA Rules on client money (where consent from investors is not required), each investor agrees that the Manager may transfer to another person, as part of a transfer of business to that person, client money balances, provided that:
 - a. the sums transferred will be held for the investor by the person to whom they are transferred in accordance with the FCA Rules on client money; or
 - b. if not held in accordance with paragraph a. above, the Manager will exercise all due skill, care and diligence in assessing whether the person to whom the client money is transferred will apply adequate measures to protect these sums.

01.01

Switching and conversions

Switching between different Funds or funds of another ICVC operated by the Manager

A holder of Shares in a Fund may at any time switch all or some of their Shares ("Old Shares") for Shares of another Fund of the Company or of a fund of another ICVC operated by the Manager ("New Shares"). Following receipt of an instruction, the number of New Shares issued will be determined by reference to the respective prices of New Shares and Old Shares at the Valuation Point applicable at the time the Old Shares are repurchased and the New Shares are issued.

Switching may usually be effected either by telephone on 0800 085 8677 or in writing to the Manager at the Administration Centre but in some circumstances the Shareholder will be required to complete written instructions to switch. The Shareholder must be eligible to hold the Shares into which the switch is to be made. Telephone conversations of all staff in the Administration Centre and those of Shareholders may be recorded for mutual protection.

If the switch would result in the Shareholder holding a number of Old Shares or New Shares of a value which is less than the minimum holding in the Share Classes concerned, the Manager may, at its discretion, switch the whole of the applicant's holding of Old Shares to New Shares or refuse to effect any switch of the Old Shares. No switch will be made during any period when the right of Shareholders to require the sale of their Shares is suspended. The general provisions on selling Shares shall apply equally to a switch.

The Manager may adjust the number of New Shares to be issued to reflect the imposition of any switching fee together with any other charges or levies in respect of the issue or purchase of the New Shares, or cancellation of the Old Shares, as may be permitted pursuant to the COLL Sourcebook.

Please note that, under current tax law, a switch of Shares in one Fund for Shares in any other Fund of the Company or in a fund of another ICVC operated by the Manager is treated as a sale and purchase and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of capital gains taxation.

A switch of Shares between different Funds may be subject to income equalisation as referred to in section 25.

A Shareholder who switches Shares in one Fund for Shares in any other Fund of the Company will not be given a right by law to withdraw from or cancel the transaction. A contract note showing details of the transaction will be sent to the investor (and their Adviser if they have one) on the business day following completion of the transaction.

Conversions between Share Classes of the same Fund

A holder of Shares in a Fund may convert all or some of their Shares for Shares in another class ("New Class Shares") of the same Fund. Further details of when conversions will be carried out and the process by which conversions will be achieved are available from the Manager.

Any conversion request may be made by telephone toll free on 0800 085 8677 or in writing. Telephone conversations of all staff in the Administration Centre and those of Shareholders may be recorded for mutual protection. Conversion requests made in writing should be addressed to the Manager at the Administration Centre. The Shareholder must be eligible to hold the Shares into which the conversion is to be made.

Conversions are transacted free of charge. No conversion will be made during any period when the right of Shareholders to require the sale of their Shares is suspended.

Conversions will be effected by the Manager recording the change of Share Class on the Register of Shareholders.

A conversion of Shares between different Share Classes within the same Fund will generally not be deemed to be a realisation for the purposes of capital gains taxation. A conversion between Share Classes may be subject to income equalisation as referred to in section 25.

A Shareholder who converts Shares within a Fund will not be given a right by law to withdraw from or cancel the transaction. Written confirmation showing details of the transaction will be sent to the Shareholder (and their Adviser if they have one) on the next business day after the conversion has been effected.

Mandatory conversion of Shares

Where there have been legislative, regulatory, operational or other changes to one or more Share Classes, the result of which is that a Fund has one or more Share Classes with the same or substantially the same terms, the Manager may at its discretion, taking into account its duty to act fairly and in the Shareholders' best interests, cause the Company to mandatorily convert a Shareholder's Shares in a Share Class (the "Original Shares") to Shares in another Share Class in the Fund (the "New Shares"), provided that the rights attached to such New Shares are in the reasonable opinion of the Manager, no less favourable than, the rights attached to the Original Shares.

Any conversions effected in accordance with this section shall be carried out as set out in section "Conversions between Share Classes of the same Fund" above. No conversion fee will be applied. A letter of confirmation showing details of the transactions will be sent to the Shareholder (and their Adviser if appropriate) as soon as reasonably practicable after the conversion has been effected.

10 Suspension of dealings

Suspension

The Manager may, with the prior agreement of the Depositary, or must without delay if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Shares in any or all of the Funds, without prior notice to Shareholders. Such suspension will be effected in accordance with the FCA Rules which currently permit a suspension if the Manager or the Depositary is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so having regard to the interests of the Shareholders in the relevant Fund(s). The Manager and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

If the redemption of Shares in a Fund is suspended, the obligations, relating to the creation, cancellation, issue and redemption of Shares, contained in the FCA Rules, will cease to apply in respect of the Fund concerned. The Manager will comply with as much of the obligations in the FCA Rules relating to the valuation and pricing of Shares as is practicable in the light of the suspension.

The Manager or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA.

Shareholders will be notified as soon as practicable after the suspension commences. Such notification will draw Shareholder's attention to the exceptional circumstances which resulted in the suspension. The notification must be clear, fair and not misleading and give Shareholders details of how to find further information about the suspension.

The Manager will publish details on its website or other general means about the suspension and the likely duration. The Manager and the Depositary will conduct a formal review of the suspension at least every 28 days in accordance with the FCA Rules.

Where the Manager agrees during the suspension to deal in Shares, all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first relevant Valuation Point after the restart of dealings in Shares.

During any suspension, a Shareholder may withdraw his redemption notice provided that such withdrawal is in writing. Any notice not withdrawn within the period of suspension will be dealt with on the next Dealing Day following the end of the suspension.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased.

11 Minimum investment and holding

The minimum initial investment limits, the subsequent investment limits and the minimum holdings limits for each Fund are set out in Appendix 5. The Manager may at its discretion accept subscriptions lower than the minimum amounts.

The Manager may refuse any request of a Shareholder to switch, transfer or redeem any of its holdings of Shares of any Share Class if the switch, transfer or redemption would cause the Shareholder's holding in that Share Class to fall below the minimum holding amounts set out in Appendix 5.

If a holding of any Shareholder is less than the minimum holding for a Fund, as detailed in Appendix 5, the Manager reserves the right to transfer the Shareholders holding into another Share Class of the relevant Fund for which the minimum holding requirements are met if any, or the Manager may require the Shareholder to sell his entire holding.

12 Restrictions and compulsory transfer and redemption

The Manager may from time to time impose such restrictions as it may think necessary to ensure that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. In this connection, the Manager may reject in its discretion any application for the purchase, sale, transfer, conversion or exchange of Shares.

Shares may not be held by a person who is classified as a Non-Qualified Person. If it comes to the notice of the Manager that any Shares are or may be owned or held legally or beneficially by a Non-Qualified Person ("Affected Shares"), the Manager may take action to rectify this. This action will take the form of giving notice to the registered holder(s) of the Affected Shares requiring either (1) the transfer of such Shares to a person who is not a Non-Qualified Person or (2) a request in writing for the redemption, cancellation or (where possible) exchange of such Shares in accordance with the FCA Rules.

If any person upon whom such a notice is served does not, within 30 days after the date of such notice, (1) transfer the Affected Shares to a person who is not a Non-Qualified Person or establish to the satisfaction of the Manager (whose judgement is final and binding) that they and the beneficial owner are not Non-Qualified Persons or (2) submit a request in writing for the redemption, cancellation or exchange of the Shares they shall be deemed upon the expiration of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of all the Affected Shares pursuant to the FCA Rules. The Manager may, at its reasonable discretion, require that a shorter notice period may be specified, or that such notice may require immediate action where it deems necessary in accordance with applicable law, rule or regulation.

A person who becomes aware that they have acquired or hold affected Shares as described above shall forthwith, unless they have already received a notice from the Manager as above, either transfer the affected Shares to a person qualified to own them or give a request in writing for the redemption, cancellation or (where possible) exchange of such Shares pursuant to the FCA Rules. A Shareholder may transfer their Shares by an instrument of transfer in writing in any usual or common form or in any other form as may be approved the Manager.

The Manager may decide to close any Share Class (a "closing class") where, one year after the first issue of Shares in that Share Class or at any date thereafter the Net Asset Value of the closing class is less than £1 million or its equivalent in the Base Currency of the Fund to which the closing class relates, or the Manager decides it is desirable to close that Share Class. In such an event, the Manager will offer to exchange the Shares in the Share Class held by a Shareholder for Shares of such other Share Class in respect of the same Fund as in the opinion of the Manager most nearly equates to, in its discretion, the closing class. Such exchange shall be done by applying the formula for exchanges as set out below.

The Manager has the ability to cancel the buying of Shares without notice in the event of default by an applicant or his agent. The Manager will in those circumstances hold the applicant liable or, if applicable, jointly and severally liable with his agent for any loss sustained by the Manager.

In certain circumstances the Manager is able to carry out mandatory conversions of Shares, please see section 09.04 for details.

Compulsory redemption

The Shares in any Fund may be compulsorily redeemed or cancelled in accordance with the Instrument of Incorporation if the Manager reasonably believes that:

- the Shareholder has made any misrepresentation as to his or her qualifications to be a Shareholder;
- the Shareholder's continued presence as a Shareholder would cause significant harm to the Fund or the other Shareholders;

- the Shareholder's continued presence as a Shareholder would cause the Fund to be or become subject to any reporting obligation, tax withholding obligation, or withholding tax that the Fund would not otherwise be subject to but for the Shareholder's (or similarly situated Shareholders') presence as a Shareholder;
- the Shareholder, by trading Shares frequently, is causing the relevant Fund to incur higher portfolio turnover and thus, causing adverse effects on the Fund's performance, higher transactions costs and/or greater tax liabilities;
- the Shareholder's continued presence as a Shareholder would result in a breach of any law or regulation;
- the continued presence of a person or entity as a Shareholder in the Fund would have adverse consequences for the other Shareholders of the Fund or for the fulfilment of the Fund's investment objectives and policies; or
- the Shareholder is or has engaged in marketing and/or sales activities using the name of, or references to the Fund and/or the Manager or any of its strategies or portfolio managers without the prior written consent of the Manager.

In the event that a Shareholder's presence in a Fund causes the Fund to initiate a compulsory redemption and the Shareholder's presence in the Fund has caused the Fund or the Company to suffer any withholding tax which would not have been incurred but for the Shareholder's ownership of Shares, the Manager shall have the right to redeem that Shareholder's Shares and withhold as much of the redemption proceeds as is required to satisfy the costs that rose solely due to the Shareholder's presence in the Fund. To the extent that there is more than one Shareholder similarly situated, proceeds will be withheld based on the relative value of redeemed Shares.

Structured products

Investment in any Share Class used for the purpose of an investor's structured product replicating the performance of any of the Funds is only permitted after entering into a written agreement with the Manager. The Manager may reject in its discretion any application for the purchase of Shares or may compulsorily redeem or cancel Shares held in connection with such a structured product if the Manager reasonably believes such an investment would cause significant harm to the relevant Fund or the Shareholders.

13 Other dealing information

13.01 Anti-money laundering and financial crime prevention

As a result of legislation in force in the UK to prevent money laundering, the Manager is responsible for compliance with anti-money laundering regulations. Shareholders may be asked to provide identity verification when buying or redeeming Shares or from time to time whilst being an existing Shareholder in accordance with procedures implemented by the Manager to comply with anti-money laundering requirements. In certain circumstances, the Manager may also request additional information or verification which it reasonably believes to be required as a result of its anti-money laundering obligations, including, but not limited to: additional information about the Shareholder or the nature of the Shareholder's business, where relevant; the nature and purpose of the Shareholder's investment or transactions; or the source of the Shareholder's funds or overall wealth.

Until satisfactory information or verification is provided, the Manager reserves the right to refuse to issue Shares, pay the proceeds of a redemption of Shares, or pay income on Shares to the investor. In the case of a purchase of Shares where the applicant is not willing to provide the information requested within a reasonable period, the Manager also reserves the right to sell the Shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment.

Where anti-money laundering and counter-terrorist financing legislation requires the Manager to review and report activity which the Manager identifies as being suspicious, the Manager reserves the right to delay or refuse to carry out the instructions of the Shareholder without explanation.

The Manager is also required to maintain appropriate procedures to counter the risk of other types of financial crime and to protect Shareholder accounts from fraud. The Manager reserves the right to delay or refuse to carry out instructions, pay the proceeds of a redemption or provide account information without explanation if it reasonably believes that the instruction or request for information may falsely purport to have been made by the Shareholder.

13.02 Market timing and frequent trading policy

The Manager does not knowingly allow investments which are associated with market timing and late trading activities, as these may adversely affect the interests of all Shareholders.

In general, market timing and late trading refers to the investment behaviour of a person or group of persons buying, selling or exchanging Shares on the basis of predetermined market indicators. Market timing may also be characterised by transactions that seem to follow a timing pattern or by frequent and/or large transactions in Shares.

Accordingly, the Manager reserves the right to reject any application for exchanging and/or subscription of Shares from investors whom it considers to be associated with market timing activity. In this connection the Manager may combine Shares which are under common ownership or control for the purposes of ascertaining whether investors can be deemed to be involved in such activities.

Each of the Funds is managed for longer-term investment, as such, the Manager discourages excessive short-term trading that may be detrimental to the Funds and their Shareholders. Frequent purchases and redemptions of Shares may present certain risks for other Shareholders in a Fund. This includes the risk of diluting the value of Shares held by long-term Shareholders, interfering with efficient management of each Fund's portfolio and increasing brokerage and administrative costs. Funds investing in securities that require special valuation processes (such as foreign securities or below investment-grade securities), also may have increased exposure to these risks. Therefore, the Manager may, at its discretion, refuse to accept applications for the purchase of, or requests for exchange of, Shares where it believes such detriments to a Fund may arise.

14 Governing law

The Company, this Prospectus and all other Fund documentation and all dealings in Shares are governed by the laws of England and Wales.

15 Fees and expenses

All fees or expenses payable by a Shareholder or out of the property of the Company are set out in this section.

15.01 Fund Management Fee

The Manager is entitled to be paid a fee for its services in managing the Company which will be inclusive of the fees and expenses which are paid by the Manager in relation to the operation and administration of each Fund, which the Manager pays and will be reimbursed for as part of a single charge that it deducts from the Scheme Property, namely the Fund Management Fee (the "FMF").

The FMF is a fixed rate fee charged by the Manager to each Fund and which is comprised of the following:

1. the fees and expenses payable to each of the service providers (including the Manager, Investment Adviser and the Depositary) and legal or other professional advisers;
2. all of the costs, charges, fees and expenses payable in relation to the operation and management of the Funds which may be taken from Scheme Property under the FCA Rules, excluding those set out below in "Other payments out of the Scheme Property". The permitted costs, charges, fees and expenses are:
 - a. fees and expenses payable in respect of establishing and maintaining the register of Shareholders and any sub-register of Shareholders;
 - b. any costs incurred in or about the listing of Shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of Shares;
 - c. any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper or in any other media;
 - d. any costs incurred in producing and dispatching any payments made by the Company, or the annual and interim reports of the Company;
 - e. any fees, expenses or disbursements of any legal or other professional adviser of the Company;
 - f. any costs incurred in taking out and maintaining any insurance policy in relation to the Company;
 - g. any costs incurred in respect of meetings of Shareholders convened for any purpose (including those convened on a requisition by Shareholders, other than, the Manager or an associate of the Manager);
 - h. liabilities on amalgamation or reconstruction including certain liabilities arising after transfer of property to the Funds in consideration for the issue of Shares as more fully detailed in the COLL Sourcebook;
 - i. the audit fees of the Auditor and any expenses of the Auditor;
 - j. the fees of the FCA as detailed in the FEES manual of the FCA Rules, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares in the Company are or may be marketed;
 - k. any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
 - l. any payments otherwise due by virtue of the COLL Sourcebook; and

- m. VAT where applicable in relation to the FMF or each of the costs, charges, fees and expenses included in the FMF as set out in (a) and (b) above.

The costs, charges, fees and expenses may vary. In fixing the FMF at a single rate, the Manager bears the risk that the amount of the FMF, as calculated in accordance with this section 15, may not fully cover the costs paid by the Manager in a given period which it would otherwise be entitled to charge to the Fund. Conversely, should the amount of the FMF in a given period exceed actual costs paid by the Manager, the Manager will be entitled to retain the excess and will not be accountable to Shareholders for this.

Calculation and operation of the Fund Management Fee

The FMF is calculated as a percentage of the Scheme Property and the amount each Share Class in each Fund will pay will depend on the costs, fees and expenses attributable to each Share Class. The FMF accrues on a daily basis and is payable to the Manager monthly.

The current FMF in relation to each Share Class is set out in Appendix 5.

The FMF is either taken from the income or capital of the relevant Fund or Share Class. However, where the FMF is taken from income of the relevant Fund or Share Class and the income received by the relevant Fund or Share Class is insufficient to meet the FMF then some or all of the FMF may be charged against the capital of the relevant Fund or Share Class, which will constrain capital growth.

Where the FMF is taken from the capital of the relevant Fund or Share Class this will be indicated in Appendix 5. This will have the effect of increasing the distributable income of the Fund or Share Class, but will constrain capital growth. Please refer to section 17 below for an explanation of the risks relating to taking the FMF from capital.

Changes to the Fund Management Fee

The Manager will monitor the amount of the FMF on a regular basis. Where the underlying fees and expenses that make up the FMF reduce or increase, the Manager may carry out a review where it reasonably considers this to be appropriate. When carrying out such reviews, the Manager reserves the right to increase or decrease the FMF.

- In the event of any changes to the FMF (including an increase or decrease) the Manager will notify you in writing in accordance with the FCA's COLL Sourcebook requirements. For example:
- before increasing the FMF, the Manager will give you at least 60 days prior notice in writing;
- before introducing a new category of costs, charges, fees or expenses which make up the FMF but which are not currently charged to the Funds, the Manager will seek the approval of an extraordinary resolution of Shareholders at an Extraordinary General Meeting; or
- before decreasing the FMF, the Manager will give a reasonable period of notice utilising an appropriate method of communication as specified in the FCA rules, such as notice on the Invesco website and in the next Report and Accounts of the relevant Fund.

Other payments out of the Scheme Property

In addition to the FMF, and in accordance with the OEIC Regulations and the FCA Rules, the following payments will be made out of the property of the Funds:

- broker's commission, fiscal charges (including stamp, transfer and financial transaction taxes) and other disbursements which are necessarily incurred in effecting transactions for the Funds;
- interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- taxation and duties payable in respect of the property of the Funds or the issue or redemption of Shares, including stamp duties or other taxes or duties in relation to the transfer to the Company of assets acquired in exchange for the issue of Shares or in relation to the redemption of Shares;
- expenses incurred in acquiring and disposing of investments;
- the charges relating to the creation and authorisation of a new Fund or Share Class; and
- any value added or similar tax relating to any charge or expense set out above.

