Invesco Asset Management Deutschland GmbH

Investment Firm Review Disclosure 31 December 2023

Contents

1. Overview

Public (Pillar 3) disclosure seeks to promote and enhance market discipline and transparency of some key information about how investment firms are run and how they manage risks to which they are exposed.

This disclosure is in relation to Invesco Asset Management Deutschland GmbH (“IAMD”, “the Firm”). IAMD is a German incorporated company and is authorised and regulated by Bundesanstalt Für Finanzdienstleistungsaufsicht (“BaFin”) as a securities institution under a BaFin ID number 10109214.

IAMD is a wholly owned subsidiary of Invesco Limited, a global investment management company listed on the New York Stock Exchange and regulated by the Securities and Exchange Commission in the United States. Invesco Ltd is domiciled in Bermuda.

This document sets out the public disclosures for IAMD as of 31 December 2023, which represents the end of the Firm’s financial accounting period.

1.1 Basis and Frequency of Disclosure

As an investment firm undertaking regulated activities within the scope of the Markets in Financial Instruments Directive 2014/65/EU (“MIFID II”), IAMD is subject to the new prudential requirements contained in the Investment Firms Regulation (EU) 2019/2033 and Investment Firm Directive (EU) 2019/2034 (“IFR/IFD”), which was transposed into German law and implemented by the Investment Firm Act (Wertpapierinstitutsgeset (WpIG)) with effect from 26 June 2021.

Under the IFR/IFD firm categorisation, IAMD is categorised as a Class 2 non-small non-interconnected (“non-SNI”) investment firm.

IAMD publishes disclosures in accordance with the provisions outlined in Part Six of the IFR. These requirements are supplemented by Regulatory Technical Standards on prudential requirements for investment firms published by the European Banking Authority.

The Firm’s disclosure is prepared annually on a solo entity (i.e. individual) basis. The disclosed information is proportionate to IAMD’s size and organisation, and to the nature, scope and complexity of the Firm’s activities. If appropriate, due to a material change in the business, this document will be updated as soon as practically possible once the impact of the material change is known.

1.2 Validation and Sign-off

This disclosure is owned and approved by the IAMD Board. The disclosure aims to provide complete and accurate information in compliance with the regulatory requirements contained in Part Six of the IFR. The Firm’s governance framework allows for appropriate challenge and oversight prior to publication. The disclosure is not subject to an independent external audit.

1.3 Medium and Location of Publication

This Pillar 3 disclosure document is published in the ‘About Us – Corporate policies’ section of the Invesco website (https://www.invesco.com/de/de/global-footer/corporate-policies.html).

2. Governance Arrangements

2.1 Legal and Organisational Structure

IAMD was incorporated on 12 July 1987 as a private limited company. The Firm is a wholly owned German subsidiary of Invesco Limited which is domiciled in Bermuda. IAMD forms part of a wider Invesco EMEA group, headed by Invesco UK Limited ("IUK"). IUK acts as the EMEA holding company.

The IAMD legal structure consists of:

- two branches:
  - IAMÖ (a branch in Austria); and
  - Invesco Real Estate in Munich.
- Munich Real Estate subsidiaries.

Invesco International Holdings Limited is the sole immediate parent of IAMD. The current legal structure is shown in a diagram below.

Table 1: Legal structure

2.2 Business Overview

As noted above, IAMD is the German entity of Invesco Limited, an independent global investment management firm with a presence in 25 countries around the world.

IAMD is a wholly owned subsidiary of Invesco Limited, a global investment management company listed on the New York Stock Exchange and regulated by the Securities and Exchange Commission in the United States. Invesco Ltd is domiciled in Bermuda. Globally, Invesco has:

- Specialized investment teams managing investments across a comprehensive range of asset classes, investment styles and geographies.
- Assets under management at 31 December 2023 of US$ 1,585.3 billion (2022: US$1,409.2 billion)
- 8,489 (2022: 8,611) employees focused on client needs across the globe.
- Proximity to our clients with an on-the-ground presence in over 20 countries.
- Solid financials, an investment grade debt rating, and a strong balance sheet.

IAMD operates a financial services business in line with permissions granted under MiFID II. Specifically, IAMD holds the license for the following services:

- Contract Broking.
- Investment Advice.
- Investment Broking.
- Proprietary Business; and
- Portfolio Management.

