Invesco High Income Trust II
Form N-CSR
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-05769

Invesco High Income Trust II

(Exact name of registrant as specified in charter)

1555 Peachtree Street, N.E., Suite 1800 Atlanta, Georgia 30309

(Address of principal executive offices) (Zip code)

Sheri Morris 1555 Peachtree Street, N.E., Suite 1800 Atlanta, Georgia 30309

(Name and address of agent for service)

Registrant s telephone number, including area code: (713) 626-1919

Date of fiscal year end: 2/28

Date of reporting period: 2/28/18

Item 1. Report to Stockholders.

Annual Report to Shareholders **February 28, 2018**

Invesco High Income Trust II

NYSE: VLT

Letters to Shareholders

Philip Taylor

Dear Shareholders:

This annual report includes information about your Trust, including performance data and a complete list of its investments as of the close of the reporting period. Inside is a discussion of how your Trust was managed and the factors that affected its performance during the reporting period.

For much of the reporting period, major US stock market indexes rose to record highs but in early 2018, volatility returned to the US stock and bond markets. Investors worried about how rising interest rates might affect economic growth; those concerns caused the US stock market, which many investors believed had risen too far, too fast, to pull back. Throughout the reporting period, economic data remained generally positive, corporate earnings remained strong and consumer sentiment remained positive, particularly after passage of legislation cutting personal and corporate tax rates in December. The US economy expanded throughout the reporting period, and the first signs of rising inflation appeared. In response, the US Federal Reserve raised interest rates three times, and the tone of its statements grew more hawkish regarding potential rate increases in 2018.

Short-term market volatility can prompt some investors to abandon their investment plans and can cause others to settle for whatever returns the market has to offer. The investment professionals at Invesco, in contrast, invest with high conviction. This means that, no matter the asset class or the strategy, each investment team has a passion to exceed. We want to help investors achieve better outcomes, such as seeking higher returns, helping mitigate risk and generating income. Of course, investing with high conviction can t guarantee a profit or ensure success; no investment strategy can. To learn more about how we invest with high conviction, visit **invesco.com/HighConviction**.

You, too, can invest with high conviction by maintaining a long-term investment perspective and by working with your financial adviser on a regular basis. During periods of short-term market volatility or uncertainty, your financial adviser can keep you focused on your long-term investment goals a new home, a child s college education or a secure retirement. He or she also can share research about the economy, the markets and individual investment options.

Visit our website for more information on your investments

Our website, **invesco.com/us**, offers a wide range of market insights and investment perspectives. On the website, you ll find detailed information about your Trust s performance and portfolio holdings. In addition to the resources accessible on our website and through our mobile app, you can obtain timely updates to help you stay informed about the markets and the economy by connecting with Invesco on Twitter, LinkedIn or Facebook. You can access our blog at **blog.invesco.us.com**. Our goal is to provide you the information you want, when and where you want it.

Finally, I m pleased to share with you Invesco s commitment to both the Principles for Responsible Investment and to considering environmental, social and governance issues in our robust investment process. I invite you to learn more at **invesco.com/esg**.

Have questions?

For questions about your account, contact an Invesco client services representative at 800 341 2929. For Invesco-related questions or comments, please email me directly at phil@invesco.com.

All of us at Invesco look forward to serving your investment management needs. Thank you for investing with us.

Sincerely,

Philip Taylor

Senior Managing Director, Invesco Ltd.

Dear Fellow Shareholders:

Bruce Crockett

Among the many important lessons I ve learned in more than 40 years in a variety of business endeavors is the value of a trusted advocate.

As independent chair of the Invesco Funds Board, I can assure you that the members of the Board are strong advocates for the interests of investors in Invesco s mutual funds. We work hard to represent your interests through oversight of the quality of the investment management services your funds receive and other matters important to your investment, including but not limited to:

Monitoring how the portfolio management teams of the Invesco funds are performing in light of changing economic and market conditions.

Assessing each portfolio management team s investment performance within the context of the fund s investment strategy.

Monitoring for potential conflicts of interests that may impact the nature of the services that your funds receive.

We believe one of the most important services we provide our fund shareholders is the annual review of the funds advisory and sub-advisory contracts with Invesco Advisers and its affiliates. This review is required by the Investment Company Act of 1940 and focuses on the nature and quality of the services Invesco provides as the adviser to the Invesco funds and the reasonableness of the fees that it charges for those services. Each year, we spend months carefully reviewing information received from Invesco and a variety of independent sources, such as performance and fee data prepared by Lipper, Inc. (a subsidiary of Broadridge Financial Solutions, Inc.), an independent, third-party firm widely recognized as a leader in its field. We also meet with our independent legal counsel and other independent advisers to review and help us assess the information that we have received. Our goal is to assure that you receive quality investment management services for a reasonable fee.

I trust the measures outlined above provide assurance that you have a worthy advocate when it comes to choosing the Invesco Funds.

As always, please contact me at bruce@brucecrockett.com with any questions or concerns you may have. On behalf of the Board, we look forward to continuing to represent your interests and serving your needs.

Sincerely,

Bruce L. Crockett

Independent Chair

Invesco Funds Board of Trustees

Management s Discussion of Trust Performance

Performance summary

For the fiscal year ended February 28, 2018, Invesco High Income Trust II (the Trust), at net asset value (NAV), outperformed the Trust s benchmark, the Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index. The Trust s return can be calculated based on either the market price or the (NAV) of its shares. NAV per share is determined by dividing the value of the Trust s portfolio securities, cash and other assets, less all liabilities, by the total number of shares outstanding. Market price reflects the supply and demand for Trust shares. As a result, the two can differ, as they did during the fiscal year.

Performance

Total returns, 2/28/17 to 2/28/18

Trust at NAV	4.42%
Trust at Market Value	2.57
Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index	4.18
Market Price Discount to NAV as of 2/28/18	-11.97

Source(s): FactSet Research Systems Inc.

The performance data quoted represent past performance and cannot guarantee comparable future results; current performance may be lower or higher. Investment return, NAV and share market price will fluctuate so that you may have a gain or loss when you sell shares. Please visit invesco.com/us for the most recent month-end performance. Performance figures reflect Trust expenses, the reinvestment of distributions (if any) and changes in NAV for performance based on NAV and changes in market price for performance based on market price.

Since the Trust is a closed-end management investment company, shares of the Trust may trade at a discount or premium from the NAV. This characteristic is separate and distinct from the risk that NAV could decrease as a result of investment activities and may be a greater risk to investors expecting to sell their shares after a short time. The Trust cannot predict whether shares will trade at, above or below NAV. The Trust should not be viewed as a vehicle for trading purposes. It is designed primarily for risk-tolerant long-term investors.

How we invest

The Trust seeks to provide high current income, while seeking to preserve shareholders capital through investment in a professionally managed diversified portfolio of high-income producing fixed-income securities. We invest primarily in debt securities that are determined to be below-investment grade quality. These bonds, commonly known as junk bonds, are typically corporate bonds of US-based companies, many of which are moderately sized firms. We principally invest in junk bonds, although we tend to have a lower weighting in the lowest quality bonds in the asset class. We may invest in convertible bonds, preferred stocks, derivatives and bank loans, but as

of the end of the fiscal year, we do not expect these instruments to be a substantial part of our portfolio.

The primary driver of our security selection is fundamental, bottom-up credit analysis conducted by a team of analysts who specialize by industry. This approach is augmented by an ongoing review of the relative value of securities and a top-down process that includes sector, economic and quantitative analysis.

Portfolio construction begins with a well-defined portfolio design that emphasizes diversification and establishes the target investment vehicles for generating the desired alpha for the Trust versus its benchmark as well as the risk parameters appropriate for the current positioning in

the credit cycle. (Alpha is a measure of performance on a risk-adjusted basis.) Investments are evaluated for liquidity and risk versus relative value. Working closely with other investment specialists and traders, we determine the timing and amount of each alpha decision to use in the portfolio at any time, taking into account security selection skill and market opportunities.

Sell decisions are generally based on:

- Low equity value to debt, high subordination and negative free cash flow, coupled with negative news, declining expectations or an increasing risk profile.
- Very low yields.
- Presentation of a better relative value opportunity.

Market conditions and your Trust

The high yield market produced solid returns for the fiscal year ended February 28, 2018, as strong corporate earnings, a sharp rise in equity markets and an increase in oil prices all provided a tailwind for the market. The US economy continued its modest growth, although the health of individual sectors varied.

During the fiscal year, the US Federal Reserve (the Fed) raised interest rates three times to a range of 1.25% to 1.50% and has now done so five times since the global financial crisis ended.[1] At its December 2017 meeting, the Fed noted signs of a stronger labor market, economic activity that has been advancing at a solid rate and an inflation level below two percent.[1]

The high yield market produced positive monthly returns in eight of the 12 months of the fiscal year. Just like 2016, the market was led by the lowest-rated segment of the market during the fiscal year. By sector, transportation and utilities had the strongest returns, while retail and telecommunications were the weakest-performing sectors.

The par-weighted high yield default rate decreased considerably during the

Portfolio Composition
By credit quality, based on total investments

BBB	5.0%
BB	49.3
B	37.7
CCC	4.8
Non-Rated	3.2

Top Five Debt Issuers*

1. Sprint Corp.	2.2%
2. HCA, Inc.	2.1
3. DISH DBS Corp.	2.1
4. CSC Holdings LLC	1.8
5. Valeant Pharmaceuticals International, Inc.	1.7

Total Net Assets	$	129.5 million
Total Number of Holdings*		340

The Trust s holdings are subject to change, and there is no assurance that the Trust will continue to hold any particular security.

*Excluding money market fund holdings.

Source: Standard & Poor s. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations, including specific securities, money market instruments or other debts. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. Non-Rated indicates the debtor was not rated, and should not be interpreted as indicating low quality. For more information on Standard & Poor s rating methodology, please visit standardandpoors.com and select Understanding Ratings under Rating Resources on the homepage.

fiscal year to 1.86% as of February 28, 2018 compared to 2.82% as of February 28, 2017.[2] The decline in the default rate was due to the rise in oil prices beginning in 2016, which led to a significant drop in defaults in the energy sector. New issuance rose during the fiscal year compared to the prior fiscal year and took place in an environment of outflows as retail mutual fund investors pulled substantial assets from the sector. However, new issuance was led by refinancing of existing debt, which we believe is a sign of a healthy market.

The Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index, which measures the performance of the US high yield bond market and is the Trust s benchmark, generated a strong return for the fiscal year. Likewise, the Trust, at NAV and at market value, generated a positive return for the fiscal year.

Our positioning was based on our belief that we are in the latter stages of the credit and business cycle, which necessitated underweight exposure to the more distressed parts of the market. However, this underweight exposure provided a slight drag on Trust performance as bonds rated CCC and below had the strongest return during the fiscal year. Security selection in the midstream energy sector also dragged on Trust performance versus the benchmark during the fiscal year. Additionally, security selection and underweight exposure in technology and financials also detracted from relative Trust performance.

Offsetting the drag from our underweight exposure to the more distressed part of the market was security selection especially in the consumer cyclical, independent energy, and metals and mining sectors. Broadly, consumer cyclicals performed in line with the market; however we were able to find relative value in sub-sectors such as gaming, retailers and services. Security selection within the independent energy and metals and mining sectors also added to the Trust s outperformance relative to its benchmark as these sectors had strong returns during the fiscal year.

At the close of the fiscal year, we noted some challenges facing certain sectors, yet also some opportunities. We saw continued challenges for a variety of retail companies as the sector faces rapidly changing consumer buying patterns. While this is not new, it s always disruptive and can be detrimental to companies with weak balance sheets and stale concepts. At the end of the fiscal year, we expected downward pressure on drug

prices to weigh on pharmaceutical company earnings. Careful credit selection will prove essential in this battered sector. In terms of opportunities, we believed merger and acquisition activity would influence the cable, satellite, wireless, and media sectors as companies look to deepen their consumer reach. Additionally, we saw opportunities in the energy sector at the close of the fiscal year as oil prices recovered and companies shifted their focus to generating returns versus outright production growth.

One important factor affecting the Trust s performance relative to its benchmark was the Trust s use of financial leverage through bank borrowings. For the fiscal year, the use of leverage contributed to Trust performance. At the close of the fiscal year, leverage accounted for about 27% of the Trust s total assets. The Trust uses leverage because we believe that, over time, leveraging can provide opportunities for additional income and total return for shareholders. However, use of leverage also can expose shareholders to additional volatility. For example, as the prices of securities held by a trust decline, the negative impact of these valuation changes on share NAV and total return is magnified by the use of leverage. Conversely, leverage may enhance returns during periods when the prices of securities held by a trust generally are rising. For more information about the Trust s use of leverage, see the Notes to Financial Statements later in this report.

We used forward foreign currency contracts during the fiscal year for the purpose of hedging currency exposure of non-US dollar-denominated debt. The use of such contracts had a minor negative impact on the Trust s performance relative to its benchmark for the fiscal year. This was due to the weakening of the US dollar. Forward foreign currency contracts expose the Trust to counter-party risk and do not always provide the hedging benefits anticipated.

We wish to remind you that the Trust is subject to interest rate risk, meaning when interest rates rise, the value of fixed income securities tends to fall. This risk may be greater in the current market environment because interest rates are at or near historic lows. The degree to which the value of fixed income securities may decline due to rising interest rates may vary depending on the speed and magnitude of the increase in interest rates, as well as individual security characteristics such as price, maturity, duration and coupon and market forces such

as supply and demand for similar securities. We are monitoring interest rates, and the market, economic and geopolitical factors that may impact the direction, speed and magnitude of changes to interest rates across the maturity spectrum, including the potential impact of monetary policy changes by the Fed and certain foreign central banks. If interest rates rise faster than expected, markets may experience increased volatility, which may affect the value and/or liquidity of certain of the Trust s investments or the market price of the Trust s shares.

Thank you for investing in Invesco High Income Trust II and for sharing our long-term investment horizon.

1 Source: US Federal Reserve
2 Source: JP Morgan High Yield Monitor

The views and opinions expressed in management s discussion of Trust performance are those of Invesco Advisers, Inc. These views and opinions are subject to change at any time based on factors such as market and economic conditions. These views and opinions may not be relied upon as investment advice or recommendations, or as an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Trust. Statements of fact are from sources considered reliable, but Invesco Advisers, Inc. makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.

See important Trust and, if applicable, index disclosures later in this report.

Andrew Geryol

Chartered Financial Analyst, Portfolio Manager, is manager of Invesco High Income Trust II. He has been associated with Invesco or its investment advisory affiliates in an investment management capacity since 2011 and began managing the Trust in 2016. Mr. Geryol earned a BS in business administration from Miami University.

Jennifer Hartviksen

Chartered Financial Analyst, Portfolio Manager and Head of Canada Fixed Income, is manager of Invesco High Income Trust II. She has been associated with Invesco or its investment advisory affiliates in an investment management capacity since 2013 and began managing the Trust in 2016. Most recently, she worked at Fiera Quantum L.P. as a senior portfolio manager. She earned a BA in economics from the University of Toronto.

Joseph Portera

Portfolio Manager, is manager of Invesco High Income Trust II. He has been associated with Invesco or its investment advisory affiliates in an investment management capacity since 2012 and began managing the Trust in 2016. Mr. Portera earned BA and MA degrees in Soviet studies and an MA in international political economy and development from Fordham University.

Scott Roberts

Chartered Financial Analyst, Portfolio Manager, is manager of Invesco High Income Trust II. He has been associated with Invesco or its investment advisory affiliates in an investment management capacity since 2000 and began managing the Trust in 2010. Mr. Roberts earned a BBA in finance from the University of Houston.

Supplemental Information

Invesco High Income Trust II s investment objective is to provide to its common shareholders high current income, while seeking to preserve shareholders capital, through investment in a professionally managed, diversified portfolio of high-income producing fixed-income securities.

Unless otherwise stated, information presented in this report is as of February 28, 2018, and is based on total net assets.
Unless otherwise noted, all data provided by Invesco.
To access your Trust s reports, visit invesco.com/fundreports.

About indexes used in this report

The **Bloomberg Barclays U.S. Corporate High Yield 2% Issuer Cap Index** is an unmanaged index considered representative of the US high yield, fixed rate corporate bond market. Index weights for each issuer are capped at 2%.
The Trust is not managed to track the performance of any particular index, including the index(es) described here, and consequently, the performance of the Trust may deviate significantly from the performance of the index(es).
A direct investment cannot be made in an index. Unless otherwise indicated, index results include reinvested dividends, and they do not reflect sales charges. Performance of the peer group, if applicable, reflects fund expenses; performance of a market index does not.

Other information

The returns shown in management s discussion of Trust performance are based on net asset values (NAVs) calculated for shareholder transactions. Generally accepted accounting principles require adjustments to be made to the net assets of the Trust at period end for financial reporting purposes, and as such, the NAVs for shareholder transactions and the returns based on those NAVs may differ from the NAVs and returns reported in the Financial Highlights.

Dividend Reinvestment Plan

The dividend reinvestment plan (the Plan) offers you a prompt and simple way to reinvest your dividends and capital gains distributions (Distributions) into additional shares of your Invesco closed-end Trust (the Trust). Under the Plan, the money you earn from Distributions will be reinvested automatically in more shares of the Trust, allowing you to potentially increase your investment over time. All shareholders in the Trust are automatically enrolled in the Plan when shares are purchased.

Plan benefits

Add to your account:
You may increase your shares in your Trust easily and automatically with the Plan.

Low transaction costs:
Shareholders who participate in the Plan may be able to buy shares at below-market prices when the Trust is trading at a premium to its net asset value (NAV). In addition, transaction costs are low because when new shares are issued by the Trust, there is no brokerage fee, and when shares are bought in blocks on the open market, the per share fee is shared among all participants.

Convenience:
You will receive a detailed account statement from Computershare Trust Company, N.A. (the Agent), which administers the Plan. The statement shows your total Distributions, date of investment, shares acquired, and price per share, as well as the total number of shares in your reinvestment account. You can also access your account at invesco.com/closed-end.

Safekeeping:
The Agent will hold the shares it has acquired for you in safekeeping.

Who can participate in the Plan

If you own shares in your own name, your purchase will automatically enroll you in the Plan. If your shares are held in street name in the name of your brokerage firm, bank, or other financial institution you must instruct that entity to participate on your behalf. If they are unable to participate on your behalf, you may request that they reregister your shares in your own name so that you may enroll in the Plan.

How to enroll

If you haven t participated in the Plan in the past or chose to opt out, you are still eligible to participate. Enroll by visiting invesco.com/closed-end, by calling toll-free 800 341 2929 or by notifying us in writing at Invesco Closed-End Funds, Computershare Trust Company, N.A., P.O. Box 505000, Louisville, KY 40233-5000. If you are writing to us, please include the Trust name and account number and ensure that all shareholders listed on the account sign these written instructions. Your participation in the Plan will begin with the next Distribution payable after the Agent receives your authorization, as long as they receive it before the record date, which is generally 10 business days before the Distribution is paid. If your authorization arrives after such record date, your participation in the Plan will begin with the following Distribution.

How the Plan works

If you choose to participate in the Plan, your Distributions will be promptly reinvested for you, automatically increasing your shares. If the Trust is trading at a share price that is equal to its NAV, you ll pay that amount for your reinvested shares. However, if the Trust is trading above or below NAV, the price is determined by one of two ways:

1. Premium: If the Trust is trading at a premium a market price that is higher than its NAV you ll pay either the NAV or 95 percent of the market price, whichever is greater. When the Trust trades at a premium, you may pay less for your reinvested shares than an investor purchasing shares on the stock exchange. Keep in mind, a portion of your price reduction may be taxable because you are receiving shares at less than market price.
2. Discount: If the Trust is trading at a discount a market price that is lower than its NAV you ll pay the market price for your reinvested shares.

Costs of the Plan

There is no direct charge to you for reinvesting Distributions because the Plan s fees are paid by the Trust. If the Trust is trading at or above its NAV, your new shares are issued directly by the Trust and there are no brokerage charges or fees. However, if the Trust is trading at a discount, the shares are purchased on the open market, and you will pay your portion of any per share fees. These per share fees are typically less than the standard brokerage charges for individual transactions because shares are purchased for all participants in blocks, resulting in lower fees for each individual participant. Any service or per share fees are added to the purchase price. Per share fees include any applicable brokerage commissions the Agent is required to pay.

Tax implications

The automatic reinvestment of Distributions does not relieve you of any income tax that may be due on Distributions. You will receive tax information annually to help you prepare your federal income tax return.