Additional information in respect of the fees and expenses of the Manager and the Depositary

The fees and expenses of the Manager and the Depositary (including custody and transaction charges) are included within the FMF, the rate of which in relation to each Share Class is set out in Appendix 5.

On a winding up of the Company, the termination of a Fund or the redemption of a Share Class, the Depositary and the Manager will each be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the

redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the agreement with the Manager or the Depositary.

Exemption from liability to account for profits

The Manager, Depositary, Investment Adviser and any sub-advisers and Custodian are not liable to account to the Shareholders of any Fund for any profits or benefits it makes or receives that are derived from or in connection with dealings in the Shares of a Fund, any transaction in Fund property or the supply of services to the Fund.

Allocation of fees and expenses between Funds and Share Classes

All the above fees, duties and charges will be charged to the Fund or Share Class in respect of which they were incurred but where an expense is not considered to be attributable to any one Fund or Share Class, the expense will normally be allocated to all Funds or Share Classes pro rata to the Net Asset Value of the Funds or Share Classes, although the Manager has discretion, after consultation with the Depositary and Auditor, to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

15.02 Dealing Charges

Entry Charge

The Manager may impose an Entry Charge on a subscription for Shares, but does not currently intend to do so. The Entry Charge, if charged, is payable to the Manager and is calculated as a percentage of the amount subscribed. If applicable, the percentage applicable in respect of each Share Class will be set out for each Fund in Appendix 5.

Redemption Charge

The Manager may make a charge on the sale of Shares of certain Share Classes in the Company but does not currently intend to do so.

The Manager may not increase a redemption charge or introduce a redemption charge on existing Share Classes unless, not less than 60 days before the introduction, it has given notice in writing to the then current Shareholders of that introduction and has revised and made available the Prospectus to reflect the introduction and the date of its commencement. No such newly introduced redemption charge will apply to Shares already in existence at the time it is introduced.

If applicable, the redemption charge is on a sliding scale depending on the length of time for which Shares have been held. The longer they have been held, the lower the charge. Where a Shareholder has held different parcels of Shares in a particular Fund of the Company for different lengths of time, and then sells some of them, those which have been held the longest will be deemed to be the ones sold. This will minimise any redemption charge.

In the event of a change to the rate or method of calculation of the redemption charge, details of the previous rate or method of calculation will be available from the Manager.

Switching Fee

The Manager may impose a charge on the switching of Shares of a Fund for Shares of another Fund within the Company or another fund of another ICVC operated by the Manager, but does not currently intend to do so. The switching fee, if charged, is payable to the Manager.

For mandatory switches as detailed in section 09.04, no switching fee will be applied.

No fee is payable in respect of a conversion of Shares between different Share Classes within the same Fund.

16 General information

Reports and Accounts

The annual report in respect of the Company will be published within four months of the end of the annual accounting period and two months after the end of each half-yearly accounting period respectively. The accounts contained in the annual and half yearly reports will be prepared in accordance with the FCA Rules and the Statement of Recommended Practice for Financial Statements of Authorised Funds. A copy of the report and accounts will be available, free of charge, on request. Details of the accounting reference and interim accounting dates are set out in Appendix 5.

Documents of the Company

The following documents may be inspected free of charge between 9.00 p.m. and 5.00 p.m. on each Dealing Day at the offices of the Manager:

- the most recent annual and half-yearly reports of the Company;
- the Prospectus;
- the Instrument of Incorporation;
- the KIIDs of each Fund; and

- the material contracts referred to below.

Shareholders may also obtain copies of the Prospectus, KIIDs and annual and half-yearly reports from www.invesco.co.uk free of charge. Further information may be available for some of the Funds on specific enquiry to the Manager. The documents are only available in English.

Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- the ACD Agreement between the Company and the Manager; and
- the Depositary Agreement between the Company, the Depositary and the Manager.

Remuneration policy

The Manager is subject to remuneration policies, procedures and practices (together, the “Remuneration Policy”) which are consistent with and promote sound and effective risk management. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Manager or the Company and is designed not to encourage risk-taking which is inconsistent with the risk profile of the Company. Information on the Remuneration Policy, including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, is available on www.invesco.co.uk and a copy of such information can be obtained, free of charge, upon request at the offices of the Manager.

Notices

Any notice or document required to be sent or served to Shareholders will be sent either in writing to the address as most recently notified to the Company and as entered on the Register of Shareholders, or electronically to the email address most recently notified to the Company (where a Shareholder has consented to the receipt of documents and notices electronically), at the Manager’s discretion. In the case of joint Shareholders, service shall be to the first-named Shareholder. All documents and remittances are sent at the risk of the Shareholder.

Complaints

If you have a complaint you should write to the Contact Centre using the Administration Centre address, as set out in the Appendix 7. If your complaint is not resolved to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service at Exchange Tower, London E14 9SR, UK. You will be informed of your rights when your complaint is being dealt with. A summary of the internal process for dealing with complaints is available upon request. Telephone conversations of all staff in the Contact Centre and those of Shareholders may be recorded for mutual protection.

The Financial Services Compensation Scheme offers compensation when an authorised firm is unable to pay claims against it, usually because the firm has gone out of business. The Company is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if the Company cannot meet its obligations. The maximum level of compensation for claims against authorised firms declared in default is £85,000 per investor per firm. Further information is available from the Financial Services Compensation Scheme.

Strategy for the Exercise of Voting Rights

The Manager, the Investment Adviser and any sub-advisers appointed by the Investment Adviser have a strategy for determining when and how voting rights attached to ownership of Scheme Property are to be exercised for the benefit of each Fund and how engagement with investee companies is conducted, in accordance with the Shareholder Rights Directive II (2017/828/EC) and UK Stewardship Code. A summary of this strategy and engagement policy is contained in Invesco’s Policy Statement on Global Corporate Governance and Proxy Voting or other relevant policy as available on www.invesco.co.uk.

Best Execution

The Manager, Investment Adviser and any sub-advisers trade execution policies set out the basis upon which the Manager, the Investment Adviser and any sub-advisers will effect transactions and place orders in relation to the Company whilst complying with their obligations under the FCA Rules, or similar obligations under their respective laws and regulations of the country in which each operates, to obtain the best results in the circumstances for the Company. Details of applicable trade execution policies are available from the Manager on request.

Payments for research

Invesco’s policy is to pay for research out of its own resources. Accordingly, where the Investment Adviser or any sub-advisers receives research from third parties, it may do so provided that this is in a manner consistent with the Investment Adviser’s research policy and applicable laws.

Brokers shall receive commissions for the execution element of trades and such commissions will continue to be paid out of the Funds’ assets. The level of equity securities trading on relevant Funds is determined by fund management decisions and the main impact on the relevant Funds from this trading is the buying and selling values of trades. Our buying and selling values of equity securities trades meet current best execution regulations or their equivalent in relevant countries of operation of the Manager, the Investment Adviser or any sub-advisers.

Genuine Diversity of Ownership

Shares in the Funds are and will continue to be widely available. The intended categories of investors are retail investors (who should seek advice from a financial adviser if they are unsure whether any Fund is suitable for them) and institutional investors. Different Share Classes of a Fund are issued to different types of investors.

Shares in the Funds are and will continue to be marketed and made available sufficiently widely to reach the intended categories of investors for each Share Class.

Distribution of Income

The Company's annual accounting period ends on 31 December in each year. The interim accounting periods (if any) and the distribution policy for each Fund are set out in Appendix 5.

Allocation of income to holders of any Accumulation Shares that may be issued will be transferred to the capital property of each Fund as at the end of the relevant distribution period (annual or interim) and be reflected in the value of Shares on the first Business Day following that distribution period.

Any distribution of income that is unclaimed for a period of six years after having become due for payment, shall be forfeited and shall revert to the Fund to which such distribution relates.

Use of Benchmarks

The Funds, as indicated in Appendix 5, use benchmarks within the meaning of the Benchmark Regulation. The Manager has adopted a written procedure to be followed in the event that such a benchmark materially changes or ceases to be provided. The Prospectus will be updated at the next opportunity in the case of a change of benchmark of a Fund in accordance with the requirements of the FCA

Integration of Sustainability Risks

The Manager is committed to ensuring it has robust systems and processes to take Sustainability Risks into account when making investment decisions in a way that best serves its clients and seeks continuous improvement in this area.

The Manager's approach to integrating a consideration of Sustainability Risks into its investment decision-making processes is founded on three central pillars: (i) focus on financially material risks; (ii) research basis and (iii) a systematic approach.

The Manager integrates Sustainability Risks into investment decisions through a multi-step process: First, Sustainability Risks are considered as part of macro-economic analysis. Second, Sustainability Risk-related scenarios are included in risk analysis. Third, Sustainability Risks are considered in selecting implementation approaches for investment ideas.

The assessment of Sustainability Risks does not necessarily mean that the Manager will refrain from taking or maintaining an investment position in a Fund. Rather, the Manager will consider such assessment together with other material factors in the context of the specific investee company or issuer and the investment objective and policy of a Fund.

For information on the Invesco policy on integration of Sustainability Risks, please refer to the website of the Manager.

17 Risk factors

Potential investors should consider the following risk factors before investing in a Fund.

17.01 Management risk

The investment performance of a Fund is substantially dependent on the services of the Manager or the Investment Adviser. In the event of the death, disability, departure, insolvency or withdrawal of the Manager's or the Investment Adviser's key personnel, including portfolio managers, the performance of the Fund may be adversely affected.

17.02 Custody risk

The assets owned by a Fund are held on trust for the Fund by the Depositary. The FCA requires the Depositary to ensure that there is a legal separation of non-cash assets held under custody and that records are maintained which clearly identify the nature and amount of all assets under custody, the ownership of each asset and the location of the documents of title to that asset. In case of a potential bankruptcy of the Depositary, cash positions in the Fund are not protected and there may be a delay in regaining full control of the non-cash assets.

17.03 Market risk

An investment in a Fund will involve exposure to those risks normally associated with investment in stocks and shares such as general economic conditions, market events and the performance of the underlying investments. As such, the price of Shares and the income from them can go down as well as up and an investor may not get back the full amount invested. There is no assurance that the investment objectives of a Fund will actually be achieved.

17.04 Market Suspension Risk

A Fund may invest in securities dealt on a market or exchange. Trading on a market or exchange may be halted or suspended due to market conditions, technical problems or other events and during such circumstances, the Fund will not be able to sell the securities traded on that market until trading resumes.

Further, trading of the securities of a specific issuer may be suspended by a market due to circumstances relating to the issuer. If trading of a particular security is halted or suspended, the relevant Fund will not be able to sell that security until trading resumes.

17.05 Fund suspension risk

Investors should be aware that the Manager has the ability to suspend dealing in the Shares of the Funds in exceptional circumstances. More information on this can be found in section 10 "Suspension of Dealing".

17.06 Market liquidity risk

The Funds may be affected by a decrease in market liquidity for the securities in which they invest, which may mean that the Manager may not be able to sell shares in those securities at their true value.

In such circumstances, the Manager may, in accordance with the Company's Instrument of Incorporation and in the investors' interest, suspend subscriptions and redemptions or extend the settlement timeframe.

17.07 Termination risk

A Fund and/or certain classes of Shares may be terminated under certain conditions (specified in section 28 "Winding-up and Termination of a Fund of the Company"). It is possible that at the time of such termination, certain investments may be worth less than their acquisition cost, resulting in Shareholders having to realise an investment loss and/or being unable to recover an amount equal to their original capital invested.

17.08 Liabilities of the Funds

As mentioned in section 01 above, under the OEIC Regulations each Fund is a segregated portfolio of assets and a Fund's assets can only be used to meet the liabilities of, or claims against, that Fund. Whilst the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

Shareholders are not, however, liable for the debts of the Company or the Funds. A Shareholder is not liable to make any further payment to the Company after paying the purchase price of Shares.

17.09 Currency exchange risk

The Funds' assets may be invested in securities denominated in currencies other than the Base Currency of the relevant Fund. Changes in exchange rates may adversely affect the value of any investment, which will have a related effect on the price of Shares.

17.10 Investing in assets traded on non-Eligible Markets

The Funds are permitted to invest up to 10% of assets traded on markets which are not included in the Eligible Markets list contained in this Prospectus. Investors should be aware that these markets may not meet the criteria in the FCA Rules to be considered eligible and therefore may not be regulated and there may be problems with liquidity, repatriation of assets or custody of assets. Where appropriate, the ACD may also hold assets which are not traded on any market and the same risks apply, with additional risks linked to concentrated ownership and greater fluctuations in the value of the Fund.

17.11 Investing in financial derivative instruments

There are certain investment risks that apply in relation to the use of financial derivative instruments. Derivatives may be used to provide protection for an investment or as a cheaper and more liquid alternative for an investment. However, should the Investment Adviser's expectations in employing such techniques and instruments be incorrect or ineffective, a Fund may suffer a substantial loss, having an adverse effect on the Net Asset Value of the Shares.

If disclosed in relation to any Fund in Appendix 5, financial derivative instruments may be used as part of the principal investment policies and strategies of a Fund. Such strategies might be unsuccessful and incur losses for the Fund, due to market conditions. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Investments in financial derivative instruments are subject to normal market fluctuations and other risks inherent in investment in securities. In addition, the use of financial derivative instruments involves special risks, including:

- dependence on the Investment Adviser's ability to accurately predict movements in the price of the underlying security;
- imperfect correlation between the movements in securities or currency on which a financial derivative instruments contract is based and movements in the securities or currencies in the relevant Fund;
- the absence of a liquid market for any particular instrument at any particular time which may inhibit the ability of a Fund to liquidate a financial derivative instrument at an advantageous price;
- the degree of leverage inherent in futures trading (i.e. the loan margin deposits normally required in futures trading means that such trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to a Fund;

- possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of a Fund's assets may be segregated to cover its obligations; and
- where a Fund's return is provided partly or exclusively by the cash flows received on a financial derivative instrument, including a total return swap, any early termination of that financial derivative instrument, for example as a result of a default by the Fund or the counterparty, may have a negative impact on the performance of that Fund.

In addition to using derivatives for investment purposes, a Fund may also use derivatives for efficient portfolio management.

For a description of how the Funds may use financial derivative instruments, please see Appendix 1.

17.12 Use of financial derivative instruments for efficient portfolio management

All Funds may make use of derivatives for efficient portfolio management ("EPM"). These techniques aim to reduce risk, reduce costs and/or produce additional capital or income in the Funds. It is not intended that using derivatives for EPM will increase the volatility of the Funds. In adverse situations, however, a Fund's use of derivatives for EPM may become ineffective and a Fund may suffer significant loss as a result. A Fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations. It is not intended that the use of derivatives for EPM within a Fund will materially alter the overall risk profile of the Fund.

For a description of how the Funds may use derivatives, please see Appendix 1.

17.13 Securities Financing Transactions

Securities lending and repurchase contracts involve a number of risks, including counterparty risk (section 17. 14) and custody risk (section 17. 02).

Securities lending

Securities lent under securities lending transactions may be returned late by the borrower or not at all as a result of the borrower's default or administrative or operational error. This might mean that the relevant Fund is unable to meet its obligation to complete the sale of the relevant security, causing it to breach its contractual obligations to a third party purchaser. If the borrower of a security defaults, to the extent that the value of the collateral held by a Fund at the relevant time is less than the value of the securities lent by the Fund, the Fund may be an unsecured creditor for the difference and may not recover in full or at all.

Repurchase and reverse repurchase contracts

Repurchase contracts involve the risk that the face value of the cash received by a Fund falls below the market value of the securities sold under the transaction. While the Fund should generally have a right to call for additional collateral, if a counterparty defaults (e.g. becomes insolvent or breaches the contract), and the value of the collateral is less than the value of the securities sold, the Fund may be an unsecured creditor for the difference and may not recover in full or at all.

Reverse repurchase contracts involve the risk that the market value of the securities bought by a Fund falls below the face value of the cash it pays for them. While the Fund should generally have a right to call for additional collateral, if a counterparty defaults (e.g. becomes insolvent or breaches the contract), and the value of the collateral is less than the value of the cash paid, the Fund may be an unsecured creditor for the difference and may not recover in full or at all.

17.14 Counterparty risk

The Funds may enter into derivatives transactions, Securities Financing Transactions or place cash in bank deposit accounts, which would expose the Funds to the credit risk of their counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating positions and significant losses, including declines in the value of investments during the period in which a Fund seeks to enforce its rights, inability to realise any gains on its investments during such period and fees and expenses incurred in enforcing its rights.

The taking of collateral may reduce counterparty risk but it does not eliminate it entirely. There is a risk that the value of collateral held by a Fund may not be sufficient to cover the Fund's exposure to an insolvent counterparty. This could for example be due to the issuer of the collateral itself defaulting (or, in the case of cash collateral, the bank with whom such cash is placed becoming insolvent), lack of liquidity in the relevant collateral meaning that it cannot be sold in a timely manner on the failure of the collateral giver, or price volatility due to market events. In the event that a Fund attempts to realise collateral following the default by a counterparty, there may be no or limited liquidity or other restrictions in respect of the relevant collateral and any realisation proceeds may not be sufficient to off-set the Fund's exposure to the counterparty and the Fund may not recover any shortfall.

Collateral management is also subject to a number of operational risks, which can result in a failure to request collateral to cover the exposure of a Fund or failure to demand the return of collateral from a counterparty when due. There is the risk that the legal arrangements entered into by the Company for the account of a Fund are held not to be enforceable in the courts of the relevant jurisdiction, meaning that the Fund is unable to enforce its rights over the collateral received in the case of a counterparty failure.

Where collateral is delivered by way of title transfer, a Fund will be exposed to the creditworthiness of the counterparty and, in the event of insolvency, the Fund will rank as an unsecured creditor in relation to any amounts transferred as collateral in excess of the Fund's exposure to the counterparty.

Where the counterparty exercises a right of use in respect of financial instruments (e.g. shares or bonds) provided to it by a Fund as collateral under a security interest arrangement, the Fund's ownership rights over such instruments will be replaced by an unsecured contractual claim for delivery of equivalent financial instruments subject to the terms of the relevant arrangement. The relevant financial instruments will not be held by the counterparty in accordance with client asset rules or similar rights and so will not be segregated from the counterparty's own assets or held on trust for the Fund. As such, on the default or insolvency of the counterparty, the Fund may not receive such equivalent financial instruments or recover the full value of the financial instruments.

In the event that a resolution authority exercises its powers under any relevant resolution regime in relation to a counterparty, any rights a Fund may have to take any action against the counterparty, such as to terminate the relevant agreement, may be subject to a stay by the relevant resolution authority and/or the Fund's claim for delivery of equivalent financial instruments may be reduced (in part or in full) or converted into equity and/or a transfer of assets or liabilities may result in the Fund's claim being transferred to different entities.

For a description of the rules on counterparty risk and issuer concentration that apply to the Funds, please see Appendix 1.

