



# Description of Department of Labor Regulations Concerning Fee Disclosure (Form 5500, 408(b)(2) and 404(a)(5))

## Overview

The Department of Labor (DOL) has been working on expanded disclosure initiatives for retirement plans and their participants for the past couple of years. The goal of these regulations is to increase transparency regarding fees and expenses so that plan sponsors can effectively fulfill their role as fiduciaries and plan participants can effectively compare all investment options offered in their participant-directed plans. These initiatives have been finalized in the form of three new regulations or revisions to existing regulations. The first regulation addressed revisions to the Form 5500 Annual Filing. The second is a new regulation called 408(b)(2) Covered Service Provider Disclosure, which was finalized in February, 2012. The third and final regulation is the 404(a)(5) Participant Fee Disclosure regulation, which was finalized in October, 2010.

This document is designed to provide an overview of these regulations and how Invesco National Trust Company ("INTC") plans to provide you with the information you need on our collective trust funds in which your plan invests.

|                           | Form 5500 Annual Filing/Report of Employee Benefit Plans  | 408(b)(2) Covered Service Provider Fee Disclosure Regulations  | 404(a)(5) Participant Fee Disclosures  |
|---------------------------|---|--|--|
| <b>Regulation Summary</b> | <p>The DOL has revised its annual reporting form for qualified retirement plans. The biggest change was to Schedule C of the Form 5500. In order to aid a plan fiduciary in reviewing plan fees and expenses as part of their process to monitor the plan's service provider(s), the DOL requires additional disclosure be made on the Schedule C Form 5500 Annual Filing. The new revisions require that plans report all service providers receiving \$5,000 or more in direct or indirect compensation. In addition, plans must report all service providers receiving \$1,000 or more in indirect compensation.</p> | <p>Covered Service Providers of Covered Plans must disclose the following information to the plan fiduciary in writing. The disclosures must be made initially and within 60 days of changes.</p> <ul style="list-style-type: none"> <li>- Services to be provided to the Plan</li> <li>- Status of the Covered Service Provider</li> <li>- Compensation to the Covered Service Provider (direct and indirect)</li> <li>- Compensation paid to affiliates of Covered Service Providers</li> <li>- Compensation for termination of service arrangement</li> <li>- Investment Disclosures including sales loads, sales charges, redemption and surrender fees, annual operating expenses, other expenses and other information required under 404(a)(5)</li> <li>- Recordkeeping Fees and Expenses disclosed separately</li> </ul> | <p>All participant directed covered plans as Section 404(a)(5) requires plan administrators to provide information to Covered Plan participants at various times, including when the relationship begins; when changes occur; and when a plan participant requests such information. Some information must also be provided annually or quarterly.</p> <p>There is a difference in which plans are covered under this regulation compared to 408(b)(2). For 404(a)(5), Covered Plans only include participant-directed plans. If your plan is not a participant-directed plan, you have no obligation under this regulation.</p> <p>The categories of required information are:</p> <ul style="list-style-type: none"> <li>- Plan-related information</li> <li>- Administrative expenses</li> <li>- Individual expenses</li> <li>- Investment-related information</li> </ul> |
| <b>Who is impacted?</b>   | <p>Large retirement and health and welfare plans, generally with 100 or more participants.</p>  | <p>All Covered Plans including employee pension benefit plans or pension plans as defined by ERISA section 3(2)(A).</p> <p>Covered Service Providers are defined as a provider that enters into an arrangement with a Covered Plan and reasonably expects to receive \$1,000 or more in direct or indirect compensation such as an arrangement with INTC as fiduciary to an investment vehicle (collective trust fund) to hold plan assets in which the plan has a direct investment.</p>  | <p>All participant directed covered plans as defined by ERISA section 3(2)(A).</p>   |
| <b>Effective Date</b>     | January 1 <sup>st</sup> , 2009  | July 1 <sup>st</sup> , 2012  | August 30 <sup>th</sup> , 2012   |



## Covered Service Provider - Invesco National Trust Company 408(b)(2) Disclosure

*Please note that this information is not and shall not be deemed to constitute legal advice to plan sponsors and plan administrators regarding compliance with federal reporting requirements. This information is not intended to constitute an offer to sell securities or provide any disclosures required by securities laws. It does not constitute mutual fund advertising. Please consult your own advisers concerning your reporting obligations under Department of Labor regulations.*