Invesco does not offer tax advice. The tax information contained herein is general and is not exhaustive by nature. It was not intended or written to be used, and it cannot be used, by any taxpayer for avoiding penalties that may be imposed on the taxpayer under US federal tax laws. Federal and state tax laws are complex and constantly changing.

Shareholders should always consult a legal or tax adviser for information concerning their individual situation.

How to withdraw from the Plan

You may withdraw from the Plan at any time by calling 800 341 2929, by visiting invesco.com/closed-end or by writing to Invesco Closed-End Funds, Computershare Trust Company, N.A., P.O. Box 505000, Louisville, KY 40233-5000. Simply indicate that you would like to withdraw from the Plan, and be sure to include your Trust name and account number. Also, ensure that all shareholders listed on the account sign these written instructions. If you withdraw, you have three options with regard to the shares held in the Plan:

1. If you opt to continue to hold your non-certificated whole shares (Investment Plan Book Shares), they will be held by the Agent electronically as Direct Registration Book-Shares (Book-Entry Shares) and fractional shares will be sold at the then-current market price. Proceeds will be sent via check to your address of record after deducting applicable fees, including per share fees such as any applicable brokerage commissions the Agent is required to pay.
2. If you opt to sell your shares through the Agent, we will sell all full and fractional shares and send the proceeds via check to your address of record after deducting a $2.50 service fee and per share fees. Per share fees include any applicable brokerage commissions the Agent is required to pay.
3. You may sell your shares through your financial adviser through the Direct Registration System (DRS). DRS is a service within the securities industry that allows Trust shares to be held in your name in electronic format. You retain full ownership of your shares, without having to hold a share certificate. You should contact your financial adviser to learn more about any restrictions or fees that may apply.

The Trust and Computershare Trust Company, N.A. may amend or terminate the Plan at any time. Participants will receive at least 30 days written notice before the effective date of any amendment. In the case of termination, Participants will receive at least 30 days written notice before the record date for the payment of any such Distributions by the Trust. In the case of amendment or termination necessary or appropriate to comply with applicable law or the rules and policies of the Securities and Exchange Commission or any other regulatory authority, such written notice will not be required.

To obtain a complete copy of the current Dividend Reinvestment Plan, please call our Client Services department at 800 341 2929 or visit invesco.com/closed-end.

Schedule of Investments[(a)]

February 28, 2018

	Principal Amount	Value
U.S. Dollar Denominated Bonds & Notes 131.46%[(b)]		
Advertising 1.01%		
Lamar Media Corp., Sr. Unsec. Gtd. Global Notes, 5.75%, 02/01/2026	$ 1,261,000	$ 1,309,864
Aerospace & Defense 2.79%		
Bombardier Inc. (Canada),		
Sr. Unsec. Notes,		
6.13%, 01/15/2023[(c)]	449,000	452,368
7.50%, 03/15/2025[(c)]	613,000	632,156
KLX Inc., Sr. Unsec. Gtd. Notes, 5.88%, 12/01/2022[(c)]	659,000	681,241
Moog Inc., Sr. Unsec. Gtd. Notes, 5.25%, 12/01/2022[(c)]	455,000	469,787
TransDigm Inc., Sr. Unsec. Gtd. Sub. Global Notes,		
6.50%, 07/15/2024	154,000	159,198
6.50%, 05/15/2025	1,189,000	1,221,697
		3,616,447
Agricultural & Farm Machinery 0.72%		
Titan International, Inc., Sr. Sec. Gtd. First Lien Notes, 6.50%, 11/30/2023[(c)]	914,000	934,565
Air Freight & Logistics 0.20%		
XPO Logistics, Inc., Sr. Unsec. Gtd. Notes, 6.50%, 06/15/2022[(c)]	249,000	259,707
Alternative Carriers 0.82%		
Level 3 Financing, Inc., Sr. Unsec. Gtd. Global Notes,		
5.25%, 03/15/2026	466,000	449,685
5.38%, 05/01/2025	612,000	608,940
		1,058,625
Aluminum 1.01%		
Alcoa Nederland Holding B.V., Sr. Unsec. Gtd. Notes, 6.75%, 09/30/2024[(c)]	800,000	862,000
Novelis Corp., Sr. Unsec. Gtd. Notes, 6.25%, 08/15/2024[(c)]	431,000	441,775
		1,303,775
Apparel Retail 1.86%		
Hot Topic, Inc., Sr. Sec. Gtd. First Lien Notes, 9.25%, 06/15/2021[(c)]	849,000	844,755
L Brands, Inc., Sr. Unsec. Gtd. Global Notes,		
5.63%, 02/15/2022	999,000	1,043,955
6.75%, 07/01/2036	104,000	102,440
6.88%, 11/01/2035	416,000	417,435
		2,408,585
Auto Parts & Equipment 0.79%		
	265,000	272,123

	Principal Amount	Value
Dana Financing Luxembourg S.a.r.l., Sr. Unsec. Gtd. Notes, 5.75%, 04/15/2025[c]		
Auto Parts & Equipment (continued)		
Dana Inc., Sr. Unsec. Notes, 5.50%, 12/15/2024	$ 229,000	$ 234,725
Delphi Technologies PLC, Sr. Unsec. Gtd. Notes, 5.00%, 10/01/2025[c]	445,000	442,352
Flexi-Van Leasing, Inc., Sec. Second Lien Notes, 10.00%, 02/15/2023[c]	70,000	69,825
		1,019,025
Automobile Manufacturers 0.00%		
Motors Liquidation Co., Sr. Unsec. Deb., 0.00%, 07/15/2033[d][e]	1,640,000	0
Automotive Retail 1.13%		
Lithia Motors, Inc., Sr. Unsec. Gtd. Notes, 5.25%, 08/01/2025[c]	230,000	234,600
Murphy Oil USA, Inc., Sr. Unsec. Gtd. Global Notes, 5.63%, 05/01/2027	613,000	627,559
Penske Automotive Group Inc., Sr. Unsec. Sub. Gtd. Notes, 5.50%, 05/15/2026	606,000	606,000
		1,468,159
Broadcasting 3.32%		
Clear Channel Worldwide Holdings, Inc., Series B, Sr. Unsec. Gtd. Global Notes, 6.50%, 11/15/2022	520,000	536,900
Sr. Unsec. Gtd. Sub. Global Notes, 7.63%, 03/15/2020	847,000	849,117
Netflix, Inc., Sr. Unsec. Global Notes, 5.75%, 03/01/2024	475,000	500,531
Nexstar Broadcasting, Inc., Sr. Unsec. Gtd. Notes, 5.63%, 08/01/2024[c]	525,000	528,938
Sirius XM Radio Inc., Sr. Unsec. Gtd. Notes, 5.38%, 04/15/2025[c]	3,000	3,056
5.38%, 07/15/2026[c]	585,000	593,775
6.00%, 07/15/2024[c]	663,000	696,150
Tribune Media Co., Sr. Unsec. Gtd. Global Notes, 5.88%, 07/15/2022	575,000	589,375
		4,297,842
Building Products 0.98%		
Gibraltar Industries Inc., Sr. Unsec. Gtd. Sub. Global Notes, 6.25%, 02/01/2021	557,000	564,937
Standard Industries Inc., Sr. Unsec. Notes, 5.00%, 02/15/2027[c]	500,000	496,875
6.00%, 10/15/2025[c]	200,000	212,250
		1,274,062
Cable & Satellite 11.87%		
AMC Networks Inc., Sr. Unsec. Gtd. Global Notes, 4.75%, 08/01/2025	121,000	117,521
5.00%, 04/01/2024	491,000	493,455

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Cable & Satellite (continued)		
CCO Holdings LLC/CCO Holdings Capital Corp.,		
Sr. Unsec. Global Notes, 5.75%, 09/01/2023	$ 675,000	$ 690,187
Sr. Unsec. Notes, 5.75%, 02/15/2026[(c)]	1,445,000	1,468,481
CSC Holdings LLC,		
Sr. Unsec. Gtd. Notes, 6.63%, 10/15/2025[(c)]	215,000	226,288
Sr. Unsec. Notes, 10.13%, 01/15/2023[(c)]	1,395,000	1,559,052
10.88%, 10/15/2025[(c)]	419,000	495,468
DISH DBS Corp., Sr. Unsec. Gtd. Global Notes,		
5.88%, 11/15/2024	1,665,000	1,563,019
7.88%, 09/01/2019	1,076,000	1,137,870
Hughes Satellite Systems Corp.,		
Sr. Sec. Gtd. First Lien Global Notes, 5.25%, 08/01/2026	171,000	167,366
Sr. Unsec. Gtd. Global Notes, 7.63%, 06/15/2021	619,000	668,520
Intelsat Jackson Holdings S.A. (Luxembourg),		
Sr. Unsec. Gtd. Global Bonds,		
5.50%, 08/01/2023	515,000	427,450
Sr. Unsec. Gtd. Global Notes, 7.25%, 10/15/2020	893,000	836,071
7.50%, 04/01/2021	448,000	409,080
SFR Group S.A. (France),		
Sr. Sec. Gtd. First Lien Bonds,		
6.00%, 05/15/2022[(c)]	910,000	887,250
Sr. Sec. Gtd. First Lien Notes, 7.38%, 05/01/2026[(c)]	503,000	487,432
Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH		
(Germany), Sr. Sec. Gtd. First Lien Bonds, 5.00%, 01/15/2025[(c)]	855,000	874,237
UPC Holding B.V. (Netherlands), Sr. Sec. First Lien Notes,		
5.50%, 01/15/2028[(c)]	200,000	188,500
UPCB Finance IV Ltd. (Netherlands), Sr. Sec. First Lien Notes,		
5.38%, 01/15/2025[(c)]	250,000	248,905
Virgin Media Finance PLC (United Kingdom),		
REGS, Sr. Unsec. Gtd. Euro Notes, 6.00%, 10/15/2024[(c)]	218,000	220,998
Virgin Media Secured Finance PLC (United Kingdom),		
Sr. Sec. Gtd. First Lien Notes, 5.50%, 08/15/2026[(c)]	519,000	515,056
REGS, Sr. Sec. Gtd. First Lien Euro Bonds, 5.50%, 01/15/2025[(c)]	630,000	637,087
VTR Finance B.V. (Chile), Sr. Sec. First Lien Notes, 6.88%,		
01/15/2024[(c)]	620,000	647,900
Ziggo Bond Finance B.V. (Netherlands), REGS, Sr. Unsec. Euro Notes,		
5.88%, 01/15/2025[(c)]	250,000	241,875

	Principal Amount	Value
Cable & Satellite (continued)		
Ziggo Secured Finance B.V. (Netherlands), Sr. Sec. Gtd. First Lien		
Notes, 5.50%, 01/15/2027[(c)]	$ 175,000	$ 168,219
		15,377,287

Casinos & Gaming 4.49%

Boyd Gaming Corp., Sr. Unsec. Gtd. Global Notes,		
6.38%, 04/01/2026	230,000	242,363
6.88%, 05/15/2023	890,000	942,287
Codere Finance 2 (Luxembourg) S.A. (Spain), Sr. Sec. Gtd. First Lien Notes, 7.63%, 11/01/2021[(c)]	240,000	242,093
MGM Resorts International,		
Sr. Unsec. Gtd. Global Notes, 6.63%, 12/15/2021	525,000	568,601
Sr. Unsec. Gtd. Notes, 4.63%, 09/01/2026	450,000	442,121
6.00%, 03/15/2023	325,000	346,531
7.75%, 03/15/2022	327,000	365,423
Pinnacle Entertainment, Inc., Sr. Unsec. Global Notes, 5.63%, 05/01/2024	867,000	919,462
Scientific Games International Inc., Sr. Unsec. Gtd. Global Notes, 10.00%, 12/01/2022	806,000	877,129
Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., Sr. Unsec. Gtd. Notes, 5.25%, 05/15/2027[(c)]	236,000	232,165
5.50%, 03/01/2025[(c)]	626,000	636,172
		5,814,347
Commodity Chemicals 0.36%		
Koppers Inc., Sr. Unsec. Gtd. Notes, 6.00%, 02/15/2025[(c)]	446,000	462,725
Construction & Engineering 0.20%		
AECOM, Sr. Unsec. Gtd. Global Notes, 5.13%, 03/15/2027	266,000	258,273
Construction Machinery & Heavy Trucks 0.94%		
Meritor Inc., Sr. Unsec. Gtd. Notes, 6.25%, 02/15/2024	305,000	318,725
Oshkosh Corp., Sr. Unsec. Gtd. Global Notes, 5.38%, 03/01/2025	429,000	449,506
Terex Corp., Sr. Unsec. Gtd. Notes, 5.63%, 02/01/2025[(c)]	444,000	448,995
		1,217,226
Consumer Finance 2.79%		
Ally Financial Inc.,		
Sr. Unsec. Global Notes,		
4.63%, 03/30/2025	704,000	710,160
5.13%, 09/30/2024	900,000	936,000
Sr. Unsec. Gtd. Global Notes, 8.00%, 03/15/2020	240,000	260,400
Discover Financial Services, Inc.,		
Series C, Jr. Unsec. Sub. Global Notes, 5.50%[(f)]	356,000	357,780

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	Principal Amount	Value
Consumer Finance (continued)		
Navient Corp., Sr. Unsec.		
Medium-Term Notes, 7.25%, 01/25/2022	$ 325,000	$ 349,349
8.00%, 03/25/2020	640,000	687,200
Unifin Financiera, S.A.B. de C.V. SOFOM, E.N.R. (Mexico), Sr. Unsec. Notes, 7.38%, 02/12/2026[(c)]	320,000	316,000
		3,616,889
Copper 0.66%		
First Quantum Minerals Ltd. (Zambia), Sr. Unsec. Gtd. Notes, 7.00%, 02/15/2021[(c)]	825,000	852,328
Data Processing & Outsourced Services 1.33%		
First Data Corp.,		
Sr. Sec. Gtd. First Lien Notes,		
5.00%, 01/15/2024[(c)]	400,000	404,000
Sr. Unsec. Gtd. Notes, 7.00%, 12/01/2023[(c)]	1,254,000	1,321,403
		1,725,403
Diversified Banks 1.80%		
Bank of America Corp., Series K, Jr. Unsec. Sub. Global Variable Rate Notes, 5.40% (3 mo. USD LIBOR + 3.63%)[(f)(g)]	202,000	202,556
Dresdner Funding Trust I (Germany), REGS, Jr. Unsec. Sub. Euro Notes, 8.15%, 06/30/2031[(c)]	385,000	506,275
JPMorgan Chase & Co., Series I, Jr. Unsec. Sub. Global Notes, 7.90%[(f)]	460,000	465,313
Royal Bank of Scotland Group PLC (The) (United Kingdom), Unsec. Sub. Global Bonds, 5.13%, 05/28/2024	1,129,000	1,158,254
		2,332,398
Diversified Chemicals 1.36%		
Chemours Co. (The), Sr. Unsec. Gtd. Global Notes,		
6.63%, 05/15/2023	1,205,000	1,272,781
7.00%, 05/15/2025	210,000	227,325
Trinseo Materials Operating S.C.A./Trinseo Materials Finance, Inc., Sr. Unsec. Gtd. Notes, 5.38%, 09/01/2025[(c)]	264,000	267,630
		1,767,736
Diversified Metals & Mining 2.01%		
Freeport-McMoRan Inc., Sr. Unsec. Gtd. Global Notes, 5.40%, 11/14/2034	1,044,000	1,020,510
HudBay Minerals, Inc. (Canada), Sr. Unsec. Gtd. Notes, 7.63%, 01/15/2025[(c)]	532,000	581,210
Teck Resources Ltd. (Canada), Sr. Unsec. Gtd. Global Notes, 4.75%, 01/15/2022	503,000	513,060
Sr. Unsec. Notes,		
6.13%, 10/01/2035	445,000	486,163
		2,600,943
	Principal Amount	**Value**

Diversified Support Services 0.19%		
Jaguar Holding Co. II/Pharmaceutical Product Development, LLC, Sr. Unsec. Gtd. Notes, 6.38%, 08/01/2023[c]	$ 240,000	$ 241,800
Electric Utilities 0.24%		
Southern Co. (The), Series B, Jr. Unsec. Sub. Global Notes, 5.50%, 03/15/2057	298,000	310,236
Electrical Components & Equipment 1.34%		
EnerSys, Sr. Unsec. Gtd. Notes, 5.00%, 04/30/2023[c]	970,000	995,462
Sensata Technologies B.V., Sr. Unsec. Gtd. Notes, 4.88%, 10/15/2023[c]	320,000	326,000
5.00%, 10/01/2025[c]	415,000	420,188
		1,741,650
Electronic Equipment & Instruments 0.35%		
Itron, Inc., Sr. Unsec. Gtd. Notes, 5.00%, 01/15/2026[c]	460,000	458,850
Environmental & Facilities Services 1.15%		
Advanced Disposal Services, Inc., Sr. Unsec. Gtd. Notes, 5.63%, 11/15/2024[c]	397,000	405,933
Core & Main LP, Sr. Unsec. Notes, 6.13%, 08/15/2025[c]	595,000	590,537
Waste Pro USA, Inc., Sr. Unsec. Notes, 5.50%, 02/15/2026[c]	364,000	366,730
Wrangler Buyer Corp., Sr. Unsec. Notes, 6.00%, 10/01/2025[c]	123,000	125,153
		1,488,353
Food Distributors 0.83%		
US Foods, Inc., Sr. Unsec. Gtd. Notes, 5.88%, 06/15/2024[c]	1,025,000	1,068,563
Food Retail 2.13%		
1011778 BC ULC/ New Red Finance, Inc. (Canada), Sec. Gtd. Second Lien Notes, 5.00%, 10/15/2025[c]	1,234,000	1,208,549
Albertsons Cos. LLC/ Safeway Inc./New Albertson s, Inc./Albertson s LLC, Sr. Unsec. Gtd. Global Notes, 6.63%, 06/15/2024	714,000	661,342
Ingles Markets, Inc., Sr. Unsec. Global Notes, 5.75%, 06/15/2023	899,000	894,505
		2,764,396
Gas Utilities 1.75%		
AmeriGas Partners, L.P./AmeriGas Finance Corp., Sr. Unsec. Global Notes, 5.63%, 05/20/2024	404,000	409,050
5.88%, 08/20/2026	622,000	626,665
Ferrellgas L.P./Ferrellgas Finance Corp., Sr. Unsec. Global Notes, 6.50%, 05/01/2021	373,000	354,350
Suburban Propane Partners, L.P./Suburban Energy Finance Corp., Sr. Unsec. Global Notes, 5.50%, 06/01/2024	900,000	882,000
		2,272,065

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	Principal Amount	Value
General Merchandise Stores 0.50%		
Dollar Tree, Inc., Sr. Unsec. Gtd. Global Notes, 5.75%, 03/01/2023	$ 622,000	$ 648,046
Health Care Equipment 0.97%		
Eagle Holding Co. II, LLC, Sr. Unsec. PIK Notes, 8.38% PIK Rate, 7.63% Cash Rate, 05/15/2022(c)(h)	507,000	508,273
Hill-Rom Holdings, Inc., Sr. Unsec. Gtd. Notes, 5.00%, 02/15/2025(c)	596,000	597,490
Teleflex Inc., Sr. Unsec. Gtd. Global Notes, 4.88%, 06/01/2026	109,000	108,455
5.25%, 06/15/2024	42,000	43,260
		1,257,478
Health Care Facilities 6.28%		
Acadia Healthcare Co., Inc., Sr. Unsec. Gtd. Global Notes, 6.50%, 03/01/2024	495,000	513,562
Community Health Systems, Inc.,		
Sr. Sec. Gtd. First Lien Global Notes, 5.13%, 08/01/2021	285,000	264,338
Sr. Sec. Gtd. First Lien Notes, 6.25%, 03/31/2023	677,000	619,455
Sr. Unsec. Gtd. Global Notes, 6.88%, 02/01/2022	159,260	104,315
8.00%, 11/15/2019	435,000	407,541
Encompass Health Corp., Sr. Unsec. Gtd. Global Notes, 5.75%, 09/15/2025	620,000	633,950
HCA Healthcare, Inc., Sr. Unsec. Notes, 6.25%, 02/15/2021	610,000	643,550
HCA, Inc.,		
Sr. Sec. Gtd. First Lien Global Notes, 5.88%, 03/15/2022	742,000	788,375
Sr. Sec. Gtd. First Lien Notes, 5.25%, 04/15/2025	699,000	719,970
Sr. Unsec. Gtd. Global Notes, 7.50%, 02/15/2022	283,000	313,776
Sr. Unsec. Gtd. Notes, 5.38%, 02/01/2025	540,000	550,298
5.88%, 02/15/2026	360,000	373,500
LifePoint Health, Inc.,		
Sr. Unsec. Gtd. Global Notes,		
5.38%, 05/01/2024	430,000	421,937
Sr. Unsec. Gtd. Notes, 5.88%, 12/01/2023	110,000	110,688
Tenet Healthcare Corp.,		
Sec. Gtd. Second Lien Notes, 7.50%, 01/01/2022(c)	106,000	112,360
Sr. Unsec. Global Notes, 6.75%, 06/15/2023	909,000	912,409
8.13%, 04/01/2022	605,000	639,031
		8,129,055
Health Care Services 2.47%		
AMN Healthcare, Inc., Sr. Unsec. Gtd. Notes, 5.13%, 10/01/2024(c)	410,000	415,125
DaVita Inc., Sr. Unsec. Gtd. Global Notes, 5.00%, 05/01/2025	467,000	458,828