IAMD's principal business activity is the management and distribution of a broad range of retail and institutional investment products, including open ended collective investment schemes, alternative investment funds and segregated portfolios.

The Firm provides investment management from two distinct investment units:

- Invesco Quantitative Strategies ("IQS") based in Frankfurt, offers a quantitative investment approach. The investment process combines quantitative and fundamental inputs and is set up inter alia for the selection of individual securities and balanced mandates with and without capital protection.

- Invesco Real Estate located in Munich, focuses only on real estate investments. The principal activities are asset management for German domiciled Invesco real estate funds, asset management for third parties or asset management for other Invesco companies outside Germany.

Both investment capabilities are marketed by Invesco Sales teams world-wide. The IAMD distribution services are limited to professional clients only. The distribution activities of IAMD are split into:

- Wholesale Sales with a focus on the distribution of Luxembourg and Irish UCITS funds which sit within two UCITS Management Companies:
    - Invesco Investment Management Limited ("IIML")
    - Invesco Management SA.

Investment management for these funds is delegated to investment centres within the EMEA Group, including IQS, and elsewhere in the global Invesco Ltd group.

- Retail fund offering is completed by a German fund range which is administered by Universal as the Master-KAG and IAMD as the initiator and cooperation partner, with investment management delegated to IAMD.
- Institutional Sales distribute global Invesco investment capabilities to German and Austrian clients, frequently packaged as "Spezialfonds".

The IAMÖ branch performs distribution activities only, it offers the same services as the distribution teams of IAMD. The former Austrian investment management mandates transferred to IAMD following a merger. All new mandates of Austrian clients are, and shall in the future, be entered directly with the investment centre where possible.

2.3 Governance Structure

The management body of the Firm is the IAMD Board of Directors, which has both executive and supervisory functions. As at 31 December 2023, the IAMD Board comprised 3 Executive Directors. For an overview of the Board, please see table 2.

Due to the nature, scale and complexity of the activities IAMD undertakes it is not required to have an independent risk committee. However, the EMEA Risk Management Committee (RMC) assists with risk management related activities across the EMEA region.

2.4 Directorships

Table 2: Members of the IAMD Board of Directors as at 31 December 2023

Director	Role	Number of directorships (internal and external)
Bernhard Langer[1]	Managing Director/Chief Investment Officer	1 internal
Doris Pittlinger[2]	Managing Director/Head of Fund Management, Invesco Real Estate	1 internal
Paul Dumitrescu	Managing Director/Head of Compliance Germany	1 internal

1. Resigned 31 March 2024
2. Resigned 31 December 2023

2.5 Selection and Appointment of Board Members

The IAMD Board is responsible for ensuring that the composition of its members comprises suitable skills to fulfil the roles of directors. Periodically, the Board performs a self-evaluation of its own composition which includes an assessment of the following criteria:

- The overall balance of skills and expertise.
- Qualifications and professional experience.
- Gender.
- Diversity; and
- Tenure of the individual Board members.

IAMD follows a formal selection process for appointing members of IAMD Board, which is aligned with Global Invesco policy. The process is supported by the groups succession policy. In making a nomination, IAMD seeks to ensure that the Board has the appropriate range, blend of necessary skills and competencies required for an effective operation of the Board.

On determination that a new or additional Board member is required, the Firm undertakes a diligence process of selecting its directors. Identification of director candidates falls within the scope of responsibilities of the Board. During the identification stage, Board would give regard to the above criteria.

As part of the formal director appointment process, the IAMD Board is assisted by the office of the Company secretary, the Firm's Senior Management and Human Resources.

2.5.1 Diversity

IAMD shares the group's principles, views and approach to diversity whereby a diverse, inclusive, and supportive workplace in which people feel equally valued, provides a more rewarding work environment. As such, creating and maintaining a diverse and inclusive workplace is a priority for the Firm.

Since 2018, IAMD, as part of Invesco EMEA group, signed up to the Women in Finance Charter, an initiative of the Government of the United Kingdom which aims to promote and achieve gender balance at all levels within the financial services industry.

As an EMEA group entity signatory of the Charter, IAMD is committed to increasing gender balance at Senior Management level. While the Firm does not currently have a fixed numerical target in respect of diversity at Board level, diversity considerations form part of Board's deliberations in all Board appointments. In addition, EMEA's long term target is to achieve the percentage of women in senior roles of 30 - 40% by the end of 2027.