### Description of Services and Status of Covered Service Provider

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|--|--|
| <b>Description of Services</b>   | Invesco National Trust Company ("INTC") ("Covered Service Provider) provides investment management and trustee services to the Institutional Retirement Trust, a collective trust of INTC. |
| <b>Status of Covered Service Provider, Affiliates and Subcontractors</b> | INTC provides services to you as an ERISA fiduciary in our role as Trustee for the Institutional Retirement Trust funds for which your plan has a direct investment.                       |

### Disclosure of Compensation

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| <b>Disclosure of Direct Compensation paid to Covered Service Provider, Affiliate or Subcontractor</b>   | <p>INTC receives investment management fees, monthly, as disclosed in your Plan's Participation Agreement, Schedule III. The method of receipt of fees is also disclosed in your Plan's Participation Agreement, Item 8.</p> <p>Management fees for <b>gross</b> of fee units (Trust Class or Class C) are accrued on a daily basis and are payable monthly through a redemption of plan account units or billed (as instructed in writing). Management fees for certain <b>net</b> of fee share class units are accrued daily by deducting the accrued management fees from the net asset value of the fund's units and paid to INTC monthly from the fund.</p> <p>You may also find your Plan's fee schedule on Account Access when you log on to our website at <a href="http://www.invesconationaltrust.com">www.invesconationaltrust.com</a>.</p>   |
| <b>Disclosure of Indirect Compensation Provided to Covered Service Provider, Affiliates and Subcontractors; Description of Services; Identity of Payer and Arrangement Between Payer and Covered Service Provider</b> | <p>INTC may earn float income in very limited situations whereby a Plan sends a wire without trade instructions in good order. Float income is disclosed in the Declaration of Trust, Article IX, Section 1 and also in your Plan's Participation Agreement, Item 8. INTC estimates that any float will accrue on any cash balances at a rate equal to the federal funds effective rate, as published by the Federal Reserve Bank. All float on any un-invested client wires is paid by State Street Bank &amp; Trust Company, who serves as custodian for the Institutional Retirement Trust. INTC did not earn any float for 2011.</p> <p>INTC may earn compensation for administering the securities lending program of the funds. Securities lending compensation disclosure is located in the Declaration of Trust, Article III, Section 5. INTC may retain up to 50% of the earnings of the funds generated by State Street Bank and Trust Company as securities lending agent and paid by State Street to INTC, monthly. Earnings will change daily based on current market rates of the collateral investment, as well as borrower demand. You may find the actual amount paid for the prior year on each fund's Form 5500 Schedule C template, available on our website at <a href="http://www.invesconationaltrust.com">www.invesconationaltrust.com</a>. INTC did not elect to retain any income from securities lending for 2011.</p> <p>Invesco Advisers, Inc., as sub adviser and affiliate, earns soft dollar compensation from certain broker dealers for equity trading services for certain international and real estate equity funds. Soft dollar disclosure is located on our website at <a href="http://www.invesconationaltrust.com">www.invesconationaltrust.com</a>, as well as in the Declaration of Trust, Article IX, Section 1. Soft dollars are earned by Invesco Advisers, Inc. on a per trade basis at a rate determined by the broker performing the trading. You can find the list of payers and amounts paid for the prior year on each fund's individual Form 5500 Schedule C template available on our website at <a href="http://www.invesconationaltrust.com">www.invesconationaltrust.com</a>. For your convenience we have enclosed all soft dollar compensation for 2011 on Table I. INTC expects that future soft dollar compensation will be similar to the prior year assuming flows are consistent.</p> <p>INTC has reviewed the gifts and entertainment received by its employees and has determined that under any reasonable method of allocation, the gifts and entertainment attributable to any Plan are of insubstantial value. INTC does not reasonably anticipate receiving non-monetary compensation associated with any Plan in excess of \$250 and does not have reportable non-monetary compensation for purposes of ERISA 408(b)(2).</p> |