	Principal Amount	Value
Health Care Services (continued)		
Envision Healthcare Corp., Sr. Unsec. Gtd. Notes, 6.25%, 12/01/2024(c)	$ 204,000	$ 215,730
MEDNAX, Inc., Sr. Unsec. Gtd. Notes, 5.25%, 12/01/2023(c)	437,000	448,471
MPH Acquisition Holdings LLC, Sr. Unsec. Gtd. Notes, 7.13%,	970,000	1,023,350

06/01/2024[c]		
Surgery Center Holdings, Inc., Sr. Unsec. Gtd. Notes,		
6.75%, 07/01/2025[c]	130,000	122,850
8.88%, 04/15/2021[c]	96,000	100,080
Team Health Holdings, Inc., Sr. Unsec. Gtd. Notes, 6.38%, 02/01/2025[c]	450,000	414,000
		3,198,434
Home Improvement Retail 0.71%		
Hillman Group Inc. (The), Sr. Unsec. Gtd. Notes, 6.38%, 07/15/2022[c]	933,000	914,340
Homebuilding 3.70%		
Ashton Woods USA LLC/Ashton Woods Finance Co., Sr. Unsec. Notes,		
6.75%, 08/01/2025[c]	343,000	343,858
6.88%, 02/15/2021[c]	402,000	409,035
Beazer Homes USA, Inc., Sr. Unsec. Gtd. Global Notes,		
5.88%, 10/15/2027	85,000	80,963
6.75%, 03/15/2025	641,000	650,615
8.75%, 03/15/2022	400,000	433,000
KB Home, Sr. Unsec. Gtd. Notes,		
7.50%, 09/15/2022	400,000	447,500
Lennar Corp.,		
Sr. Unsec. Gtd. Global Notes,		
4.75%, 11/15/2022	135,000	136,181
Sr. Unsec. Gtd. Notes, 5.25%, 06/01/2026[c]	133,000	136,325
5.38%, 10/01/2022[c]	640,000	670,400
8.38%, 01/15/2021[c]	112,000	125,496
Meritage Homes Corp., Sr. Unsec. Gtd. Global Notes,		
6.00%, 06/01/2025	433,000	458,980
7.15%, 04/15/2020	300,000	321,750
Taylor Morrison Communities Inc./ Taylor Morrison Holdings II, Inc.,		
Sr. Unsec. Gtd. Notes, 5.88%, 04/15/2023[c]	548,000	572,824
		4,786,927
Household Products 1.80%		
Reynolds Group Issuer Inc./LLC,		
Sr. Sec. Gtd. First Lien Global Notes, 5.75%, 10/15/2020	278,134	282,306
Sr. Sec. Gtd. First Lien Notes, 5.13%, 07/15/2023[c]	207,000	211,368
Sr. Unsec. Gtd. Notes, 7.00%, 07/15/2024[c]	614,000	647,770
Spectrum Brands, Inc., Sr. Unsec. Gtd. Global Notes, 5.75%, 07/15/2025	663,000	686,205
Springs Industries, Inc., Sr. Sec. Global Notes, 6.25%, 06/01/2021	492,000	501,840
		2,329,489

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	Principal Amount	Value
Independent Power Producers & Energy Traders 1.80%		
AES Corp. (The),		
Sr. Unsec. Global Notes, 8.00%, 06/01/2020	$ 40,000	$ 44,000
Sr. Unsec. Notes,		
5.50%, 04/15/2025	1,199,000	1,234,970
Calpine Corp., Sr. Unsec. Global Notes, 5.50%, 02/01/2024	294,000	276,360
Dynegy Inc., Sr. Unsec. Gtd. Global Notes, 7.38%, 11/01/2022	275,000	290,469
NRG Energy, Inc., Sr. Unsec. Gtd. Global Notes,		
6.25%, 05/01/2024	306,000	318,240
6.63%, 01/15/2027	167,000	173,262
		2,337,301
Industrial Machinery 0.71%		
Cleaver-Brooks, Inc., Sr. Sec. Notes, 7.88%, 03/01/2023[(c)]	492,000	520,290
Mueller Industries, Inc., Unsec. Sub. Deb., 6.00%, 03/01/2027	401,000	404,008
		924,298
Integrated Oil & Gas 0.65%		
California Resources Corp., Sec. Gtd. Second Lien Notes,		
8.00%, 12/15/2022[(c)]	479,000	380,805
Petrobras Global Finance B.V. (Brazil), Sr. Unsec. Gtd. Global Notes,		
5.75%, 02/01/2029	474,000	456,936
		837,741
Integrated Telecommunication Services 2.64%		
CenturyLink, Inc.,		
Series S, Sr. Unsec. Notes,		
6.45%, 06/15/2021	587,000	603,142
Series Y, Sr. Unsec. Global Notes,		
7.50%, 04/01/2024	580,000	584,350
Cincinnati Bell Inc., Sr. Unsec. Gtd. Notes, 7.00%, 07/15/2024[(c)]	417,000	396,776
Frontier Communications Corp., Sr. Unsec. Global Notes,		
8.50%, 04/15/2020	727,000	715,186
10.50%, 09/15/2022	320,000	274,000
11.00%, 09/15/2025	510,000	402,263
Telecom Italia Capital S.A. (Italy), Sr. Unsec. Gtd. Global Notes,		
6.38%, 11/15/2033	92,000	101,200
7.20%, 07/18/2036	289,000	339,575
		3,416,492
Internet Software & Services 1.91%		
CyrusOne L.P./CyrusOne Finance Corp., Sr. Unsec. Gtd. Global		
Notes, 5.00%, 03/15/2024	322,000	325,220
5.38%, 03/15/2027	350,000	351,750
Equinix Inc., Sr. Unsec. Notes, 5.88%, 01/15/2026	1,171,000	1,229,550

	Principal Amount	Value
Internet Software & Services (continued)		

Rackspace Hosting, Inc., Sr. Unsec. Gtd. Notes, 8.63%, 11/15/2024[c]	$ 541,000	$ 565,345
		2,471,865
Leisure Facilities 0.78%		
Cedar Fair L.P./Canada s Wonderland Co./Magnum Management Corp., Sr. Unsec. Gtd. Global Notes, 5.38%, 06/01/2024	295,000	304,219
Six Flags Entertainment Corp., Sr. Unsec. Gtd. Notes, 4.88%, 07/31/2024[c]	700,000	700,063
		1,004,282
Leisure Products 0.91%		
Mattel, Inc., Sr. Unsec. Global Notes, 5.45%, 11/01/2041	212,000	188,680
Sr. Unsec. Gtd. Notes, 6.75%, 12/31/2025[c]	867,000	884,340
Sr. Unsec. Notes, 6.20%, 10/01/2040	118,000	110,330
		1,183,350
Managed Health Care 1.07%		
Centene Corp., Sr. Unsec. Notes, 4.75%, 01/15/2025	306,000	305,044
Molina Healthcare, Inc., Sr. Unsec. Gtd. Notes, 4.88%, 06/15/2025[c]	331,000	318,587
WellCare Health Plans Inc., Sr. Unsec. Notes, 5.25%, 04/01/2025	745,000	755,892
		1,379,523
Metal & Glass Containers 1.55%		
Ardagh Packaging Finance PLC / Ardagh Holdings USA Inc. (Ireland), Sr. Unsec. Gtd. Notes, 6.00%, 02/15/2025[c]	200,000	205,500
7.25%, 05/15/2024[c]	335,000	360,125
Ball Corp., Sr. Unsec. Gtd. Global Notes, 5.25%, 07/01/2025	425,000	447,844
Berry Global, Inc., Sec. Gtd. Second Lien Global Notes, 6.00%, 10/15/2022	333,000	347,985
Sec. Gtd. Second Lien Notes, 5.50%, 05/15/2022	494,000	508,202
OI European Group B.V., Sr. Unsec. Gtd. Notes, 4.00%, 03/15/2023[c]	138,000	133,860
		2,003,516
Movies & Entertainment 1.02%		
AMC Entertainment Holdings, Inc., Sr. Unsec. Gtd. Sub. Global Notes, 5.75%, 06/15/2025	860,000	839,575
Lions Gate Entertainment Corp., Sr. Unsec. Gtd. Notes, 5.88%, 11/01/2024[c]	457,000	479,667
		1,319,242

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	Principal Amount	Value
Oil & Gas Drilling 1.69%		
Ensco PLC, Sr. Unsec. Global Notes, 4.50%, 10/01/2024	$ 24,000	$ 19,680
7.75%, 02/01/2026	775,000	735,281
Noble Holding International Ltd. (United Kingdom), Sr. Unsec. Gtd. Global Notes, 7.75%, 01/15/2024	422,000	386,130
Precision Drilling Corp. (Canada), Sr. Unsec. Gtd. Global Notes, 5.25%, 11/15/2024	372,000	356,190
6.50%, 12/15/2021	152,000	155,420
7.75%, 12/15/2023	92,000	97,520
Transocean Inc., Sr. Unsec. Gtd. Global Notes, 7.50%, 04/15/2031	480,000	435,600
		2,185,821
Oil & Gas Equipment & Services 1.01%		
Archrock Partners, L.P./Archrock Partners Finance Corp., Sr. Unsec. Gtd. Global Notes, 6.00%, 10/01/2022	230,000	231,725
SESI, L.L.C., Sr. Unsec. Gtd. Global Notes, 7.13%, 12/15/2021	503,000	513,689
Weatherford International Ltd., Sr. Unsec. Gtd. Notes, 6.50%, 08/01/2036	511,000	390,915
8.25%, 06/15/2023	175,000	170,187
		1,306,516
Oil & Gas Exploration & Production 8.57%		
Callon Petroleum Co., Sr. Unsec. Gtd. Global Notes, 6.13%, 10/01/2024	525,000	538,125
Concho Resources Inc., Sr. Unsec. Gtd. Global Notes, 4.38%, 01/15/2025	420,000	430,329
Continental Resources Inc., Sr. Unsec. Gtd. Global Notes, 3.80%, 06/01/2024	765,000	745,875
Denbury Resources Inc., Sr. Unsec. Gtd. Sub. Notes, 5.50%, 05/01/2022	314,000	243,350
EP Energy LLC/Everest Acquisition Finance Inc., Sr. Sec. Gtd. First Lien Notes, 8.00%, 11/29/2024[(c)]	410,000	424,350
Gulfport Energy Corp., Sr. Unsec. Gtd. Global Notes, 6.00%, 10/15/2024	488,000	481,900
Newfield Exploration Co., Sr. Unsec. Global Notes, 5.63%, 07/01/2024	666,000	704,295
Oasis Petroleum Inc., Sr. Unsec. Gtd. Global Notes, 6.88%, 01/15/2023	641,000	657,426
Parsley Energy LLC/Parsley Finance Corp., Sr. Unsec. Gtd. Notes, 6.25%, 06/01/2024[(c)]	887,000	920,262
QEP Resources, Inc., Sr. Unsec. Global Notes, 5.25%, 05/01/2023	220,000	219,450
5.63%, 03/01/2026	207,000	204,413
Sr. Unsec. Notes, 6.88%, 03/01/2021	591,000	632,370
Range Resources Corp., Sr. Unsec. Gtd. Global Notes, 4.88%, 05/15/2025	497,000	478,673
5.88%, 07/01/2022	429,000	437,580
	Principal	**Value**

	Amount	
Oil & Gas Exploration & Production (continued)		
RSP Permian, Inc., Sr. Unsec. Gtd. Global Notes, 5.25%, 01/15/2025	$ 479,000	$ 484,988
SM Energy Co., Sr. Unsec. Global Notes, 6.13%, 11/15/2022	292,000	296,380
6.75%, 09/15/2026	270,000	272,700
Southwestern Energy Co., Sr. Unsec. Global Notes, 4.10%, 03/15/2022	691,000	651,267
Whiting Petroleum Corp., Sr. Unsec. Gtd. Global Notes, 6.25%, 04/01/2023	880,000	892,100
WildHorse Resource Development Corp., Sr. Unsec. Gtd. Global Notes, 6.88%, 02/01/2025	791,000	812,752
WPX Energy Inc., Sr. Unsec. Notes, 5.25%, 09/15/2024	563,000	565,815
		11,094,400
Oil & Gas Refining & Marketing 0.30%		
Sunoco LP/Sunoco Finance Corp., Sr. Unsec. Gtd. Notes, 4.88%, 01/15/2023[(c)]	395,000	393,025
Oil & Gas Storage & Transportation 5.89%		
Andeavor Logistics LP/Tesoro Logistics Finance Corp., Sr. Unsec. Gtd. Global Notes, 6.38%, 05/01/2024	321,000	345,476
Antero Midstream Partners LP/Antero Midstream Finance Corp., Sr. Unsec. Gtd. Global Notes, 5.38%, 09/15/2024	860,000	883,650
Antero Resources Corp., Sr. Unsec. Gtd. Global Notes, 5.63%, 06/01/2023	794,000	817,820
Energy Transfer Equity, L.P., Sr. Sec. First Lien Notes, 5.88%, 01/15/2024	1,102,000	1,170,875
Energy Transfer Partners, L.P., Series A, Jr. Unsec. Sub. Global Notes, 6.25%[(f)]	400,000	388,600
Holly Energy Partners L.P./Holly Energy Finance Corp., Sr. Unsec. Gtd. Notes, 6.00%, 08/01/2024[(c)]	253,000	261,222
NGPL PipeCo. LLC, Sr. Unsec. Bonds, 4.88%, 08/15/2027[(c)]	99,000	100,238
Plains All American Pipeline, L.P., Series B, Jr. Unsec. Sub. Notes, 6.13%[(f)]	423,000	416,655
Sabine Pass Liquefaction, LLC, Sr. Sec. First Lien Global Notes, 5.63%, 03/01/2025	702,000	756,222
SemGroup Corp., Sr. Unsec. Gtd. Global Notes, 6.38%, 03/15/2025	515,000	511,137
Targa Resources Partners L.P./Targa Resources Partners Finance Corp., Sr. Unsec. Gtd. Global Bonds, 5.13%, 02/01/2025	478,000	478,000
5.25%, 05/01/2023	266,000	270,490
Williams Cos., Inc. (The), Sr. Unsec. Global Notes, 4.55%, 06/24/2024	876,000	886,950
Sr. Unsec. Notes, 7.88%, 09/01/2021	304,000	342,000
		7,629,335

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Other Diversified Financial Services 0.93%		
Lincoln Finance Ltd. (Netherlands), Sr. Sec. Gtd. First Lien Notes, 7.38%, 04/15/2021[c]	$ 521,000	$ 543,794
LPL Holdings Inc., Sr. Unsec. Gtd. Notes, 5.75%, 09/15/2025[c]	474,000	481,110
VFH Parent LLC/Orchestra Co-Issuer Inc., Sec. Gtd. Second Lien Notes, 6.75%, 06/15/2022[c]	165,000	173,349
		1,198,253
Packaged Foods & Meats 1.77%		
B&G Foods, Inc., Sr. Unsec. Gtd. Notes, 5.25%, 04/01/2025	359,000	346,435
JBS Investments GmbH (Brazil), Sr. Unsec. Gtd. Notes, 7.25%, 04/03/2024[c]	355,000	354,113
REGS, Sr. Unsec. Gtd. Euro Notes, 7.25%, 04/03/2024[c]	200,000	199,500
JBS USA Lux S.A./JBS USA Finance Inc. (Brazil), Sr. Unsec. Gtd. Notes, 5.75%, 06/15/2025[c]	176,000	168,960
Lamb Weston Holdings Inc., Sr. Unsec. Gtd. Notes, 4.63%, 11/01/2024[c]	412,000	416,120
TreeHouse Foods, Inc., Sr. Unsec. Gtd. Notes, 6.00%, 02/15/2024[c]	796,000	813,910
		2,299,038
Paper Packaging 0.80%		
Graphic Packaging International LLC., Sr. Unsec. Gtd. Notes, 4.88%, 11/15/2022	477,000	492,503
Plastipak Holdings Inc., Sr. Unsec. Notes, 6.25%, 10/15/2025[c]	536,000	548,060
		1,040,563
Paper Products 0.87%		
Mercer International Inc. (Canada), Sr. Unsec. Global Notes, 6.50%, 02/01/2024	200,000	210,000
7.75%, 12/01/2022	57,000	60,349
Sr. Unsec. Notes, 5.50%, 01/15/2026[c]	170,000	169,575
Rayonier A.M. Products Inc., Sr. Unsec. Gtd. Notes, 5.50%, 06/01/2024[c]	693,000	693,000
		1,132,924
Pharmaceuticals 2.30%		
Catalent Pharma Solutions, Inc., Sr. Unsec. Gtd. Notes, 4.88%, 01/15/2026[c]	113,000	112,153
Endo DAC/Endo Finance LLC/Endo Finco Inc., Sr. Unsec. Gtd. Notes, 6.00%, 07/15/2023[c]	275,000	207,625
Teva Pharmaceutical Finance IV, B.V. (Israel), Sr. Unsec. Gtd. Global Notes, 3.65%, 11/10/2021	460,000	440,866
Valeant Pharmaceuticals International, Inc., Sr. Sec. Gtd. First Lien Notes, 5.50%, 11/01/2025[c]	346,000	343,621

	Principal Amount	Value
Pharmaceuticals (continued)		
Sr. Unsec. Gtd. Notes, 5.63%, 12/01/2021[c]	$ 1,136,000	$ 1,082,040
5.88%, 05/15/2023[c]	227,000	202,597

6.13%, 04/15/2025[c]	400,000	352,250
7.25%, 07/15/2022[c]	250,000	244,062
		2,985,214
Publishing 0.74%		
Meredith Corp., Sr. Unsec. Notes, 6.88%, 02/01/2026[c]	923,000	954,151
Restaurants 1.52%		
Aramark Services, Inc., Sr. Unsec. Gtd. Notes, 5.00%, 04/01/2025[c]	433,000	437,330
Carrols Restaurant Group, Inc., Sec. Gtd. Second Lien Global Notes, 8.00%, 05/01/2022	651,000	683,550
IRB Holding Corp., Sr. Unsec. Gtd. Notes, 6.75%, 02/15/2026[c]	619,000	620,548
KFC Holding Co./Pizza Hut Holdings LLC/Taco Bell of America LLC, Sr. Unsec. Gtd. Notes, 4.75%, 06/01/2027[c]	232,000	227,360
		1,968,788
Security & Alarm Services 0.82%		
Prime Security Services Borrower, LLC/Prime Finance, Inc., Sec. Gtd. Second Lien Notes, 9.25%, 05/15/2023[c]	970,000	1,058,513
Semiconductor Equipment 0.19%		
Entegris Inc., Sr. Unsec. Gtd. Notes, 4.63%, 02/10/2026[c]	252,000	248,850
Semiconductors 0.97%		
Micron Technology, Inc., Sr. Unsec. Global Notes, 5.50%, 02/01/2025	595,000	620,288
NXP B.V./NXP Funding LLC (Netherlands), Sr. Unsec. Gtd. Notes,		
4.63%, 06/01/2023[c]	200,000	206,560
5.75%, 03/15/2023[c]	420,000	433,398
		1,260,246
Specialized Consumer Services 1.15%		
ServiceMaster Co., LLC (The),		
Sr. Unsec. Gtd. Notes, 5.13%, 11/15/2024[c]	424,000	418,700
Sr. Unsec. Notes, 7.45%, 08/15/2027	992,000	1,076,320
		1,495,020
Specialized Finance 2.77%		
AerCap Global Aviation Trust (Ireland), Jr. Unsec. Gtd. Sub. Notes, 6.50%, 06/15/2045[c]	430,000	468,700
Aircastle Ltd.,		
Sr. Unsec. Global Notes, 7.63%, 04/15/2020	155,000	167,206
Sr. Unsec. Notes,		
5.00%, 04/01/2023	840,000	868,258
5.50%, 02/15/2022	159,000	166,155