3. Risk Management Objectives and Policies

3.1 Overview

IAMD's approach to risk management is based on Invesco group's risk management system, including risk strategy, which forms part of the Firm's existing Risk Management Framework ("RMF").

3.2 Three Lines of Defence

As part of the RMF, IAMD utilises a three lines of defence model, which provides a formalised process underpinned by risk related policies, risk ownership and escalation to the IAMD Board and the EMEA Risk Management Committee. The model helps ensure the integrity and effectiveness of the systems and controls maintained by the Firm.

The first line of defence, which has primary ownership of the Firm's risks, is represented by the business lines and functional areas carrying on the business activities.

The second line risk and compliance functions provide independent oversight and challenge of the risk and control activities conducted by the business lines and functional areas.

The Internal Audit ("IA") function represents the third line of defence. The IA aims to provide independent, objective assurance by undertaking regular assessments of whether the risk and control environment is working appropriately and effectively.

3.3 Risk Management Framework

IAMD has a formalised, comprehensive Risk Management Framework (RMF) in place to ensure that the Firm has effective risk management capabilities in order to manage all risks the business faces as a result of its operations.

The RMF comprises the following key elements:

- Appetite
- Strategy
- Governance
- Risk identification and assessment
- Risk monitoring, measuring, and reporting

At a high level the risk management framework is designed to operate as follows:

- The individual business lines, functional areas and business committees formally identify, assess and manage all risks, and escalate risks that cannot be mitigated locally to the EMEA Operations Committee
- The EMEA Enterprise Risk Team oversees and assists the business units to report on risks and trends
- The IAMD Board reviews key operational risks including those that have been escalated

3.4 Risk Appetite Statements

Articulation of a firm's risk appetite forms an integral part of the EMEA RMF. IAMD derives its risk appetite from the overall EMEA Risk Appetite in order to ensure consistency of approach. The IAMD risk appetite, including the specific risk appetite statements are defined, approved, and monitored by the IAMD Board.

The Firm's risk appetite statement, which defines the thresholds of risk tolerance IAMD is prepared to take, is continually reviewed, and updated to reflect the current risk appetite of our parent and that of the local business. The Firm continually monitors its business activity against the risk appetite statements and approved key risk indicators. Where necessary, any incidents, breaches or anomalies are escalated through established escalation processes. Where appropriate, remedial actions are taken.

3.5 Minimum Requirements for Risk Management process

On an annual basis, or more frequently if there are material changes to the Firm's risk profile, IAMD carries out a detailed assessment of the adequacy of its financial resources in the context of the risks to which it is exposed. The review is undertaken through the Minimum Requirements for Risk Management ("MaRisk") process. The Process aims to identify and manage any material risks and to assess the necessary level of own funds and liquid assets that IAMD is required to hold.

Some of the key elements of MaRisk are:

- Business model and strategy.
- Key risks and impact assessment.
- Internal own funds (capital) adequacy assessment and planning.
- Internal liquidity adequacy assessment.
- Capital and liquidity stress testing implications.
- Wind-down assessment.

The prudential regime outlined in the IFR/IFD sets out a minimum standard for ensuring that investment firms hold sufficient financial resources to minimise the potential for causing adverse impact on clients, the wider market and IAMD itself in the course of its business operations.

In addition to the assessment of continuing operations, IAMD has also considered and developed a formalised wind-down playbook ("WDP") which outlines the framework and process for managing the Firm's wind-down if the business were to make a decision to cease ongoing operations. The WDP sets out management actions, client impacts and communications, staffing, operational impacts and industry and regulatory considerations. Inherent in this process is the evaluation of risks and their impact on the wind-down as well as consideration of how to mitigate them. The WDP is reviewed at least annually. The Firm's approach to wind-down is to put clients' interests first to minimise disruption and any losses.

3.6 Key Risks

The most recent IAMD's MaRisk assessment determined a number of material risks arising from the Firm's regulated activities. These are described below as follows:

- Operational risk: Risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Due to agency nature of the IMAD business model, operational risk is the largest inherent risk.

- Market price risk: Risk of losses from financial instruments or other assets caused by unfavourable changes in the market prices for shares and raw materials, interest rates and exchange rates. Due to the business model, there are no direct market price risks. In relation to the general market development, there is only an indirect dependency through the relationship of future management fees on the market value of assets under management.

- Counterparty default risk: Risk of unexpected losses due to the default of counterparties. Exposures include cash placed at bank, management fees due or prepayments.