17.15 Investing in Emerging Markets

Investments in Emerging Markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many Emerging Markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. The risks of expropriation, nationalisation and social, political and economic instability are greater in Emerging Markets than in more developed markets. The following is a brief summary of some of the more common risks associated with Emerging markets investment:

- **Lack of liquidity** – The acquisition and disposal of securities may be more expensive, time consuming and generally more difficult than in more developed markets. Many Emerging Markets are small, have low trading volumes, low liquidity and significant price volatility;
- **Settlement and custody risks** – Settlement and custody systems in Emerging Markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be a risk that settlement could be delayed and that cash or securities could be disadvantaged;
- **Investment and remittance restrictions** – In some cases, Emerging Markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Fund because the maximum permitted number of investors or maximum investment by foreign shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval and there can be no guarantee that additional restrictions will not be imposed; and
- **Accounting** – Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in Emerging Markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

17.16 Investing in high yield bonds

Where a Fund's investment policy is to invest in higher risk fixed interest securities, many of the investments will be in "below investment grade" securities (generally defined as below BBB- by a credit rating agency). Investment in such securities brings an increased risk of default on repayment and therefore increases the risk that the income and capital of the Fund will be affected.

As a general rule, fixed interest securities with an above average yield tend to be less liquid than securities issued by issuers with a higher investment grade. Furthermore, the solvency of issuers of such fixed interest securities may not be guaranteed in respect of either the principal claim or regarding the interest payments and it may not be excluded that such issuers may become insolvent.

17.17 Investing in equity securities

Investing in equity securities involves risks associated with the unpredictable drops in a stock's value or periods of below-average performance in a given stock or in the stock market as a whole. Shares' prices on equity markets may fluctuate. Such fluctuations, or volatility, have historically been much greater for equity markets than the volatility of fixed income markets.

17.18 Investing in fixed interest securities

The following is a brief summary of some of the more common risks associated with Funds that invest in fixed interest securities:

- **Interest rate risk** – Funds that invest in bonds or other fixed income securities may be impacted by interest rate changes. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes;
- **Market liquidity risk** – A Fund may be adversely affected by market conditions such as a decrease in market liquidity which may mean that it is not easy to buy or sell securities. A Fund's ability to acquire or to dispose of securities at their intrinsic value may also be affected; and

- **Issuer risk** – Funds that invest in bonds and other fixed income securities are subject to the risk that issuers do not make payments on such securities. A lowering of the credit rating of the issuer of a bond or of the bond itself may cause volatility in the price or reduce the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

17.19 Investing in smaller companies

Investment in smaller companies may involve taking a higher level of risk than investments in larger companies. Securities of smaller companies may be less liquid as a result of inadequate trading volumes or restrictions on trading wider spreads between their bid and offer prices. The securities may also be subject to abrupt price movements. Whilst securities in smaller companies may possess greater potential for capital appreciation, they may be subject to additional risks, such as limited product lines, markets and financial or managerial resources.

17.20 Investing indirectly in commodities

Investments which provide an exposure to commodities markets and/or a particular sector of the commodities markets, may subject a Fund to greater volatility than investments in traditional securities, such as stocks and bonds. The commodities markets may fluctuate widely based on a variety of factors, including changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or investor expectations concerning interest rates, domestic and foreign inflation rates and investment and trading activities of commingled investment funds, hedge funds and commodities funds.

Political, military and natural events may influence the production and trading of commodities and, as a consequence, influence financial instruments which grant exposure to commodities. Terrorism and other criminal activities may have influence on the availability of commodities and therefore also negatively impact financial instruments which grant exposure to commodities.

The price of various commodities may also be affected by factors such as drought, floods, weather, livestock disease, embargoes, tariffs and other regulatory developments. The prices of commodities can also fluctuate widely due to supply and demand disruptions in major producing or consuming regions. In the event that the performance of a Fund is linked to the performance of volatile commodities, investors should be willing to assume the risks of potentially significant fluctuations in the value of the Fund's Shares.

17.21 Taking the Fund Management Fee from Capital

Where the investment objective of a Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, the Fund Management Fee will be charged against capital instead of income. The Company will charge such fee to capital in order to manage the level of income paid and/or available to Shareholders. This may result in capital erosion or may constrain the capital growth. Where the Fund Management Fee is taken from the capital of the relevant Fund or Share Class, this will be indicated in Appendix 5.

17.22 Investment in securities trading on Stock Connect

Stock Connect

The Shanghai-Hong Kong Stock Connect and the Shenzhen Stock Connect (collectively the "Stock Connect") is a securities trading and clearing linked programme developed by the Stock Exchange of Hong Kong Limited ("SEHK"), the Shanghai Stock Exchange ("SSE"), the Shenzhen Stock Exchange ("SZSE"), China Securities Depository and Clearing Corporation Limited ("CSDC") and Hong Kong Securities Clearing Company Limited ("HKSCC") with an aim to achieve mutual market access between the People's Republic of China ("PRC") and Hong Kong.

Stock Connect allows foreign investors, such as a Fund, to invest in certain eligible securities listed on the SSE and the SZSE through Hong Kong based brokers, including China A shares. China A shares are shares in companies based in the PRC that are traded on Chinese stock exchanges and are generally only available for domestic Chinese investors.

To the extent that a Fund's investments in China are dealt via Stock Connect, such dealing may be subject to the following additional risk factors:

General risks

Shareholders should note that Stock Connect is a relatively new trading programme. The relevant regulations are therefore relatively untested and subject to change at any time in a manner which may adversely impact a Fund. Stock Connect requires use of new information technology systems which may be subject to operational risk. If the relevant systems fail to function properly, trading in Hong Kong, Shanghai and Shenzhen markets through Stock Connect could be disrupted.

Eligibility of securities for trading on Stock Connect

Not all China A shares are eligible for trading through Stock Connect. If a China A share ceases to be eligible, further purchases of such share will not be permitted, although a Fund can sell such share. This may adversely affect a Fund's ability to meet its investment objective.

Daily and aggregate trade quotas

Stock Connect is subject to both daily and aggregate quota limitations restricting the level of foreign investment. If the quota is exceeded, this will lead to suspension of trading for that day or other relevant periods which may mean that an order to purchase China A shares may be rejected. However, a Fund can sell China A shares regardless of quota limits. The daily or aggregate quota can be changed from time to time without prior notice. This may impact a Fund's ability to implement its investment strategy effectively.

Restrictions on extent of foreign holding in China A shares

There are restrictions on the number of China A shares in a listed company a Fund is permitted to hold and restrictions on the combined holdings of all foreign investors in a single company's China A shares. Where those limits are reached, no further purchase of those shares will be permitted by a Fund until the holding is reduced below the threshold. If a threshold is exceeded, foreign investors will be required to sell their shares on a last-in-first-out basis, which may lead to a Fund being required to sell its China A shares at a loss to ensure compliance with PRC law.

Beneficial owner of the China A Shares and risk of CSDC default

A Fund's investment in China A Shares listed on the SSE and SZSE will be held in the name of HKSCC, a central securities depository in Hong Kong and nominee holder. PRC law may not recognise a Fund's beneficial ownership of these shares and it is uncertain whether the Chinese courts would allow a beneficial owner standing to take legal action against the Chinese entities in case a dispute arises. A Fund as a beneficial owner of the assets can exercise their rights through HKSCC only. In the event of a default of CSDC, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of a Fund. If HKSCC does not enforce claims against CSDC, it may not be possible for a Fund's China A shares to be recovered.

Risk of HKSCC default

A failure or delay by HKSCC in the performance of its obligations may result in a failure of settlement, or the loss of China A Shares and/or monies in connection with them and a Fund and its investors may suffer losses as a result.

Segregation

The China A shares are held by third party securities systems in Hong Kong and the PRC (HKSCC and CSDC respectively) where they are mixed with other investors' assets and may be subject to lower safekeeping requirements than investments held domestically or in the European Union.

General Market Risk

Investing in China involves special considerations and risks, including without limitation greater price volatility, less developed regulatory and legal framework, economic, social and political instability of the stock market in the PRC.

The exchange rate for RMB, which is the currency in which China A Shares are traded, may be affected by, amongst other things, any exchange control restrictions imposed by the government in PRC which may adversely affect the market value of a Fund.

Local market rules, foreign shareholding restrictions and disclosure obligations

According to PRC securities law, an investor holding 5% or more of the total issued shares of a PRC listed company ("major shareholder") has to return any profits obtained from the purchase and sale of shares of such PRC listed company if both transactions occur within a six-month period. In the event that a Fund becomes a major shareholder of a PRC listed company by investing in China A shares via Stock Connect, the profits that a Fund may derive from such investments may be limited and thus the performance of a Fund may be adversely affected.

The above may not cover all risks related to Stock Connect and any above-mentioned laws, rules and regulations are subject to change. This is a complex area of law and the investors should seek independent professional advice.

Sole broker risk

The Manager has appointed a single broker to execute Stock Connect trades. There is a risk that if the broker is experiencing operational or other issues, the Manager's ability to buy and sell Stock Connect assets may be compromised.

17.23 Sustainability Risk

The Funds may be exposed to Sustainability Risks, which may adversely affect the value of the investments in which the Funds invest. The Manager seeks to mitigate the likely impacts of Sustainability Risks on the Funds' returns, by taking these risks into account in its investment decisions, based on the likelihood of each risk occurring and the probable impact if it did. The Manager considers that its process for integration of Sustainability Risks into investment decisions should limit the potential financial impacts of Sustainability Risks on the overall financial returns of the Funds. The choice of monitored Sustainability Risks is based on the judgement of the Manager and is not an exhaustive monitoring of all risks related to the environment, society or governance which could have a negative impact (whether or not material) on the value of an investment. The assessment of the likely impact of Sustainability Risks on the financial returns of the Funds also relies on the judgement of the Manager and on the availability of reliable data. There can be no guarantee that the actual impact of the Sustainability Risks on the Funds' returns will be correctly predicted, as the exposure to and materiality of Sustainability Risks changes over time and is difficult to predict, detect and quantify.

17.24 COVID-19

As a result of COVID-19, markets have seen a noticeable increase in volatility as well as, in some cases, lower liquidity levels; this may continue and may increase these risks in the future.

18 Valuation of the Company

There is only a single price for each Share Class of each Fund. The price of a Share in the Company is calculated by reference to the Net Asset Value of the Fund to which it relates. The Net Asset Value per Share of a Fund is calculated at 12.00 noon (the Valuation Point) on each Dealing Day.

Subject to the COLL Sourcebook the Manager may at any time carry out an additional valuation if the Manager considers it desirable to do so. The Manager shall inform the Depositary of any decision to carry out an additional valuation.

Where a Fund is invested in stocks or markets which are closed at the time of the fund valuation, there is a risk that the quoted prices of those stocks may be out of date and unreliable. In accordance with the COLL Sourcebook, the Manager may make adjustments to the value of any investments which may be materially impacted by out of date prices through a technique known as fair value pricing.

19 Calculation of the Net Asset Value

The Net Asset Value of the Scheme Property of the Company or of a Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1. All the Scheme Property (including receivables) of the Company (or a Fund) is to be included in the calculation, subject to the following provisions.
2. Scheme Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it has been practicable to obtain:
 - a. units or shares in a collective investment scheme:
 - i. if a single price for buying and selling units or shares is quoted, at the most recent such price; or
 - ii. if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any entry charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
 - iii. if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available, or if no recent price exists, at a value which, in the opinion of the Manager, is fair and reasonable;
 - b. exchange-traded derivative contracts:
 - i. if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - ii. if separate buying and selling prices are quoted, at the average of the two prices;
 - c. over-the-counter derivative contracts shall be valued on the basis of unrealised gain or loss on the contract using current settlement price. When settlement price is not used, the over-the-counter derivative contracts will be valued at their fair value in accordance with the method of valuation (as used on a consistent basis) as shall have been agreed between the Manager and the Depositary;
 - d. any other investment:
 - i. if a single price for buying and selling securities is quoted, at that price; or
 - ii. if separate buying and selling prices are quoted, at the average of those two prices; or
 - iii. if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which in the opinion of the Manager reflects a fair and reasonable price for that investment;
 - e. property other than that described in paragraphs (a), (b), (c) and (d) above, at a value which, in the opinion of the Manager represents a fair and reasonable mid- market price.
3. Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values unless in any case such amount is unlikely to be paid or received in full, in which case the value thereof is arrived at after the Manager makes such discount as it may consider appropriate in such case to reflect the true value thereof.
4. In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the FCA Rules, the OEIC Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.

5. Subject to paragraph 6 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager their omission will not materially affect the final Net Asset Value.
6. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.
7. All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.
8. An estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the Scheme Property; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) tax on capital gains, income tax, corporation tax, value added tax, stamp or other transfer or financial transaction taxes or duties will be deducted.
9. An estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon treating periodic items as accruing from day to day will be deducted.
10. The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will also be deducted.
11. An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added. Any other credits or amounts due to be paid into the Scheme Property will be added. A sum representing any interest or any income accrued, both on cash and interest bearing securities, due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received will be added.
12. Currencies or values in currencies other than the Base Currency of the relevant Fund shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.
13. Notwithstanding the foregoing, the Manager may, at its absolute discretion, use other generally recognised valuation principles in order to reach a proper valuation of the Net Asset Value of the Company or a Fund, in the event that it is impractical or manifestly incorrect to carry out a valuation of an investment in accordance with the above rules or it considers such principles better reflect the valuation of a security, interest or position and are in accordance with generally accepted accounting principles.

Where the Manager has reasonable grounds to believe that the price obtained is unreliable or the most recent price available does not reflect the Manager's best estimate of the value of the relevant investment at the relevant Valuation Point or no price or no recent price exists, the Manager may use a price which, in the opinion of the Manager reflects a fair and reasonable price for that investment (the fair value price).

The proportionate interests of each Share Class in the assets and income of a Fund shall be determined by the Manager as the proportion of the Scheme Property that is held by that Share Class at the end of the previous Dealing Day.

The proportion of assets and income allocated to each Share Class is made after allowing for the effect, including attributable taxation, of any charges and expenses made on bases which vary by Share Class.

20 Price per Share in each Fund and each Share Class

The price per Share at which Shares are subscribed for or redeemed is the Net Asset Value and is to be quoted in pence to two decimal places.

The Net Asset Value per Share of each Share Class will be calculated by dividing the Net Asset Value attributable to that Share Class by the number of Shares of that Share Class.

21 Single price

All of the Funds will be single priced with the same price for buying or selling Shares on any particular day, such price being determined from time to time by reference to the Valuation Point on a Dealing Day for each Fund. There may also, for both buying and selling, be a dilution adjustment and transfer tax as noted in sections 24 and 29.

22 Pricing basis

The Company deals on a forward pricing basis. A forward price is the price calculated at the next relevant Valuation Point after the purchase or sale is agreed.

23 Publication of prices of Shares

Prices of Shares will be published daily on the Invesco website, www.invesco.co.uk. This is our primary method of price publication. The prices of Shares may also be obtained by calling 0800 085 8677 during the Manager's normal business hours.

The price shown will be that calculated at the previous Valuation Point.

As the Manager deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal.

24 Dilution adjustment

The basis on which the Company's investments are valued for the purpose of calculating the buying and selling price of Shares as stipulated in the COLL Sourcebook and the Company's Instrument of Incorporation is summarised in section 18 and 19. The total proceeds of sale of a Fund's investments may be less than, and the total purchase price of a Fund's investments may be more than, the mid-market value used in calculating the Share price – for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on the Shareholders' interest in a Fund. In order to mitigate this effect, called "dilution", the Manager has the power to apply a "dilution adjustment", as defined in the FCA Rules on the issue and/or redemption of Shares in a Fund. A dilution adjustment is an adjustment to the Share price. The Manager shall comply with the COLL Sourcebook in its application of any such dilution adjustment.

The dilution adjustment for each Fund will be calculated by reference to the estimated costs of dealing in the underlying investments of that Fund, including any dealing spreads, commission and transfer taxes.

The need to apply a dilution adjustment will depend on the volume of sales (where they are issued) or redemptions (where they are cancelled) of Shares. The Manager may apply a dilution adjustment on the issue and redemption of such Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected, and if applying a dilution adjustment, so far as practicable, it is fair to all Shareholders and potential Shareholders. In particular, the dilution adjustment may be applied in the following circumstances:

- where over a dealing period a Fund has experienced a large level of net issues or redemptions relative to its size. For these purposes a large level of net dealing is defined as 1% or more of the Net Asset Value of the Fund in question (as calculated at the last Valuation Point); or
- where the Manager considers it necessary to protect the interests of the Shareholders of the Company.

The Manager may alter its current dilution policy either by Shareholder consent pursuant to the passing of a resolution to that effect at a properly convened meeting of Shareholders and by amending this Prospectus or by giving Shareholders notice and amending the Prospectus at least 60 days before the change to the dilution policy is to take effect.

On the occasions that the dilution adjustment is not applied there may be an adverse impact on the total assets of the relevant Fund which may otherwise constrain the future growth of the Fund in question. It should be noted that as dilution is directly related to the inflows and outflows of monies from a Fund it is not possible to predict accurately whether or not dilution will occur at any particular future point in time, and how frequently the Manager will need to make such a dilution adjustment, but based on historic levels of dealing in Shares the Manager does not expect to charge a dilution adjustment very frequently for the Funds. Please refer to Appendix 6 which shows the size of typical dilution adjustments by Fund and an indication of the frequency of application of such adjustments.

25 Income equalisation

Income equalisation may apply in relation to each Fund.

An income equalisation amount will be included in the price of Shares representing the value of income attributable to the Shares in question accrued since the end of the last distribution period (annual or interim as the case may be). Income equalisation is not taxable when received by a Shareholder.

Grouping for equalisation is permitted under the Instrument of Incorporation and arises during the allocation period of a Fund. Shares purchased during the allocation period will carry an entitlement to equalisation which is the amount arrived at on an average basis of the accrued net income per Share included in the price of Shares issued or re-issued during the allocation period. An equalisation amount may be included as part of any income allocation to Shareholders and represents a return of capital rather than income.

How distributable income is determined

The income available for distribution or accumulation in relation to a Fund is determined in accordance with the FCA Rules. In general terms, the income comprises all the sums deemed by the Company, after consultation with the Auditors of the Company, to be income in nature and received or receivable by the Company and attributable to the relevant Fund in respect of the distribution period concerned, after deducting charges and expenses paid or payable out of such income and after making such adjustments in relation to taxation and other matters. The allocation of income to each Share Class is made after allowing for the effect, including attributable taxation, of any charges or expenses made on income which may vary by Share Class.

Income relating to a Fund is allocated at each Valuation Point among Share Classes linked to the Fund in proportion to the value of each Share Class relative to the value of the entire Fund as at the immediately preceding Valuation Point including any Share Class issue and cancellation movements, and excluding the effect of any Share Class specific withholding tax liabilities, applied at the immediately preceding Valuation Point.

When a distribution of income is payable to a registered Shareholder, the Manager will pay it by cheque or directly into the Shareholder's bank or building society account or, in the case of joint holders, paid or transferred to the first named on the Register of Shareholders. The payment to the first named joint holder is as good a discharge to the Manager as if that holder had been a sole holder.

26 Shareholder meetings and voting rights

Requisition of meetings

The Company does not hold annual general meetings. The Manager may requisition an extraordinary or general meeting at any time. Shareholders may also requisition an extraordinary or a general meeting of the Company. A requisition by Shareholders must state the objectives of the meeting, be dated, be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one-tenth in value of all Shares then in issue and the requisition must be deposited at the head office of the Company. The Manager must convene a general meeting no later than eight weeks after receipt of such requisition.