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Specialized Finance (continued)		
CIT Group Inc.,		
Sr. Unsec. Global Notes, 5.00%, 08/15/2022	$ 618,000	$ 638,857
5.00%, 08/01/2023	415,000	428,488
MSCI Inc., Sr. Unsec. Gtd. Notes., 5.25%, 11/15/2024[c]	830,000	852,244
		3,589,908
Specialized REITs 1.10%		
GLP Capital LP/GLP Financing II Inc., Sr. Unsec. Gtd. Notes, 5.38%, 04/15/2026	535,000	554,394
Iron Mountain Inc., Sr. Unsec. Gtd. Notes, 6.00%, 08/15/2023	386,000	402,887
Iron Mountain US Holdings, Inc., Sr. Unsec. Gtd. Notes, 5.38%, 06/01/2026[c]	474,000	469,260
		1,426,541
Specialty Chemicals 3.57%		
Ashland LLC, Sr. Unsec. Gtd. Global Notes, 4.75%, 08/15/2022	425,000	435,625
Axalta Coating Systems, LLC, Sr. Unsec. Gtd. Notes, 4.88%, 08/15/2024[c]	472,000	475,540
GCP Applied Technologies Inc., Sr. Unsec. Gtd. Notes, 9.50%, 02/01/2023[c]	630,000	692,212
Kraton Polymers LLC/Kraton Polymers Capital Corp., Sr. Unsec. Gtd. Notes, 10.50%, 04/15/2023[c]	623,000	699,317
Platform Specialty Products Corp., Sr. Unsec. Gtd. Notes, 5.88%, 12/01/2025[c]	793,000	790,026
PolyOne Corp., Sr. Unsec. Global Notes, 5.25%, 03/15/2023	395,000	400,925
PQ Corp.,		
Sr. Sec. Gtd. First Lien Notes, 6.75%, 11/15/2022[c]	413,000	437,264
Sr. Unsec. Gtd. Notes, 5.75%, 12/15/2025[c]	88,000	89,540
Valvoline Inc., Sr. Unsec. Gtd. Global Notes, 5.50%, 07/15/2024	380,000	392,825
Venator Finance S.a.r.l./Venator Materials Corp., Sr. Unsec. Gtd. Notes, 5.75%, 07/15/2025[c]	205,000	209,613
		4,622,887
Steel 1.88%		
Cleveland-Cliffs Inc., Sr. Unsec. Gtd. Notes, 5.75%, 03/01/2025[c]	697,000	679,139
Steel Dynamics, Inc., Sr. Unsec. Gtd. Global Notes, 5.00%, 12/15/2026	365,000	373,213
SunCoke Energy Partners, L.P./ SunCoke Energy Partners Finance Corp., Sr. Unsec. Gtd. Notes, 7.50%, 06/15/2025[c]	439,000	459,852
United States Steel Corp., Sr. Unsec. Global Notes, 6.88%, 08/15/2025	876,000	924,180
		2,436,384

	Principal Amount	Value
Systems Software 0.34%		
Symantec Corp., Sr. Unsec. Notes, 5.00%, 04/15/2025[c]	$ 433,000	$ 442,787

Technology Distributors 0.35%		
CDW LLC/CDW Finance Corp., Sr. Unsec. Gtd. Notes, 5.00%, 09/01/2025	441,000	447,064
Technology Hardware, Storage & Peripherals 2.63%		
CommScope Technologies LLC, Sr. Unsec. Gtd. Notes, 6.00%, 06/15/2025[c]	1,253,000	1,300,363
Dell International LLC/ EMC Corp.,		
Sr. Sec. Gtd. First Lien Notes, 8.35%, 07/15/2046[c]	184,000	233,519
Sr. Unsec. Gtd. Notes, 7.13%, 06/15/2024[c]	1,191,000	1,286,555
Diebold Nixdorf, Inc., Sr. Unsec. Gtd. Global Notes, 8.50%, 04/15/2024	554,000	586,548
		3,406,985
Trading Companies & Distributors 2.23%		
BMC East, LLC, Sr. Sec. Gtd. First Lien Notes, 5.50%, 10/01/2024[c]	647,000	658,323
H&E Equipment Services, Inc., Sr. Unsec. Gtd. Notes, 5.63%, 09/01/2025[c]	846,000	867,150
Herc Rentals Inc., Sec. Gtd. Second Lien Notes, 7.75%, 06/01/2024[c]	612,000	669,956
United Rentals North America, Inc., Sr. Unsec. Gtd. Global Notes, 5.50%, 07/15/2025	469,000	484,829
Sr. Unsec. Gtd. Notes, 5.50%, 05/15/2027	197,000	202,122
		2,882,380
Trucking 1.13%		
Avis Budget Car Rental LLC/Avis Budget Finance Inc., Sr. Unsec. Gtd. Notes, 5.25%, 03/15/2025[c]	269,000	260,594
Hertz Corp. (The), Sec. Gtd. Second Lien Notes, 7.63%, 06/01/2022[c]	179,000	184,817
Kenan Advantage Group Inc. (The), Sr. Unsec. Notes, 7.88%, 07/31/2023[c]	982,000	1,018,825
		1,464,236
Wireless Telecommunication Services 6.05%		
Altice Luxembourg S.A. (Luxembourg), Sr. Unsec. Gtd. Notes, 7.75%, 05/15/2022[c]	1,066,000	998,042
Altice US Finance I Corp., Sr. Sec. Notes, 5.50%, 05/15/2026[c]	425,000	421,812
CB Escrow Corp., Sr. Unsec. Notes, 8.00%, 10/15/2025[c]	84,000	82,530
Digicel Group Ltd. (Jamaica), Sr. Unsec. Notes, 8.25%, 09/30/2020[c]	438,000	411,173
SBA Communications Corp., Sr. Unsec. Global Notes, 4.88%, 09/01/2024	895,000	886,050
Sprint Communications Inc., Sr. Unsec. Global Notes, 11.50%, 11/15/2021	390,000	462,150

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

	Principal Amount	Value
Wireless Telecommunication Services (continued)		
Sprint Corp., Sr. Unsec. Gtd. Global Notes,		
7.25%, 09/15/2021	$ 816,000	$ 853,740
7.63%, 02/15/2025	335,000	335,838
7.88%, 09/15/2023	1,599,000	1,658,962
T-Mobile USA, Inc., Sr. Unsec. Gtd. Global Bonds, 6.50%, 01/15/2026	351,000	377,325
Sr. Unsec. Gtd. Global Notes, 6.38%, 03/01/2025	1,270,000	1,343,025
		7,830,647
Total U.S. Dollar Denominated Bonds & Notes (Cost $169,436,943)		170,263,979
Variable Rate Senior Loan Interests 1.12%[i]		
Food & Drug Retailers 1.12%		
Albertson s LLC, Term Loan B-4, 4.40% (3 mo. USD LIBOR + 2.75%), 08/25/2021 (Cost $1,420,321)	1,464,892	1,447,899
	Shares	
Preferred Stocks 0.68%		
Diversified Banks 0.59%		
Wells Fargo & Co., Class A, Series L, $75.00 Conv. Pfd.	596	759,900
Specialized Finance 0.09%		
CIT Group Inc., Series A, 5.80% Pfd.	115,000	116,438
Total Preferred Stocks (Cost $882,357)		876,338
	Principal Amount	**Value**
Non-U.S. Dollar Denominated Bonds & Notes 0.67%[j]		
Food Retail 0.29%		
Iceland Bondco PLC (United Kingdom), REGS, Sr. Sec. Gtd. First Lien Euro Notes, 4.63%, 03/15/2025[c]	GBP 300,000	$ 383,390
Health Care Services 0.38%		
Synlab Unsecured Bondco PLC (United Kingdom), REGS, Sr. Unsec. Gtd. Euro Bonds, 8.25%, 07/01/2023[c]	EUR 375,000	492,016
Total Non-U.S. Dollar Denominated Bonds & Notes (Cost $823,674)		875,406
	Shares	
Money Market Funds 0.70%		
Invesco Government & Agency Portfolio Institutional Class, 1.30%[k]	316,752	316,752
Invesco Liquid Assets Portfolio Institutional Class, 1.55%[k]	226,229	226,251
Invesco Treasury Portfolio Institutional Class, 1.29%[k]	362,003	362,003
Total Money Market Funds (Cost $905,006)		905,006
TOTAL INVESTMENTS IN SECURITIES 134.63% (Cost $173,468,301)		174,368,628
OTHER ASSETS LESS LIABILITIES 2.08%		2,697,185
BORROWINGS (36.71)%		(47,550,000)
NET ASSETS 100.00%		$ 129,515,813

Investment Abbreviations:

Conv.	Convertible
Deb.	Debentures
EUR	Euro
GBP	British Pound
Gtd.	Guaranteed
Jr.	Junior
LIBOR	London Interbank Offered Rate
Mo.	- Month
Pfd.	Preferred
PIK	Pay-in-Kind
REGS	Regulation S
REIT	Real Estate Investment Trust
Sec.	Secured
Sr.	Senior
Sub.	Subordinated
Unsec.	Unsecured
USD	U.S. Dollar

Notes to Schedule of Investments:

(a) Industry and/or sector classifications used in this report are generally according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of MSCI Inc. and Standard & Poor s.
(b) Calculated as a percentage of net assets. Amounts in excess of 100% are due to the Trust s use of leverage.
(c) Security purchased or received in a transaction exempt from registration under the Securities Act of 1933, as amended (the 1933 Act). The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The aggregate value of these securities at February 28, 2018 was $73,253,215, which represented 56.56% of the Trust s Net Assets.
(d) Defaulted security. Currently, the issuer is partially or fully in default with respect to interest payments. The value of the security at February 28, 2018 represented less than 1% of the Trust s Net Assets.
(e) Security valued using significant unobservable inputs (Level 3). See Note 3.
(f) Perpetual bond with no specified maturity date.
(g) Interest or dividend rate is redetermined periodically. Rate shown is the rate in effect on February 28, 2018.
(h) All or a portion of this security is Pay-in-Kind. Pay-in-Kind securities pay interest income in the form of securities.
(i) Variable rate senior loan interests are, at present, not readily marketable, not registered under the 1933 Act and may be subject to contractual and legal restrictions on sale. Variable rate senior loan interests in the Trust s portfolio generally have variable rates which adjust to a base, such as the London Interbank Offered Rate (LIBOR), on set dates, typically every 30 days but not greater than one year; and/or have interest rates that float at a margin above a widely recognized base lending rate such as the Prime Rate of a designated U.S. bank.
(j) Foreign denominated security. Principal amount is denominated in the currency indicated.
(k) The money market fund and the Trust are affiliated by having the same investment adviser. The rate shown is the 7-day SEC standardized yield as of February 28, 2018.

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Open Forward Foreign Currency Contracts

Settlement Date	Counterparty	Contract to Deliver		Contract to Receive		Unrealized Appreciation (Depreciation)
05/31/2018	Barclays Bank PLC	GBP	260,000	USD	363,601	$ 4,208
05/31/2018	Goldman Sachs International Inc.	EUR	463,168	USD	574,665	5,577
Subtotal						9,785
05/31/2018	State Street Bank and Trust Co.	USD	191,489	EUR	154,500	(1,657)
Total Forward Foreign Currency Contracts Currency Risk						$ 8,128

Abbreviations:

EUR Euro
GBP British Pound Sterling
USD U. S. Dollar

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Statement of Assets and Liabilities

February 28, 2018

Assets:		
Investments in securities, at value (Cost $172,563,295)	$	173,463,622
Investments in affiliated money market funds, at value (Cost $905,006)		905,006
Other investments:		
Unrealized appreciation on forward foreign currency contracts outstanding		9,785
Foreign currencies, at value (Cost $4,328)		2,631
Receivable for:		
Investments sold		399,905
Dividends and interest		2,795,359
Investment for trustee deferred compensation and retirement plans		17,238
Other assets		16,148
Total assets		177,609,694
Liabilities:		
Other investments:		
Unrealized depreciation on forward foreign currency contracts outstanding		1,657
Borrowings		47,550,000
Payable for:		
Investments purchased		316,511
Dividends		22,482
Accrued fees to affiliates		25
Accrued interest expense and line of credit fees		84,903
Accrued trustees and officers fees and benefits		3,793
Accrued other operating expenses		96,170
Trustee deferred compensation and retirement plans		18,340
Total liabilities		48,093,881
Net assets applicable to shares outstanding	$	129,515,813
Net assets consist of:		
Shares of beneficial interest	$	139,421,884
Undistributed net investment income		(925,705)
Undistributed net realized gain (loss)		(9,888,914)
Net unrealized appreciation		908,548
	$	129,515,813
Common shares outstanding, no par value, with an unlimited number of common shares authorized:		
Shares outstanding		8,118,429
Net asset value per share	$	15.95
Market value per share	$	14.04

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Statement of Operations

For the year ended February 28, 2018

Investment income:	
Interest (net of foreign withholding taxes of $259)	$ 10,113,326
Dividends	11,175
Dividends from affiliated money market funds	31,423
Total investment income	10,155,924
Expenses:	
Advisory fees	1,259,222
Administrative services fees	50,000
Custodian fees	10,038
Interest, facilities and maintenance fees	1,052,174
Transfer agent fees	24,453
Trustees and officers fees and benefits	22,566
Registration and filing fees	25,000
Reports to shareholders	23,266
Professional services fees	83,252
Taxes	18,575
Other	8,771
Total expenses	2,577,317
Less: Fees waived	(4,873)
Net expenses	2,572,444
Net investment income	7,583,480
Realized and unrealized gain (loss) from:	
Net realized gain (loss) from:	
Investment securities	1,726,422
Foreign currencies	21,579
Forward foreign currency contracts	(144,402)
	1,603,599
Change in net unrealized appreciation (depreciation) of:	
Investment securities	(4,233,752)
Foreign currencies	132
Forward foreign currency contracts	11,727
	(4,221,893)
Net realized and unrealized gain (loss)	(2,618,294)
Net increase in net assets resulting from operations	$ 4,965,186

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Statement of Changes in Net Assets

For the years ended February 28, 2018 and 2017

	2018	2017
Operations:		
Net investment income	$ 7,583,480	$ 8,750,057
Net realized gain	1,603,599	1,189,127
Change in net unrealized appreciation (depreciation)	(4,221,893)	15,382,296
Net increase in net assets resulting from operations	4,965,186	25,321,480
Distributions to shareholders from net investment income	(8,232,087)	(8,669,311)
Return of capital		(512,636)
Net increase (decrease) in net assets	(3,266,901)	16,139,533
Net assets:		
Beginning of year	132,782,714	116,643,181
End of year (includes undistributed net investment income of $(925,705) and $(746,479), respectively)	$ 129,515,813	$ 132,782,714

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

Statement of Cash Flows

For the year ended February 28, 2018

Cash provided by operating activities:	
Net increase in net assets resulting from operations	$ 4,965,186
Adjustments to reconcile the change in net assets applicable from operations to net cash provided by operating activities:	
Purchases of investments	(73,878,880)
Proceeds from sales of investments	67,391,778
Net change in transactions in foreign currency contracts	(11,727)
Amortization of premium	638,695
Accretion of discount	(266,217)
Increase in receivables and other assets	(53,476)
Increase in accrued expenses and other payables	14,339
Net realized gain from investment securities	(1,726,422)
Net change in unrealized depreciation on investment securities	4,233,752
Net cash provided by operating activities	1,307,028
Cash provided by (used in) financing activities:	
Dividends paid to shareholders from net investment income	(8,232,017)
Net increase (decrease) in cash and cash equivalents	(6,924,989)
Cash and cash equivalents at beginning of period	7,832,626
Cash and cash equivalents at end of period	$ 907,637
Supplemental disclosure of cash flow information:	
Cash paid during the period for interest, facilities and maintenance fees	$ 1,027,887

Notes to Financial Statements

February 28, 2018

NOTE 1 Significant Accounting Policies

Invesco High Income Trust II (the Trust) is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a diversified, closed-end management investment company.

The Trust s investment objective is to provide high current income, while seeking to preserve shareholders capital, through investment in a professionally managed, diversified portfolio of high-income producing fixed-income securities.

The Trust is an investment company and accordingly follows the investment company accounting and reporting guidance in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 946, *Financial Services Investment Companies*.

The following is a summary of the significant accounting policies followed by the Trust in the preparation of its financial statements.

A. Security Valuations Securities, including restricted securities, are valued according to the following policy.

Debt obligations (including convertible securities) and unlisted equities are fair valued using an evaluated quote provided by an independent pricing service. Evaluated quotes provided by the pricing service may be determined without exclusive reliance on quoted prices, and may reflect appropriate factors such as institution-size trading in similar groups of securities, developments related to specific securities, dividend rate (for unlisted equities), yield (for debt obligations), quality, type of issue, coupon rate (for debt obligations), maturity (for debt obligations), individual trading characteristics and other market data. Pricing services generally value debt obligations assuming orderly transactions of institutional round lot size, but a trust may hold or transact in the same securities in smaller, odd lot sizes. Odd lots often trade at lower prices than institutional round lots. Debt obligations are subject to interest rate and credit risks. In addition, all debt obligations involve some risk of default with respect to interest and/or principal payments.

Variable rate senior loan interests are fair valued using quotes provided by an independent pricing service. Quotes provided by the pricing service may reflect appropriate factors such as ratings, tranche type, industry, company performance, spread, individual trading characteristics, institution-size trading in similar groups of securities and other market data.

A security listed or traded on an exchange (except convertible securities) is valued at its last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded, or lacking any sales or official closing price on a particular day, the security may be valued at the closing bid price on that day. Securities traded in the over-the-counter market are valued based on prices furnished by independent pricing services or market makers. When such securities are valued by an independent pricing service they may be considered fair valued. Futures contracts are valued at the final settlement price set by an exchange on which they are principally traded. Listed options are valued at the mean between the last bid and asked prices from the exchange on which they are principally traded. Options not listed on an exchange are valued by an independent source at the mean between the last bid and asked prices. For purposes of determining net asset value (NAV) per share, futures and option contracts generally are valued 15 minutes after the close of the customary trading session of the New York Stock Exchange (NYSE).

Investments in open-end and closed-end registered investment companies that do not trade on an exchange are valued at the end-of-day net asset value per share. Investments in open-end and closed-end registered investment companies that trade on an exchange are valued at the last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded.

Foreign securities (including foreign exchange contracts) prices are converted into U.S. dollar amounts using the applicable exchange rates as of the close of the NYSE. If market quotations are available and reliable for foreign exchange-traded equity securities, the securities will be valued at the market quotations. Because trading hours for certain foreign securities end before the close of the NYSE, closing market quotations may become unreliable. If between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that the investment adviser determines are significant and make the closing price unreliable, the Fund may fair value the security. If the event is likely to have affected the closing price of the security, the security will be valued at fair value in good faith using procedures approved by the Board of Trustees. Adjustments to closing prices to reflect fair value may also be based on a screening process of an independent pricing service to indicate the degree of certainty, based on historical data, that the closing price in the principal market where a foreign security trades is not the current value as of the close of the NYSE. Foreign securities prices meeting the approved degree of certainty that the price is not reflective of current value will be priced at the indication of fair value from the independent pricing service. Multiple factors may be considered by the independent pricing service in determining adjustments to reflect fair value and may include information relating to sector indices, American Depositary Receipts and domestic and foreign index futures. Foreign securities may have additional risks including exchange rate changes, potential for sharply devalued currencies and high inflation, political and economic upheaval, the relative lack of issuer information, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

Securities for which market prices are not provided by any of the above methods may be valued based upon quotes furnished by independent sources. The last bid price may be used to value equity securities. The mean between the last bid and asked prices is used to value debt obligations, including corporate loans.

Securities for which market quotations are not readily available or became unreliable are valued at fair value as determined in good faith by or under the supervision of the Fund s officers following procedures approved by the Board of Trustees. Issuer specific events, market trends, bid/asked quotes of brokers and information providers and other market data may be reviewed in the course of making a good faith determination of a security s fair value.

The Trust may invest in securities that are subject to interest rate risk, meaning the risk that the prices will generally fall as interest rates rise and, conversely, the prices will generally rise as interest rates fall. Specific securities differ in their sensitivity to changes in interest rates depending on their individual characteristics. Changes in interest rates may result in increased market volatility, which may affect the value and/or liquidity of certain Trust investments.