- Liquidity risk: Risk of loss that can arise from insufficient funds being available to meet payment obligations when they are due. IAMD has a relatively predictable and stable cashflow that is monitored daily.

3.7 Operational Risk

Risk of loss resulting from inadequate or failed internal processes, or people and systems or from external events. The principal category of risk of harm is to the clients and the Firm itself. The harm is posed by operational risk as operational failings drive the greatest threat to Firm's ability to provide appropriate service to clients, meet fiduciary and regulatory obligations, and meet its liabilities as they fall due; this includes the management of own funds.

IAMD considers operational risk to be the largest category of risks to the achievement of IAMD's strategic and business objectives.

The risk is managed by the EMEA Enterprise Risk Team which facilitate a robust operational risk framework to ensure that key operational risks are adequately and effectively identified, monitored and mitigated by the business on a regular and timely basis. In doing so, IAMD is seeking not to eliminate the risk but to ensure that adequate controls are in place so as to maintain the residual risk profile within the Board's stated risk appetite.

As part of the internal control framework, the IAMD Board reviews key operational risks on a regular basis, including any escalated matters. Further, at a high level, the Firm's operational risk framework consists of the following:

- ***Incident Management*** – a process for management of events resulting as a consequence of controls/processes not operating as required. The process is managed by the EMEA Enterprise Risk Team. Incidents help identify the current likelihood and potential impacts of a risk occurring. The subsequent root-cause analysis of an incident and mitigating action(s) aims to reduce the potential for re-occurrence. This, in turn, may help to reduce the impact and likelihood of a risk and thus demonstrate an improvement to the control environment.

- ***Operational Risk and Control Self-Assessment Process*** – an integral part of the Operational Risk framework. The EMEA Enterprise Risk Team meets with the business lines and functional areas on a regular basis to re-assess and challenge the business units' risk profiles to ensure that risks are adequately assessed and quantified, and controls are appropriate to manage the risks. During the reviews, relevant data such as incident data is discussed with business units to help inform the assessment.

Themes are identified by the EMEA Enterprise Risk Team undertaking a review of all risk framework components and these are escalated to the EMEA Operations Committee and IAMD Board.

As part of the MaRisk process, the approach used for the operational risk capital assessment involves the use of scenarios. Those are developed as follows:

1. Scenarios are identified by management and subject matter experts, supported, and facilitated by the EMEA Enterprise Risk Team.
2. They are then developed and quantified, leveraging off the operational risk management framework.
3. Subsequently, the scenarios are inserted into an operational risk capital model (Monte Carlo) to determine the operational risk capital.

3.8 Concentration Risk

Risk of excessive exposure to one group of assets and related revenue stream, which if removed would cause severe damage to the business model. This exposure could be through a fund manager or management team, a sales force, a client concentration, a country / geographic concentration, or specific product concentration. It is a risk of amplified losses as a result of exposure to groups of connected counterparties or counterparties in the same economic sector, geographic region or from the same activity.

The greatest asset concentration risk at IAMD is its cash and cash equivalent balances. The EMEA Corporate Treasury team is responsible for its assessment, which is undertaken in line with the Firm's Corporate Liquidity Policy, and monitoring to ensure that cash is held only with highly rated counterparties and multiple relationships are used where possible.

3.9 Liquidity Risk

Risk that the Firm, although solvent, may be unable to meet its financial obligations as they fall due or unable to secure financial resources without excessive cost.

IAMD maintains sufficient liquidity to meet the regulatory requirements contained in the IFR/IFD. Under Part Five of the IFR, IAMD is subject to quantitative requirements, including the new minimum liquidity requirement in which IAMD is required to hold one third of its FOR (i.e., one month of fixed overheads) as liquid resources at all times and holding liquid resources for wind down scenarios. It also assesses the need for additional liquid resources as part of its MaRisk.

IAMD identified liquidity risk as one of its key risks. In order to manage the risk effectively, IAMD follows the principles and liquidity risk management framework ("LRMF") adopted from the wider EMEA group. The Firm's LRMF is documented in the Corporate Liquidity policy which further sets out the following:

- Liquidity risk management approach and risk appetite.
- Operation of the entire LRMF for IAMD to maintain sufficient liquid resources, including the quantitative and qualitative requirements.
- Liquidity stress testing and stress scenarios (over a 30-day period).
- Crisis management and contingency funding plan.

