
Valuation of securities

All securities held by Invesco Australia Limited (Invesco) on behalf of Invesco Funds must be valued on a regular basis and the basis of valuation disclosed to investors.

In respect of Invesco Pooled Funds, Invesco maintains complete and sole responsibility for the valuation of securities and the subsequent setting of unit prices. Valuations are in accordance with the rules set out in the constitutive documents for the fund and as disclosed in the Product Disclosure Statement or Information Memorandum for the fund.

Responsibility for valuation of securities

Invesco has outsourced the valuation of all securities to J.P. Morgan Chase Bank, N.A., Sydney Branch (JPM) and by adopting JPM's Pricing Policy. This policy sets out JPM's objectives, price sources, specific pricing methodology, validation policy and quality assurance approach and all security valuations should be done in accordance with this policy.

It should be made clear, however, that although Invesco has outsourced security valuation to JPM, it remains the overriding responsibility of Invesco to ensure that security valuation is managed in accordance with acceptable industry standards and practice. Invesco also has the ultimate responsibility for ensuring that security valuation and pricing policies agreed with JPM are implemented and adhered to at all times.

It is a requirement that JPM provide sign-off on a quarterly basis to the effect that security valuations are compliant with Invesco's and regulatory requirements. In addition, any departures from normal valuation policies and processes should be immediately reported to Invesco.

Security Pricing Committee

As part of its Security Pricing Policy, Invesco has established a Security Pricing Committee to assist in the resolution of any valuation/pricing issues that may arise during the course of business. The principal objective of this Committee is to consider and resolve issues relating to the pricing of securities in Invesco Funds and to respond to unforeseen circumstances that arise in the valuation of a security. A matter may come before the Security Pricing Committee either as a result of a referral:

- From the Head of Australia;
- From an Investment Department Head;
- By a member of the Security Pricing Committee or Invesco Global Pricing Committee

It is important that if a circumstance arises that may result in the inaccurate valuation of a security and that this could possibly result in the inequitable treatment of a Unitholder, that the matter be referred to the Security Pricing Committee immediately for resolution.