Valuations change in response to many factors including the historical and prospective earnings of the issuer, the value of the issuer s assets, general economic conditions, interest rates, investor perceptions and market liquidity. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

B. Securities Transactions and Investment Income Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income (net of withholding tax, if any) is recorded on the accrual basis from settlement date. Bond premiums and discounts are amortized and/or accreted over the lives of the respective securities. Pay-in-kind interest income and non-cash dividend income received in the form of securities in-lieu of cash are recorded at the fair value of the securities received. Dividend income (net of withholding tax, if any) is recorded on the ex-dividend date.

The Trust may periodically participate in litigation related to Trust investments. As such, the Trust may receive proceeds from litigation settlements. Any proceeds received are included in the Statement of Operations as realized gain (loss) for investments no longer held and as unrealized gain (loss) for investments still held.

Brokerage commissions and mark ups are considered transaction costs and are recorded as an increase to the cost basis of securities purchased and/or a reduction of proceeds on a sale of securities. Such transaction costs are included in the determination of net realized and unrealized gain (loss) from investment securities reported in the Statement of Operations and the Statement of Changes in Net Assets and the net realized and unrealized gains (losses) on securities per share in the Financial Highlights. Transaction costs are included in the calculation of the Trust s net asset value and, accordingly, they reduce the Trust s total returns. These transaction costs are not considered operating expenses and are not reflected in net investment income reported in the Statement of Operations and the Statement of Changes in Net Assets, or the net investment income per share and the ratios of expenses and net investment income reported in the Financial Highlights, nor are they limited by any expense limitation arrangements between the Trust and the investment adviser.

C. **Country Determination** For the purposes of making investment selection decisions and presentation in the Schedule of Investments, the investment adviser may determine the country in which an issuer is located and/or credit risk exposure based on various factors. These factors include the laws of the country under which the issuer is organized, where the issuer maintains a principal office, the country in which the issuer derives 50% or more of its total revenues and the country that has the primary market for the issuer s securities, as well as other criteria. Among the other criteria that may be evaluated for making this determination are the country in which the issuer maintains 50% or more of its assets, the type of security, financial guarantees and enhancements, the nature of the collateral and the sponsor organization. Country of issuer and/or credit risk exposure has been determined to be the United States of America, unless otherwise noted.

D. **Distributions** Distributions from net investment income are declared and paid monthly. Distributions from net realized capital gain, if any, are generally declared and paid annually and recorded on the ex-dividend date.

E. **Federal Income Taxes** The Trust intends to comply with the requirements of Subchapter M of the Internal Revenue Code of 1986, as amended (the Internal Revenue Code) necessary to qualify as a regulated investment company and to distribute substantially all of the Trust s taxable earnings to shareholders. As such, the Trust will not be subject to federal income taxes on otherwise taxable income (including net realized capital gain) that is distributed to shareholders. Therefore, no provision for federal income taxes is recorded in the financial statements.

The Trust recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained. Management has analyzed the Trust s uncertain tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions. Management is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next 12 months.

The Trust files tax returns in the U.S. Federal jurisdiction and certain other jurisdictions. Generally, the Trust is subject to examinations by such taxing authorities for up to three years after the filing of the return for the tax period.

F. **Accounting Estimates** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period including estimates and assumptions related to taxation. Actual results could differ from those estimates by a significant amount. In addition, the Trust monitors for material events or transactions that may occur or become known after the period-end date and before the date the financial statements are released to print.

G. **Indemnifications** Under the Trust s organizational documents, each Trustee, officer, employee or other agent of the Trust is indemnified against certain liabilities that may arise out of the performance of their duties to the Trust. Additionally, in the normal course of business, the Trust enters into contracts, including the Trust s servicing agreements, that contain a variety of indemnification clauses. The Trust s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. The risk of material loss as a result of such indemnification claims is considered remote.

H. **Cash and Cash Equivalents** For the purposes of the Statement of Cash Flows, the Trust defines Cash and Cash Equivalents as cash (including foreign currency), money market funds and other investments held in lieu of cash and excludes investments made with cash collateral received.

I. **Interest, Facilities and Maintenance Fees** Interest, Facilities and Maintenance Fees include interest and related borrowing costs such as commitment fees and other expenses associated with lines of credit and interest and administrative expenses related to establishing and maintaining the credit agreement.

J. **Securities Purchased on a When-Issued and Delayed Delivery Basis** The Trust may purchase and sell interests in corporate loans and corporate debt securities and other portfolio securities on a when-issued and delayed delivery basis, with payment and delivery scheduled for a future date. No income accrues to the Trust on such interests or securities in connection with such transactions prior to the date the Trust actually takes delivery of such interests or securities. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Trust will generally purchase these securities with the intention of acquiring such securities, they may sell such securities prior to the settlement date.

K. **Foreign Currency Translations** Foreign currency is valued at the close of the NYSE based on quotations posted by banks and major currency dealers. Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at date of valuation. Purchases and sales of portfolio securities (net of foreign taxes withheld on disposition) and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Trust does not separately account for the portion of the results of operations resulting from changes in foreign exchange rates on investments and the fluctuations arising from changes in market prices of securities held. The combined results of changes in foreign exchange rates and the fluctuation of market prices on investments (net of estimated foreign tax withholding) are included with the net realized and unrealized gain or loss from investments in the Statement of Operations. Reported net realized foreign currency gains or losses arise from (1) sales of foreign currencies, (2) currency gains or losses realized between the trade and settlement dates on securities transactions, and (3) the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Trust s books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.

The Trust may invest in foreign securities, which may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Trust invests and are shown in the Statement of Operations.

L. **Forward Foreign Currency Contracts** The Trust may engage in foreign currency transactions either on a spot (i.e. for prompt delivery and settlement) basis, or through forward foreign currency contracts, to manage or minimize currency or exchange rate risk.

The Trust may also enter into forward foreign currency contracts for the purchase or sale of a security denominated in a foreign currency in order to lock in the U.S. dollar price of that security, or the Trust may also enter into forward foreign currency contracts that do not provide for physical settlement of the two currencies, but instead are settled by a single cash payment calculated as the difference between the agreed upon exchange rate and the spot rate at settlement based upon an agreed upon notional amount (non-deliverable forwards). The Trust will set aside liquid assets in an amount equal to the daily mark-to-market obligation for forward foreign currency contracts.

A forward foreign currency contract is an obligation between two parties (Counterparties) to purchase or sell a specific currency for an agreed-upon price at a future date. The use of forward foreign currency contracts does not eliminate fluctuations in the price of the underlying securities the Trust owns or intends to acquire but establishes a rate of exchange in advance. Fluctuations in the value of these contracts are measured by the difference in the contract date and reporting date exchange rates and are recorded as unrealized appreciation (depreciation) until the contracts are closed. When the contracts are closed, realized gains (losses) are recorded. Realized and unrealized gains (losses) on the contracts are included in the Statement of Operations. The primary risks associated with forward foreign currency contracts include failure of the Counterparty to meet the terms of the contract and the value of the foreign currency changing unfavorably. These risks may be in excess of the amounts reflected in the Statement of Assets and Liabilities.

M. Leverage Risk The Trust may utilize leverage to seek to enhance the yield of the Trust by borrowing. There are risks associated with borrowing in an effort to increase the yield and distributions on the shares, including that the costs of the financial leverage may exceed the income from investments made with such leverage, the higher volatility of the net asset value of the shares, and that fluctuations in the interest rates on the borrowing may affect the yield and distributions to the shareholders. There can be no assurance that the Trust s leverage strategy will be successful.

N. Bank Loan Risk Although the resale, or secondary market for floating rate loans has grown substantially over the past decade, both in overall size and number of market participants, there is no organized exchange or board of trade on which floating rate loans are traded. Instead, the secondary market for floating rate loans is a private, unregulated interdealer or interbank resale market. Such a market may therefore be subject to irregular trading activity, wide bid/ask spreads, and extended trade settlement periods, which may impair the Fund s ability to sell bank loans within its desired time frame or at an acceptable price and its ability to accurately value existing and prospective investments. Extended trade settlement periods may result in cash not being immediately available to the Fund. As a result, the Fund may have to sell other investments or engage in borrowing transactions to raise cash to meet its obligations. Similar to other asset classes, bank loan funds may be exposed to counterparty credit risk, or the risk than an entity with which the Trust has unsettled or open transactions may fail to or be unable to perform on its commitments. The Trust seeks to manage counterparty credit risk by entering into transactions only with counterparties that it believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties.

O. Other Risks The Fund may invest in lower-quality debt securities, i.e., junk bonds . Investments in lower-rated securities or unrated securities of comparable quality tend to be more sensitive to economic conditions than higher rated securities. Junk bonds involve a greater risk of default by the issuer because such securities are generally unsecured and are often subordinated to other creditors claim.

NOTE 2 Advisory Fees and Other Fees Paid to Affiliates

The Trust has entered into a master investment advisory agreement with Invesco Advisers, Inc. (the Adviser or Invesco). Under the terms of the investment advisory agreement, the Trust accrues daily and pays monthly an advisory fee to the Adviser based on the annual rate of 0.70% of the Trust s average daily managed assets. Managed assets for this purpose means the Trust s net assets, plus assets attributable to outstanding preferred shares and the amount of any borrowings incurred for the purpose of leverage (whether or not such borrowed amounts are reflected in the Trust s financial statements for purposes of GAAP).

Under the terms of a master sub-advisory agreement between the Adviser and each of Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Canada Ltd. (collectively, the Affiliated Sub-Advisers) the Adviser, not the Trust, will pay 40% of the fees paid to the Adviser to any such Affiliated Sub-Adviser(s) that provide(s) discretionary investment management services to the Trust based on the percentage of assets allocated to such Affiliated Sub-Adviser(s).

The Adviser has contractually agreed, through at least June 30, 2019, to waive the advisory fee payable by the Trust in an amount equal to 100% of the net advisory fees the Adviser receives from the affiliated money market funds on investments by the Trust of uninvested cash in such affiliated money market funds.

For the year ended February 28, 2018, the Adviser waived advisory fees of $4,873.

The Trust has entered into a master administrative services agreement with Invesco pursuant to which the Trust has agreed to pay Invesco for certain administrative costs incurred in providing accounting services to the Trust. For the year ended February 28, 2018, expenses incurred under this agreement are shown in the Statement of Operations as *Administrative services fees*.

Certain officers and trustees of the Trust are officers and directors of Invesco.

NOTE 3 Additional Valuation Information

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. GAAP establishes a hierarchy that prioritizes the inputs to valuation methods, giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3), generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods may result in transfers in or out of an investment s assigned level:

Level 1 Prices are determined using quoted prices in an active market for identical assets.
Level 2

Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, loss severities, default rates, discount rates, volatilities and others.

Level 3 Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Trust s own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

The following is a summary of the tiered valuation input levels, as of February 28, 2018. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

The Trust s policy is to recognize transfers in and out of the valuation levels as of the end of the reporting period. During the year ended February 28, 2018, there were no material transfers between valuation levels.

	Level 1	Level 2	Level 3	Total
Investments in Securities				
U.S. Dollar Denominated Bonds & Notes	$	$ 170,263,979	$ 0	$ 170,263,979
Variable Rate Senior Loan Interests		1,447,899		1,447,899
Preferred Stock	759,900	116,438		876,338
Non-U.S. Dollar Denominated Bonds & Notes		875,406		875,406
Money Market Funds	905,006			905,006
Total Investments in Securities	1,664,906	172,703,722	0	174,368,628
Other Investments Assets*				
Forward Foreign Currency Contracts		9,785		9,785
Other Investments Liabilities*				
Forward Foreign Currency Contracts		(1,657)		(1,657)
Total Other Investments		8,128		8,128
Total Investments	$ 1,664,906	$ 172,711,850	$ 0	$ 174,376,756

*Unrealized appreciation (depreciation).

NOTE 4 Derivative Investments

The Trust may enter into an International Swaps and Derivatives Association Master Agreement (ISDA Master Agreement) under which a trust may trade OTC derivatives. An OTC transaction entered into under an ISDA Master Agreement typically involves a collateral posting arrangement, payment netting provisions and close-out netting provisions. These netting provisions allow for reduction of credit risk through netting of contractual obligations. The enforceability of the netting provisions of the ISDA Master Agreement depends on the governing law of the ISDA Master Agreement, among other factors.

For financial reporting purposes, the Trust does not offset OTC derivative assets or liabilities that are subject to ISDA Master Agreements in the Statement of Assets and Liabilities.

Value of Derivative Investments at Period-End

The table below summarizes the value of the Trust s derivative investments, detailed by primary risk exposure, held as of February 28, 2018:

Derivative Assets	**Value Currency Risk**
Unrealized appreciation on forward foreign currency contracts outstanding	$ 9,785
Total Derivative Assets	9,785
Derivatives not subject to master netting agreements	
Total Derivative Assets subject to master netting agreements	$ 9,785

Derivative Liabilities	Value Currency Risk
Unrealized depreciation on forward foreign currency contracts outstanding	$ (1,657)
Total Derivative Liabilities	(1,657)
Derivatives not subject to master netting agreements	
Total Derivative Liabilities subject to master netting agreements	$ (1,657)

Offsetting Assets and Liabilities

The table below reflects the Fund s exposure to Counterparties subject to either an ISDA Master Agreement or other agreement for OTC derivative transactions as of February 28, 2018.

	Financial Derivative Assets	Financial Derivative Liabilities		Collateral (Received)/Pledged		
Counterparty	Forward Foreign Currency Contracts	Forward Foreign Currency Contracts	Net Value of Derivatives	Non-Cash	Cash	Net Amount
Barclays Bank PLC	$ 4,208	$	$ 4,208	$	$	$ 4,208
Goldman Sachs International	5,577		5,577			5,577
State Street Bank and Trust		(1,657)	(1,657)			(1,657)
Total	$ 9,785	$ (1,657)	$ 8,128	$	$	$ 8,128

Effect of Derivative Investments for the year ended February 28, 2018

The table below summarizes the gains (losses) on derivative investments, detailed by primary risk exposure, recognized in earnings during the period:

	Location of Gain (Loss) on Statement of Operations Currency Risk	
Realized Gain (Loss):		
Forward foreign currency contracts	$	(144,402)
Change in Net Unrealized Appreciation:		
Forward foreign currency contracts		11,727
Total	$	(132,675)

The table below summarizes the average notional value of forward foreign currency contracts outstanding during the period.

	Forward Foreign Currency Contracts	
Average notional value	$	1,282,916

NOTE 5 Trustees and Officers Fees and Benefits

Trustees and Officers Fees and Benefits include amounts accrued by the Trust to pay remuneration to certain Trustees and Officers of the Trust. Trustees have the option to defer compensation payable by the Trust, and *Trustees and Officers Fees and Benefits* includes amounts accrued by the Trust to fund such deferred compensation amounts.

NOTE 6 Cash Balances and Borrowings

Effective November 18, 2017, the Trust entered into a $60 million Credit Agreement, which will expire on November 16, 2018. Prior to November 18, 2017, the Credit Agreement was for $65 million. This Credit Agreement is secured by the assets of the Trust.

During the year ended February 28, 2018, the average daily balance of borrowing under the Credit Agreement was $47,550,000 with a weighted interest rate of 2.11%. The carrying amount of the Trust s payable for borrowings as reported on the Statement of Assets and Liabilities approximates its fair value. Expenses under the Credit Agreement are shown in the Statement of Operations as *Interest, facilities and maintenance fees*.

Additionally, the Trust is permitted to temporarily carry a negative or overdrawn balance in its account with State Street Bank and Trust Company (SSB), the custodian bank. Such balances, if any at period-end, are shown in the Statement of Assets and Liabilities under the payable caption *Amount due custodian*. To compensate the custodian bank for such overdrafts, the overdrawn Trust may either (1) leave funds as a compensating balance in the account so the custodian bank can be compensated by earning the additional interest; or (2) compensate by paying the custodian bank at a rate agreed upon by the custodian bank and Invesco, not to exceed the contractually agreed upon rate.

NOTE 7 Distributions to Shareholders and Tax Components of Net Assets

Tax Character of Distributions to Shareholders Paid During the Fiscal Years Ended February 28, 2018 and 2017:

	2018	2017
Ordinary income	$ 8,232,087	$ 8,669,311
Return of capital		512,636
Total distributions	$ 8,232,087	$ 9,181,947

Tax Components of Net Assets at Period-End:

	2018
Net unrealized appreciation (depreciation) investments	$ (8,496)
Net unrealized appreciation foreign currencies	93
Temporary book/tax differences	(15,315)
Capital loss carryforward	(9,882,353)
Shares of beneficial interest	139,421,884
Total net assets	$ 129,515,813

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is due to differences in the timing of recognition of gains and losses on investments for tax and book purposes. The Trust s net unrealized appreciation (depreciation) difference is attributable primarily to the tax treatment of wash sales and bond premium.

The temporary book/tax differences are a result of timing differences between book and tax recognition of income and/or expenses. The Trust s temporary book/tax differences are the result of the trustee deferral of compensation and retirement plan benefits.

Capital loss carryforward is calculated and reported as of a specific date. Results of transactions and other activity after that date may affect the amount of capital loss carryforward actually available for the Trust to utilize. Capital losses generated in years beginning after December 22, 2010 can be carried forward for an unlimited period, whereas previous losses expire in eight tax years. Capital losses with an expiration period may not be used to offset capital gains until all net capital losses without an expiration date have been utilized. Capital loss carryforwards with no expiration date will retain their character as either short-term or long-term capital losses instead of as short-term capital losses as under prior law. The ability to utilize capital loss carryforward in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

The Trust has a capital loss carryforward as of February 28, 2018, which expires as follows:

	Capital Loss Carryforward*		
Expiration	**Short-Term**	**Long-Term**	**Total**
Not subject to expiration	$ 4,490,327	$ 5,392,026	$ 9,882,353

* Capital loss carryforward as of the date listed above is reduced for limitations, if any, to the extent required by the Internal Revenue Code and may be further limited depending upon a variety of factors, including the realization of net unrealized gains or losses as of the date of any reorganization.

NOTE 8 Investment Transactions

The aggregate amount of investment securities (other than short-term securities, U.S. Treasury obligations and money market funds, if any) purchased and sold by the Trust during the year ended February 28, 2018 was $72,390,858 and $65,742,296, respectively. Cost of investments, including any derivatives, on a tax basis includes the adjustments for financial reporting purposes as of the most recently completed federal income tax reporting period-end.

Unrealized Appreciation (Depreciation) of Investments on a Tax Basis	
Aggregate unrealized appreciation of investments	$ 2,673,475
Aggregate unrealized (depreciation) of investments	(2,681,971)
Net unrealized appreciation (depreciation) of investments	$ (8,496)

Cost of investments for tax purposes is $ 174,385,252.

NOTE 9 Reclassification of Permanent Differences

Primarily as a result of differing book/tax treatment of bond premium amortization, distributions and foreign currency translations on February 28, 2018, undistributed net investment income was increased by $469,381, undistributed net realized gain (loss) was decreased by $307,708 and shares of beneficial interest was decreased by $161,673. This reclassification had no effect on the net assets of the Trust.

NOTE 10 Common Shares of Beneficial Interest

Transactions in common shares of beneficial interest were as follows:

	Years ended February 28,	
	2018	**2017**
Beginning shares	8,118,429	8,118,429
Shares issued through dividend reinvestment		

Ending shares	8,118,429	8,118,429

The Trust may, when appropriate, purchase shares in the open market or in privately negotiated transactions at a price not above market value or net asset value, whichever is lower at the time of purchase.

NOTE 11 Dividends

The Trust declared the following dividends to common shareholders from net investment income subsequent to February 28, 2018:

Declaration Date	Amount per Share	Record Date	Payable Date
March 1, 2018	$ 0.0840	March 15, 2018	March 29, 2018
April 2, 2018	$ 0.0840	April 17, 2018	April 30, 2018

NOTE 12 Financial Highlights

The following schedule presents financial highlights for a share of the Trust outstanding throughout the periods indicated.

