



Invesco expands its world-class global fixed-income capabilities in Canada

November 7, 2016 – Invesco Fixed Income¹ (IFI) is bringing its full set of resources, expertise and capabilities to bear on the Canadian marketplace, with 165 investment professionals managing US\$269.8 billion in assets worldwide.² Invesco Floating Rate Income Fund will be sub-advised by New York-based Invesco Senior Secured Management (ISSM), a unit of IFI, going forward. All other fixed-income strategies distributed through Invesco Canada are also expected to benefit from the full integration with IFI’s platform, which will provide:

Deeper credit platform	IFI’s combined public credit research team of 57 professionals covers more than 3,500 issuers across the short-term, investment-grade, high-yield, municipal and emerging markets globally.
Dedicated macro research team	Team of 25 macro research professionals that integrates quantitative models with qualitative analysis to determine macro positioning ideas on rates and currency.
Integrated strategy and risk positioning	Investment Strategy Team (IST) of IFI’s senior management leads the integration of macro and credit views into asset allocation and risk positioning recommendations.
Risk-focused portfolio management	IFI portfolio managers work with research and trading professionals to identify the most relevant ideas from the broad opportunity set of research and IST output to meet their client risk and return objectives. They combine investment ideas in a highly risk-aware portfolio-construction process, using portfolio management and trading systems that allow detailed visibility on risk exposures.

IFI is known as one of the world’s leading fixed-income managers, with a comprehensive range of single- and multi-sector capabilities that include:

Single sector	Multi-sector
<ul style="list-style-type: none"> ▪ Investment grade ▪ High yield ▪ Bank loans ▪ Emerging-markets debt ▪ Convertibles ▪ Mortgages ▪ Municipals ▪ Cash 	<ul style="list-style-type: none"> ▪ Absolute return ▪ Unconstrained bond ▪ Core suite ▪ Global bond suite ▪ Multi-sector credit ▪ Stable value ▪ Strategic income ▪ Strategic real return

The increasingly complex and interconnected nature of global markets creates a wealth of opportunities, but it takes a unique perspective and specialized expertise to understand these opportunities and access them for the benefit of clients.

IFI uses a structured and disciplined process that integrates macro and credit research with the following key components:

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- Fundamentals-based macro and credit research generates investable views, themes and input for strategy. These are vetted by the IST, which is comprised of IFI's most senior investment professionals
- An integrated strategy based on macro and credit inputs determines views on market direction, risk positioning and asset allocation
- Portfolio managers use IFI's platform views (the tool kit) in the construction and management of client portfolios
- Risk management is integrated throughout IFI's process

As at June 30, 2016, IFI has delivered exceptional performance results³, with:

- 90% of actively managed assets in the top half of their peer group over 1 year
- 90% of actively managed assets in the top half of their peer group over 3 years
- 96% of actively managed assets in the top half of their peer group over 5 years

Each lead portfolio manager is focused on, and accountable for, portfolio construction and investment results, while leveraging the full breadth and depth of IFI's research and strategy capabilities.

Michael Hyman continues to serve as lead portfolio manager for the fixed-income portion of Invesco Global Bond Fund. He will also serve as lead portfolio manager for Invesco Emerging Markets Debt Fund.

Avi Hooper continues to serve as lead portfolio manager for the fixed-income portion of Invesco Canadian Balanced Fund.

Jennifer Hartviksen will continue to serve as lead portfolio manager on many of Invesco Canada's fixed-income strategies, including:

Fixed-income funds	Balanced funds
<ul style="list-style-type: none"> ▪ Invesco Short-Term Bond Fund ▪ Invesco Canadian Bond Fund/Class ▪ Invesco Global High Yield Bond Fund ▪ Invesco Advantage Bond Fund 	<ul style="list-style-type: none"> ▪ Trimark Income Growth Fund ▪ Trimark Select Balanced Fund ▪ Trimark Diversified Yield Class ▪ Trimark Global Balanced Fund/Class ▪ Trimark Global Diversified Income Fund

Additionally, Invesco Floating Rate Income Fund will be sub-advised by Invesco Senior Secured Management, a unit of IFI and one of the largest institutional managers of senior secured loans with US\$33.6 billion under management. The team developed one of the first institutional senior secured loan (SSL) platforms in the U.S. and ultimately helped foster the maturation of the syndicated senior loan market. The Fund will benefit from the 27 years of experience that ISSM has been managing bank loans.

The management transition of Invesco Floating Rate Income Fund to ISSM will take place on November 21, 2016. The timing will ensure operational and administrative processes are in place for the transition of portfolio-management responsibilities.

As a result of this integration and full leveraging of IFI's global platform, Isam Walji and Albert Ngo are leaving Invesco Canada. We thank them for their contributions and wish them well in their future endeavours.

Q&A:

Q1. Why is the IFI team expanding its capabilities to the Canadian marketplace?

- A.** Extending IFI's reach into the Canadian marketplace is an important step in the development of our global business. The increasingly complex and interconnected nature of global markets creates a wealth of opportunities, but it takes a unique perspective and specialized expertise to understand these opportunities and access them for the benefit of clients. We believe we have the organizational strength, global platform, well-resourced research processes and breadth of capabilities to deliver investment excellence to Canadian investors and to become a prominent player in the Canadian fixed-income market.