Notice of quorum

Shareholders will receive at least 14 days' notice of a Shareholders' meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an adjourned meeting is two Shareholders present in person or by proxy although this may be reduced to one person present at the meeting if two Shareholders are not present after a reasonable time. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

Voting rights

At a meeting of Shareholders, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price(s) of all the Shares in issue at the date seven days before the notice of meeting is deemed to have been served.

A Shareholder entitled to more than one vote need not, if that Shareholder votes, use all votes or cast all the votes used in the same way. For joint Shareholders only the vote of the first named in the register of Shareholders can be taken.

Except where the COLL Sourcebook or the Instrument of Incorporation of the Company require an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution will be passed by a simple majority of the votes validly cast for and against the resolution.

The Manager may not be counted in the quorum for a meeting and neither the Manager nor any associate (as defined in the FCA Rules) of the Manager is entitled to vote at any meeting of the Company except in respect of Shares which the Manager or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the Manager or associate has received voting instructions.

"Shareholders" in this context means Shareholders on the date seven days before the notice of the relevant meeting was deemed to have been served but excludes holders who are known to the Manager not to be Shareholders at the time of the meeting.

Fund and Share Class meetings

The above provisions, unless the context otherwise requires, apply to meetings of Funds and Share Classes as they apply to general meetings of Shareholders.

Variation of Fund and Share Class rights

The rights attached to a Fund or Share Class may not be varied without the sanction of a resolution passed at a meeting of Shareholders of that Share Class or Fund (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed).

27 Conflicts of interest

The Manager, the Depositary and the Investment Adviser are or may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest with the management of the Company or the Funds.

In the normal course of business, circumstances resulting in conflicts of interest may arise. The Manager will identify the types of conflicts that may arise between the interests of investors and those of the Manager's with reference to: the likelihood of making a financial gain or avoiding a loss at the expense of an investor; whether the Manager has an interest in the outcome of a service or transaction provided to an investor; whether there is a financial or other incentive to favour the interest of one investor over the interests of another investors; whether the Manager carries out the same activities performed by an investor; and whether there are inducements deriving from sources other than an investor in relation to the services that are provided to them, in the form of monies, goods or services, other than standard commission or fees for the service(s) in question.

Where a potential conflict arises, the Manager is committed to managing these to prevent abuse and protect employees, investors and other counterparties and to ensure that transactions and services are effected on terms which are not materially less favourable to an investor had the potential conflict not existed.

The circumstances in which conflicts of interest might arise include, but are not restricted to, where the Manager deals on an investor's behalf with another company in the Invesco group, where the Manager acts for other investors with an interest in such investments or where the transactions are in shares of a fund for which a company in the Invesco group is the Investment Adviser or the Manager. From time to time the Manager, the Investment Adviser and / or any sub-advisers may use affiliated brokers to route or execute trades on behalf of the Company and any Fund(s), in accordance with applicable best execution requirements.

The Manager is required to identify, manage, record and, where relevant, disclose actual or potential conflicts of interest between the Manager and the investors and between one investor and another and to have a written policy in place. Where a conflict of interest cannot be avoided, the Manager and the Investment Adviser will ensure that the Company and its investors are fairly treated. Further details on the Manager's conflicts of interest policy are available on request.

The Manager acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its Shareholders will be prevented. Should any such situations arise the Manager will disclose these to Shareholders in an appropriate format.

28 Winding-up and termination of a Fund of the Company

1. The Company may only be wound up under the FCA Rules if the Company is solvent and there is no vacancy in the position of the Manager. If the Company is insolvent or there is such a vacancy, the Company may only be wound-up under Part V of the Insolvency Act 1986 as an unregistered company.
2. Where the Company is to be wound up or a Fund is to be terminated under the COLL Sourcebook, such winding up or termination may only be commenced following approval by the FCA. The FCA may only give such approval if the Manager provides a statement (following an investigation into the affairs of the Company or Fund, as the case may be) either that the Company or Fund will be able to meet its liabilities within 12 months of the date of the statement or that the Company or the Fund will be unable to do so. The Company may not be wound up or a Fund terminated under the COLL Sourcebook if there is a vacancy in the position of Manager at the relevant time.
3. The Company may be wound up or a Fund may be terminated under the COLL Sourcebook if:
 - a. an extraordinary resolution to that effect is passed by Shareholders; or
 - b. the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires, or an event (if any) occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Fund is to be wound up or terminated (as appropriate) (for example, if the share capital of the Company is below its prescribed minimum or (in relation to any Fund), the Net Asset Value of the Fund is less than £1,000,000, or if a change in the laws or regulations of any country means that, in the Manager's opinion, it is desirable to terminate the Fund); or
 - c. on the date of effect stated in any agreement by the FCA to a request by the Manager for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Fund; or

- d. on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any Scheme Property; or
 - e. in the case of a Fund, on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold any Scheme Property; or
 - f. on the date on which all of the Funds of the Company fall within the preceding point or have otherwise ceased to hold any Scheme Property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Fund.
4. Once winding-up or termination has commenced:
- a. the COLL Sourcebook relating to valuation and Pricing and Investment and Borrowing powers will cease to apply to the Company or the relevant Fund;
 - b. The Company will cease to issue and cancel Shares in the Company or the relevant Fund and the Manager shall cease to buy or sell Shares or arrange for the Company to issue or cancel them for the Company or the Fund;
 - c. No transfer of a Share shall be registered and no other change to the register shall be made without the sanction of the Manager;
 - d. Where the Company is being wound up or a Fund terminated, the Company or the Fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company or for the termination of the Fund;
 - e. The corporate status and powers of the Company and, subject to the provisions above, the powers of the Manager shall remain until the Company is dissolved.
5. The Manager shall, as soon as practicable after the Company or the relevant Fund falls to be wound up or terminated (as appropriate), realise the assets and meet the liabilities of the Company or the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or termination.
6. After making adequate provision for the expenses of the winding-up and the discharge of the liabilities of the Company remaining to be discharged, the Manager may arrange for the Depositary to make one or more interim distributions proportionately to the right of their respective Shares to participate in the Scheme Property at the commencement of the winding up or termination.
7. When the Manager has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the relevant Fund to be realised, the Manager shall arrange for the Depositary to also make a final distribution to Shareholders (if any Scheme Property remains to be distributed) on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the Fund.
8. As soon as reasonably practicable after completion of the winding up of the Company or the termination of the relevant Fund, the Depositary shall notify the FCA that the winding up or termination has been completed and at the same time the Depositary or the Manager must request the FCA to revoke the relevant authorisation order.
9. On completion of a winding up of the Company or the termination of a Fund, the Company will be dissolved or the Fund will be terminated and any money (including unclaimed distributions) standing to the account of the Company or the relevant Fund, will be paid into court within one month of dissolution or termination.
10. Following the completion of a winding up of the Company or the termination of a Fund, the Manager must prepare a final account showing how the winding up or termination took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder (or the first named of joint Shareholders) within four months of the completion of the termination or the winding up.

29 Taxation

General

The information below is a general guide based on current UK tax law and practice, which may change in the future. It summarises the tax position of the Funds and of investors who are UK resident (except where indicated) and hold Shares as investments and are not subject to a special tax regime. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the UK, are recommended to take professional advice.

The Funds

Each Fund is treated as a separate entity for UK tax purposes.

The Funds are generally exempt from UK tax on capital gains realised on the disposal of investments (including interest-paying securities and derivatives, but excluding non-reporting offshore funds) held within them.

No further tax is payable by a Fund on dividends from UK and most non-UK companies (nor the part of any dividend distribution from another UK authorised investment fund derived from dividends). Each Fund can choose to elect to tax particular overseas dividends and, where it makes such an election, these dividends will be included in the taxable income of the Fund. The Funds will each be subject to corporation tax at 20% on most other types of income but after deducting allowable management expenses and the gross amount of any interest distributions. Where a Fund suffers foreign tax on income received, this may normally be treated as an expense or deducted from any UK corporation tax payable on that income.

The Funds may be subject to overseas tax and the extent of this tax charge will be dependent on the countries the Fund invests into, the types of investments held and any double tax treaties in place between the UK and overseas territory. These local tax laws are subject to change.

Stamp Duty or SDRT may be payable by the Company on the purchase of investments or in respect of any transfers of assets between Funds.¹

Shareholders

The Funds distribute income (if any) to their Shareholders as dividend distributions, except where their interest-paying and economically equivalent investments exceed 60% of their total investments throughout the relevant accounting period, in which case they allocate the distributable income (if any) to the Shareholders as interest distributions.

Please refer to Appendix 5, where we disclose whether a Fund normally distributes income as dividends or as interest.

Where investments in interest-paying and economically equivalent investments of certain Funds occasionally exceed 60% of their total assets, the Manager may decide to pay any distributable income as dividend distributions.

Dividend distributions

Where a Fund pays any distributable income as dividend distributions, this income will be automatically retained in the Fund in the case of Accumulation Shares. Dividend distributions are paid without dividend tax credits or the deduction of tax.

From April 2016 a dividend allowance is available for Shareholders who receive dividend income. This means that in any tax year an individual does not have to pay tax on their dividend income up to the value of that allowance. Any dividend income received in excess of the allowance may be subject to tax (depending on whether the individual has any unused personal allowance and which tax band applies to them: basic, higher or additional). Dividend income includes dividend distributions paid by a Fund to an individual, or in the case of Accumulation Shares, retained in a Fund and reinvested.

Corporate Shareholders who receive dividend distributions may have to divide them into two (in which case the division will be indicated on the tax voucher). The basic rule is that income that is not subject to tax in the Funds (such as dividends received) will be treated as dividend income and no tax will be due on it. Any part representing income subject to corporation tax in the Funds will be treated as an annual payment after deduction of income tax at the basic rate, and corporate Shareholders may, depending on their circumstances, be liable to tax on the grossed up amount, with the benefit of the 20% income tax credit attached, or be able to reclaim part of the tax credit, as shown on the tax voucher.

In the event that a Fund's assets are invested over 60% in interest-paying and economically equivalent assets at any time during a corporate Shareholder's accounting period, then the corporate Shareholder must treat their holding as a creditor loan relationship and bring the holding, including distributions, into account for corporation tax purposes on a fair value basis.

Non-UK resident Shareholders will generally have no UK tax liability on dividend distributions.

Interest distributions

There are currently no Funds paying interest distributions.

Where a Fund pays interest distributions, this income will be automatically retained in the case of Accumulation Shares. These distributions are made without deduction of income tax. A tax voucher will be supplied to Shareholders.

Shareholders subject to UK corporation tax must treat their holding in a Fund that pays interest distributions as a creditor loan relationship, including the gross amount of any distributions, subject to a fair value basis of accounting.

Where individuals' interest and interest distributions exceed their personal savings allowances, they will be liable to pay income tax at their highest rates on the taxable amount.

Income equalisation

The first income allocation received by an investor after buying Shares may include an amount of income equalisation. This is effectively a repayment of the accrued income paid for by the investor as part of the purchase price. It is a return of capital, and is not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes. Equalisation will be applied on all of the Funds and equalisation amounts will be shown on tax vouchers for each distribution and accumulation.

¹ As of 30 March 2014, the SDRT charge on surrenders of interests in UK unit trusts and open-ended investment companies in Part 2 of Schedule 19 to the Finance Act 1999 has been abolished. There is a principal charge that applies for in specie redemptions when non-pro rated.

Gains

Shareholders who are resident in the UK for tax purposes may, depending on their personal circumstances, be liable to capital gains tax or, if a corporate Shareholder, corporation tax on gains arising from the redemption, transfer or other disposal of Shares (but not on conversions between Classes within a Fund).

Corporation tax payers holding Shares in a Fund that pays interest distributions (or any Fund that is invested 60% or more in interest-paying investments or economically equivalent assets at any time in the investor's accounting period) must treat their shareholding as a creditor relationship subject to a fair value basis of accounting for that period. Any chargeable gain for previous periods when the 60% limit was not exceeded is taxable only when the holding is realised.

Part of any increase in value of Accumulation Shares represents the accumulation of income (including income equalisation but excluding any notional tax credit). These amounts may be treated as additional acquisition costs when calculating the capital gain realised on their disposal.

Individual Shareholders will find further information in HM Revenue & Customs' Help Sheets for the capital gains tax pages of their tax returns.

US Foreign Account Tax Compliance Act ("FATCA")

The UK has entered into an inter-governmental agreement ("IGA") with the U.S. to facilitate FATCA compliance. Under this agreement, FATCA compliance will be enforced under UK local tax legislation and reporting. The Company may require additional information from Shareholders in order to comply with relevant obligations. Each prospective investor should consult its own tax advisers on the requirements applicable to it under FATCA.

The 30% withholding tax regime could apply if there is a failure to provide certain required information and these rules apply to such payments made after 1 July 2014.

UK International Tax Compliance Agreements ("ITC")

In addition to the agreement signed by the UK with the US to implement the Foreign Account Tax Compliance Act ("FATCA"), the UK has now signed additional agreements ("IGAs") with a number of other jurisdictions. Details of the jurisdictions and agreements can be found at <http://www.hmrc.gov.uk/fatca/index.htm>.

These additional IGAs, as transposed into UK law, require UK Financial Institutions, to report to HMRC the details of relevant taxpayers holding assets with those Financial Institutions so the UK can exchange this information with the relevant jurisdiction on an automatic basis. The IGAs are effective on or after 1 July 2014 and require the company to obtain mandatory evidence as to the tax residency(s) of any individual, or in the case of non-individuals, their ITC classification. The company is also required to identify any existing Shareholder as a relevant taxpayer or in the case of non-individuals to identify what their ITC classification is, within the meaning of the IGAs based on the records the Company holds.

Further, under UK law implementing the IGAs the company is required to disclose such information as maybe required under the IGAs to HMRC on any Shareholder who is considered to have become a relevant taxpayer, within the meaning of the IGA. Investors should consult their own tax advisers regarding any potential obligations that the IGAs may impose on them.

Automatic exchange of information between tax authorities

In order to comply with legislation implementing the UK's obligations under various international agreements relating to the automatic exchange of information to improve international tax compliance (including European directives, the United States provisions commonly known as "FATCA" and other international agreements), the Company may collect and report information about Shareholders and their investments in the Funds including information to verify their identity and tax status.

When requested to do so by the Company or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

The proposed EU Financial Transaction Tax (FTT) and other domestic taxes on share transactions

The French, Italian and Spanish Parliaments passed legislation introducing a Financial Transaction Tax (FTT). The FTT is applicable to the acquisition of equity securities, issued by French, Italian and Spanish companies whose market capitalization exceeds a certain threshold.

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive implementing enhanced cooperation in the area of the FTT (the "European FTT"). According to the proposal, the European FTT shall be implemented and enter into effect in participating EU member states (currently Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the "Participating Member States").

The proposed European FTT has very broad scope and could apply to instruments which include UCITS, alternative investment funds (AIFs) and derivatives contracts as well as the underlying securities that vehicles hold. However, the extent to which the European FTT will apply to any issue, switch, transfer or redemption of the Shares is not yet certain.

The European FTT proposal remains subject to negotiation between the Participating Member States and is the subject of legal challenge. Under current proposals, this Directive shall apply to all financial transactions, on the condition that at least one party to the transaction is "established" in the territory of a Participating Member State.

The FTT (i.e. the French/Italian/Spanish FTT, the European FTT, or both) may impact the performance of the Funds depending on their underlying securities. It may also have a knock-on effect on Shareholders upon an issue, switch, transfer or redemption of Shares. Investors should seek their own professional tax advice in this regard.

APPENDIX 1 - INVESTMENT AND BORROWING POWERS AND RESTRICTIONS

1. General

- 1.1. The property of each Fund will be invested with the aim of achieving the investment objective of that Fund subject to the limits on investment set out in this Prospectus, in the relevant sections of the FCA Rules covering the investment and borrowing powers of UK open-ended investment companies, ISA regulations (where applicable) and the relevant Fund's investment policy. These limits apply to each Fund as summarised below.
- 1.2. The Manager must ensure that, taking account of the investment objectives and policy of each Fund, the Scheme Property of each Fund aims to provide a prudent spread of risk.
- 1.3. The rules in this Appendix relating to spread of investments do not apply until the expiry of a period of six months after the date on which the authorisation order of the relevant Fund takes effect or on which the initial offer commenced, if later, provided that the Fund aims to provide a prudent spread of risk during such period.

2. UK UCITS Schemes – general

- 2.1. The Scheme Property of each Fund must, subject to its investment objective and policy and except where otherwise provided in the COLL Sourcebook only consist of any or all of:
 - (a) transferable securities;
 - (b) approved money-market instruments;
 - (c) permitted derivatives and forward transactions;
 - (d) permitted deposits;
 - (e) permitted units in collective investment schemes; and
 - (f) movable and immovable property that is essential for the direct pursuit of the Company's business.
- 2.2. Transferable securities and approved money-market instruments held within a Fund must (subject to paragraph 2.3) be:
 - (a) admitted to or dealt in on an eligible market as described in paragraphs 3.1 and 3.2; or
 - (b) for an approved money-market instrument not admitted to or dealt in on an eligible market, within paragraph 9.1; or
 - (c) recently issued transferable securities (provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and such admission is secured within a year of issue).
- 2.3. Not more than 10% in value of the Scheme Property is to consist of transferable securities and approved money-market instruments other than those that are referred to in paragraph 2.2.
- 2.4. It is not intended that any Fund will have an interest in any immovable property or tangible movable property.

3. Eligible markets requirements

- 3.1. A market is eligible for the purposes of paragraph 2.2 if it is:
 - (a) a regulated market (as defined for the purposes of the FCA Rules);
 - (b) a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or
 - (c) any market within paragraph 3.2.
- 3.2. If a market does not fall within paragraph 3.1 it may be eligible if:
 - (a) the Manager, after consultation with and notification to the Depositary, decides that the market is appropriate for investment of, or dealing in, the Scheme Property;
 - (b) the market is included in a list in the Prospectus; and
 - (c) the Depositary has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market and all reasonable steps have been taken by the Manager in deciding whether that market is eligible.

- 3.3. In paragraph 3.2 a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.
- 3.4. The eligible securities and derivatives markets for each Fund of the Company are set out in Appendix 2 and Appendix 3 below.
- 3.5. New eligible securities markets may be added to the existing list from time to time in accordance with the FCA Rules.

4. Transferable securities

- 4.1. A transferable security is an investment which is any of the following:
- (a) a share;
 - (b) a debenture;
 - (c) an alternative debenture;
 - (d) a government and public security;
 - (e) a warrant; or
 - (f) a certificate representing certain shares.
- 4.2. An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
- 4.3. In applying paragraph 4.2 to an investment which is issued by a body corporate, and which is an investment falling within paragraphs 4.1(a) or 4.1(b), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 4.4. An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

5. Investment in transferable securities

- 5.1. A Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
- (a) the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
 - (b) its liquidity does not compromise the ability of the Manager to comply with its obligation to redeem Shares at the request of any qualifying Shareholder under the “Dealing” section in the COLL Sourcebook;
 - (c) reliable valuation is available for it as follows:
 - i. in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
 - ii. in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
 - (d) appropriate information is available for it as follows:
 - i. in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
 - ii. in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the Manager on the transferable security or, where relevant, on the portfolio of the transferable security;
 - (e) it is negotiable; and
 - (f) its risks are adequately captured by the risk management process of the Manager.