	Years ended February 28, 2018	Years ended February 28, 2017	Year ended February 29, 2016	Years ended February 28, 2015	Years ended February 28, 2014
Net asset value, beginning of period	$ 16.36	$ 14.37	$ 17.11	$ 17.88	$ 17.51
Net investment income[(a)]	0.93	1.08	1.14	1.18	1.28
Net gains (losses) on securities (both realized and unrealized)	(0.33)	2.04	(2.64)	(0.66)	0.46
Total from investment operations	0.60	3.12	(1.50)	0.52	1.74
Less: Dividends paid to common shareholders from net investment income	(1.01)	(1.07)	(1.15)	(1.29)	(1.37)
Less: Return of capital		(0.06)	(0.09)		
Net asset value, end of period	$ 15.95	$ 16.36	$ 14.37	$ 17.11	$ 17.88
Market value, end of period	$ 14.04	$ 14.66	$ 12.61	$ 15.29	$ 16.65
Total return at net asset value[(b)]	4.42%	23.29%	(8.09)%	3.73%	10.95%
Total return at market value[(c)]	2.57%	25.90%	(9.74)%	(0.46)%	0.34%
Net assets, end of period (000 s omitted)	$ 129,516	$ 132,783	$ 116,643	$ 138,940	$ 145,197
Portfolio turnover rate[(d)]	38%	91%	87%	99%	74%
Ratios/supplemental data based on average net assets applicable to common shares:					
Ratio of expenses:					
With fee waivers and/or expense reimbursements	1.95%[(e)]	1.71%	1.67%	1.49%	1.54%
With fee waivers and/or expense reimbursements excluding interest, facilities and maintenance fees	1.15%[(e)]	1.14%	1.21%	1.11%	1.13%
Without fee waivers and/or expense reimbursements	1.95%[(e)]	1.72%	1.67%	1.53%	1.63%
Ratio of net investment income to average net assets	5.73%[(e)]	6.85%[(f)]	7.13%	6.81%	7.36%
Senior Securities:					
Asset coverage per $1,000 unit of senior indebtedness[(g)]	$ 3,724	$ 3,792	$ 3,453	$ 3,749	$ 3,872
Total borrowings (000 s omitted)	$ 47,550	$ 47,550	$ 47,550	$ 50,550	$ 50,550

(a) Calculated using average shares outstanding.

(b) Includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions. Not annualized for periods less than one year, if applicable.

(c) Total return assumes an investment at the common share market price at the beginning of the period indicated, reinvestment of all distributions for the period in accordance with the Trust s dividend reinvestment plan, and sale of all shares at the closing common share market price at the end of the period indicated. Not annualized for periods less than one year, if applicable.

(d) Portfolio turnover is calculated at the fund level and is not annualized for periods less than one year, if applicable.

(e) Ratios are based on average daily net assets applicable to common shares (000 s omitted) of $132,339.

(f) Amount includes the effect of insurance settlement proceeds received related to Auction Rate Preferred Shares previously issued by the Trust. The ratio of net investment income excluding these payments would have been 6.66%

(g) Calculated by subtracting the Trust s total liabilities (not including the Borrowings) from the Trust s total assets and dividing by the total number of senior indebtedness units, where one unit equals $1,000 of senior indebtedness.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of Invesco High Income Trust II

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Invesco High Income Trust II (the Trust) as of February 28, 2018, the related statements of operations and cash flows for the year ended February 28, 2018, the statement of changes in net assets for each of the two years in the period ended February 28, 2018, including the related notes, and the financial highlights for each of the five years in the period ended February 28, 2018 (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as of February 28, 2018, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period ended February 28, 2018 and the financial highlights for each of the five years in the period ended February 28, 2018 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Trust s management. Our responsibility is to express an opinion on the Trust s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of February 28, 2018 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Houston, TX

April 27, 2018

We have served as the auditor of one or more of the investment companies in the Invesco/PowerShares group of investment companies since at least 1995. We have not determined the specific year we began serving as auditor.

Tax Information

Form 1099-DIV, Form 1042-S and other year-end tax information provide shareholders with actual calendar year amounts that should be included in their tax returns. Shareholders should consult their tax advisors.

The following distribution information is being provided as required by the Internal Revenue Code or to meet a specific state s requirement.

The Trust designates the following amounts or, if subsequently determined to be different, the maximum amount allowable for its fiscal year ended February 28, 2018:

Federal and State Income Tax	
Qualified Dividend Income*	1.43%
Corporate Dividends Received Deduction*	1.43%
U.S. Treasury Obligations*	0%
Tax-Exempt Interest Dividends*	0%

* The above percentages are based on ordinary income dividends paid to shareholders during the Trust s fiscal year.

Proxy Results

A Joint Annual Meeting (Meeting) of Shareholders of Invesco High Income Trust II (the Fund) was held on September 8, 2017. The Meeting was held for the following purpose:

(1) Election of Trustees by Common Shareholders.
The results of the voting on the above matter were as follows:

	Matter	Votes For	Votes Withheld
(1)	David C. Arch	6,700,473	300,585
	Teresa M. Ressel	6,709,656	291,402
	Larry Soll	6,703,419	297,639
	Philip A. Taylor	6,715,568	285,490
	Christopher L. Wilson	6,712,617	288,441

Trustees and Officers

The address of each trustee and officer is 1555 Peachtree Street, N.E., Atlanta, Georgia 30309. Generally, each trustee serves for a three year term or until his or her successor has been duly elected and qualified, and each officer serves for a one year term or until his or her successor has been duly elected and qualified. Column two below includes length of time served with predecessor entities, if any.

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/ or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Interested Persons				
Martin L. Flanagan[1] 1960 Trustee	2014	Executive Director, Chief Executive Officer and President, Invesco Ltd. (ultimate parent of Invesco and a global investment management firm); Trustee, The Invesco Funds; Vice Chair, Investment Company Institute; and Member of Executive Board, SMU Cox School of Business Formerly: Advisor to the Board, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.); Chairman and Chief Executive Officer, Invesco Advisers, Inc. (registered investment adviser); Director, Chairman, Chief Executive Officer and President, Invesco Holding Company (US), Inc. (formerly IVZ Inc.) (holding company), Invesco Group Services, Inc. (service provider) and Invesco North American Holdings, Inc. (holding company); Director, Chief Executive Officer and President, Invesco Holding Company Limited (parent of Invesco and a global investment management firm); Director, Invesco Ltd.; Chairman, Investment Company Institute and President, Co-Chief Executive	158	None

		Officer, Co-President, Chief Operating Officer and Chief Financial Officer, Franklin Resources, Inc. (global investment management organization)		
Philip A. Taylor[2] 1954 Trustee and Senior Vice President	2014	Head of the Americas and Senior Managing Director, Invesco Ltd.; Director, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Director, Chairman, Chief Executive Officer and President, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.) (financial services holding company); Director and Chairman, Invesco Investment Services, Inc. (formerly known as Invesco Aim Investment Services, Inc.) (registered transfer agent); Chief Executive Officer, Invesco Corporate Class Inc. (corporate mutual fund company); Director, Chairman and Chief Executive Officer, Invesco Canada Ltd. (formerly known as Invesco Trimark Ltd./Invesco Trimark Ltèe) (registered investment adviser and registered transfer agent); Trustee and Senior Vice President, The Invesco Funds; Director, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management). Formerly: Co-Chairman, Co-President and Co-Chief Executive Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Director, Chief Executive Officer and President, Van Kampen Exchange Corp; President and Principal Executive Officer, The Invesco Funds (other than AIM Treasurer s Series Trust (Invesco Treasurer s Series Trust), Short-Term Investments Trust and Invesco Management Trust); Executive Vice President, The Invesco Funds (AIM Treasurer s	158	None

	Series Trust (Invesco Treasurer s Series Trust), Short-Term Investments Trust and Invesco Management Trust only); Director and President, INVESCO Funds Group, Inc. (registered investment adviser and registered transfer agent); Director and Chairman, IVZ Distributors, Inc. (formerly known as INVESCO Distributors, Inc.) (registered broker dealer); Director, President and Chairman, Invesco Inc. (holding company), Invesco Canada Holdings Inc. (holding company), Trimark Investments Ltd./Placements Trimark Ltèe and Invesco Financial Services Ltd/Services Financiers Invesco Ltèe; Chief Executive Officer, Invesco Canada Fund Inc. (corporate mutual fund company); Director and Chairman, Van Kampen Investor Services Inc.; Director, Chief Executive Officer and President, 1371 Preferred Inc. (holding company) and Van Kampen Investments Inc.; Director and President, AIM GP Canada Inc. (general partner for limited partnerships) and Van Kampen Advisors, Inc.; Director and Chief Executive Officer, Invesco Trimark Dealer Inc. (registered broker dealer); Director, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.) (registered broker dealer); Manager, Invesco PowerShares Capital Management LLC; Director, Chief Executive Officer and President, Invesco Advisers, Inc.; Director, Chairman, Chief Executive Officer and President, Invesco Aim Capital Management, Inc.; President, Invesco Trimark Dealer Inc. and Invesco Trimark Ltd./Invesco Trimark Ltèe; Director and President, AIM Trimark Corporate Class Inc. and AIM Trimark Canada Fund Inc.; Senior Managing Director, Invesco Holding Company Limited; Director and Chairman, Fund Management Company (former registered broker	

	dealer); President and Principal Executive Officer, The Invesco Funds (AIM Treasurer s Series Trust (Invesco Treasurer s Series Trust), and Short-Term Investments Trust only); President, AIM Trimark Global Fund Inc. and AIM Trimark Canada Fund Inc.	

[1] Mr. Flanagan is considered an interested person (within the meaning of Section 2(a)(19) of the 1940 Act) of the Trust because he is an officer of the Adviser to the Trust, and an officer and a director of Invesco Ltd., ultimate parent of the Adviser.

[2] Mr. Taylor is considered an interested person (within the meaning of Section 2(a)(19) of the 1940 Act) of the Trust because he is an officer and a director of the Adviser.

Trustees and Officers (continued)

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/ or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Independent Trustees				
Bruce L. Crockett 1944 Trustee and Chair	2014	Chairman, Crockett Technologies Associates (technology consulting company) Formerly: Director, Captaris (unified messaging provider); Director, President and Chief Executive Officer, COMSAT Corporation; Chairman, Board of Governors of INTELSAT (international communications company); ACE Limited (insurance company); Independent Directors Council and Investment Company Institute: Member of the Audit Committee, Investment Company Institute; Member of the Executive Committee and Chair of the Governance Committee, Independent Directors Council	158	Director and Chairman of the Audit Committee, ALPS (Attorneys Liability Protection Society) (insurance company); Director and Member of the Audit Committee and Compensation Committee, Ferroglobe PLC (metallurgical company)
David C. Arch 1945 Trustee	1989	Chairman of Blistex Inc. (consumer health care products manufacturer); Member, World Presidents Organization	158	Board member of the Illinois Manufacturers Association
Jack M. Fields 1952 Trustee	2014	Chief Executive Officer, Twenty First Century Group, Inc. (government affairs company); and Chairman, Discovery Learning Alliance (non-profit) Formerly: Owner and Chief Executive Officer, Dos Angeles Ranch L.P. (cattle, hunting, corporate entertainment); Director, Insperity, Inc. (formerly known as	158	None

		Administaff) (human resources provider); Chief Executive Officer, Texana Timber LP (sustainable forestry company); Director of Cross Timbers Quail Research Ranch (non-profit); and member of the U.S. House of Representatives		
Cynthia Hostetler 1962 Trustee	2017	Non-Executive Director and Trustee of a number of public and private business corporations Formerly: Head of Investment Funds and Private Equity, Overseas Private Investment Corporation; President, First Manhattan Bancorporation, Inc.; Attorney, Simpson Thacher & Bartlett LLP	158	Vulcan Materials Company (construction materials company); Trilinc Global Impact Fund; Aberdeen Investment Funds (4 portfolios); Artio Global Investment LLC (mutual fund complex); Edgen Group, Inc. (specialized energy and infrastructure products distributor)
Eli Jones 1961 Trustee	2016	Professor and Dean, Mays Business School Texas A&M University Formerly: Professor and Dean, Walton College of Business, University of Arkansas and E.J. Ourso College of Business, Louisiana State University; Director, Arvest Bank	158	Insperity, Inc. (formerly known as Administaff) (human resources provider)
Prema Mathai-Davis 1950 Trustee	2014	Retired.	158	None
Teresa M. Ressel 1962 Trustee	2017	Non-executive director and trustee of a number of public and private business corporations Formerly: Chief Financial Officer, Olayan America, The Olayan Group (international investor/commercial/industrial); Chief Executive Officer, UBS Securities LLC; Group Chief Operating Officer, Americas, UBS AG; Assistant Secretary for Management & Budget and CFO,	158	Atlantic Power Corporation (power generation company); ON Semiconductor Corp. (semiconductor supplier)

Ann Barnett Stern 1957 Trustee	2017	US Department of the Treasury President and Chief Executive Officer, Houston Endowment Inc. (private philanthropic institution) Formerly: Executive Vice President and General Counsel, Texas Children s Hospital; Attorney, Beck, Redden and Secrest, LLP; Business Law Instructor, University of St. Thomas; Attorney, Andrews & Kurth LLP	158	Federal Reserve Bank of Dallas
Raymond Stickel, Jr. 1944 Trustee	2014	Retired. Formerly: Director, Mainstay VP Series Funds, Inc. (25 portfolios); Partner, Deloitte & Touche	158	None
Robert C. Troccoli 1949 Trustee	2016	Adjunct Professor, University of Denver Daniels College of Business Formerly: Senior Partner, KPMG LLP	158	None
Christopher L. Wilson 1957 Trustee	2017	Non-executive director and trustee of a number of public and private business corporations Formerly: Managing Partner, CT2, LLC (investing and consulting firm); President/Chief Executive Officer, Columbia Funds, Bank of America Corporation; President/Chief Executive Officer, CDC IXIS Asset Management Services, Inc.; Principal & Director of Operations, Scudder Funds, Scudder, Stevens & Clark, Inc.; Assistant Vice President, Fidelity Investments	158	TD Asset Management USA Inc. (mutual fund complex) (22 portfolios); ISO New England, Inc. (non-profit organization managing regional electricity market)

Trustees and Officers (continued)

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/ or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Other Officers				
Sheri Morris 1964 President, Principal Executive Officer and Treasurer	2010	President, Principal Executive Officer and Treasurer, The Invesco Funds; Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); and Vice President, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Commodity Fund Trust and PowerShares Exchange-Traded Self-Indexed Fund Trust Formerly: Vice President and Principal Financial Officer, The Invesco Funds; Vice President, Invesco Aim Advisers, Inc., Invesco Aim Capital Management, Inc. and Invesco Aim Private Asset Management, Inc.; Assistant Vice President and Assistant Treasurer, The Invesco Funds and Assistant Vice President, Invesco Advisers, Inc., Invesco Aim Capital Management, Inc. and Invesco Aim Private Asset Management, Inc.; and Treasurer, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust and PowerShares Actively Managed Exchange-Traded Fund Trust	N/A	N/A

Russell C. Burk 1958 Senior Vice President and Senior Officer	2014	Senior Vice President and Senior Officer, The Invesco Funds	N/A	N/A
Jeffrey H. Kupor 1968 Senior Vice President, Chief Legal Officer and Secretary	2018	Senior Vice President, Secretary and General Counsel, Invesco Management Group, Inc. (formerly known as Invesco AIM Management Group, Inc.); Senior Vice President and Secretary, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Senior Vice President and Secretary, Invesco Distributors, Inc. (formerly known as Invesco AIM Distributors, Inc.); Vice President and Secretary, Invesco Investment Services, Inc. (formerly known as Invesco AIM Investment Services, Inc.) Senior Vice President, Chief Legal Officer and Secretary, The Invesco Funds; Secretary and General Counsel, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management); Secretary and General Counsel, Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.) and Chief Legal Officer, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Commodity Fund Trust and PowerShares Exchange-Traded Self-Indexed Fund Trust; Secretary, Invesco Indexing LLC; Secretary and General Counsel, INVESCO Private Capital Investments, Inc.; Secretary, W.L. Ross & Co., LLC; Secretary and Vice President, Jemstep, Inc.	N/A	N/A

		Formerly: Assistant Secretary, INVESCO Asset Management (Bermuda) Ltd.; Secretary and General Counsel, Invesco Private Capital, Inc.; Assistant Secretary and General Counsel, INVESCO Realty, Inc.; Secretary and General Counsel, Invesco Senior Secured Management, Inc.; and Secretary, Sovereign G./P. Holdings Inc.		
John M. Zerr 1962 Senior Vice President	2010	Chief Operating Officer of the Americas; Director and Senior Vice President, Invesco Management Group, Inc. (formerly known as Invesco AIM Management Group, Inc.); Senior Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Senior Vice President, Invesco Distributors, Inc. (formerly known as Invesco AIM Distributors, Inc.); Director and Vice President, Invesco Investment Services, Inc. (formerly known as Invesco AIM Investment Services, Inc.) Senior Vice President, The Invesco Funds; Managing Director, Invesco PowerShares Capital Management LLC; Director, Invesco Investment Advisers LLC (formerly known as Van Kampen Asset Management); Senior Vice President, Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.); Manager, Invesco Indexing LLC Formerly: Secretary and General Counsel, Invesco Management Group, Inc. (formerly known as Invesco AIM Management Group, Inc.); Secretary, Invesco Investment Services, Inc. (formerly known as Invesco AIM Investment Services, Inc.); Chief Legal Officer and Secretary, The Invesco Funds; Secretary and General Counsel, Invesco Investment Advisers LLC (formerly known as Van Kampen	N/A	N/A

	Asset Management); Secretary and General Counsel, Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.); Chief Legal Officer, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Commodity Fund Trust and PowerShares Exchange-Traded Self-Indexed Fund Trust; Secretary, Invesco Indexing LLC; Director, Secretary, General Counsel and Senior Vice President, Van Kampen Exchange Corp.; Director, Vice President and Secretary, IVZ Distributors, Inc. (formerly known as INVESCO Distributors, Inc.); Director and Vice President, INVESCO Funds Group, Inc.; Director and Vice President, Van Kampen Advisors Inc.; Director, Vice President, Secretary and General Counsel, Van Kampen Investor Services Inc.; Director and Secretary, Invesco	

Trustees and Officers (continued)

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/ or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee During Past 5 Years
Other Officers (continued)				
		Distributors, Inc. (formerly known as Invesco AIM Distributors, Inc.); Director, Senior Vice President, General Counsel and Secretary, Invesco AIM Advisers, Inc. and Van Kampen Investments Inc.; Director, Vice President and Secretary, Fund Management Company; Director, Senior Vice President, Secretary, General Counsel and Vice President, Invesco AIM Capital Management, Inc.; Chief Operating Officer and General Counsel, Liberty Ridge Capital, Inc. (an investment adviser); Vice President and Secretary, PBHG Funds (an investment company) and PBHG Insurance Series Fund (an investment company); Chief Operating Officer, General Counsel and Secretary, Old Mutual Investment Partners (a broker-dealer); General Counsel and Secretary, Old Mutual Fund Services (an administrator) and Old Mutual Shareholder Services (a shareholder servicing center); Executive Vice President, General Counsel and Secretary, Old Mutual Capital, Inc. (an investment adviser); and Vice President and Secretary, Old Mutual Advisors Funds (an investment company)		
Gregory G. McGreevey 1962	2012	Senior Managing Director, Invesco Ltd.; Director, Chairman, President, and Chief Executive Officer, Invesco Advisers, Inc.	N/A	N/A

Senior Vice President			(formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Senior Vice President, Invesco Management Group, Inc.; Director, Invesco Mortgage Capital, Inc. and Invesco Senior Secured Management, Inc.; and Senior Vice President, The Invesco Funds		
Kelli Gallegos Vice President, Principal Financial Officer and Assistant Treasurer	1970	2010	Formerly: Assistant Vice President, The Invesco Funds Vice President, Principal Financial Officer and Assistant Treasurer, The Invesco Funds; Assistant Treasurer, Invesco PowerShares Capital Management LLC, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Commodity Fund Trust and PowerShares Exchange-Traded Self-Indexed Fund Trust	N/A	N/A
Tracy Sullivan Vice President, Chief Tax Officer and Assistant Treasurer	1962	2010	Formerly: Assistant Vice President, The Invesco Funds Vice President, Chief Tax Officer and Assistant Treasurer, The Invesco Funds; Assistant Treasurer, Invesco PowerShares Capital Management LLC, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Commodity	N/A	N/A

		Fund Trust and PowerShares Exchange-Traded Self-Indexed Fund Trust		
Crissie M. Wisdom 1969 Anti-Money Laundering Compliance Officer	2013	Formerly: Assistant Vice President, The Invesco Funds Anti-Money Laundering Compliance Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser), Invesco Capital Markets, Inc. (formerly known as Van Kampen Funds Inc.), Invesco Distributors, Inc., Invesco Investment Services, Inc., Invesco Management Group, Inc., The Invesco Funds, and PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Commodity Fund Trust and PowerShares Exchange-Traded Self-Indexed Fund Trust; Anti-Money Laundering Compliance Officer and Bank Secrecy Act Officer, INVESCO National Trust Company and Invesco Trust Company; and Fraud Prevention Manager and Controls and Risk Analysis Manager for Invesco Investment Services, Inc.	N/A	N/A
Robert R. Leveille 1969 Chief Compliance Officer	2016	Formerly: Anti-Money Laundering Compliance Officer, Van Kampen Exchange Corp. Chief Compliance Officer, Invesco Advisers, Inc. (registered investment adviser); and Chief Compliance Officer, The Invesco Funds	N/A	N/A

	Formerly: Chief Compliance Officer, Putnam Investments and the Putnam Funds	

Office of the Fund	**Investment Adviser**	**Auditors**	**Custodian**
1555 Peachtree Street, N.E. Atlanta, GA 30309	Invesco Advisers, Inc. 1555 Peachtree Street, N.E. Atlanta, GA 30309	PricewaterhouseCoopers LLP 1000 Louisiana Street, Suite 5800 Houston, TX 77002-5021	State Street Bank and Trust Company 225 Franklin Street Boston, MA 02110-2801
Counsel to the Fund	**Investment Sub-Adviser**	**Transfer Agent**	
Stradley Ronon Stevens & Young, LLP 2005 Market Street, Suite 2600 Philadelphia, PA 19103-7018	Invesco Canada Ltd. 5140 Yonge Street, Suite 800 Toronto, Ontario M2N 6X7 Canada	Computershare Trust Company, N.A. 250 Royall Street Canton, MA 02021	

Correspondence information

Send general correspondence to Computershare Trust Company, N.A., P.O. Box 505000, Louisville, KY 40233-5000.