The Firm maintains ongoing monitoring and reporting of compliance with internal liquidity limits, including the monitoring of KRIs and early warning indicators relating to idiosyncratic and market indicators and specific stress scenarios. Any triggers against the liquidity metrics would be escalated in line with the Firm's escalation procedures.

4. Own Funds

The IAMD Board reviews the company's capital position on a regular basis. The Own funds and Own funds requirements are calculated in accordance with Part Two and Three of IFR. As at 31 December 2023, IAMD maintained Own Funds of €31.4m and a capital requirement of €18.5m based on the risk based wind down assessment.

In line with Article 49 IFR, IAMD is obliged to disclose information concerning its own funds (capital resources) as follows:

- Composition of regulatory own funds.
- Own funds reconciliation with audited financial statements.
- Own funds main features.

The tables below provide the required information.

4.1 EU IF CC1.01 - Composition of regulatory own funds – non-SNIs

IAMD's own funds comprise exclusively Common Equity Tier ("CET") 1 capital which consists of fully issued ordinary shares.

As at 31 December 2023, IAMD complied with the relevant capital regulatory obligations set out in the IFR/IFD.

Table 3: EU IF CC1.01 - Composition of regulatory own funds – non-SNIs

		Amounts In EUR	Source based on reference numbers/letters of the balance sheet in the audited financial statements
CET1 capital: instruments and reserves			
1	**OWN FUNDS**	31,360,087	
2	**TIER 1 CAPITAL**	31,360,087	
3	**COMMON EQUITY TIER 1 CAPITAL**	31,360,087	Balance Sheet 11 equity
4	Fully paid-up capital instruments	28,600,000	Balance Sheet 11(a) subscribed capital
5	Share premium	11,000,000	Balance Sheet 11(b) capital reserve
6	Retained earnings	13,871,125	Balance Sheet 11(d). Balance sheet profit/balance sheet loss minus 14. Net income from the profit and loss account
7	Accumulated other comprehensive income	N/A	
8	Other reserves	N/A	
9	Minority interest given recognition in CET1 capital	N/A	
10	Adjustments to CET1 due to prudential filters	N/A	
11	Other funds	N/A	
12	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	-22,111,038	
13	(-) Own CET1 instruments	N/A	
14	(-) Direct holdings of CET1 instruments	N/A	
15	(-) Indirect holdings of CET1 instruments	N/A	
16	(-) Synthetic holdings of CET1 instruments	N/A	
17	(-) Losses for the current financial year	-22,004,975	
18	(-) Goodwill	N/A	
19	(-) Other intangible assets	-3,805	

20	(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	N/A	
21	(-) Qualifying holding outside the financial sector which exceeds 15% of own funds	N/A	
22	(-) Total qualifying holdings in undertaking other than financial sector entities which exceeds 60% of its own funds	N/A	
23	(-) CET1 instruments of financial sector entities where the institution does not have a significant investment	N/A	
24	(-) CET1 instruments of financial sector entities where the institution has a significant investment	-102,258	
25	(-) Defined benefit pension fund assets	N/A	
26	(-) Other deductions	N/A	
27	CET1: Other capital elements, deductions and adjustments	N/A	
28	**ADDITIONAL TIER 1 CAPITAL**	N/A	
29	Fully paid up, directly issued capital instruments	N/A	
30	Share premium	N/A	
31	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	N/A	
32	(-) Own AT1 instruments	N/A	
33	(-) Direct holdings of AT1 instruments	N/A	
34	(-) Indirect holdings of AT1 instruments	N/A	
35	(-) Synthetic holdings of AT1 instruments	N/A	
36	(-) AT1 instruments of financial sector entities where the institution does not have a significant investment	N/A	
37	(-) AT1 instruments of financial sector entities where the institution has a significant investment	N/A	
38	(-) Other deductions	N/A	
39	Additional Tier 1: Other capital elements, deductions and adjustments	N/A	
40	**TIER 2 CAPITAL**	N/A	
41	Fully paid up, directly issued capital instruments	N/A	
42	Share premium	N/A	
43	(-) TOTAL DEDUCTIONS FROM TIER 2	N/A	
44	(-) Own T2 instruments	N/A	
45	(-) Direct holdings of T2 instruments	N/A	
46	(-) Indirect holdings of T2 instruments	N/A	
47	(-) Synthetic holdings of T2 instruments	N/A	
48	(-) T2 instruments of financial sector entities where the institution does not have a significant investment	N/A	
49	(-) T2 instruments of financial sector entities where the institution has a significant investment	N/A	
50	Tier 2: Other capital elements, deductions and adjustments	N/A	

4.2 EU IF CC2: Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

The table below demonstrates the reconciliation with own funds in the balance sheet as at the end of financial year on 31 December 2023, where assets and liabilities have been identified by their respective classes. The information in the table reflects the Firm's balance sheet in the audited financial statements.