- 5.2. Unless there is information available to the Manager that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:
- (a) not to compromise the ability of the Manager to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and
 - (b) to be negotiable.
- 6. Closed end funds constituting transferable securities**
- 6.1. A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Fund, provided it fulfils the criteria for transferable securities set out in section 5 (Investment in transferable securities) of this Appendix, and either:
- (a) where the closed end fund is constituted as an investment company or a unit trust:
 - i. it is subject to corporate governance mechanisms applied to companies; and
 - ii. where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
 - (b) where the closed end fund is constituted under the law of contract:
 - i. it is subject to corporate governance mechanisms equivalent to those applied to companies; and
 - ii. it is managed by a person who is subject to national regulation for the purpose of investor protection.
- 7. Transferable securities linked to other assets**
- 7.1. A Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Fund provided the investment:
- (a) fulfils the criteria for transferable securities set out in section 5 (Investment in transferable securities) of this Appendix; and
 - (b) is backed by or linked to the performance of other assets, which may differ from those in which the Fund can invest.
- 7.2. Where an investment in paragraph 7.1 contains an embedded derivative component the requirements of this Prospectus with respect to derivatives and forwards will apply to that component.
- 8. Approved Money-Market Instruments**
- 8.1. An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.
- 8.2. A money-market instrument shall be regarded as normally dealt in on the money market if it:
- (a) has a maturity at issuance of up to and including 397 days;
 - (b) has a residual maturity of up to and including 397 days;
 - (c) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
 - (d) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraphs 8.2(a) or 8.2(b) or is subject to yield adjustments as set out in paragraph 8.2(c).
- 8.3. A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the Manager to redeem Shares at the request of any qualifying Shareholder.
- 8.4. A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
- (a) enabling the Manager to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
 - (b) based either on market data or on valuation models including systems based on amortised costs.

- 8.5. A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the Manager that would lead to a different determination.

9. Money-market instruments with a regulated issuer

- 9.1. In addition to instruments admitted to or dealt in on an eligible market, a Fund may invest in an approved money-market instrument provided it fulfils the following requirements:
- (a) the issue or the issuer is regulated for the purpose of protecting investors and savings; and
 - (b) the instrument is issued or guaranteed in accordance with section 10 (Issuers and guarantors of money-market instruments) of this Appendix.
- 9.2. The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:
- (a) the instrument is an approved money-market instrument as defined in the COLL Sourcebook;
 - (b) appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with section 11 (Appropriate information for money-market instruments) of this Appendix; and
 - (c) the instrument is freely transferable.

10. Issuers and guarantors of money-market instruments

- 10.1. A Fund may invest in an approved money-market instrument if it is:
- (a) issued or guaranteed by any one of the following:
 - i. a central authority of the UK or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
 - ii. a regional or local authority of the UK or an EEA State;
 - iii. the Bank of England, the European Central Bank or a central bank of an EEA State;
 - iv. the European Union or the European Investment Bank;
 - v. a non-EEA State or, in the case of a federal state, one of the members making up the federation;
 - vi. a public international body to which the UK or one or more EEA States belong; or
 - (b) issued by a body, any securities of which are dealt in on an eligible market; or
 - (c) issued or guaranteed by an establishment which is:
 - i. subject to prudential supervision in accordance with criteria defined by UK or EU law; or
 - ii. subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.
- 10.2. An establishment shall be considered to satisfy the requirement in paragraph 10.1(c)(ii) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
- (a) it is located in the UK or the European Economic Area;
 - (b) it is located in an OECD country belonging to the Group of Ten;
 - (c) it has at least investment grade rating;
 - (d) on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

11. Appropriate information for money-market instruments

- 11.1. In the case of an approved money-market instrument within paragraph 10.1 (b) or issued by a body of the type referred to in the COLL Sourcebook under the guidance section relating to money-market instruments with a regulated issuer; or which is issued by an authority within paragraph 10.1(a)(ii) or a public international body within

paragraph 10.1(a)(vi) but is not guaranteed by a central authority within paragraph 10.1(a)(i), the following information must be available:

- (a) information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
- (b) updates of that information on a regular basis and whenever a significant event occurs; and
- (c) available and reliable statistics on the issue or the issuance programme.

11.2. In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 10.1(c), the following information must be available:

- (a) information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
- (b) updates of that information on a regular basis and whenever a significant event occurs; and
- (c) available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

11.3. In the case of an approved money-market instrument:

- (a) within paragraphs 10.1(a)(i), 10.1(a)(iv) or 10.1(a)(v); or
- (b) which is issued by an authority within paragraph 10.1(a)(ii) or a public international body within paragraph 10.1(a)(vi) and is guaranteed by a central authority within paragraph 10.1(a)(i);
- (c) information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

12. Spread: general

12.1. This section 12 on spread does not apply in respect of a transferable security or an approved money-market instrument issued by a single state, local authority or public international body (see section 14 of this Appendix).

12.2. For the purposes of this section 12, companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of the Companies Act 2006, Directive 2013/34/EU or in the same group in accordance with international accounting standards are regarded as a single body.

12.3. Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.

12.4. Not more than 5% in value of the Scheme Property is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property. Covered bonds need not be taken into account for the purposes of applying the limit of 40%. For these purposes certificates representing certain securities are treated as equivalent to the underlying security.

12.5. The limit of 5% in paragraph 12.4 is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.

12.6. Not more than 20% in value of the Scheme Property is to consist of the units of any one collective investment scheme.

12.7. Not more than 20% in value of the Scheme Property may consist of transferable securities and approved money-market instruments issued by the same group (as referred to in paragraph 12.2).

12.8. The exposure to any one counterparty arising from OTC derivative transactions must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.

12.9. In applying the limits in paragraphs 12.3, 12.4, and 12.8 in relation to a single body, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:

- (a) transferable securities (including covered bonds) or approved money-market instruments issued by that body; or
- (b) deposits made with that body; or
- (c) exposures from OTC derivatives transactions made with that body.

13. Counterparty Risk and Issuer Concentration

- 13.1. A Fund's counterparty risk arising from OTC derivative transactions or efficient portfolio management techniques is subject to the limits set out in paragraphs 12.8 and 12.9 above.
- 13.2. When calculating the exposure of a Fund to a counterparty to an OTC derivative in accordance with the limits in paragraph 12.8, the Manager must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 13.3. OTC derivative positions of a Fund with the same counterparty may be netted provided that the Manager is able legally to enforce netting agreements in place with the counterparty on behalf of the Fund and these netting agreements do not apply to any other exposures the Fund may have with that counterparty.
- 13.4. The exposure of the Scheme Property to a counterparty to an OTC derivative or efficient portfolio management technique may be reduced through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- 13.5. Collateral must be taken into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 13.7 when collateral is passed to a counterparty to an OTC derivative transaction on behalf of a Fund.
- 13.6. Collateral passed in accordance with paragraph 13.5 may be taken into account on a net basis only if the Manager is able legally to enforce netting arrangements with this counterparty on behalf of a Fund.
- 13.7. The Manager must calculate the issuer concentration limits referred to in section 12 of this Appendix on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.
- 13.8. In relation to exposures arising from OTC derivative transactions, as referred to in paragraph 12.9, the Manager must include in the calculation any counterparty risk relating to the OTC derivative transactions.

14. Spread: government and public securities

- 14.1. The following applies in respect of transferable securities or approved money-market instruments ("such securities") that are issued by:
 - (a) the UK or an EEA State;
 - (b) a local authority of the UK or an EEA State;
 - (c) a non-EEA State; or
 - (d) a public international body to which the UK or one or more EEA States belong.
- 14.2. Where no more than 35% in value of the Scheme Property of a Fund is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 14.3. A Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:
 - (a) before any such investment is made, the Manager has consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Fund;
 - (b) no more than 30% in value of the Scheme Property consists of such securities of any one issue; and
 - (c) the Scheme Property includes such securities issued by that or another issuer, of at least six different issues.
- 14.4. In relation to such securities:
 - (a) issue, issued and issuer include guarantee, guaranteed and guarantor; and
 - (b) an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.
- 14.5. Notwithstanding paragraph 12.1 and subject to paragraphs 12.2 and 12.3, in applying the 20% limit in paragraph 12.9 with respect to a single body, such securities issued by that body shall be taken into account.
- 14.6. A Fund may invest over 35% of Scheme Property in the securities issued by or on behalf of or guaranteed by those issuers listed below:
 - (a) the government of or a local authority in the United Kingdom of Great Britain and Northern Ireland; or

- (b) the Scottish Administration; or
- (c) the Executive Committee of the Northern Ireland Assembly; or
- (d) the National Assembly for Wales; or
- (e) the government of any of the following countries or territories outside the United Kingdom:
 - i. Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Portugal, Poland, Romania, Slovakia, Slovenia, Spain and Sweden; or
 - ii. Australia, Canada, Japan, New Zealand, Switzerland and the United States of America; or
- (f) Public debt securities issued by:
 - i. the Council of Europe; or
 - ii. the European Bank of Reconstruction and Development; or
 - iii. the European Coal and Steel Community; or
 - iv. the European Investment Bank; or
 - v. Eurofima; or
 - vi. the International Finance Corporation; or
 - vii. Nordic Investment Bank.

15. Investment in collective investment schemes

- 15.1. A Fund must not invest in units in a collective investment scheme ("second scheme"), unless the second scheme satisfies all of the following conditions, and provided that no more than 30% of the value of that investing scheme is invested in second schemes within 15.1.1 (b) to (e):
 - 15.1.1 The second scheme must
 - (a) satisfy the conditions necessary for it to enjoy the rights conferred by the UK UCITS Rules or the UCITS Directive; or
 - (b) be a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or
 - (c) be authorised as a non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR(1)(a), (3) and (4) are met); or
 - (d) be authorised in an EEA State (provided the requirements of COLL 5.2.13AR are met); or
 - (e) be authorised by the competent authority of an OECD member country (other than the UK or an EEA State) which has signed the IOSCO Multilateral Memorandum of Understanding; and approved the scheme's management company, rules and depositary/custody arrangements provided the requirements of COLL 5.2.13AR are met);
 - 15.1.2 the second scheme must comply, where relevant, with paragraphs 15.4 and 15.5 below; and
 - 15.1.3 the second scheme must have terms which prohibit more than 10% in value of its scheme property consisting of units in collective investment schemes.
 - 15.1.4 where the second scheme is an umbrella, the provisions in paragraphs 15.1.2 and 15.1.3 and section 12 (Spread: general) apply to each Fund as if it were a separate scheme.
- 15.2. Unless otherwise specified in Appendix 5 below in relation to any specific Fund, up to 10% of the Scheme Property of any Fund may consist of units in collective investment schemes.
- 15.3. A Fund may invest in or dispose of Shares of another Fund of the same Company (the "second fund") only if the following conditions are satisfied:
 - (a) the second fund does not hold Shares in any other Fund of the same Company;

- (b) the conditions in paragraphs 15.4 and 15.5 are complied with; and
 - (c) the investing or disposing Fund is not a feeder UK or EEA UCITS Scheme to the Second Fund.
- 15.4. The Funds must not invest in or dispose of units in another collective investment scheme which is managed or operated by (or in the case of an open-ended investment company, has as its authorised corporate director) the Manager or an associate of the Manager, or in another Fund of the same Company, unless:
- (a) the Prospectus clearly states that the property of that Fund may include such units in the second scheme or second fund, and for this Prospectus, that requirement is met at paragraph 15.6; and
 - (b) there is no charge in respect of the investment in or the disposal of units in the second scheme or second fund; or
 - (c) if there is a charge in respect of such investment or disposal, the Manager is under a duty to pay to the relevant Fund the following amount by the close of business on the fourth business day next after the agreement to invest in or dispose of shares in the second scheme or second fund:
 - i. on investment, either:
 - any amount by which the consideration paid by the Fund for the units in the second scheme or second fund exceeds the price that would have been paid for the benefit of the second scheme or second fund had the units been newly issued or sold by it; or
 - if such price cannot be ascertained by the Manager, the maximum amount of any charge permitted to be made by the seller of units in the second scheme or second fund;
 - ii. on disposal, the amount of any charge made for the account of the authorised fund manager or operator of the second scheme or second fund or an associate of any of them in respect of the disposal.
- 15.5. In paragraph 15.4 above:
- (a) any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy, is to be treated as part of the price of the units and not as part of any charge; and
 - (b) any switching charge made in respect of an exchange of units in one Fund or separate part of the second scheme for units in another Fund or separate part of that scheme is to be included as part of the consideration paid for the units.
- 15.6. All Funds may invest in or dispose of units in another collective investment scheme which is managed or operated by (or in the case of an open-ended investment company, has as its authorised corporate director) the Manager or an associate of the Manager, but they may not invest in another Fund of the same Company.
- 16. Investment in nil and partly paid securities**
- A transferable security or an approved money-market instrument on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the relevant Fund, at any time when payment is required without contravening the rules in the COLL Sourcebook.
- 17. Investment in Deposits**
- A Fund may only invest in deposits with an Approved Bank and which are repayable on demand, or have the right to be withdrawn, and maturing in no more than 12 months.
- 18. Significant Influence**
- 18.1. The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:
- (a) immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power to significantly influence the conduct of business of that body corporate; or
 - (b) the acquisition gives the Company that power.
- 18.2. For the purposes of paragraph 18.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

19. Concentration

19.1. The Company must not acquire more than:

- (a) 10% of the transferable securities (other than debt securities) issued by a body corporate which do not carry rights to vote on any matter at a general meeting of that body; or
- (b) 10% of the debt securities issued by any single body*; or
- (c) 10% of the approved money-market instruments issued by any single body*; or
- (d) 25% of the units in a collective investment scheme*.

*The Company need not comply with these limits if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

20. Cash and Near Cash

20.1. Cash and near cash must not be retained in the Scheme Property except to the extent that this may reasonably be regarded as necessary in order to enable:

- (a) the pursuit of that Fund's investment objective;
- (b) the redemption of Shares in that Fund;
- (c) efficient management of the Fund in accordance with its investment objective; or
- (d) other purposes which may reasonably be regarded as ancillary to the investment objectives of that Fund.

20.2. During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation. Within the context of the Manager's policy of active asset allocation, the liquidity of each Fund may vary in response to market conditions.

21. Borrowing powers

21.1. The Company may, subject to the FCA Rules, borrow money from an Eligible Institution or an Approved Bank for the use of the Company on terms that the borrowing is to be repayable out of the Scheme Property.

21.2. Borrowing must be on a temporary basis and must not be persistent and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.

21.3. The Manager must ensure that borrowing does not, on any business day, exceed 10% of the value of the Scheme Property. For these purposes borrowing includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.

21.4. These borrowing restrictions do not apply to "back to back" borrowing under paragraph 43.2.

21.5. The Company must not issue any debenture unless it acknowledges or creates a borrowing that complies with paragraphs 21.1 and 21.2.

22. Restrictions on lending of money

22.1. None of the money in the Scheme Property of a Fund may be lent and, for the purposes of this prohibition, money is lent by a Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.

22.2. Acquiring a debenture is not lending for the purposes of paragraph 22.1; nor is the placing of money on deposit or in a current account.

22.3. Paragraph 22.1 does not prevent a Fund from providing an officer of that Fund with funds to meet expenditure to be incurred by him for the purposes of that Fund (or for the purposes of enabling him properly to perform his duties as an officer of that Fund) or from doing anything to enable an officer to avoid incurring such expenditure.

23. Restrictions on lending of property other than money

23.1. The Scheme Property of a Fund other than money must not be lent by way of deposit or otherwise.

- 23.2. Transactions permitted by section 24 (Securities Financing Transactions) of this Appendix are not lending for the purposes of paragraph 23.1.
- 23.3. The Scheme Property of a Fund must not be mortgaged.
- 23.4. Where transactions in derivatives or forwards transactions are used for the account of a Fund in accordance with the investment and borrowing powers section in the COLL Sourcebook, nothing in this section prevents the Company or the Depositary at the request of the Company, from:
- (a) Lending, depositing, pledging or charging Scheme Property for margin requirements; or
 - (b) Transferring scheme property under the terms of an agreement in relation to margin requirements, provided that the Manager reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.

24. Securities Financing Transactions

- 24.1. A Fund may enter into securities lending arrangements and/or repurchase contracts (Securities Financing Transactions).
- 24.2. Under a securities lending arrangement, the lender transfers ownership of an asset to a third party (the borrower), who pays a fee to the lender for the use of the loaned asset and agrees to return the securities at the end of the transaction. Even though the parties are called lender and borrower, actual ownership of the assets is transferred. Nevertheless, under this type of arrangement the lender retains certain economic advantages / disadvantages relating to the owning of the relevant asset (such as any price appreciation or depreciation of the asset).
- 24.3. Under a repurchase contract, one party sells securities (such as shares or bonds) to another party at one price at the start of the trade and at the same time agrees to repurchase (buy back) the asset from the original buyer at a different price at a future date or on demand. The term “reverse repurchase contract” describes the same contract from the perspective of the buyer. A Fund may act as buyer or seller under a repurchase contract or as lender or borrower under a securities lending arrangement. The types of assets that can be subject to a repurchase contract or securities lending arrangement are securities (both bonds and shares).
- 24.4. The securities lending arrangements and repurchase contracts permitted by this section may be exercised by a Fund when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk. Investors will also be informed of the use of Securities Financing Transactions by a Fund in respect of the relevant past period in the Company’s annual report.
- 24.5. The Company, or the Depositary at the request of the Company, may enter into a repurchase contract or a securities lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:
- (a) all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;
 - (b) the counterparty meets the following selection criteria:
 - i. it is an authorised person; or
 - ii. it is a person authorised by the FCA or a Home State regulator; or
 - iii. it is a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
 - iv. it is a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; and the Board of Governors of the Federal Reserve System; and
 - v. it has a minimum credit rating of not less than the minimum investment grade credit rating issued by Standard & Poor’s, Moody’s or Fitch (or equivalent rating by any other internationally recognised credit rating agency); and
 - (c) collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph 24.5(a) and the collateral is:
 - i. acceptable to the Depositary;
 - ii. adequate; and

iii. sufficiently immediate.