Q2. Should clients expect any changes to the fixed-income portfolios in Canada?

- A.** In the immediate term, with the exception of Invesco Floating Rate Income Fund, we do not anticipate any major changes to the Canadian portfolios. We firmly believe that the portfolio managers managing the Canadian products will be strengthened by all the resources and intellectual capital IFI offers and that full implementation of IFI in Canada will strengthen all other portfolios. Over time, we expect that the holdings of Invesco Floating Rate Income Fund will change following the management transition. Due to the nature of this asset class, we expect changes to the portfolio to be made gradually over time.

Q3. Are there any changes to the equity component of any of the balanced funds?

- A.** No. There are no changes to the equity component of these funds.

Q4. Will we be seeking a replacement for Mr. Walji and Mr. Ngo?

- A.** No. With over 160 investment professionals located in Atlanta, Chicago, Hong Kong, London, Louisville, New York, Toronto, Palm Harbor, Portland and San Diego, their sector coverage will be filled by other resources of the global team. Neither Mr. Walji nor Mr. Ngo was a lead manager on portfolios and the impact of their departures is minimized due to the global platform being integrated.

Q5. Please explain IFI's global credit platform and how it will be leveraged.

- A.** IFI's combined public credit research team of 57 professionals covers more than 3,500 issuers across the short-term, investment-grade, high-yield, municipal and emerging markets globally. The coverage model for Canadian issuers is illustrated below.

	Mike Breuer	Jennifer Brown	Jim Colquitt	Paul English	Andy Geryol	Ray Janssen	Mike Kelley	Bixby Stewart	Jay Sammons	Rahim Shad	Lucas Simmons	Andy Stone	Duncan Vise	Peter Wietrak
Investment grade	✓			✓		✓		✓	✓		✓	✓		✓
Sub-investment grade			✓		✓	✓	✓			✓			✓	✓
Consumer	✓					✓							✓	
Financials				✓							✓			
Industrials							✓		✓	✓		✓		✓
Health care	✓	✓			✓		✓							
Technology, media and telecommunications			✓	✓					✓	✓		✓		
Commodities								✓		✓				✓
Real estate						✓								

As lead portfolio manager on many of our Canadian fixed-income strategies, Jennifer Hartviksen, along with her team, will leverage the fundamentally driven Canadian credit research generated by these 14 professionals. In addition, depending on the product, Ms. Hartviksen and her team will also have access to all other credit research focused on U.S. or global issuers. The overall strategy of this deep credit platform is to generate investable views, themes and input for portfolio investment decisions.

Q6. Please explain IFI’s macro research team.

- A. IFI’s Global Macro team of 25 professionals is structured to generate actionable recommendations for duration, yield-curve and currency positioning across major countries and regions of the world. The framework also provides the basis for assessing credit and economic cycles across countries and regions. The team’s conclusions establish the macroeconomic backdrop for credit research, asset allocation and overall risk positioning.

Brian Schneider, Head of North American Rates Portfolio Management, Senior Portfolio Manager, IFI, is responsible for analyzing and implementing investment actions in U.S. and Canadian government securities and derivatives sectors across the IFI product line. He works with portfolio managers to decide how to most efficiently implement related investment ideas and hedges in a wide variety of government-specific and more broadly diversified portfolios.

Raymund Uy is Head of Macro Research and Global Multi-Sector Portfolio Management for IFI. He is responsible for driving the direction of research as it pertains to global interest-rate and currency positioning and serves as the ultimate check and balance for recommendations to the global platform. Under Mr. Uy’s guidance, the Global Macro team is also responsible for establishing the macroeconomic backdrop for credit research, asset allocation and overall risk

positioning as the macro research framework also provides the basis for assessing credit and economic cycles across countries and regions.

All portfolio managers responsible for Canadian fixed-income portfolios will leverage the research generated by the Global Macro team in formulating their investment decisions and portfolio construction.

Q7. Please explain how the Investment Strategy Team (IST) assists the portfolio management team?

- A.** The IST includes many of IFI's most senior investment professionals, including those who lead research and portfolio management teams. The average industry experience of the IST members is 27 years. The team's structured process thoroughly vets the macro and credit views via a continuous feedback loop and combines them into asset-allocation ratings and recommended risk positioning across rates, currency and credit sectors. The output is expressed as an optimized model portfolio. The IST has overall responsibility for oversight of the investment-research and recommendation process. The integration of the IST is a differentiating feature of the process that the investment team believes is critical for finding opportunities and seeking to achieve the best results for clients.

All fixed-income strategies distributed by Invesco Canada will leverage IFI's credit, macro and IST teams, with the exception of Invesco Floating Rate Income Fund, which will be managed by ISSM. ISSM's investment platform is distinct and segregated from the rest of IFI's platform.

Q8. What does ISSM bring to Canada?