Table 4: EU IF CC2 - Own funds: reconciliation of regulatory own funds to balance sheet in the audited financial statements

		Balance sheet as in published/audited financial statements	Under regulatory scope of consolidation	Cross reference to EU IF CC1
	As at period end	**31 December 2023**	**31 December 2023**	
Assets - *Breakdown by asset classes according to the balance sheet in the audited financial statements*				
1	Receivables from credit institutions	34,160,801	34,160,801	
2	Loans and advances to customers	8,850,120	8,850,120	
3	Holdings	107,319	107,319	
4	Shares in affiliated companies	100,000	100,000	
5	Property, plant and equipment	3,805	3,805	
6	Other assets	23,527,542	23,527,542	
7	Prepaid expenses	729,941	729,941	
	Total Assets	**67,479,528**	**67,479,528**	
Liabilities - *Breakdown by liability classes according to the balance sheet in the audited financial statements*				
1	Other liabilities	5,414,029	5,414,029	
2	Accruals	30,599,349	30,599,349	
	Total Liabilities	**36,013,378**	**36,013,378**	
Shareholders' Equity				
1	Subscribed capital	28,600,000	28,600,000	EU IF CC1 | 4. Fully paid-up capital instruments
2	Capital reserve	11,000,000	11,000,000	EU IF CC1 | 5. Share premium
3	Balance sheet profit/balance sheet loss	-8,133,850	-8,133,850	EU IF CC1 | 6. Retained earnings minus 17. Losses for the current financial year
	Total Shareholders' equity	**31,466,150**	**31,466,150**	EU IF CC1 | 4. Fully paid-up capital instruments

4.3 EU IF CCA: Own funds: main features of own capital instruments

The CET 1 instruments issued by IAMD are provided in a table below.

Table 5: EU IF CC - Own funds: main features of own capital instruments

1	Issuer	IAMD
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	10109214
3	Public or private placement	Private
4	Governing law(s) of the instrument	N/A
5	Instrument type (types to be specified by each jurisdiction)	Ordinary share
6	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	€28.6m

7	Nominal amount of instrument	EUR
8	Issue price (in EUR?)	1
9	Redemption price	N/A
10	Accounting classification	N/A
11	Original date of issuance	
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	N/A
17	Fixed or floating dividend/coupon	
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
20	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
21	Fully discretionary, partially discretionary or mandatory (in terms of mount)	N/A
22	Existence of step up or other incentive to redeem	N/A
23	Noncumulative or cumulative	N/A
24	Convertible or non-convertible	N/A
25	If convertible, conversion trigger(s)	N/A
26	If convertible, fully or partially	N/A
27	If convertible, conversion rate	N/A
28	If convertible, mandatory or optional conversion	N/A
29	If convertible, specify instrument type convertible into	N/A
30	If convertible, specify issuer of instrument it converts into	N/A
31	Write-down features	N/A
32	If write-down, write-down trigger(s)	N/A
33	If write-down, full or partial	N/A
34	If write-down, permanent or temporary	N/A
35	If temporary write-down, description of write-up mechanism	N/A
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
38	Link to the full term and conditions of the instrument (signposting)	N/A

5. Own Funds Requirements

5.1 Summary of our approach to the assessment of capital adequacy

In accordance with Part Three, Article 11 of the IFR, IAMD is, at all times, required to hold sufficient own funds as the highest of their:

- Fixed overheads requirement ("FOR") in line with Art.13.
- Permanent minimum capital requirement ("PMCR") in line with Art. 14; or
- K-Factor requirement ("KFR") calculated in line with Art.15.

The FOR amounts to one quarter of the Firm's fixed overheads (expenditure) from the preceding year, after the distribution of any profits and deductions of certain non-fixed expenditure items.