- 24.6. The counterparty for the purpose of paragraph 24.5 is the person that owes obligations to the Fund under the transaction and to whom the Fund owes its obligations.
- 24.7. There is no limit on the value of the Scheme Property that may be the subject of repurchase contracts. There is a maximum 50% limit on the value of Scheme Property that may be the subject of securities lending arrangements. The expected proportion of a Fund's assets that may be subject to securities lending transactions and repurchase contracts is set out in Appendix 5 in respect of the relevant Fund. The actual proportion may at any time be greater or less than this figure.
- 24.8. Any interest or dividends paid on securities which are loaned under such securities lending arrangements or sold under a repurchase contract shall accrue to the benefit of the relevant Fund.
- 24.9. The Company will have the right to terminate a securities lending arrangement at any time and demand the return of any or all of the securities loaned.
- 24.10. In the case that the Company enters into a reverse repurchase contract, it will have the right to recall the full amount of cash or to terminate the reverse repurchase contract on either an accrued or a mark-to-market basis at any time. Where the cash is recallable at any time on a mark-to market basis, the mark-to-market value of the reverse repurchase contract shall be used for the purposes of the calculation of the Net Asset Value of the relevant Fund.
- 24.11. In the case that the Company enters into repurchase contracts, the Company will have the right to recall any securities subject to the agreement or to terminate the repurchase contract at any time.
- 24.12. Fixed term repurchase and reverse repurchase contracts which do not exceed seven days shall be regarded as arrangements on terms which allow the assets to be recalled at any time by the Company.
- 24.13. All the revenues arising from Securities Financing Transactions shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees shall include fees and expenses payable to repurchase contracts counterparties and/or securities lending agents engaged by the Company from time to time. Such fees and expenses of any repurchase contracts counterparties and/or securities lending agents engaged by the Company, which will be at normal commercial rates together with VAT, if any, will be borne by the relevant Fund in respect of which the relevant party has been engaged. Unless otherwise stated in Appendix 5, 90% of the revenues arising from securities lending will be returned to the Fund and the remainder (being 10% of the revenues, representing the attendant direct and indirect operational costs and fees of the securities lending agent) will be retained by the securities lending agent.

25. Treatment of collateral for Securities Financing Transactions

- 25.1. Collateral obtained by a Fund in the context of Securities Financing Transactions must be:
- (a) transferred to the Depositary or its agent;
 - (b) at least equal in value, at the time of the transfer to the Depositary, to the value of the securities transferred by the Depositary; and
 - (c) in the form of one or more of:
 - i. cash; or
 - ii. a certificate of deposit; or
 - iii. a letter of credit; or
 - iv. a readily realisable security; or
 - v. commercial paper with no embedded derivative content; or
 - vi. a qualifying money market fund.
- 25.2. Where the collateral is invested in units in a qualifying money market fund managed or operated by (or, for an ICVC, whose authorised corporate director is) the Manager or an associate of the Manager, the conditions in paragraphs 15.4(b), (c) to 15.5 must be complied with.
- 25.3. Collateral is sufficiently immediate for the purposes of this section if:
- (a) it is transferred before or at the time of the transfer of the securities by the Depositary; or

- (b) the Depositary takes reasonable care to determine at the time referred to in paragraph 25.3(a) that it will be transferred at the latest by the close of business on the day of the transfer.
- 25.4. The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary.
- 25.5. The duty in paragraph 25.4 may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- 25.6. Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) under this section may be regarded, for the purposes of valuation and pricing of the Company or this Appendix, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the authorised fund.
- 25.7. Collateral transferred to the Depositary is part of the Scheme Property for the purposes of the FCA Rules, except in the following respects:
 - (a) it does not fall to be included in any calculation of NAV or this Appendix, because it is offset under paragraph 25.6 by an obligation to transfer; and
 - (b) it does not count as Scheme Property for any purpose of this Appendix other than this section.
- 25.8. Paragraphs 25.6 and 25.7(a) do not apply to any valuation of collateral itself for the purposes of this section.
- 26. Collateral policy for OTC derivative transactions and Securities Financing Transactions**
- 26.1. Collateral posted by a counterparty for the benefit of a Fund will be taken into account as reducing the exposure to such counterparty. Each Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received, in conjunction with section 31 of this Appendix, corresponds with the value of the amount exposed to counterparty risk at any given time.
- 26.2. Collateral used to reduce counterparty risk exposure will comply with the following criteria:
 - (a) Liquidity – collateral (other than cash) will be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral will also comply with the provisions of rule 5.2.29R of the COLL Sourcebook (as summarised in paragraph 19.1 above).
 - (b) Valuation – collateral will be valued on a daily basis and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place.
 - (c) Issuer credit quality – collateral will be of high quality.
 - (d) Correlation – collateral will be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
 - (e) Diversification – collateral will be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the relevant Fund receives from a counterparty of EPM and OTC derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. Notwithstanding the foregoing, a Fund may be fully collateralised in different transferable securities and money-market instruments issued or guaranteed by the UK, an EU Member State, one or more of its local authorities, a country other than the UK or an EU Member State, or a public international body to which the UK or one or more EU Member States belong. In such circumstances, the Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund's net asset value.

There is no minimum remaining maturity requirement for any securities received as collateral.

- 26.3. All assets received by the Funds in the context of OTC derivative transactions and Securities Financing Transactions will be considered as collateral and will comply with the criteria above. Risks linked to the management of collateral, including operational and legal risks, are identified and mitigated by risk management procedures employed by the Company.
- 26.4. Where there is a title transfer of collateral, the collateral received will be held by the Depositary or a delegate thereof. For other types of collateral arrangement the collateral may be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

- 26.5. Collateral received will be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty. Accordingly collateral will be immediately available to the Company without recourse to the counterparty in the event of default by that counterparty.
- 26.6. Cash collateral will be re-invested in accordance with the reinvestment policy.
- 27. Permitted types of collateral for OTC derivative transactions and Securities Financing Transactions**
- 27.1. It is proposed that the Company may accept the following types of collateral (subject, in the case of Securities Financing Transactions, to complying with paragraph 25.1(c) above):
- (a) cash; or
 - (b) government or other public securities; or
 - (c) certificates of deposit issued by Approved Banks; or
 - (d) bonds/commercial paper issued by Approved Banks or by non-bank issuers where the issue or the issuer are rated A1 or equivalent; or
 - (e) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Approved Banks; or
 - (f) equity securities traded on a stock exchange in the UK, the EEA, Switzerland, Canada, Japan, the United States of America, Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 28. Reinvestment policy – cash collateral**
- 28.1. Cash received as collateral for OTC derivatives transactions and efficient portfolio management techniques (including Securities Financing Transactions) may not be invested or used other than as set out below:
- (a) placed on deposit with Approved Banks;
 - (b) invested in high-quality government debt securities;
 - (c) used for the purpose of reverse repurchase contracts, provided that the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on an accrued basis; or
 - (d) invested in a “Short Term Money Market Fund” as defined by the ESMA’s guidelines on a common definition of European money market funds.
- 28.2. Re-invested cash collateral will be diversified in accordance with the diversification requirements outlined above in paragraph 26.2(e).
- 28.3. Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.
- 28.4. The reinvestment of cash collateral leads to certain risks such as counterparty risk (e.g. borrower default), market risk (e.g. decline in value of the collateral received or of the reinvested cash collateral) and market suspension risk (e.g. suspension of trading or settlement of securities) and custody risk (e.g. default or bankruptcy of the custodian). The risk related to the reinvestment of cash collateral is mitigated by investing cash collateral in highly liquid and diversified money market funds or in reverse repurchase contracts.
- 28.5. For Funds which receive collateral for at least 30% of their assets, the associated liquidity risk is assessed.
- 28.6. Non-cash collateral received cannot be sold, pledged or re-invested.
- 29. Stress testing policy**
- In the event that the Company receives collateral for at least 30% of the Net Asset Value of a Fund, it will implement regular stress tests carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to collateral.
- 30. Collateral valuation**
- Typically, collateral in the form of securities (e.g. equities and bonds) will be valued on a daily mark-to-market basis using bid or mid-market prices at the relevant time (or at close of business on the previous business day), obtained from a generally recognised pricing source or reputable dealer. Generally, securities collateral will be valued at bid price because this is the price that would be obtained if the Fund were to sell the securities following a counterparty default. However, mid-market prices may be used where this is the market practice for the relevant transaction.

Collateral can typically be called for on a daily basis where the Fund has a net exposure to the counterparty (i.e. if all the transactions were terminated on that day the counterparty would owe the Fund the larger amount), taking into account any thresholds (i.e. levels of exposure below which collateral cannot be required) and after applying any haircuts (see below).

31. Haircut policy

Collateral received from a counterparty may be offset against counterparty exposure provided it meets a range of standards, including those for liquidity, valuation, issuer credit quality, correlation and diversification. The Company has established a haircut policy in respect of each class of assets received as collateral in respect of the Funds. This policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. In offsetting exposure, where the Company considers appropriate, the value of collateral is reduced by a percentage (haircut) which provides, amongst other things, a buffer for short term fluctuations in the value of the exposure and of the collateral. The value of the collateral, adjusted in light of the haircut policy, must equal or exceed, in value, at all times, the relevant counterparty exposure.

32. Counterparty exposure reporting

The Company's annual report will contain details of (i) the counterparty exposure obtained through efficient portfolio management techniques as well as exposure to OTC derivative transactions, (ii) counterparties to efficient portfolio management techniques and OTC derivative transactions, (iii) the type and amount of collateral received by the Funds to reduce counterparty exposure and (iv) revenues arising from efficient portfolio management techniques for the reporting period, together with direct and indirect costs and fees incurred and to which entity these have been paid.

The annual report will also inform investors of the use the Funds make of Securities Financing Transactions and total return swaps.

33. Underwriting and Stock Placings

33.1. Any power in the COLL Sourcebook to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation.

33.2. This section applies, subject to paragraph 33.3, to any agreement or understanding which:

- (a) is an underwriting or sub-underwriting agreement; or
- (b) contemplates that securities will or may be issued or subscribed for or acquired for the account of a Fund.

33.3. Paragraph 33.2 does not apply to:

- (a) an option; or
- (b) a purchase of a transferable security which confers a right to:
 - i. to subscribe for or acquire a transferable security; or
 - ii. to convert one transferable security into another.
- (c) The exposure of the relevant Fund to agreements and understandings within paragraph 33.2 must, on any business day:
 - i. be covered in accordance with the requirements of COLL 5.3.3AR (see paragraph 42.4); and
 - ii. be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in COLL 5.

34. Derivatives: general

34.1. Funds which may use derivatives in pursuit of their investment objectives, as well as Funds which may use derivatives for efficient portfolio management purposes, must do so in accordance with the following rules.

34.2. The use of derivatives for efficient portfolio management will generally not increase the risk profile of a Fund (see section 47 of this Appendix for further details on efficient portfolio management). In adverse situations, however, a Fund's use of derivatives may become ineffective in hedging or EPM and a Fund may suffer significant loss as a result. A Fund's abilities to use derivatives for EPM may be limited by market conditions, regulatory limits and tax considerations. The use of derivatives for investment purposes may increase the risk profile of a Fund.

- 34.3. A transaction in derivatives or a forward transaction must not be effected for a Fund unless:
- (a) the transaction is of a kind specified in section 35 of this Appendix (Permitted transactions (derivatives and forwards)); and
 - (b) the transaction is covered, as required by section 42 (Derivatives exposure and cover) of this Appendix.
- 34.4. Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits in section 12 (Spread: general) and section 14 (Spread: government and public securities) of this Appendix save as provided in paragraph 34.8.
- 34.5. Where a transferable security or money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.
- 34.6. A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
 - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
 - (c) it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 34.7. A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 34.8. Where a Fund invests in an index based derivative, provided the relevant index falls within the requirements in COLL 5.2.20AR (Financial indices underlying derivatives) as reflected in paragraphs 36.1 to 36.5 below, the underlying constituents of the index do not have to be taken into account for the purposes of sections 12 (Spread: general) and 14 (Spread: government and public securities) of this Appendix.
- 34.9. The relaxation in paragraph 34.8 is subject to the Manager taking account of paragraph 1.2 (prudent spread of risk).
- 35. Permitted transactions (derivatives and forwards)**
- 35.1. A transaction in a derivative must:
- (a) be in an Approved Derivative; or
 - (b) be one which complies with section 39 (OTC transactions in derivatives) of this Appendix.
- 35.2. The underlying of a transaction in a derivative must consist of any one or more of the following to which a Fund is dedicated:
- (a) transferable securities permitted under paragraphs 2.2(a) and 2.2(c);
 - (b) money-market instruments permitted under section 8 of this Appendix;
 - (c) deposits permitted under section 17 of this Appendix;
 - (d) derivatives permitted under this section 35 of this Appendix;
 - (e) collective investment scheme units permitted under section 15 of this Appendix;
 - (f) financial indices which satisfy the criteria set out in COLL 5.2.20AR;
 - (g) interest rates;
 - (h) foreign exchange rates; and
 - (i) currencies.
- 35.3. A transaction in an Approved Derivative must be effected on or under the rules of an eligible derivatives market as set out in Appendix 3.

- 35.4. A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the Instrument of Incorporation and this Prospectus.
- 35.5. A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money-market instruments, units in collective investment schemes or derivatives provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22R (1) (Requirement to cover sales) as read in accordance with guidance at COLL 5.2.22AG are satisfied.
- 35.6. Any forward transaction must be made with an Eligible Institution or an Approved Bank.
- 35.7. A derivative includes an instrument which fulfils the following criteria:
- (a) it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
 - (b) it does not result in the delivery or transfer of assets other than those referred to in paragraph 2.1 above;
 - (c) in the case of an OTC derivative, it complies with the requirements in section 39 (OTC transactions in derivatives) of this Appendix;
 - (d) its risks are adequately captured by the risk management process of the Manager, and by its internal control mechanisms in the case of risks of asymmetry of information between the Manager and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 35.8. The Company may not undertake transactions in derivatives on commodities.
- 36. Financial indices underlying derivatives**
- 36.1. The financial indices referred to in paragraph 35.2(f) are those which satisfy the following criteria:
- (a) the index is sufficiently diversified;
 - (b) the index represents an adequate benchmark for the market to which it refers; and
 - (c) the index is published in an appropriate manner.
- 36.2. A financial index is sufficiently diversified if:
- (a) it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - (b) where it is composed of assets in which a Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and
 - (c) where it is composed of assets in which a Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.
- 36.3. A financial index represents an adequate benchmark for the market to which it refers if:
- (a) it measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - (b) it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
 - (c) the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 36.4. A financial index is published in an appropriate manner if:
- (a) its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
 - (b) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 36.5. Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 35.2, be regarded as a combination of those underlyings.

- 36.6. A Fund has the ability to invest in derivatives on financial indices where one component of that index can be greater than 20% but to a maximum of 35%. The ability of a Fund to invest in such assets is in line with the UK UCITS Rules. At all times only one component of that index will be allowed to be above the 20% limit with such investment only occurring if all other requirements of the Article have been satisfied. Index weightings are based on set criteria such as market capitalisation or production in the case of commodity indices and there may be cases where one component is greater than 20% for a short or extended period of time due to market forces. Any investment in derivatives on financial indices remain subject to the criteria set out in paragraph 36.1 to paragraph 36.5 above.

37. Transactions for the purchase of property

- 37.1. A derivative or forward transaction which will or could lead to the delivery of property for the account of a Fund may be entered into only if:

- (a) that property can be held for the account of the Fund; and
- (b) the Manager having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the COLL Sourcebook.

38. Requirement to cover sales

- 38.1. No agreement by or on behalf of a Fund to dispose of property or rights may be made unless:

- (a) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and
- (b) the property and rights at paragraph 38.1(a) are owned by the Fund at the time of the agreement.

- 38.2. Paragraph 38.1 does not apply to a deposit.

- 38.3. Paragraph 38.1 does not apply where:

- (a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or
- (b) the Manager or the Depositary has the right to settle the derivative in cash, and cover exists within the Fund's property which falls within one of the following asset classes:
 - i. cash;
 - ii. liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
 - iii. other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).

- 38.4. In the asset classes referred to in paragraph 38.3, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.

39. OTC transactions in derivatives

- 39.1. A transaction in an OTC derivative under paragraph 35.1(b) must be:

- (a) with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty meets the following criteria:
 - i. it is an Eligible Institution or an Approved Bank; or
 - ii. it is a person whose permission (including any requirements or limitations), as published in the Financial Services Register or whose home state authorisation, permits it to enter into the transaction as principal off-exchange; and
 - iii. it has a minimum credit rating of not less than the minimum investment grade credit rating issued by Standard & Poor's, Moody's or Fitch (or equivalent rating by any other internationally recognised credit rating agency);
- (b) on approved terms; the terms of the transaction in derivatives are approved only if the Manager:

- i. carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (i.e. the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and
 - ii. can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and
- (c) capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
 - i. on the basis of an up-to-date market value which the Manager and the Depositary have agreed is reliable; or
 - ii. if the value referred to above is not available, on the basis of a pricing model which the Manager and the Depositary have agreed uses an adequate recognised methodology; and
- (d) subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
 - i. an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the Manager is able to check it; or
 - ii. a department within the Manager which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.
- (e) A Fund may enter into a range of swap transactions in pursuit of the investment objective of the Fund (including total return swaps) or other financial derivatives instruments with similar characteristics. The underlying assets and investment strategies or such swaps, to which exposure will be gained, are described in the investment objective and policy of the relevant Fund.
- (f) The counterparty does not have discretion over the composition or management of a Fund's portfolio or over the underlying of financial derivative instruments used by a Fund. Counterparty approval is not required in relation to any investment decision made by the Fund.

40. Risk management: derivatives

- 40.1. The Manager uses a risk management process enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of that Fund.
- 40.2. The following details of the risk management process must be notified by the Manager to the FCA regularly, and at least on an annual basis:
 - (a) a true and fair view of the types of derivatives and forward transactions to be used within the Funds together with their underlying risks and any relevant quantitative limits; and
 - (b) the methods for estimating risks in derivative and forward transactions.
- 40.3. The Manager must notify the FCA of any material alteration to the details in paragraphs 40.2(a) and 40.2(b).

41. Valuation of OTC derivatives

- 41.1. For the purposes of paragraph 39.1(b) the Manager must:
 - (a) establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Fund to OTC derivatives; and
 - (b) ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.
- 41.2. Where the arrangements and procedures referred to in paragraph 41.1 above involve the performance of certain activities by third parties, the Manager must comply with the requirements in SYSC (Additional requirements for a management company) and COLL (Due diligence requirements of AFMs of UK UCITS Schemes).
- 41.3. The arrangements and procedures referred to in this section 41 must be:
 - (a) adequate and proportionate to the nature and complexity of the OTC derivative concerned; and
 - (b) adequately documented.

42. Derivatives exposure and cover

- 42.1. A Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- 42.2. Cover ensures that a Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed.
- 42.3. Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.
- 42.4. When the commitment approach is used, the global exposure relating to derivatives (including total return swaps) held in a Fund may not exceed the net value of the Scheme Property. Please refer to Appendix 9 for more details on the calculation of global exposure using the commitment approach.

43. Borrowing and cover

- 43.1. Cash obtained from borrowing, and borrowing which the Manager reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under paragraph 42.4 (Derivatives exposure and cover) except if paragraph 43.2 applies.
- 43.2. Where, for the purposes of this section 43 the Company borrows an amount of currency from an Eligible Institution or an Approved Bank, and keeps an amount in another currency, at least equal to such borrowing for the time being on deposit with the lender (or his agent or nominee), then this paragraph 43.2 applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

44. Schemes replicating an index

- 44.1. Notwithstanding section 12 (Spread: general) of this Appendix a Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.
- 44.2. Replication of the composition of a relevant index shall be understood to be a reference to replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management.
- 44.3. The 20% limit in paragraph 44.1 can be raised for a particular Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions. In the event that 20% limit is raised the Manager will provide appropriate information in the Prospectus in order to explain the Manager's assessment of why this increase is justified by exceptional market conditions.
- 44.4. In the case of a Fund replicating an index the Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index in cases where the Fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.
- 44.5. The indices referred to above are those which satisfy the following criteria:
 - (a) The composition is sufficiently diversified;
 - (b) The index represents an adequate benchmark for the market to which it refers; and
 - (c) The index is published in an appropriate manner.
- 44.6. The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.
- 44.7. An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.
- 44.8. An index is published in an appropriate manner if:
 - (a) it is accessible to the public;
 - (b) the index provider is independent from the index-replicating Fund; this does not preclude index providers and the Fund from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

45. Guarantees and indemnities

- 45.1. A Fund or the Depositary for the account of a Fund must not provide any guarantee or indemnity in respect of the obligation of any person.
- 45.2. None of the Scheme Property of a Fund may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 45.3. Paragraphs 45.1 and 45.2 do not apply in respect of a Fund to:
 - (a) any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the FCA rules;
 - (b) an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
 - (c) an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
 - (d) an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Fund and the holders of units in that scheme become the first Shareholders in the Fund.