Trust holdings and proxy voting information

The Trust provides a complete list of its holdings four times in each fiscal year, at the quarter ends. For the second and fourth quarters, the lists appear in the Trust s semiannual and annual reports to shareholders. For the first and third quarters, the Trust files the lists with the Securities and Exchange Commission (SEC) on Form N-Q. The most recent list of portfolio holdings is available at invesco.com/us. Shareholders can also look up the Trust s Forms N-Q on the SEC website at sec.gov. Copies of the Trust s Forms N-Q may be reviewed and copied at the SEC Public Reference Room in Washington, D.C. You can obtain information on the operation of the Public Reference Room, including information about duplicating fee charges, by calling 202 551 8090 or 800 732 0330, or by electronic request at the following email address: publicinfo@sec.gov.

The SEC file number for the Trust is shown below.

A description of the policies and procedures that the Trust uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, from our Client Services department at 800 341 2929 or at invesco.com/proxyguidelines. The information is also available on the SEC website, sec.gov.

Information regarding how the Trust voted proxies related to its portfolio securities during the most recent 12-month period ended June 30 is available at invesco.com/proxysearch. In addition, this information is available on the SEC website at sec.gov.

SEC file number: 811-05769 VK-CE-HINC2-AR-1 04182018 1610

ITEM 2. CODE OF ETHICS.

On May 2, 2018, the Board of Trustees of the Invesco Funds amended the Code of Ethics (the Code) that applies to the Registrant s Principal Executive Officer (PEO) and Principal Financial Officer (PFO) during the period covered by the report. The Registrant did not grant any waivers, including implicit waivers, from any provisions of the Code to the PEO or PFO during the period covered by this report.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The Board of Trustees has determined that the Registrant has at least one audit committee financial expert serving on its Audit Committee. The Audit Committee financial experts are David C. Arch, Bruce L. Crockett, Cynthia Hostetler, Teresa M. Ressel, Raymond Stickel, Jr. and Robert C. Troccoli. David C. Arch, Bruce L. Crockett, Cynthia Hostetler, Teresa M. Ressel, Raymond Stickel, Jr. and Robert Troccoli are independent within the meaning of that term as used in Form N-CSR.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

PricewaterhouseCoopers LLP informed the Trust that it has identified an issue related to its independence under Rule 2-01(c)(1)(ii)(A) of Regulation S-X (referred to as the Loan Rule). The Loan Rule prohibits accounting firms, such as PricewaterhouseCoopers LLP, from being deemed independent if they have certain financial relationships with their audit clients or certain affiliates of those clients. The Trust is required under various securities laws to have its financial statements audited by an independent accounting firm.

The Loan Rule specifically provides that an accounting firm would not be independent if it or certain affiliates and covered persons receives a loan from a lender that is a record or beneficial owner of more than ten percent of an audit client s equity securities (referred to as a more than ten percent owner). For purposes of the Loan Rule, audit clients include the Funds as well as all registered investment companies advised by the Adviser and its affiliates, including other subsidiaries of the Adviser s parent company, Invesco Ltd. (collectively, the Invesco Fund Complex). PricewaterhouseCoopers LLP informed the Trust it and certain affiliates and covered persons have relationships with lenders who hold, as record owner, more than ten percent of the shares of certain funds within the Invesco Fund Complex, which may implicate the Loan Rule.

On June 20, 2016, the SEC Staff issued a no-action letter to another mutual fund complex (see Fidelity Management & Research Company et al., No-Action Letter) related to the audit independence issue described above. In that letter, the SEC confirmed that it would not recommend enforcement action against a fund that relied on audit services performed by an audit firm that was not in compliance with the Loan Rule in certain specified circumstances. In connection with prior independence determinations, PricewaterhouseCoopers LLP communicated, as contemplated by the no-action letter, that it believes that it remains objective and impartial and that a reasonable investor possessing all the facts would conclude that PricewaterhouseCoopers LLP is able to exhibit the requisite objectivity and impartiality to report on the Funds financial statements as the independent registered public accounting firm. PricewaterhouseCoopers LLP also represented that it has complied with PCAOB Rule 3526(b)(1) and (2), which are conditions to the Funds relying on the no action letter, and affirmed that it is an independent accountant within the meaning of PCAOB Rule 3520. Therefore, the Adviser, the Funds and PricewaterhouseCoopers LLP concluded that PricewaterhouseCoopers LLP could continue as the Funds independent registered public accounting firm. The Invesco Fund Complex relied upon the no-action letter in reaching this conclusion.

If in the future the independence of PricewaterhouseCoopers LLP is called into question under the Loan Rule by circumstances that are not addressed in the SEC s no-action letter, the Funds will need to take other action in order for the Funds filings with the SEC containing financial statements to be deemed compliant with applicable securities laws. Such additional actions could result in additional costs, impair the ability of the Funds to issue new shares or have other material adverse effects on the Funds. The SEC no-action relief was initially set to expire 18 months from issuance but has been extended by the SEC without an expiration date, except that the no-action letter will be withdrawn upon the effectiveness of any amendments to the Loan Rule designed to address the concerns expressed in the letter.

(a) to (d)

Fees Billed by PWC Related to the Registrant

PWC billed the Registrant aggregate fees for services rendered to the Registrant for the last two fiscal years as follows:

	Fees Billed for Services Rendered to the Registrant for fiscal year end 2018	Fees Billed for Services Rendered to the Registrant for fiscal year end 2017
Audit Fees	$ 36,950	$ 43,025
Audit-Related Fees	$ 0	$ 0
Tax Fees[(1)]	$ 10,145	$ 8,275
All Other Fees	$ 0	$ 0
Total Fees	$ 47,095	$ 51,300

(g) PWC billed the Registrant aggregate non-audit fees of $10,145 for the fiscal year ended 2018, and $8,275 for the fiscal year ended 2017, for non-audit services rendered to the Registrant.

(1) Tax fees for the fiscal year end February 28, 2018 includes fees billed for reviewing tax returns and/or services related to tax compliance. Tax fees for fiscal year end February 28, 2017 includes fees billed for reviewing tax returns and/or services related to tax compliance.

Fees Billed by PWC Related to Invesco and Invesco Affiliates

PWC billed Invesco Advisers, Inc. (Invesco), the Registrant s adviser, and any entity controlling, controlled by or under common control with Invesco that provides ongoing services to the Registrant (Invesco Affiliates) aggregate fees for pre-approved non-audit services rendered to Invesco and Invesco Affiliates for the last two fiscal years as follows:

	Fees Billed for Non-Audit Services Rendered to Invesco and Invesco Affiliates for fiscal year end 2018 That Were Required to be Pre-Approved by the Registrant s Audit Committee	Fees Billed for Non-Audit Services Rendered to Invesco and Invesco Affiliates for fiscal year end 2017 That Were Required to be Pre-Approved by the Registrant s Audit Committee
Audit-Related Fees	$ 662,000	$ 635,000
Tax Fees	$ 0	$ 0
All Other Fees	$ 611,000	$ 2,827,000
Total Fees(1)	$ 1,273,000	$ 3,462,000

(1) Audit-Related fees for the year end 2018 include fees billed related to reviewing controls at a service organization. Audit-Related fees for the year end 2017 include fees billed related to reviewing controls at a service organization.

All other fees for the year end 2018 include fees billed related to the assessments for certain of the company s risk management tools, current state analysis against regulatory requirements and identification of structural and organizational alternatives, informed by industry practices, for certain of the company s administrative activities and functions. All other fees for the year end 2017 include fees billed related to the identification of structural and organizational alternatives, informed by industry practices, for certain of the company s administrative activities and functions.

(e)(2) There were no amounts that were pre-approved by the Audit Committee pursuant to the de minimus exception under Rule 2-01 of Regulation S-X.

(f) Not applicable.

(g) Including the fees for services not required to be pre-approved by the registrant s audit committee, PWC billed Invesco and Invesco Affiliates aggregate non-audit fees of $4,101,000 for the fiscal year ended February 28, 2018, and $6,075,000 for the fiscal year ended February 28, 2017, for non-audit services rendered to Invesco and Invesco Affiliates.

PWC provided audit services to the Investment Company complex of approximately $23 million.

(h) The Audit Committee also has considered whether the provision of non-audit services that were rendered to Invesco and Invesco Affiliates that were not required to be pre-approved pursuant to SEC regulations, if any, is compatible with maintaining PWC s independence.

(e)(1)

PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES

POLICIES AND PROCEDURES

As adopted by the Audit Committees

of the Invesco Funds (the Funds)

Last Amended May 4, 2016

I. Statement of Principles

The Audit Committees (the Audit Committee) of the Boards of Trustees of the Funds (the Board) have adopted these policies and procedures (the Procedures) with respect to the pre-approval of audit and non-audit services to be provided by the Funds independent auditor (the Auditor) to the Funds, and to the Funds investment adviser(s) and any entity controlling, controlled by, or under common control with the investment adviser(s) that provides ongoing services to the Funds (collectively, Service Affiliates).

Under Section 202 of the Sarbanes-Oxley Act of 2002, all audit and non-audit services provided to the Funds by the Auditor must be preapproved by the Audit Committee. Rule 2-01 of Regulation S-X requires that the Audit Committee also pre-approve a Service Affiliate s engagement of the Auditor for non-audit services if the engagement relates directly to the operations and financial reporting of the Funds (a Service Affiliate s Covered Engagement).

These Procedures set forth the procedures and the conditions pursuant to which the Audit Committee may pre-approve audit and non-audit services for the Funds and a Service Affiliate s Covered Engagement pursuant to rules and regulations of the Securities and Exchange Commission (SEC) and other organizations and regulatory bodies applicable to the Funds (Applicable Rules[1]). They address both general pre-approvals without consideration of specific case-by-case services (general pre-approvals) and pre-approvals on a case-by-case basis (specific pre-approvals). Any services requiring pre-approval that are not within the scope of general pre-approvals hereunder are subject to specific pre-approval. These Procedures also address the delegation by the Audit Committee of pre-approval authority to the Audit Committee Chair or Vice Chair.

II. Pre-Approval of Fund Audit Services

The annual Fund audit services engagement, including terms and fees, is subject to specific pre-approval by the Audit Committee. Audit services include the annual financial statement audit and other procedures required to be performed by an independent auditor to be able to form an opinion on the Funds financial statements. The Audit Committee will receive, review and consider sufficient information concerning a proposed Fund audit engagement to make a reasonable evaluation of the Auditor s qualifications and independence. The Audit Committee will oversee the Fund audit services engagement as necessary, including approving any changes in terms, audit scope, conditions and fees.

In addition to approving the Fund audit services engagement at least annually and specifically approving any changes, the Audit Committee may generally or specifically pre-approve engagements for other audit services, which are those services that only an independent auditor reasonably can provide. Other audit services may include services associated with SEC registration statements, periodic reports and other documents filed with the SEC.

[1] Applicable Rules include, for example, New York Stock Exchange (NYSE) rules applicable to closed-end funds managed by Invesco and listed on NYSE.

III. General and Specific Pre-Approval of Non-Audit Fund Services

The Audit Committee will consider, at least annually, the list of General Pre-Approved Non-Audit Services which list may be terminated or modified at any time by the Audit Committee. To inform the Audit Committee s review and approval of General Pre-Approved Non-Audit Services, the Funds Treasurer (or his or her designee) and Auditor shall provide such information regarding independence or other matters as the Audit Committee may request.

Any services or fee ranges that are not within the scope of General Pre-Approved Non-Audit Services have not received general pre-approval and require specific pre-approval. Each request for specific pre-approval by the Audit Committee for services to be provided by the Auditor to the Funds must be submitted to the Audit Committee by the Funds Treasurer (or his or her designee) and must include detailed information about the services to be provided, the fees or fee ranges to be charged, and other relevant information sufficient to allow the Audit Committee to consider whether to pre-approve such engagement, including evaluating whether the provision of such services will impair the independence of the Auditor and is otherwise consistent with Applicable Rules.

IV. Non-Audit Service Types

The Audit Committee may provide either general or specific pre-approval of audit-related, tax or other services, each as described in more detail below.

a. Audit-Related Services

Audit-related services are assurance and related services that are reasonably related to the performance of the audit or review of the Fund s financial statements or that are traditionally performed by an independent auditor. Audit-related services include, among others, accounting consultations related to accounting, financial reporting or disclosure matters not classified as Audit services ; assistance with understanding and implementing new accounting and financial reporting guidance from rulemaking authorities; services related to mergers, acquisitions or dispositions; compliance with ratings agency requirements and interfund lending activities; and assistance with internal control reporting requirements.

b. Tax Services

Tax services include, but are not limited to, the review and signing of the Funds federal tax returns, the review of required distributions by the Funds and consultations regarding tax matters such as the tax treatment of new investments or the impact of new regulations. The Audit Committee will not approve proposed services of the Auditor which the Audit Committee believes are to be provided in connection with a service or transaction initially recommended by the Auditor, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. The Audit Committee will consult with the Funds Treasurer (or his or her designee) and may consult with outside counsel or advisers as necessary to ensure the consistency of tax services rendered by the Auditor with the foregoing policy. The Auditor shall not represent any Fund or any Service Affiliate before a tax court, district court or federal court of claims.

Each request to provide tax services under either the general or specific pre-approval of the Audit Committee will include a description from the Auditor in writing of (i) the scope of the service, the fee structure for the engagement, and any side letter or other amendment to the engagement letter, or any other agreement (whether oral, written, or otherwise) between the Auditor and the Funds, relating to the service; and (ii) any compensation arrangement or other agreement, such as a referral agreement, a referral fee or fee-sharing arrangement, between the Auditor (or an affiliate of the Auditor) and any person (other than the Funds or Service Affiliates receiving the services) with respect to the promoting, marketing, or recommending of a transaction covered by the service. The Auditor will also discuss with the Audit Committee the potential effects of the services on the independence of the Auditor, and document the substance of its discussion with the Audit Committee.

c. Other Services

The Audit Committee may pre-approve other non-audit services so long as the Audit Committee believes that the service will not impair the independence of the Auditor. Appendix I includes a list of services that the Auditor is prohibited from performing by the SEC rules. Appendix I also includes a list of services that would impair the Auditor s independence unless the Audit Committee reasonably concludes that the results of the services will not be subject to audit procedures during an audit of the Funds financial statements.

V. Pre-Approval of Service Affiliate s Covered Engagements

Rule 2-01 of Regulation S-X requires that the Audit Committee pre-approve a Service Affiliate s engagement of the Auditor for non-audit services if the engagement relates directly to the operations and financial reporting of the Funds, defined above as a Service Affiliate s Covered Engagement .

The Audit Committee may provide either general or specific pre-approval of any Service Affiliate s Covered Engagement, including for audit-related, tax or other services, as described above, if the Audit Committee believes that the provision of the services to a Service Affiliate will not impair the independence of the Auditor with respect to the Funds. Any Service Affiliate s Covered Engagements that are not within the scope of General Pre-Approved Non-Audit Services have not received general pre-approval and require specific pre-approval.

Each request for specific pre-approval by the Audit Committee of a Service Affiliate s Covered Engagement must be submitted to the Audit Committee by the Funds Treasurer (or his or her designee) and must include detailed information about the services to be provided, the fees or fee ranges to be charged, a description of the current status of the pre-approval process involving other audit committees in the Invesco investment company complex (as defined in Rule 2-201 of Regulation S-X) with respect to the proposed engagement, and other relevant information sufficient to allow the Audit Committee to consider whether the provision of such services will impair the independence of the Auditor from the Funds. Additionally, the Funds Treasurer (or his or her designee) and the Auditor will provide the Audit Committee with a statement that the proposed engagement requires pre-approval by the Audit Committee, the proposed engagement, in their view, will not impair the independence of the Auditor and is consistent with Applicable Rules, and the description of the proposed engagement provided to the Audit Committee is consistent with that presented to or approved by the Invesco audit committee.

Information about all Service Affiliate engagements of the Auditor for non-audit services, whether or not subject to pre-approval by the Audit Committee, shall be provided to the Audit Committee at least quarterly, to allow the Audit Committee to consider whether the provision of such services is compatible with maintaining the Auditor s independence from the Funds. The Funds Treasurer and Auditor shall provide the Audit Committee with sufficiently detailed information about the scope of services provided and the fees for such services, to ensure that the Audit Committee can adequately consider whether the provision of such services is compatible with maintaining the Auditor s independence from the Funds.

VI. Pre-Approved Fee Levels or Established Amounts

Pre-approved fee levels or ranges for audit and non-audit services to be provided by the Auditor to the Funds, and for a Service Affiliate s Covered Engagement, under general pre-approval or specific pre-approval will be set periodically by the Audit Committee. Any proposed fees exceeding 110% of the maximum pre-approved fee levels or ranges for such services or engagements will be promptly presented to the Audit Committee and will require specific pre-approval by the Audit Committee before payment of any additional fees is made.

VII. Delegation

The Audit Committee may from time to time delegate specific pre-approval authority to its Chair and/or Vice Chair, so that the Chair or, in his or her absence, Vice Chair may grant specific pre-approval for audit and non-audit services by the Auditor to the Funds and/or a Service Affiliate s Covered Engagement between Audit Committee meetings. Any such delegation shall be reflected in resolutions adopted by the Audit Committee and may include such limitations as to dollar amount(s) and/or scope of service(s) as the Audit Committee may choose to impose. Any such delegation shall not preclude the Chair or Vice Chair from declining, on a case by case basis, to exercise his or her delegated authority and instead convening the Audit Committee to consider and pre-approve any proposed services or engagements.

Notwithstanding the foregoing, any non-audit services to be provided to the Funds for which the fees are estimated to exceed $500,000 and any Service Affiliate s Covered Engagement for which the fees are estimated to exceed $500,000 must be pre-approved by the Audit Committee and may not be delegated to the Chair or Vice Chair.

VIII. Compliance with Procedures

Notwithstanding anything herein to the contrary, failure to pre-approve any services or engagements that are not required to be pre-approved pursuant to the de minimis exception provided for in Rule 2-01(c)(7)(i)(C) of Regulation S-X shall not constitute a violation of these Procedures. The Audit Committee has designated the Funds Treasurer to ensure services and engagements are pre-approved in compliance with these Procedures. The Funds Treasurer will immediately report to the Chair of the Audit Committee, or the Vice Chair in his or her absence, any breach of these Procedures that comes to the attention of the Funds Treasurer or any services or engagements that are not required to be pre-approved pursuant to the de minimis exception provided for in Rule 2-01(c)(7)(i)(C) of Regulation S-X.

On at least an annual basis, the Auditor will provide the Audit Committee with a summary of all non-audit services provided to any entity in the investment company complex (as defined in section 2-01(f)(14) of Regulation S-X, including the Funds and Service Affiliates) that were not pre-approved, including the nature of services provided and the associated fees.

IX. Amendments to Procedures

All material amendments to these Procedures must be approved in advance by the Audit Committee. Non-material amendments to these Procedures may be made by the Legal and Compliance Departments and will be reported to the Audit Committee at the next regularly scheduled meeting of the Audit Committee.

Appendix I

Non-Audit Services That May Impair the Auditor s Independence

The Auditor is not independent if, at any point during the audit and professional engagement, the Auditor provides the following non-audit services:

- Management functions;
- Human resources;
- Broker-dealer, investment adviser, or investment banking services;
- Legal services;
- Expert services unrelated to the audit;
- Any service or product provided for a contingent fee or a commission;
- Services related to marketing, planning, or opining in favor of the tax treatment of confidential transactions or aggressive tax position transactions, a significant purpose of which is tax avoidance;
- Tax services for persons in financial reporting oversight roles at the Fund; and
- Any other service that the Public Company Oversight Board determines by regulation is impermissible.