IAMD complies with its applicable amount of PMCR that equals to €75,000. The PMCR is a fixed, prescribed amount applicable to an investment firm based on its regulatory permissions to undertake specified regulated activities.

Part Three, Title II IFR sets out the calculations methodology for determining the KFR. The KFR equals to an aggregated sum that comprises the amounts of individually applicable K-factors which are divided into three categories of material sources and effects (i.e., harms) as follows:

- Risk to Market ("RtM");
- Risk to Firm ("RtF"); and
- Risk to Client ("RtC").

A firm's regulatory permissions to undertake regulated activities drive the application of individual K-factors, the applicable K-factors based on the firm's permissions and activity include K-AUM (Assets Under Management) as per Article 17 of the IFR and K-NPR (Net Position Risk) as per Article 22 of the IFR, applicable for regulatory reporting and risk management purposes.

5.2 KFR and FOR Amounts

IAMD is obliged to disclose the KFR amount in aggregated form, based on the KFR calculation methodology along with the FOR amount.

The Own Funds Requirement (OFR) represents the higher of the Rules Based assessment and Risk Based assessment. The amounts are presented in table 6.

Table 6: OFR value represented by the higher of the Firm's [1] or [2]

IAMD	
Pillar 1:	**Dec'23 - €'000**
[A] Permanent Minimum Capital Requirement	**75**
[B] Fixed Overhead Requirement	**13,673**
[C] K-Factors	**2,691**
K-AUM	*889*
K-NPR	*1,803*
[1] Pillar 1 Total (Higher of A, B, C)	13,673
Own Funds Requirement (OFR)	**13,673**

6. Remuneration Policy and Practices

6.1 Performance period

In accordance with the requirements of Article 51 of Regulation (EU) 2019/2033, the following disclosures contain information on remuneration policies and practices for employees of Invesco Asset Management Deutschland GmbH.

6.2 Remuneration Committee

The Compensation Committee of Invesco Ltd. (the “company” or “Invesco”) is chaired by Mr. Henrikson and consists additionally of Sarah E. Beshar, Thomas M. Finke, William F. Glavin, Jr., Elizabeth S. Johnson, Denis Kessler, Sir Nigel Sheinwald, Paula C. Tolliver, G. Richard Wagoner, Christopher C. Womack, Phoebe A. Wood. The committee met six times during 2023.

Under its charter, the committee:

- is comprised of at least three members of the Board, each of whom is “independent” of the company under the NYSE and SEC rules;
- members are appointed and removed by the Board;
- meets at least four times annually; and
- has the authority to retain independent advisors, at the company’s expense, whenever it deems appropriate to fulfil its duties, including any compensation consulting firm.

The committee's charter is available on Invesco’s web site at www.invesco.com.

The committee’s charter sets forth its responsibilities, including:

- annually approving the compensation structure for, and reviewing and approving the compensation of, senior officers and non-executive directors;
- overseeing the annual process for evaluating senior officer performance;
- overseeing the administration of the company’s equity-based and other incentive compensation plans; and
- assisting the Board with executive succession planning.

External consultants

Each year the committee engages a third-party compensation consultant to provide an analysis of, and counsel on, the company's executive compensation programme and practices. The nature and scope of the consultant's assignment is set by the committee. The committee currently engages Johnson Associates, Inc., an independent consulting firm, as its third-party consultant for this review.

In general, the outside consultant,

- assists the committee throughout the year in its analysis and evaluation of our overall executive compensation programmes, including compensation paid to our directors and executive officers;
- attends certain meetings of the committee and periodically meets with the committee without members of management present;
- provides the committee with certain market data and analysis that compares executive compensation paid by the company with that paid by other firms in the financial services industry and certain investment management firms which we consider generally comparable to us; and
- provides commentary regarding market conditions, market impressions and compensation trends.

6.3 Compensation philosophy

As an investment management firm, one of our greatest assets is the skill and experience of our employees. It is critical that we are able to attract, retain and motivate talented professionals while aligning their incentives with the interests of our clients and shareholders.

We focus on the following four key multi-year strategic objectives that are designed to sharpen our focus on meeting client needs, further strengthen our business over time:

- achieve strong long-term investment performance;
- be instrumental in our clients' success;
- harness the power of our global platform; and
- perpetuate a high-performance organisation.