- A.** ISSM includes 23 investment professionals responsible for credit research. ISSM analysts are focused on the global institutional loan market, which is comprised of roughly 2,000 issuers globally. Invesco maintains a deep, long-tenured analyst team aligned by industry, dedicated to being experts in each industry covered. Analysts generally follow between one and three industries, with an active portfolio of 25-35 issuers. The ISSM team brings four key benefits:

Depth and breadth of resources	<ul style="list-style-type: none"> ▪ US\$33.6 billion in bank loan assets under management ▪ One of the largest institutional and retail managers of bank loans ▪ Exclusive focus of 29 seasoned investment professionals (43 professionals in total) ▪ Investment Committee with average 25 years' experience ▪ Global platform with U.S. and European bank-loan expertise ▪ Ability to deliver customized solutions to achieve client objectives
Market presence and scale	<ul style="list-style-type: none"> ▪ Invesco has significant presence in all aspects of the bank-loan market – institutional, retail, ETF and collateralized loan obligations (CLOs) ▪ Invesco has been managing bank loans for 27 years <ul style="list-style-type: none"> – U.S. bank loans (1989) – European bank loans (2001) ▪ Scale enables Invesco to obtain preferred allocations on new issues ▪ Invesco is a top trading counterparty, allowing for better execution inside market averages
Proven credit process and proprietary tools	<ul style="list-style-type: none"> ▪ Disciplined, fundamental research focus designed to measure risk and identify relative value across the universe of issues ▪ Invesco's customized proprietary tool suite, including Rock Bottom Spread (RBS), support a quantitative analytical framework and predictive credit research in bank loans ▪ Qualitative credit process is enhanced by proprietary quantitative tools using our internal risk ratings ▪ Credit analysts with deep and specific expertise in bank loans
Private side investor	<ul style="list-style-type: none"> ▪ Access to management and internal financial information and projections, aiding investment decisions through full credit cycle ▪ Frequently offered an early look at new loan transactions as the arrangers seek feedback on pricing and terms ▪ Afforded one-on-one discussions with management teams

Data in the table above is as at September 30, 2016.

Q9. What changes are anticipated with Invesco Floating Rate Income Fund?

- A. The Fund's investment process will change under the new team. Under the previous investment process, the Fund held approximately 50 issues, with coverage spread across three portfolio managers. Due to the depth and breadth of coverage within ISSM, portfolios managed by this team typically hold far more issues providing investors with greater diversification while not detracting from the depth of analyst coverage.

Q10. Please explain how risk oversight has been enhanced as a result of the integration into IFI?

- A. IFI strategies and portfolios benefit from periodic comprehensive overviews with respect to performance attribution and risk oversight. No less than monthly, Robert Waldner, who chairs the IST and is Chief Strategist and Global Head of Multi-Sector Portfolio Management for IFI, leads attribution and risk management review meetings to thoroughly vet and understand the performance drivers within portfolios and the risks associated with them across the various fixed-income teams. These sessions are supported by an independent risk group within Invesco's Global Performance Measurement and Risk team, which in addition to these meetings works closely with the portfolio managers on a real-time basis to monitor and assess risks foreseen in the market as well as unforeseen scenarios. The Global Performance Measurement and Risk team consists of more than 90 professionals worldwide.

Over the past year, the Canadian portfolios have been integrated into these review processes. Previously, the portfolios were reviewed locally by product experts in Toronto. The performance and risk measurement capabilities for Invesco Canada's fixed-income products have been greatly enhanced by this integration.

Q11. How is this change being communicated to clients?

- A. The following communications will take place:
- An advisor communication will be issued on November 7, 2016
 - Updated portfolio management team information reflected on Invesco Canada's advisor and public websites (invesco.ca)
 - Updated portfolio management team information communicated to third-party fund information sites
 - Marketing materials will be updated to reflect this announcement

¹ Invesco Fixed Income (IFI) is a unit comprising Invesco Senior Secured Management, Inc. of New York, U.S., Invesco Advisers, Inc. of Atlanta, U.S.; Invesco Asset Management Ltd. of London, U.K.; and Invesco Canada Ltd. of Toronto, Canada.

² Assets under management represents 32.9% of total IVZ assets, as at September 30, 2016.

³ Aggregate performance analysis – asset weighted. Data as at September 30, 2016. Rankings exclude passive products, closed-end funds, fund of funds with component funds managed by Invesco, stable value building block funds and CDOs. Certain funds and products were excluded from the analysis because of limited benchmark or peer group data. Had these been available, results may have been different. Peer group rankings are sourced from a widely used third-party ranking agency in each fund's market (Lipper, Morningstar, Mercer, eVestment Alliance) and asset-weighted in USD. Rankings are as at prior quarter-end for most institutional products. Performance assumes the reinvestment of dividends. Past performance is not indicative of future results and may not reflect an investor's experience. Any reference to a rating or ranking is not a guarantee of investment performance and is not constant over time.

Any statement that necessarily depends on future events may be a forward-looking statement. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Although such statements are based on assumptions that are believed to be reasonable, there can be no assurance that actual results will not differ materially from expectations. Investors are cautioned not to rely unduly on any forward-looking statements. In connection with any forward-looking statements, investors should carefully consider the areas of risk described in the most recent simplified prospectus.

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