46. Total return swaps

- 46.1. Where a Fund is permitted to use derivatives, these may include total return swaps, a form of OTC derivative.
- 46.2. In summary, a total return swap is an agreement in which one party (the “total return payer”) transfers the total economic performance of a reference asset, which may for example be a share, bond or index, to the other party (the “total return receiver”). The total return receiver must in turn pay the total return payer any reduction in the value of the reference asset and possibly certain other cash flows. Total economic performance includes income from interest and fees, gains or losses from market movement, and credit losses. A Fund may use a total return swap to gain a positive or a negative exposure to an asset (or other reference asset), which it does not wish to buy and hold itself, or otherwise to make a profit or avoid a loss.
- 46.3. Subject to the investment objectives and policy of the relevant Fund, total return swaps may be used by a Fund to gain exposure on a total return basis to any asset that the Fund is otherwise permitted to gain exposure to, including transferable securities, approved money-market instruments, collective investment scheme units, derivatives, financial indices, foreign exchange rates and currencies.
- 46.4. Subject to the limits on the exposure of a Fund to derivatives generally, and in particular the requirement for global cover (see section 42 of this Appendix), there is no maximum limit on the value of the Scheme Property which may be the subject of total return swaps.
- 46.5. The expected proportion of a Fund's assets that may be subject to total return swaps is set out in Appendix 5 in respect of the relevant Fund. The actual proportion may however at any time be greater or less than this figure. Investors will also be informed of the use of total return swaps by a Fund in respect of the relevant past period in the Company's annual report.
- 46.6. All the revenues arising from total return swaps shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees shall include sums payable to the total return payer (as defined in paragraph 46.2 above). Such costs and fees will be at normal commercial rates together with VAT, if any, and will be borne by the relevant Fund in respect of which the relevant party has been engaged. In principle, the total return payer is not a related party to the Manager.

47. Efficient Portfolio Management techniques

- 47.1. Each Fund may in addition to the ability to use derivatives for investment purposes as referred to above, utilise the Scheme Property of the Fund to enter into transactions for the purposes of hedging or EPM. Permitted EPM techniques include transactions in derivatives e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; OTC options or contracts for differences; or synthetic futures in certain circumstances as well as Securities Financing Transactions (including repurchase contracts and securities lending arrangements). There is no limit on the amount or value of the Scheme Property of any Fund which may be used for EPM but the Manager must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates), to the reduction of the relevant costs and/or to the generation of additional capital or income with an acceptably low level of risk. The exposure must be fully “covered” by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.
- 47.2. Permitted transactions are those that a Fund reasonably regards as economically appropriate to EPM, that is:

- (a) Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the Manager reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or
- (b) Transactions for the generation of additional capital growth or income for the Fund by taking advantage of gains which the Manager reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:
 - i. pricing imperfections in the market as regards the property which the Fund holds or may hold; or
 - ii. receiving a premium for the writing of a covered call option or a covered put option on property of the Fund which the Company is willing to buy or sell at the exercise price.

47.3. As set out above, EPM transactions may take the form of “derivatives transactions” (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an OTC derivative which complies with the relevant conditions set out in the FCA Rules, or be a “synthetic future” (i.e. a composite derivative created out of two separate options). The Funds may effect synthetic short positions by using derivatives for EPM purposes. Forward currency transactions must be entered into with counterparties who satisfy the FCA Rules. A permitted transaction may at any time be closed out.

47.4. Permitted EPM techniques must also fulfil the following criteria:

- (a) Their risks are adequately captured in risk management procedures implemented in relation to the Company; and
- (b) They cannot result in a change to a Fund’s declared investment objective or add supplementary risks in comparison to the general risk policy as described in this Prospectus.

47.5. While the use of EPM techniques will be in line with the best interests of the relevant Fund, individual techniques may result in increased counterparty risk and potential conflicts of interest (examples include but are not limited to where the counterparty is a related party).

47.6. Details of the relevant risks are set out in section 17 “Risk factors” of this Prospectus.

47.7. All of the revenues arising from EPM techniques (including Securities Financing Transactions and total return swaps, as appropriate), net of direct and indirect operational costs, will be returned to the Company for the account of the relevant Fund. Please see paragraph 24.13 above for further information regarding revenue arising from Securities Financing Transactions.

47.8. When considering the terms of any EPM technique, including in relation to investment of cash collateral, the Company will ensure at all times that the terms of EPM techniques will not impact on its ability to meet with its redemption obligations.

48. Ethical restrictions

The Manager has procedures in place to ensure that no Fund knowingly finances cluster munitions, munitions and weapons containing depleted uranium, anti-personnel mines, or biological and chemical weapons. This includes not knowingly investing in any form of securities issued by an entity whose activities include the manufacturing, use, reparation, sale, exhibition, distribution, import or export, storing or transport of cluster munitions, munitions and weapons containing depleted uranium, anti-personnel mines or biological and chemical weapons.

49. Integration of Sustainability Risks

The Manager integrates Sustainability Risks into investment decisions as outlined under ‘Integration of Sustainability Risks’ in section 16.

APPENDIX 2 - ELIGIBLE SECURITIES MARKETS

The securities markets indicated below, in addition to any market established in the UK or an EEA State on which transferable securities admitted to official listing in the UK or an EEA State are dealt in or traded, are eligible securities markets for all Funds.

In addition, each Fund may deal through any other eligible securities market and any eligible derivatives market being, in either case, a market which the Manager, after consultation with and notification to the Depositary, has decided to choose as one which is appropriate for the purpose of investment of or dealing in the property of that Fund. Any such market must operate regularly, be regulated, recognised and open to the public, be adequately liquid and have adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

A list of those other eligible securities markets and eligible derivatives markets for each Fund is set out below in this Appendix 2 and Appendix 3. An eligible securities or derivatives market may be added to any of Appendix 2 or Appendix 3 only in accordance with the FCA Rules.

No market shall be an eligible securities market or eligible derivatives market unless it would be eligible in terms of the FCA Rules.

Other non-EEA securities markets:

Argentina

Bolsa de Comercio de Buenos Aires

Australia

ASX Group

Brazil

B3

Canada

Toronto Stock Exchange

Chile

Bolsa de Comercio de Santiago

China

Shanghai Stock Exchange*

Shenzhen Stock Exchange*

Colombia

Bolsa de Valores De Colombia

Hong Kong

Hong Kong Exchanges & Clearing

India

BSE Ltd

National Stock Exchange

Indonesia

Indonesia Stock Exchange

Israel

Tel-Aviv Stock Exchange

Japan

Tokyo Stock Exchange

Korea

Korea Exchange (KOSPI Market)

Malaysia

Bursa Malaysia

Mexico

Bolsa Mexicana de Valores

New Zealand

New Zealand Exchange Ltd

Philippines

Philippine Stock Exchange

Singapore

Singapore Exchange

South Africa

Johannesburg Stock Exchange

Switzerland

Swiss Exchange

Taiwan

Taiwan Stock Exchange

Thailand

Stock Exchange of Thailand

Turkey

Borsa Istanbul

United States of America

CME Group

NASDAQ Stock

NYSE National

New York Stock Exchange

NYSE American LLC

NYSE ARCA

Vietnam

Ho Chi Minh Stock Exchange

Hanoi Stock Exchange

* May include trading in A shares via Stock Connect

APPENDIX 3 - ELIGIBLE DERIVATIVES MARKETS

EEA derivatives markets:

Borsa Italiana (IDEM)
EUREX Exchanges
Euronext Amsterdam
Euronext Brussels
Euronext Paris
MEFF Exchange (Spain)
NASDAQ Iceland
NASDAQ OMX Copenhagen
NASDAQ OMX Helsinki
NASDAQ Stockholm

Non-EEA derivatives markets:

ASX (Derivatives)
B3
BOX Options Exchange
Bursa Malaysia
Cboe Futures Exchange
Cboe BZX Options Exchange
Cboe C2 Exchange Inc
Cboe EDGX Options Exchange
Chicago Board Options Exchange
Chicago Board of Trade
Chicago Mercantile Exchange
New York Mercantile Exchange
ICE Futures Europe
ICE Futures US
India National Stock Exchange
London Stock Exchange
Korea Exchange
Mexican Derivatives Exchange
NASDAQ BX Options
NASDAQ Futures Exchange
NASDAQ Options Market
NASDAQ PHLX
NYSE American Options
NYSE Arca Options
Osaka Exchange
Singapore Exchange
SIX Swiss Exchange
Johannesburg Stock Exchange
Toronto Stock Exchange
Tokyo Financial Exchange

APPENDIX 4 - PAST PERFORMANCE

Performance figures are shown in sterling, inclusive of reinvested income and net of the Fund Management Fee and portfolio transaction costs.

Performance figures are based on the Z Accumulation Share Class. Performance figures for all share classes can be found in the relevant Key Investor Information Document.

Past performance is not a guide to future returns.

Standardised rolling 12-month performance as at 31 December 2022

Fund	% growth				
	31.12.17 to 31.12.18	31.12.18 to 31.12.19	31.12.19 to 31.12.20	31.12.20 to 31.12.21	31.12.21 to 31.12.22
Invesco Global Targeted Income Fund (UK)*	-4.8	4.6	-2.7	-0.7	-2.6
Target Benchmark: 3.5% per annum above UK 3 month SONIA	4.2	4.3	3.8	3.6	5.4
Invesco Global Targeted Returns Fund (UK)*	-4.0	3.3	-1.5	-0.9	-1.1
Target Benchmark: 5% per annum above UK 3 month SONIA	5.8	5.9	5.3	5.1	7.0

1 Prior to 1 January 2022, the Target Benchmark for Invesco Global Targeted Income Fund (UK)* was 3.5% per annum above UK 3 month LIBOR. The Target Benchmark figures shown up to 31 December 2021 are therefore for the previous Target Benchmark

2 Prior to 1 January 2022, the Target Benchmark for Invesco Global Targeted Returns Fund (UK)* was 5% per annum above UK 3 month LIBOR. The Target Benchmark figures shown up to 31 December 2021 are therefore for the previous Target Benchmark.

**This Fund is no longer available and is in the process of being terminated.*

APPENDIX 5 - INVESTMENT OBJECTIVES, POLICIES AND OTHER DETAILS OF THE FUNDS

Investment of the assets of each Fund must comply with the COLL Sourcebook and its own investment objective and policy.

Details of the Funds are set out overleaf, including information on the investment objective and policy, available Share Classes, accounting reference dates, charges, minimum investment levels and distribution dates.

Investment Objective and Policy:

Where a Fund's details refer to investments in equity related securities, these include, for example, investments in shares, depository receipts, warrants, participation rights and other types of securities of companies. Equity exposure may also be achieved through convertible securities, index and participation notes, equity linked notes and real estate investment trusts.

Where a Fund's details refer to investments in debt securities, these include, for example, investments in bonds and other securities such as debentures, capital notes, contingent convertible bonds, convertible and any other obligations paying fixed or variable interest.

Derivatives use: Derivatives are a type of investment that derive their value from one or more underlying assets such as a security, an index or an interest rate.

As disclosed in each Fund's details, a Fund may use derivatives for investment purposes and/or for efficient portfolio management purposes. Where a Fund's details refer to using derivatives to take short positions, this refers to the use of derivatives where the expectation is that the value of the underlying asset will fall and, if this occurs, it will create a positive return for the Fund. Conversely, using derivatives to take long positions means using derivatives where the expectation is that the value of the underlying asset will rise and, if this occurs, it will create a positive return for the Fund.

A Fund may invest in derivatives on currencies, interest rates, financial indices, credit and equities.

For more information please refer to Appendix 1, sections 34 to 42.

Securities financing transactions: Where a Fund uses Securities Financing Transactions (which include repurchase agreements, reverse repurchase agreements, securities lending agreements, margin lending transactions and any other transactions within the scope of the Securities Financing Transactions Regulation), the expected proportion of the Fund's assets that is subject to such transactions will be disclosed in the Fund's details.

A detailed statement of the investment and borrowing restrictions applicable to the Company is contained in Appendix 1. A list of the eligible securities and derivatives markets on which the Funds may invest is contained in Appendix 2 and Appendix 3.

Tax and regulatory status: All Funds are UK UCITS Schemes. The Manager intends to manage them in such a way that they are ISA qualifying. All Funds are available in the Invesco stocks and shares ISA.

Invesco Global Targeted Income Fund (UK)*

INVESTMENT OBJECTIVE AND POLICY

The Fund aims to deliver a gross income of 3.5% per annum above UK 3 month SONIA (before the deduction of corporation tax), whilst aiming to preserve capital in all market conditions over a rolling 3 year period. The Fund aims to achieve this with less than half the volatility of global equities, over the same rolling 3 year period. There is no guarantee that the Fund will achieve these aims and an investor may not get back the amount invested, as capital is at risk.

The Fund seeks to achieve its objective by using a range of investment strategies and techniques to invest actively in a broad selection of asset classes across all economic sectors worldwide. These asset classes may include equities, equity related securities, debt securities (including those issued by corporate bodies, governments and/or supranational institutions), warrants, cash and money-market instruments. Exposure to these asset classes may be gained directly or indirectly through collective investment schemes (including exchange traded funds and funds managed by the Invesco group) and any other eligible instrument.

The Fund may gain exposure to commodities through swaps on eligible commodity indices and investing in transferable securities in the commodities sector, such as exchange traded commodities.

The Fund may at any time have substantial holdings in liquid assets such as cash, deposits and short-term debt securities.

Derivatives use: The Fund will make significant use of derivatives to obtain exposure to long and short positions.

The Fund uses derivatives, including but not limited to derivatives on currencies, interest rates, credit, commodity indices and equities, which may be either exchange traded or off exchange. Such derivatives usage can be for investment purposes to meet the Fund's investment objective and/or for efficient portfolio management purposes to reduce risk, reduce costs and/or generate additional capital or income.

Such derivatives have the potential to increase significantly the Fund's risk profile.

Total return swaps will be used by the Fund. The expected proportion of total assets subject to total return swaps is 50%. Such level might be exceeded or might be subject to change in the future.

Securities lending: This Fund may engage in securities lending. The expected proportion of total assets that may be subject to securities lending arrangements is 20%. Such level might be exceeded or might be subject to changes in the future.

STRATEGY

- A multi-asset fund that seeks to combine a wide range of investment ideas in a diversified portfolio.
- The fund manager uses different investment strategies and techniques to invest actively in a broad selection of asset classes across all economic sectors worldwide.

INTEGRATION OF SUSTAINABILITY RISKS

The Manager integrates Sustainability Risks into investment decisions as outlined under 'Integration of Sustainability Risks' in section 16. Further details can be found in section 17.

BENCHMARKS

- **Comparator Benchmark:** The Fund aims to preserve capital (a positive total return) in all market conditions over a rolling 3 year period. The Fund's performance can be compared against the Comparator Benchmark as a means to assess if the Fund's aim has been achieved.
- **Target Benchmark:** The Fund targets a gross income of 3.5% per annum above 3 month SONIA (ICE 3 month Term Sterling Overnight Interest Average Reference Rate) (before deduction of corporation tax) over a rolling 3 year period. The Fund's performance can be measured against the Target Benchmark as a means to assess if the Fund's target has been achieved. There should not be an expectation that this target will be exceeded.
- **Constraining Benchmark:** The Fund aims for less than half the volatility of global equities (as measured by MSCI World GBP Hedged Index, Net Total Return) over a rolling 3 year period.

* As at the date hereof the index is provided by ICE Benchmark Administration Limited, an administrator (as defined in the Benchmark Regulation) which is authorised by the UK's Financial Conduct Authority and included on the register maintained in accordance with Article 36 of the Benchmark Regulation.

FUND RISKS

In addition to the general risk factors that apply to all Funds, the following risk is also relevant to the Fund:

Taking the Fund Management Fee from Capital
Further details on the risk factors that apply to the Fund can be found in section 17 "Risk Factors".

PROFILE OF A TYPICAL INVESTOR

The Fund is intended for retail or professional investors aiming for income whilst preserving capital in all market conditions over a rolling 3 year period, who may not have specific financial expertise but are able to make an informed investment decision based on the Key Investor Information Document (KIID) and this Prospectus, have a risk appetite consistent with the risk indicator displayed in the KIID and understand that there is no capital guarantee or protection (100% of capital is at risk).

This Fund is not for investors who require capital protection or have no appetite for risk.

OTHER INFORMATION

Global Exposure The Fund uses the absolute Value-at-Risk (VaR) approach to measure its global exposure, as described in Appendix 9.

Expected level of leverage The level of leverage is expected to amount to 950% of the Net Asset Value of the Fund. Such level might be exceeded or might be subject to change in the future. Please refer to Appendix 9 for more details.

KEY FACTS	
FCA product reference number	766683
Fund Domicile	The reference to (UK) in the Fund's name only relates to the Fund's domicile and is unrelated to the Fund's investment objective and policy.
Launch Date	30 November 2016
Base Currency	GBP (£)
Valuation Point and Dealing Frequency	12.00 p.m. on each Dealing Day
Settlement Period of Subscription and Redemption Proceeds	Within 3 business days from the relevant Dealing Day
Annual Accounting Date	31 December
Interim Accounting Date	30 June
Annual Income Allocation Date	31 January
Interim Income Allocation Date	28 Feb, 31 Mar, 30 Apr, 31 May, 30 Jun, 31 Jul, 31 Aug, 30 Sept, 31 Oct, 30 Nov, 31 Dec
Distribution Frequency	Monthly
Distribution Type	The Fund normally pays a dividend distribution.
Gross Income Target	<p>The Fund aims to deliver a gross income of 3.5% per annum above UK 3 month SONIA (before the deduction of corporation tax). The Fund is currently liable to corporation tax at a rate of 20 per cent on net income, excluding dividends received from UK and most non-UK companies. The impact of corporation tax will mean that the income received by investors may be up to 20 per cent less than the actual income generated by the Fund.</p> <p>The annual income target is measured from 1 January to 31 December. The income target will be measured daily using the prevailing UK 3 month SONIA rate and is based on the daily net asset value of the Fund.</p>

SHARE CLASS CHARACTERISTICS

Share Classes Available	Accumulation Shares (NC) Income Shares (NC)	Z Accumulation Shares Z Income Shares	Y Accumulation Shares Y Income Shares
Investment Limits¹			
Minimum Initial Investment and Minimum Holding	£500	£500	£500
Minimum Subsequent Investment and Minimum Redemption	£100	£100	£100
Minimum Regular Savings Plan²	£20 per month		
Fees			
Fund Management Fee	1.02%	0.82%	0.82%

1 Additional entry criteria apply to these Share Classes. Please see section 08 for further details.

2 Only available for Accumulation Shares (NC).

**This Fund is no longer available and is in the process of being terminated.*

Invesco Global Targeted Returns Fund (UK)*

INVESTMENT OBJECTIVE AND POLICY

The Fund aims to achieve a positive total return in all market conditions over a rolling 3 year period. The Fund targets a gross return of 5% per annum above UK 3 month SONIA. The Fund aims to achieve this with less than half the volatility of global equities, over the same rolling 3 year period. There is no guarantee that the Fund will achieve a positive return or these targets and an investor may not get back the amount invested.

