



Remuneration Summary

October 2017

Invesco Management SA



Introduction

This disclosure is designed to provide information on Invesco Management SA's ("IMSA" or "The Company") remuneration policy ("the Policy") and practices.

IMSA is a UCITS Management Company authorized under Chapter 15 of the amended Law of 17 December 2010, and an Alternative Investment Fund Manager ("AIFM") under Chapter 2 of the amended Law of 12 July 2013.

IMSA has established and applies a remuneration policy ("The Policy") in accordance with the principles laid out under the AIFM and the UCITS V Directives, ESMA guidelines on sound remuneration policies and any related legal and regulatory provisions applicable in Luxembourg.

The Policy has been issued based on IMSA's assessment on the application of the proportionality principle as set out in the ESMA guidelines 2016/411 (section 7) with respect to the Company as a whole and for each category of staff, including the identified staff.

The Company will regularly review and at least, annually, the application of the proportionality principle..

IMSA Board of Directors of IMSA (the "Board") is responsible for approving and maintaining the Policy, and overseeing its implementation. The Board will approve any subsequent material exemptions or changes to the Policy and carefully consider and monitor their effects, and will review the Policy at least annually.

Remuneration Policy and Practices

1. General

Invesco Ltd endeavours to reward employees appropriately for their contribution towards the success of the business and the level of service and performance delivered to its clients. While the general provisions of this policy apply to all employees, some elements of the policy are applicable only to "Identified Staff" as defined later in this document.

The remuneration policy is designed to be consistent with and promote sound and effective risk management and should not encourage excessive risk-taking that exceeds Invesco's risk tolerance. It is designed to be in line with Invesco's strategy, its risk profile and risk management practices, our values and the long-term interests of Invesco and its clients.

The policy has been designed to avoid conflicts of interest and is subject to independent internal review by the Compliance and Business Risk functions.

In order to achieve this, the remuneration of staff is reviewed annually, taking into account individual performance and market practice for the role being undertaken. In addition, bonus arrangements are reviewed periodically in order to ensure their effectiveness. Bonus calculations and targets are also reviewed annually to ensure that they are appropriate, fair and consistent across Invesco Ltd.

2. Remuneration Identified Staff

The Policy covers also the remuneration of Identified Staff, i.e. those categories of staff, including senior and executive management risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk

profiles of IMSA or, in its function as AIFM, of the AIFs it manages and/or, in its function as Management Company, of UCITS under management.

In accordance with the European Securities and Market Authorities guidelines, the following definitions are applied to capture the Identified Staff of our regulated Management Companies.

- Senior management which includes:
 - o The Board of Directors of the AIFM and/or the UCITS Management Company, and
 - o Staff with managerial or supervisory responsibility who report to a member of the board of directors of such Management Company, and
 - o Staff responsible for heading the Portfolio Management, Administration, Marketing, and HR functions for such Management Companies.
- Risk takers

In relation to the AIFM and/or UCITS management company and its delegates, risk takers include the following:

- o Fund managers;
 - o Heads of Sales;
 - o Heads of Distribution for the management company's funds;
 - o Individuals who are capable of entering into contracts/ positions and taking decisions that materially affect the risk positions of such management company or its managed funds; and
 - o Staff whose activities could potentially have a significant impact on such management company's results, balance sheet or the performance of its managed funds.
- Control functions include:
 - o Staff responsible for Risk;
 - o Compliance; and
 - o Internal Audit for the AIFM and/or UCITS Management Companies.

3. Remuneration Governance Framework

The overriding Group remuneration philosophy of Invesco is set by the Compensation Committee of the Board of Directors of Invesco ("the Committee"). This Committee is comprised of at least three members of the Board, each of whom is "independent" of Invesco under the rules of the New York Stock Exchange and the Securities and Exchange Commission. These members are appointed and removed by the Board.

The Committee is required to meet at least four times annually and has the authority to retain independent advisors, at Invesco's expense, whenever it deems appropriate to fulfil its duties, including any compensation consulting firm.