**Table I: 2011 Soft Dollars**

| <b>Invesco International Equity Trust</b>                 |          | <b>Invesco Emerging Markets Equity Trust</b>                      |          |
|---|----------|---|----------|
| Credit Suisse   | \$60,561 | Goldman Sachs   | \$16,157 |
| Goldman Sachs   | \$12,193 | UBS Securities  | \$24,418 |
| Cantor-Fitzgerald   | \$50     | CAI-Cheuvreux   | \$2,079  |
| CAI-Cheuvreux   | \$31,785 | Cantor Fitzgerald   | \$1,252  |
| JP Morgan Securities                                      | \$18,052 | Credit Suisse   | \$6,511  |
| Societe Generale  | \$30,629 | JP Morgan Securities  | \$4,437  |
| UBS Securities  | \$670    | Bank of America- Merrill Lynch                                    | \$44,829 |
| Bank of America- Merrill Lynch                            | \$2,835  | Citigroup   | \$17,666 |
| Barclays Capital  | \$11,597 | Deutsche Bank   | \$3,848  |
| Daiwa Securities  | \$8,296  | Macquaries Holdings   | \$49,893 |
| Deutsche Bank   | \$874    | Morgan Stanley  | \$30,058 |
| MF Global Securities                                      | \$4,472  | Nomura Securities   | \$2,550  |
| Morgan Stanley  | \$6,799  |   |          |
| Nomura Securities   | \$4,482  | <b>Invesco Equity Global ex-U.S. Real Estate Securities Trust</b> |          |
| TD Securities   | \$4,167  | Banco ITAU  | \$501    |
| Macquarie Holdings  | \$18,040 | Bank of America Merrill Lynch                                     | \$16,093 |
| <b>Invesco Equity Real Estate Securities Trust</b>        |          | Barclays Capital  | \$2,219  |
| Credit Suisse   | \$34,046 | CIBC World Markets  | \$458    |
| Goldman Sachs & Co  | \$21,938 | Citigroup   | \$7,004  |
| UBS Securities  | \$29,459 | CLSA Limited  | \$2,764  |
| Bank of America- Merrill Lynch                            | \$26,916 | Credit Suisse   | \$5,812  |
| Barclays Capital  | \$46,829 | Daiwa Securities  | \$1,487  |
| Citigroup   | \$32,255 | DBS Vickers   | \$1,978  |
| Cowen   | \$460    | Deutsche Bank   | \$4,712  |
| Greenstreet Advisors                                      | \$32,660 | Goldman Sachs   | \$3,804  |
| ISI Group   | \$43,729 | Greenstreet Advisers  | \$141    |
| Jefferies   | \$1,044  | JP Morgan Securities  | \$15,572 |
| JP Morgan Securities                                      | \$39,817 | Kempen & Co   | \$5,751  |
| Macquarie Holdings  | \$698    | Macquarie Holdings  | \$7,068  |
| Morgan Stanley  | \$4,025  | MF Global Securities  | \$100    |
| RBC Capital   | \$12,343 | Mitsubishi Securities   | \$14     |
| Robert Baird  | \$1,012  | Mizuho Securities   | \$695    |
| Stifel Nicolaus   | \$27,096 | Morgan Stanley Securities   | \$1,642  |
| Wachovia Securities                                       | \$8,322  | Nomura Securities   | \$8,704  |
| <b>Invesco Equity Global Real Estate Securities Trust</b> |          | RBC Capital   | \$8,431  |
| Credit Suisse   | \$39,278 | Royal Bank of Scotland  | \$764    |
| Goldman Sachs   | \$23,519 | Samsung Securities  | \$1,599  |
| Banco ITAU  | \$1,810  | SMBC Nikko Securities   | \$71     |
| Bank of America-Merrill Lynch                             | \$76,698 | Societe Generale  | \$41     |
| Barclays Capital  | \$34,990 | Standard Chartered  | \$426    |
| CIBC World Markets  | \$1,894  | TD Securities   | \$68     |
| Citigroup   | \$48,386 | UBS   | \$8,269  |
| CLSA Limited  | \$12,028 |   |          |
| Cowen   | \$264    |   |          |
| Daiwa Securities  | \$5,517  |   |          |
| DBS Vickers   | \$8,208  |   |          |
| Deutsche Bank   | \$18,664 |   |          |
| Greenstreet Advisers                                      | \$20,664 |   |          |
| ISI Group   | \$19,959 |   |          |
| Jefferies   | \$568    |   |          |
| JP Morgan Securities                                      | \$79,282 |   |          |
| Kempen & Co   | \$21,855 |   |          |
| Macquarie's Holdings                                      | \$27,930 |   |          |