The Fund seeks to achieve its objective by using a range of investment strategies and techniques to invest actively in a broad selection of asset classes across all economic sectors worldwide. These asset classes will include equities, equity related securities, debt securities (including those issued by corporate bodies, governments and/or supranational institutions), warrants, collective investment schemes (including exchange traded funds and funds managed by the Invesco group), cash, money-market instruments and any other eligible instrument.

The Fund may gain exposure to commodities through swaps on eligible commodity indices and investing in transferable securities in the commodities sector, such as exchange traded commodities.

The Fund may at any time have substantial holdings in liquid assets such as cash, deposits and short-term debt securities.

Derivatives use: The Fund will make significant use of derivatives to obtain exposure to long and short positions.

The Fund uses derivatives, including but not limited to derivatives on currencies, interest rates, credit, commodity indices and equities which, may be either exchange traded or off exchange. Such derivatives usage can be for investment purposes to meet the Fund's investment objective and/or for efficient portfolio management purposes to reduce risk, reduce costs and/or generate additional capital or income.

Total return swaps will be used by the Fund. The expected proportion of total assets subject to total return swaps is 50%. Such level might be exceeded or might be subject to change in the future.

Securities lending: This Fund may engage in securities lending. The expected proportion of total assets that may be subject to securities lending arrangements is 20%. Such level might be exceeded or might be subject to changes in the future.

STRATEGY

- A multi-asset fund that seeks to combine a wide range of investment ideas in a diversified portfolio.
- The fund manager uses different investment strategies and techniques to invest actively in a broad selection of asset classes across all economic sectors worldwide.

INTEGRATION OF SUSTAINABILITY RISKS

The Manager integrates Sustainability Risks into investment decisions as outlined under 'Integration of Sustainability Risks' in section 16. Further details can be found in section 17.

BENCHMARKS

- **Comparator Benchmark:** The Fund aims to achieve a positive total return in all market conditions over a rolling 3 year period. The Fund's performance can be compared against the Comparator Benchmark as a means to assess if the Fund's aim has been achieved.
- **Target Benchmark:** The Fund targets a gross return of 5% per annum above 3 month SONIA (ICE Term Sterling Overnight Interest Average Reference Rate) over a rolling 3 year period. The Fund's performance can be measured against the Target Benchmark as a means to assess if the Fund's target has been achieved. There should not be an expectation that this target will be exceeded.
- **Constraining Benchmark:** The Fund aims for less than half the volatility of global equities (as measured by the MSCI World GBP Hedged Index, Net Total Return) over a rolling 3 year period.

* As at the date hereof the index is provided by ICE Benchmark Administration Limited, an administrator (as defined in the Benchmark Regulation) which is authorised by the UK's Financial Conduct Authority and included on the register maintained in accordance with Article 36 of the Benchmark Regulation.

FUND RISKS

The risk factors that apply to the Fund can be found in section 17 "Risk Factors".

PROFILE OF A TYPICAL INVESTOR

The Fund is intended for retail or professional investors aiming for a positive total return in all market conditions over a rolling 3 year period, who may not have specific financial expertise but are able to make an informed investment decision based on the Key Investor Information Document (KIID) and this Prospectus, have a risk appetite consistent with the risk indicator displayed in the KIID and understand that there is no capital guarantee or protection (100% of capital is at risk).

This Fund is not for investors who require capital protection or have no appetite for risk.

OTHER INFORMATION

Global Exposure The Fund uses the absolute Value-at-Risk (VaR) approach to measure its global exposure, as described in Appendix 9.

Expected level of leverage The level of leverage is expected to amount to 900% of the Net Asset Value of the Fund. Such level might be exceeded or might be subject to change in the future. Please refer to Appendix 9 for more details.

KEY FACTS	
FCA product reference number	640635
Fund Domicile	The reference to (UK) in the Fund's name only relates to the Fund's domicile and is unrelated to the Fund's investment objective and policy.
Launch Date	9 September 2013
Base Currency	GBP (£)
Valuation Point and Dealing Frequency	12.00 p.m. on each Dealing Day
Settlement Period of Subscription and Redemption Proceeds	Within 3 business days from the relevant Dealing Day
Annual Accounting Date	31 December
Interim Accounting Date	30 June
Annual Income Allocation Date	28 February
Interim Income Allocation Date	-
Distribution Frequency	Annual
Distribution Type	The Fund normally pays a dividend distribution.

SHARE CLASS CHARACTERISTICS				
Share Classes Available	Accumulation Shares	Accumulation Shares (NC)	Z Accumulation Shares	Y Accumulation Shares
Investment Limits¹				
Minimum Initial Investment and Minimum Holding	£500	£500	£500	£500
Minimum Subsequent Investment and Minimum Redemption	£100	£100	£100	£100
Minimum Regular Savings Plan²	£20 per month	£20 per month		
Fees				
Fund Management Fee³	1.52%	1.02%	0.82%	0.82%

¹ Additional entry criteria apply to Accumulation Shares (NC) and Y and Z Accumulation Shares. Please see section 08 for further details.

² Only available for Accumulation Shares and Accumulation Shares (NC).

**This Fund is no longer available and is in the process of being terminated.*

APPENDIX 6 - DILUTION ADJUSTMENT

Description	Bid %	Offer %	No of adjustments year to 31-Dec-21
Invesco Global Targeted Income Fund (UK)*	(0.39%)	0.40%	253
Invesco Global Targeted Returns Fund (UK)*	(0.34%)	0.36%	253

Description	Bid %	Offer %	No of adjustments year to 31-Dec-22
Invesco Global Targeted Income Fund (UK)*	(0.27%)	0.27%	250
Invesco Global Targeted Returns Fund (UK)*	(0.29%)	0.31%	250

** This Fund is no longer available and is in the process of being terminated.*

APPENDIX 7 - DIRECTORY

Head Office

Perpetual Park
Perpetual Park Drive
Henley on Thames
Oxfordshire
RG9 1HH
United Kingdom

Manager (Authorised Corporate Director)

Invesco Fund Managers Limited
Perpetual Park
Perpetual Park Drive
Henley on Thames
Oxfordshire
RG9 1HH
United Kingdom

Administration Centre

Invesco Administration Centre
PO Box 586
Darlington
DL1 9BE
United Kingdom

Contact Centre

For further details, either write to us at the Administration Centre address, visit our website at www.invesco.co.uk or telephone 0800 085 8677.

Depository

Citibank UK Limited
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB
United Kingdom

Investment Adviser

Invesco Asset Management Limited
Perpetual Park
Perpetual Park Drive
Henley on Thames
Oxfordshire
RG9 1HH
United Kingdom

Registrar

Invesco Fund Managers Limited
Perpetual Park
Perpetual Park Drive
Henley on Thames
Oxfordshire RG9 1HH
United Kingdom

Auditor

PricewaterhouseCoopers LLP
Atria One 144 Morrison Street
Edinburgh EH3 8EX
United Kingdom

APPENDIX 8 - LIST OF DEPOSITARY'S DELEGATES AND SUB-DELEGATES

The Company's Depositary is Citibank UK Limited.

As at the date of this Prospectus and as further detailed in section 04 "The Depositary", the Depositary has entered into written agreements delegating the performance of its safekeeping functions to The Bank of New York Mellon.

As at the date of this Prospectus, The Bank of New York Mellon has appointed the sub-custodians as set out in below:

Market	Sub-custodian
Argentina	Citibank N.A., Argentina Branch
Australia	The Hongkong and Shanghai Banking Corporation Limited Australia Branch
Austria	UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited
Belgium	Citibank Europe plc.
Bermuda	HSBC Bank Bermuda Limited
Botswana	Stanbic Bank Botswana Limited
Brazil	Citibank N.A., Brazil
Bulgaria	Citibank Europe plc Bulgaria Branch
Canada	CIBC Mellon Trust Company ("CIBC Mellon")
Cayman Islands	The Bank of New York Mellon
Channel Islands	The Bank of New York Mellon
Chile	Banco de Chile
China	HSBC Bank (China) Company Limited
Clearstream ICSD	Clearstream Banking S.A.
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco Nacional de Costa Rica
Croatia	Privredna banka Zagreb d.d.
Cyprus	BNP Paribas Securities Services S.C.A., Athens
Czech Republic	Citibank Europe plc, organizacni slozka
Denmark	Skandinaviska Enskilda Banken AB (Publ)
Egypt	HSBC Bank Egypt S.A.E.
Estonia	SEB Pank AS
Euroclear	Euroclear Bank
Finland	Skandinaviska Enskilda Banken AB (Publ)
France	BNP Paribas Securities Services S.C.A.
Germany	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Ghana	Stanbic Bank Ghana Limited
Greece	BNP Paribas Securities Services S.C.A., Athens
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited
Hungary	Citibank Europe plc. Hungarian Branch Office
Iceland	Landsbankinn hf.
India	Deutsche Bank AG
Indonesia	Deutsche Bank AG

Market	Sub-custodian
Ireland	The Bank of New York Mellon
Israel	Bank Hapoalim B.M.
Italy	Bank of New York Mellon SA/NV -Monte Titoli
Japan	Mizuho Corporate Bank Ltd, Tokyo
Jordan	Standard Chartered Bank
Kazakhstan	Citibank Kazakhstan Joint-Stock Company
Kenya	CfC Stanbic Bank Kenya Limited
Korea (South)	Deutsche Bank AG, Seoul Branch
Kuwait	HSBC Bank Middle East Limited, Kuwait
Latvia	AS SEB banka
Lebanon	HSBC Bank Middle East Limited – Beirut Branch
Lithuania	AB SEB bankas
Luxembourg	Euroclear Bank
Malawi	Standard Bank Limited
Malaysia	Deutsche Bank (Malaysia) Berhad
Malta	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Citibanamex, Mexico City
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia Limited
Netherlands	The Bank of New York Mellon SA/NV
New Zealand	National Australia Bank Limited
Nigeria	Stanbic IBTC Bank Plc.
Norway	Skandinaviska Enskilda Banken AB (Publ)
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Deutsche Bank AG
Panama	Citibank N.A., Panama Branch
Peru	Citibank del Peru S.A.
Philippines	Deutsche Bank AG
Poland	Bank Polska Kasa Opieki S.A.
Portugal	Citibank Europe plc Sucursal em Portugal
Qatar	HSBC Bank Middle East Limited, Doha
Romania	Citibank Europe plc, Romania Branch
Russia	PJSC ROSBANK
Saudi Arabia	HSBC Saudi Arabia Limited
Serbia	UniCredit Bank Serbia JSC
Singapore	United Overseas Bank, Singapore
Slovak Republic	Citibank Europe plc, pobočka zahraničnej banky
Slovenia	UniCredit Banka Slovenia d.d.
South Africa	The Standard Bank of South Africa Limited
Spain	Santander Securities Services S.A

Market	Sub-custodian
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Sweden	Skandinaviska Enskilda Banken AB (Publ)
Swaziland	Standard Bank Swaziland Limited
Switzerland	Credit Suisse (Switzerland) Ltd
Taiwan	HSBC Bank (Taiwan) Limited
Tanzania	Stanbic Bank Tanzania Limited
Thailand	The Hongkong and Shanghai Banking Corporation Limited
Tunisia	Banque Internationale Arabe de Tunisie
Turkey	Deutsche Bank A.S.
Uganda	Stanbic Bank Uganda Limited
United Arab Emirates ADX & DFM	HSBC Bank Middle East Limited, Dubai
United Arab Emirates NASDAQ Dubai	HSBC Bank Middle East Limited, Dubai
United Kingdom	The Bank of New York, London
United States*	The Bank of New York Mellon,
Uruguay	Banco Itaú Uruguay S.A.
Venezuela	Citibank N.A., Sucursal Venezuela
Vietnam	HSBC Bank (Vietnam) Ltd
Zambia	Stanbic Bank Zambia Limited
Zimbabwe	Stanbic Bank Zimbabwe Limited

APPENDIX 9 - CALCULATION OF GLOBAL EXPOSURE

1. Daily calculation of global exposure

- 1.1. The Manager must calculate the global exposure of a Fund on at least a daily basis.
- 1.2. For the purposes of this section, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

2. Methods for the calculation of global exposure

- 2.1. The Manager must calculate the global exposure of any Fund it manages either as:
 - (a) the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in section 34 (Derivatives: general) of Appendix 1), by way of the “commitment approach”; or
 - (b) the market risk of the Scheme Property of a Fund, by way of the value at risk approach (the “VaR approach”).
- 2.2. The Manager must ensure that the method selected above is appropriate, taking into account:
 - (a) the investment strategy pursued by the Fund;
 - (b) the types and complexities of the derivatives and forward transactions used; and
 - (c) the proportion of the Scheme Property comprising derivatives and forward transactions.
- 2.3. Where a Fund employs techniques and instruments including repurchase contracts or securities lending transactions in accordance with section 24 (Securities Financing Transactions) of Appendix 1 in order to generate additional leverage or exposure to market risk, the Manager must take those transactions into consideration when calculating global exposure.
- 2.4. The Manager will, as a default, use the advanced risk measurement methodology of the VaR approach for each Fund unless otherwise provided in Appendix 5 in relation to a specific Fund.

3. VaR approach

- 3.1. In summary, the VaR approach is a statistical model which intends to measure the maximum potential loss that a Fund could suffer at a given confidence level (probability) over a specific time period and under normal market conditions. In calculating the VaR, the Manager uses historical data in relation to the assets in the portfolio of the Fund.
- 3.2. For example, if the VaR of a Fund equals 1.5% (using a time period of one day and a 99% confidence level), this means that, under normal market conditions, the Fund can be 99% confident that a change in the value of its portfolio would not result in a decrease of more than 1.5% in one day. This is equivalent to saying that there is a 1% probability that the value of its portfolio could decrease by 1.5% or more during one day, but the level of this decrease is not specified (and could potentially be much higher).
- 3.3. Each Fund using the VaR approach can use either the “absolute VaR approach” or the “relative VaR approach” (as described in more detail below). For both approaches, the VaR is calculated taking into account all positions of the Fund’s portfolio. For each approach, specific VaR limits must be set and applied by the Manager.

4. Relative VaR approach

- 4.1. The relative VaR approach is appropriate for Funds for which a reference portfolio reflecting the Fund’s investment strategy is defined. There are rules in relation to what can be used as a reference portfolio. In particular, please note that the reference portfolio used for calculating the relative VaR of a Fund may be different to the benchmark set out as being the benchmark used for assessing the performance of the Fund.
- 4.2. Under the relative VaR approach, the VaR limit for a Fund is set as a multiple of the VaR of the Fund’s reference portfolio.
- 4.3. The 20-day VaR of the Fund based on a 99% confidence interval must not exceed twice the VaR of the Fund’s reference portfolio. The Manager monitors this limit by ensuring that the VaR of the Fund divided by twice the VaR of the reference portfolio is not greater than 100%.

5. Absolute VaR approach

- 5.1. The Absolute VaR approach is used for Funds which do not define their investment target in relation to a reference portfolio (such as Funds with an absolute return target or Funds that invests dynamically in several asset classes), or for Funds where a reference portfolio is not appropriate to calculate the relevant Fund’s risk exposure.

- 5.2. Under the Absolute VaR approach, the VaR limit is set as a percentage of the Net Asset Value of the relevant Fund.
- 5.3. The absolute 20-day VaR based on a 99% confidence interval must not exceed 20% of the Fund's Net Asset Value.
- 6. Expected level of leverage**
 - 6.1. As an additional safeguard from a risk management perspective, where the VaR approach is used to calculate a Fund's global exposure, it is supplemented by the ongoing monitoring of the Fund's level of leverage.
 - 6.2. The expected level of leverage for each Fund, calculated as a percentage of the Net Asset Value of the Fund, is set out in Appendix 5 for all Funds using the VaR approach (either absolute or relative), as prescribed by the relevant rules. Such level might be exceeded or might be subject to change in the future.
 - 6.3. This ratio merely reflects the usage of all derivatives and forward transactions within the portfolio of the relevant Fund and is calculated using the sum of notionals of all derivatives (including forward transactions). In the case of options the notional value of any positions is adjusted by the option delta (where the option delta measures the degree to which an option is exposed to movements in the price of the underlying asset). The sum of notionals does not take account of netting and hedging arrangements within the Fund's portfolio, or of other assets held within the Fund's portfolio. For example, derivative instruments used to reduce risk within the Fund's portfolio will also form part of the calculation and no distinction is made between derivatives or forward transactions used for investment purposes and derivatives used for the purpose of risk reduction or efficient portfolio management. Therefore, the percentage obtained as being the expected level of leverage does not necessarily indicate any increased level of risk within the relevant Fund and consequently, Funds showing a high expected level of leverage are not necessarily riskier than Funds showing a lower expected level of leverage and the other way round. In any event, the use of derivative instruments will remain consistent with each Fund's investment objective and risk profile and each Fund will always comply with its VaR limit.
 - 6.4. For the avoidance of doubt, the expected level of leverage disclosed for a Fund is an indicative level only, and is not a regulatory limit. The Fund's actual level of leverage might be lower or higher and in certain situations might significantly exceed the expected level.
 - 6.5. Investors will be informed of the actual level of leverage employed by a Fund in respect of the relevant past period in the Company's annual report.
- 7. Commitment approach**
 - 7.1. The commitment approach is a measurement of the market value of the equivalent positions in the underlying assets of derivatives and forward transactions in a Fund's portfolio (after netting and/or hedging, as explained below) rather than of the maximum potential loss as for the VaR approach.
 - 7.2. Where the Manager uses the commitment approach for the calculation of global exposure, it must:
 - (a) ensure that it applies this approach to all derivatives and forward transactions (including embedded derivatives as referred to in section 34 (Derivatives: general) of Appendix 1), whether used as part of the Fund's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management in accordance with section 47 (Efficient Portfolio Management Techniques) of Appendix 1; and
 - (b) convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward transaction (standard commitment approach).
 - 7.3. The Manager may apply other calculation methods which are equivalent to the standard commitment approach or are more conservative.
 - 7.4. For the commitment approach, the Manager may take account of netting and hedging arrangements when calculating global exposure of a Fund, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.
 - 7.5. Where the use of derivatives or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation.
 - 7.6. Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Fund need not form part of the global exposure calculation.
 - 7.7. Under the commitment approach, the exposure of the Fund to derivatives and forward transactions must not exceed 100% of the Fund's Net Asset Value.