Invesco's compensation program is designed to support our multi-year strategic objectives and desire to reward the behaviours and discipline that generate strong, investment performance for our clients and shareholders over the long-term by:

- aligning the interests of our senior-level employees and executive officers of Invesco Ltd. with those of clients and shareholders through long-term awards and accumulation of meaningful share ownership positions;
- balancing pay-for-performance with economic outcomes such that compensation is affordable to Invesco Ltd. and its shareholders while fair to employees;
- reinforcing our commercial viability by closely linking rewards to Invesco Ltd., business unit and individual results and performance;
- attracting, recognizing and retaining the best talent in the industry by ensuring a meaningful mix of cash and deferred compensation; and
- discouraging excessive risk-taking that would have a material adverse impact on our clients, shareholders or company.

As employees progress to higher levels in the company, their ability to affect our performance generally increases and our need to retain these employees increases correspondingly. The compensation committee believes that as an individual's compensation increases, the percentage of that compensation that is deferred should therefore also increase.

Identifying Material Risk Takers

In accordance with Regulation (EU) 2021/2154 of August 13, 2021, Invesco Asset Management Deutschland GmbH has identified employees whose professional activities have a material impact on the risk profile of an investment firm or the assets it manages.

The regulations set out certain quantitative and qualitative criteria for identifying employees who have a significant impact on a company's risk profile. These include, among other things:

- Members of the governing bodies of supervised entities;
- Members of the Executive Board;
- Employees with managerial responsibilities for the activities of a control function;
- Employees with managerial responsibilities in the prevention of money laundering and terrorist financing;
- Employees with managerial responsibilities for economic analysis, information technology and information security; and
- Members of the New Products Committee.

According to these criteria, 18 employees are considered risk takers as of December 31, 2023. The Committee's delegate approves the list of Code Staff annually and individuals are notified of their identification and the implications of this status on at least an annual basis.

6.4 Link between Pay and Performance

Management, with the guidance and input from the Board, annually reviews and affirms our multi-year strategic imperatives. The Board establishes an annual operating plan, including financial planning and operational performance based on the multi-year strategic objectives. The Board is regularly updated on progress against our strategic objectives and operating plan which provides the context for performance evaluations at year end.

Based on the company's performance on multiple operating measures, the company's performance toward achieving its strategic objectives and other factors, including pre-cash bonus operating income ("PCBOI"), the committee establishes a company-wide incentive pool that is a percentage of PCBOI. The pool size is limited to a percentage of PCBOI to ensure, at all times, the company-wide incentive pool is linked to Invesco's operating results. All cash bonuses, deferred compensation (consisting of annual fund or stock deferrals and long-term equity awards) and amounts paid under sales commission plans are paid out of this pool.

Performance at an individual level is measured through a company-wide, on-line performance management process that:

- promotes alignment of individual employee efforts with the mission, principles and goals of our company;
- provides the feedback for employee growth and development; and
- improves our ability to assess and recognise performance.

The company's performance management process ensures all employees have their performance consistently assessed regardless of their location or function and consists of 3 key assessments:

- An assessment of individual or team-based objectives which have been agreed between the manager and employee and are aligned with the mission, principles and goals of the company;
- 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.

Components of Remuneration

The following table describes each component of our 2023 compensation programme for employees as well as its purpose and key measures:

Component	Purpose	Description
Base salary Cash	Provides fixed pay for the performance of day-to-day job duties Sole source of fixed cash compensation	Based on knowledge, skills, experience and scope of responsibility Relatively small portion of total annual compensation Evaluated on an annual basis; generally, remains static unless there is a promotion or adjustment needed due to economic trends in the industry
Annual incentive award Cash bonus and deferrals	Recognizes current year achievement of goals and objectives Aligns with company, business unit and individual performance Deferral portion aligns executive with client and shareholder interests and encourages retention by vesting over time	Based upon assessment of company performance and individual performance When mandated by local regulatory requirements, we grant awards denominated in our product fund offerings in lieu of annual stock deferral awards Our annual deferral awards generally vest over four years in equal annual increments of 25% per year
Long-term incentive award Equity	Recognizes potential for future contributions to the company's long-term strategic objectives Aligns executive with client and shareholder interests and encourages retention by vesting over time	Based upon assessment of company performance and individual performance Time-based and generally vest over four years in equal annual increments of 25% per year For executive officers of Invesco Ltd., 60% of equity awards for executive officers are performance-based. Vesting is tied to adjusted operating margin and Relative TSR. Our performance-based equity awards have a three-year performance period and three-year cliff vesting