The Committee's responsibilities include, among other items:

- ✓ reviewing and making recommendations to the Board concerning Invesco's overall compensation philosophy
- ✓ approving Invesco's compensation-related matters requiring the Committee's approval, including EU remuneration matters
- ✓ overseeing Invesco's equity-based and other incentive compensation programmes
- ✓ approving Invesco's annual compensation pools

The Committee is responsible for the policy, as well as the remuneration of Identified Staff. The remuneration policy is reviewed annually by Compliance, Human Resources and Risk Management functions who recommend any adjustments to ensure continued alignment of the policy with sound risk management and the regulations. The Board of Directors of entities within the Invesco Group are also responsible for the oversight of remuneration and for ensuring adherence to this policy through the Human Resources function. The Internal Audit function conducts regular testing of administration of the remuneration policy to assess its ongoing compliance with the Invesco Group's remuneration policies and procedures.

4. Link between Pay and Performance

Throughout the year, the board examines our progress against our multi-year strategic imperatives and annual operating plan. The committee annually establishes and approves an overall Invesco-wide incentive pool within well-established guidelines. The allocation of the pool to employees is aligned with the strategy, objective, values and long-term interests of the Invesco Group.

The Committee makes holistic, rigorous and proper decisions for overall pool funding in the context of Invesco's multi-year performance. The Committee is focused on the totality of organizational success without tying decisions to a specific formula. The measurements of performance used to determine incentive pools include an adjustment mechanism to integrate all relevant types of current and future risks.

Allocations for each business area may be adjusted by Invesco's CEO based on an assessment of financial and strategic achievements of each business area. Business area cash and equity deferral pool allocations are then awarded to each business area employee by the area's management.

Performance at an individual level is measured through a company-wide, online performance management process. Invesco's performance management process ensures that all employees have their performance consistently assessed regardless of their location or function and consists of 3 key elements:

- ✓ an assessment of individual or team-based objectives which have been agreed between the manager and employee;
- ✓ an assessment against a single, global set of competencies which are based on Invesco's business principles. The Invesco competency framework builds on these business principles by highlighting key behaviours that contribute to their achievement. In addition, the framework includes leadership competencies to help gauge the performance of our people managers; and
- ✓ an employee self-evaluation is completed prior to the manager evaluation of the employee.

Individual performance, as measured through the performance management process, is used to differentially reward high performers in support of our remuneration philosophy.

5. Salary/Bonus Review Process

Salary increase decisions take into account market position, performance, and internal equity. Salary increases are targeted where market positioning does not already align with performance.

Bonus decisions support a meritocracy, providing the most significant rewards to the highest contributors. Individual cash bonuses are based on a variety of factors including internal performance comparisons, external market comparisons, and formulaic portions of incentive plans (for specific groups of employees).

All employees may be considered for long-term equity grants, however, managers use equity pools to retain key talent, to reward those who make the strongest contributions in a given year, and who have high potential to impact business results in the future. Equity grants reward for longer-term performance, and therefore, vest over a multi-year period.

For the Identified Staff whose total variable remuneration falls above 100,000€, 50% of all variable remuneration is paid in the form of non-cash instruments (unless the management of the funds accounts for less than 50% of the total portfolio managed by the relevant management company) and subject to a 6 months retention period.

40% (or 60% for high earners whose total remuneration falls above the internal Invesco threshold of 500,000£ or the local currency equivalent) of all variable remuneration is deferred for four years and vests on a pro rata basis.

Variable remuneration, including the deferred portion, is paid or vests only if it is sustainable according to the financial situation of the management company as a whole, and justified according to the performance of the business unit, the managed funds and the individual concerned.

The total variable remuneration is reviewed against the firm's financial performance and the individual's conduct. Invesco may, in light of fraud, wilful misconduct or significant negative financial performance, adjust total variable remuneration, taking into account both current compensation and reductions in pay-outs of amounts previously earned, through malus or clawback arrangements, respectively.

In addition, payments related to the early termination of a contract reflect performance achieved over time and are designed in a way that does not reward failure.

6. External Disclosures

As required by the UCITS and the AIFMD regulations, an extract of the Policy is made available on the website of the Management Company.

Appropriate UCITS and AIFMD regulatory required disclosures are included in the respective Annual reports of the funds under management and IMSA.