**Table II: Annual Operating Expenses as of 12/31/2011**

| <b>Fund Name</b>   | <b>Cusip</b> | <b>Share Class</b>   | <b>Expense Ratio*</b> | <b>Soft Dollars</b> |
|--|--------------|----------------------|-----------------------|---------------------|
| Invesco International Equity Trust                         | 46X572XX7    | Class C              | 0.04                  | Yes                 |
| Invesco Equity Real Estate Securities Trust                | 46X573XX5    | Class C              | 0.03                  | Yes                 |
| Invesco Equity Real Estate Securities Trust - Class MA     | 46X136XX1    | Class MA (Net)       | 0.46                  | Yes                 |
| Invesco U.S. Quantitative Core Trust                       | 46X574XX3    | Class C              | 0.03                  | No                  |
| Invesco U.S. Quantitative Small Core Trust                 | 46X571XX9    | Class C              | 0.13                  | No                  |
| Invesco 500 Index Trust                                    | 46X579XX2    | Class C              | 0.02                  | No                  |
| Invesco U.S. Quantitative Small Value Trust                | 46X595XX8    | Class C              | 0.20                  | No                  |
| Invesco U.S. Quantitative Small Value Trust - Class III    | 46X301XX1    | Class III (Net)      | 1.05                  | No                  |
| Invesco Core Plus Fixed Income Trust                       | 46X586XX7    | Class C              | 0.06                  | No                  |
| Invesco Stable Value Trust                                 | 46X587XX5    | Class C              | 0.23                  | No                  |
| Invesco Intermediate Bond Trust                            | 46X102XX3    | Class C              | 0.12                  | No                  |
| Invesco Intermediate Bond Trust - Class A                  | 46X100XX7    | Class A (Net)        | 0.42                  | No                  |
| Diversified Return Core Fixed Income Trust                 | 46X131XX2    | Class C              | 0.04                  | No                  |
| Diversified Return Intermediate Gov't/Credit Trust         | 46X132XX0    | Class C              | 0.03                  | No                  |
| Invesco Emerging Markets Equity Trust                      | 46X133XX8    | Class C              | 0.13                  | Yes                 |
| Invesco U.S. Quantitative Growth Trust                     | 46X134XX6    | Class C              | 0.15                  | No                  |
| Invesco Equity Global Real Estate Securities Trust         | 46X138XX7    | Class C              | 0.05                  | Yes                 |
| Invesco Equity Global ex-U.S. Real Estate Securities Trust | 46X139XX5    | Class C              | 0.20                  | Yes                 |
| Invesco International Growth Equity Trust                  | 46X154XX4    | Class C              | 0.08                  | Yes                 |
| Invesco International Growth Equity Trust - Class A        | 46X159XX3    | Class A (Net)        | 0.63                  | Yes                 |
| Invesco Stable Value Trust - Class II                      | 46X155XX1    | Class II (Net)       | 1.08                  | No                  |
| Invesco Balanced-Risk Allocation Trust                     | 46X158XX5    | Class C              | 0.02                  | No                  |
| Invesco Balanced-Risk Commodity Trust                      | 46X160XX1    | Class C              | 0.04                  | No                  |
| Invesco Stable Value Trust - Class III                     | 46X161XX9    | Class III (Net)      | 0.58                  | No                  |
| Invesco Stable Value Trust - Class IV                      | 46X162XX7    | Class IV (Net)       | 0.83                  | No                  |
| Invesco Stable Value Trust - Pentegra Class                | 46X163XX5    | Pentegra Class (Net) | 0.23                  | No                  |

\* Class C expense ratio does not include custom plan level negotiated management fees which are listed on the Participation Agreement.