An Auditor is not independent if, at any point during the audit and professional engagement, the Auditor provides the following non-audit services unless it is reasonable to conclude that the results of the services will not be subject to audit procedures during an audit of the Funds financial statements:

- Bookkeeping or other services related to the accounting records or financial statements of the audit client;
- Financial information systems design and implementation;
- Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;

Actuarial services; and

Internal audit outsourcing services.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

(a) The registrant has a separately-designed standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. Members of the audit committee are: David C. Arch, Bruce L. Crockett, Cynthia Hostetler, Teresa M. Ressel, Raymond Stickel, Jr. and Robert C. Troccoli.

(b) Not applicable.

ITEM 6. SCHEDULE OF INVESTMENTS.

Investments in securities of unaffiliated issuers is included as part of the reports to stockholders filed under Item 1 of this Form.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Invesco s Policy Statement on Global Corporate Governance and Proxy Voting

I. Guiding Principles and Philosophy

Public companies hold shareholder meetings, attended by the company s executives, directors, and shareholders, during which important issues, such as appointments to the company s board of directors, executive compensation, and auditors, are addressed and where applicable, voted on. Proxy voting gives shareholders the opportunity to vote on issues that impact the company s operations and policies without being present at the meetings.

Invesco views proxy voting as an integral part of its investment management responsibilities and believes that the right to vote proxies should be managed with the same high standards of care and fiduciary duty to its clients as all other elements of the investment process. Invesco s proxy voting philosophy, governance structure and process are designed to ensure that proxy voles are cast in accordance with clients best interests, which Invesco interprets to mean clients best economic interests, this Policy and the operating guidelines and procedures of Invesco s regional investment centers.

Invesco investment teams vote proxies on behalf of Invesco-sponsored funds and non-fund advisory clients that have explicitly granted Invesco authority in writing to vote proxies on their behalf.

The proxy voting process at Invesco, which is driven by investment professionals, Focuses on maximizing long-term value for our clients, protecting clients rights and promoting governance structures and practices that reinforce the accountability of corporate management and boards of directors to shareholders. Invesco takes a nuanced approach to voting and, therefore, many matters to be voted upon are reviewed on a case by case basis.

Votes in favor of board or management proposals should not be interpreted as an indication of insufficient consideration by lnvesco fund managers. Such votes may reflect the outcome of past or ongoing engagement and active ownership by Invesco with representatives of the companies in which we invest.

II. Applicability of this Policy

This Policy sets forth the framework of Invesco s corporate governance approach, broad philosophy and guiding principles that inform the proxy voting practices of Invesco s investment teams around the world. Given the different nature of these teams and their respective investment processes, as well as the significant differences in regulatory regimes and market practices across jurisdictions, not all aspects of this Policy may apply to all Invesco investment teams at all times. In the case of a conflict between this Policy and the operating guidelines and procedures of a regional investment center the latter will control.

III. Proxy Voting for Certain Fixed Income, Money Market Accounts and Index

For proxies held by certain client accounts managed in accordance with fixed income, money market and index strategies (including exchange traded funds), lnvesco will typically vote in line with the majority holder of the active-equity shares held by Invesco outside of those strategies (Majority Voting). In this manner Invesco seeks to leverage the active-equity expertise and comprehensive proxy voting reviews conducted by teams employing active-equity strategies, which typically incorporate analysis of proxy issues as a core component of the investment process. Portfolio managers for accounts employing Majority Voting still retain full discretion to override Majority Voting and to vote the shares as they determine to be in the best interest of those accounts, absent certain types of conflicts of interest, which are discussed elsewhere in this Policy.

IV. Conflicts of Interest

There may be occasions where voting proxies may present a real or perceived conflict of interest between Invesco, as investment manager, and one or more of Invesco s clients or vendors. Under Invesco s Code of Conduct, Invesco entities and individuals are strictly prohibited from putting personal benefit, whether tangible or intangible, before the interests of clients. Personal benefit includes any intended benefit for Invesco, oneself or any other individual, company, group or organization of any kind whatsoever, except a benefit for the relevant lnvesco client.

Firm-level Conflicts of Interest

A conflict of interest may exist if Invesco has a material business relationship with, or is actively soliciting business from, either the company soliciting a proxy or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote (e.g., issuers that are distributors of Invesco s products, or issuers that employ lnvesco to manage portions of their retirement plans or treasury accounts). Invesco s proxy governance team maintains a list of all such issuers for which a conflict of interest exists.

If the proposal that gives rise to the potential conflict is specifically addressed by this Policy or the operating guidelines and procedures of the relevant regional investment center, Invesco generally will vote the proxy in accordance therewith. Otherwise, based on a majority vote of its members, the Global IPAC (as described below) will vote the proxy.

Because this Policy and the operating guidelines and procedures of each regional investment center are pre-determined and crafted to be in the best economic interest of clients, applying them to vote client proxies should, in most instances, adequately resolve any potential conflict of interest. As an additional safeguard, persons from Invesco s marketing, distribution and other customer-facing functions may not serve on the Global IPAC. For the avoidance of doubt, Invesco may not consider Invesco Ltd. s pecuniary interest when voting proxies on behalf of clients.

Personal Conflicts of Interest

A conflict also may exist where an Invesco employee has a known personal relationship with other proponents of proxy proposals, participants in proxy contests, corporate directors, or candidates for directorships.

All Invesco personnel with proxy voting responsibilities are required to report any known personal conflicts of interest regarding proxy issues with which they are involved. In such instances, the individual(s) with the conflict will be excluded from the decision-making process relating to such issues.

Other Conflicts of Interest

In order to avoid any appearance of a conflict of interest, Invesco will not vote proxies issued by, or related to matters involving, Invesco Ltd. that may be held in client accounts from time to time.[1] Shares of an Invesco-sponsored fund held by other lnvesco funds will be voted in the same proportion as the votes of external shareholders of the underlying fund.

V. Use of Third-Party Proxy Advisory Services

Invesco may supplement its internal research with information from third-parties, such as proxy advisory firms. However, Invesco generally retains full and independent discretion with respect to proxy voting decisions.

As part of its fiduciary obligation to clients, Invesco performs extensive initial and ongoing due diligence on the proxy advisory firms it engages. This includes reviews of information regarding the capabilities of their research staffs and internal controls, policies and procedures, including those relating to possible conflicts of interest. In addition, lnvesco regularly monitors and communicates with these firms and monitors their compliance with Invesco s performance and policy standards.

VI. Global Proxy Voting Platform and Administration

Guided by its philosophy that investment teams should manage proxy voting, Invesco has created the Global lnvesco Proxy Advisory Committee (Global IPAC). The Global IPAC is a global investments-driven committee comprised of representatives from various investment management teams and Invesco s Global Head of Proxy Governance and Responsible Investment (Head of Proxy Governance). The Global IPAC provides a forum for investment teams to monitor, understand and discuss key proxy issues and voting trends within the lnvesco complex. Absent a conflict of interest, the Global IPAC representatives, in consultation with the respective investment team, are responsible for voting proxies for the securities the team manages (unless such responsibility is explicitly delegated to the portfolio managers of the securities in question) In addition to the Global IPAC, for some clients, third parties (e.g., U.S. mutual fund boards) provide oversight of the proxy process. The Global IPAC and Invesco s

[1] Generally speaking, Invesco does not invest for its clients in the shares of Invesco Ltd., however, limited exceptions apply in the case of funds or accounts designed to track an index that includes Invesco Ltd. as a component.

proxy administration and governance team, compliance and legal teams regularly communicate and review this Policy and the operating guidelines and procedures of each regional investment center to ensure that they remain consistent with clients best interests, regulatory requirements, governance trends and industry best practices.

Invesco maintains a proprietary global proxy administration platform, known as the fund manager portal and supported by the Head of Proxy Governance and a dedicated team of internal proxy specialists. The platform streamlines the proxy voting and ballot reconciliation processes, as well as related functions, such as share blocking and managing conflicts of interest issuers. Managing these processes internally, as opposed to relying on third parties, gives Invesco greater quality control, oversight and independence in the proxy administration process.

The platform also includes advanced global reporting and record-keeping capabilities regarding proxy matters that enable Invesco to satisfy client, regulatory and management requirements. Historical proxy voting information, including commentary by investment professionals regarding the votes they cast, where applicable, is stored to build institutional knowledge across the Invesco complex with respect to individual companies and proxy issues. Certain investment teams also use the platform to access third-party proxy research.

VII. Non-Votes

In the great majority of instances, Invesco is able to vote proxies successfully. However, in certain circumstances Invesco may refrain from voting where the economic or other opportunity costs of voting exceeds any anticipated benefits of that proxy proposal. In addition, there may be instances in which Invesco is unable to vote all of its clients proxies despite using commercially reasonable efforts to do so. For example:

Invesco may not receive proxy materials from the relevant fund or client custodian with sufficient time and information to make an informed independent voting decision. In such cases, Invesco may choose not to vote, to abstain from voting, to vote in line with management or to vote in accordance with proxy advisor recommendations. These matters are left to the discretion of the fund manager.

If the security in question is on loan as part of a securities lending program, lnvesco may determine that the benefit to the client of voting a particular proxy is outweighed by the revenue that would be lost by terminating the loan and recalling the securities.

In some countries the exercise of voting rights imposes temporary transfer restrictions on the related securities (share blocking). Invesco generally refrains from voting proxies in share-blocking countries unless Invesco determines that the benefit to the client(s) of voting a specific proxy outweighs the client s temporary inability to sell the security.

Some companies require a representative to attend meetings in person in order to vote a proxy. In such cases, Invesco may determine that the costs of sending a representative or signing a power-of-attorney outweigh the benefit of voting a particular proxy.

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VIII. Proxy Voting Guidelines

The following guidelines describe Invesco s general positions on various common proxy voting issues. This list is not intended to be exhaustive or prescriptive. As noted above, Invesco s proxy process is investor-driven, and each fund manager retains ultimate discretion to vote proxies in the manner they deem most appropriate, consistent with Invesco s proxy voting principles and philosophy discussed in Sections I through IV. Individual proxy votes therefore will differ from these guidelines from time to time.

A. Shareholder Access and Treatment of Shareholder Proposals

Invesco reviews on a case by case basis but generally votes in favor of proposals that would increase shareholders opportunities to express their views to boards of directors, proposals that would lower barriers to shareholder action, and proposals to promote the adoption of generally accepted best practices in corporate governance, provided that such proposals would not require a disproportionate amount of management attention or corporate resources or otherwise that may inappropriately disrupt the company s business and main purpose. usually set out in their reporting disclosures and business model. Likewise, Invesco reviews on a case by case basis but generally votes for shareholder proposals that are designed to protect shareholder rights if a company s corporate governance standards indicate that such additional protections are warranted (for example, where minority shareholders rights are not adequately protected).

B. Environmental, Social and Corporate Responsibility Issues

Invesco believes that a company s long-term response to environmental, social and corporate responsibility issues can significantly affect its long-term shareholder value. We recognize that to manage a corporation effectively, directors and management may consider not only the interests of shareholders, but also the interests of employees, customers, suppliers, creditors and the local community, among others. While Invesco generally affords management discretion with respect to the operation of a company s business, Invesco will evaluate such proposals on a case by case basis and will vote proposals relating to these issues in a manner intended to maximize long-term shareholder value.

C. Capitalization Structure Issues

i. Stock Issuances

Invesco generally supports a board s decisions about the need for additional capital stock to meet ongoing corporate needs, except where the request could adversely affect Invesco clients ownership stakes or voting rights. Some capitalization proposals, such as those to authorize common or preferred stock with special voting rights or to issue additional stock in connection with an acquisition, may require additional analysis. lnvesco generally opposes proposals to authorize classes of preferred stock with unspecified voting, conversion, dividend or other rights (blank check stock) when they appear to be intended as an anti-takeover mechanism; such issuances may be supported when used for general financing purposes.

ii. Stock Splits

Invesco generally supports a board s proposal to increase common share authorization for a stock split, provided that the increase in authorized shares would not result in excessive dilution given the company s industry and performance in terms of shareholder returns.

iii. Share Repurchases

lnvesco generally supports a board s proposal to institute open-market share repurchase plans only if all shareholders participate on an equal basis.

D. Corporate Governance Issues

i. Board of Directors

1. Director Nominees in Uncontested Elections

Subject to the other considerations described below, in an uncontested director election for a company without a controlling shareholder, lnvesco generally votes in favor of the director slate if it is comprised of at least a majority of independent directors and if the board s key committees are fully independent, effective and balanced. Key committees include the audit, compensation/remuneration and governance/nominating committees. lnvesco s standard of independence excludes directors who, in addition to the directorship, have any material business or family relationships with the companies they serve.

2. Director Nominees in Contested Elections

Invesco recognizes that short-term investment sentiments influence the corporate governance landscape and may influence companies in Invesco clients portfolios and more broadly across the market. Invesco recognizes that short-term investment sentiment may conflict with long-term value creation and as such looks at each proxy contest matter on a case by case basis, considering factors such as:

- Long-term financial performance of the company relative to its industry,
- Management s track record,
- Background to the proxy contest,
- Qualifications of director nominees (both slates),
- Evaluation of what each side is offering shareholders as well as the likelihood that the proposed objectives and goals can be met, and
- Stock ownership positions in the company.

3. *Director Accountability*

Invesco generally withholds votes from directors who exhibit a lack of accountability to shareholders. Examples include, without limitation, poor attendance (less than 75%, absent extenuating circumstances) at meetings, failing to implement shareholder proposals that have received a majority of votes and/or by adopting or approving egregious corporate-governance or other policies. In cases of material financial restatements, accounting fraud, habitually late filings, adopting shareholder rights plan (poison pills) without shareholder approval, or other areas of poor performance, Invesco may withhold votes from some or all of a company s directors. In situations where directors performance is a concern, Invesco may also support shareholder proposals to take corrective actions such as so-called clawback provisions.

4. *Director Independence*

lnvesco generally supports proposals to require a majority of directors to be independent unless particular circumstances make this not Feasible or in the best interests of shareholders, We generally vote for proposals that would require the board s audit, compensation/remuneration, and/or governance/nominating committees to be composed exclusively of independent directors since this minimizes the potential for conflicts of interest.

5. *Director Indemnification*

Invesco recognizes that individuals may be reluctant to serve as corporate directors if they are personally liable for all related lawsuits and legal costs. As a result, reasonable limitations on directors liability can benefit a company and its shareholders by helping to attract and retain qualified directors while preserving recourse for shareholders in the event of misconduct by directors, Invesco, therefore, generally supports proposals to limit directors liability and provide indemnification and/or exculpation, provided that the arrangements are limited to the director acting honestly and in good faith with a view to the best interests of the company and, in criminal matters, are limited to the director having reasonable grounds for believing the conduct was lawful.

6. *Separate Chairperson and CEO*

Invesco evaluates these proposals on a case by case basis, recognizing that good governance requires either an independent chair or a qualified, proactive, and lead independent director.

Voting decisions may take into account, among other factors, the presence or absence of:

- a designated lead director, appointed from the ranks of the independent board members, with an established term of office and clearly delineated powers and duties;

- a majority of independent directors;

- completely independent key committees;

- committee chairpersons nominated by the independent directors;

CEO performance reviewed annually by a committee of independent directors; and

established governance guidelines.

7. *Majority/Supermajority/Cumulative Voting for Directors*

The right to elect directors is the single most important mechanism shareholders have to promote accountability. Invesco generally votes in favor of proposals to elect directors by a majority vote. Except in cases where required by law in the jurisdiction of incorporation or when a company has adopted formal governance principles that present a meaningful alternative to the majority voting standard, Invesco generally votes against actions that would impose any supermajority voting requirement. and generally supports actions to dismantle existing supermajority requirements.

The practice of cumulative voting can enable minority shareholders to have representation on a company s board. Invesco generally opposes such proposals as unnecessary where the company has adopted a majority voting standard. However, Invesco generally supports proposals to institute the practice of cumulative voting at companies whose overall corporate-governance standards indicate a particular need to protect the interests of minority shareholders.

8. *Staggered Boards/Annual Election of Directors*

Invesco generally supports proposals to elect each director annually rather than electing directors to staggered multi-year terms because annual elections increase a board s level of accountability to its shareholders.

9. *Board Size*

lnvesco believes that the number of directors is an important factor to consider when evaluating the board s ability to maximize long-term shareholder value. Invesco approaches proxies relating to board size on a case by case basis but generally will defer to the board with respect to determining the optimal number of board members, provided that the proposed board size is sufficiently large to represent shareholder interests and sufficiently limited to remain effective.

10. *Term Limits for Directors*

lnvesco believes it is important for a board of directors to examine its membership regularly with a view to ensuring that the company continues to benefit from a diversity of director viewpoints and experience. We generally believe that an individual board s nominating committee is best positioned to determine whether director term limits would be an appropriate measure to help achieve these goals and, if so, the nature of such limits.

ii. Audit Committees and Auditors

1. *Qualifications of Audit Committee and Auditors*

Invesco believes a company s Audit Committee has a high degree of responsibility to shareholders in matters of financial disclosure, integrity of the financial statements and effectiveness of a company s internal controls. Independence. experience and financial expertise are critical elements of a well-functioning Audit Committee. When electing directors who are members of a company s Audit Committee, or when ratifying a company s auditors, Invesco considers the past performance of the Audit Committee and holds its members accountable for the quality of the company s financial statements and reports.

2. *Auditor Indemnifications*

A company s independent auditors play a critical role in ensuring and attesting to the integrity of the company s financial statements. It is therefore essential that they perform their work in accordance with the highest standards. Invesco generally opposes proposals that would limit the liability of or indemnify auditors because doing so could serve to undermine this obligation.

3. *Adequate Disclosure of Auditor Fees*

Understanding the fees earned by the auditors is important for assessing auditor independence. Invesco s support for the re-appointment of the auditors will take into consideration the availability of adequate disclosure concerning the amount and nature of audit versus non-audit fees. Invesco generally will support proposals that call for this disclosure if it is not already being made.

E. Remuneration and Incentives

Invesco believes properly constructed compensation plans that include equity ownership are effective in creating incentives that induce management and employees of portfolio companies to create greater shareholder wealth. Invesco generally supports equity compensation plans that promote the proper alignment of incentives with shareholders long-term interests! and generally votes against plans that are overly dilutive to existing shareholders, plans that contain objectionable structural features. and plans that appear likely to reduce the value of the client s investment.

i. Independent Compensation/Remuneration Committee

Invesco believes that an independent, experienced and well-informed compensation/remuneration committee is critical to ensuring that a company s remuneration practices align with shareholders interests and, therefore, generally supports proposals calling for a compensation/remuneration committee to be comprised solely of independent directors.

ii. Advisory Votes on Executive Compensation

Invesco believes that an independent compensation/remuneration committee of the board, with input from management, is generally best positioned to determine the appropriate components and levels of executive compensation, as well as the appropriate frequency of related shareholder advisory votes. This is particularly the case where shareholders have the ability to express their views on remuneration matters through annual votes for or against the election of the individual directors who comprise the compensation/remuneration committee. Invesco, therefore, generally will support management s recommendations with regard to the components and levels of executive compensation and the frequency of shareholder advisory votes on executive compensation. However, Invesco will vote against such recommendations where Invesco determines that a company s executive remuneration policies are not properly aligned with shareholder interests or may create inappropriate incentives for management.

iii. Equity Based Compensation Plans

Invesco generally votes against plans that contain structural features that would impair the alignment of incentives between shareholders and management. Such features include, without limitation, the ability to reprice or reload options without shareholder approval, the ability to issue options below the stock s current market price, or the ability to replenish shares automatically without shareholder approval.

iv. Severance Arrangements

lnvesco considers proposed severance arrangements (sometimes known as golden parachute arrangements) on a case-by-case basis due to the wide variety among their terms. Invesco acknowledges that in some cases such arrangements, if reasonable, may be in shareholders best interests as a method of attracting and retaining high quality executive talent. lnvesco generally votes in favor of proposals requiring advisory shareholder ratification of senior executives severance agreements while generally opposing proposals that require such agreements to be ratified by shareholders in advance of their adoption.

v. Claw Back Provisions

lnvesco generally supports so called claw back policies intended to recoup remuneration paid to senior executives based upon materially inaccurate financial reporting (as evidenced by later restatements) or fraudulent accounting or business practices.

vi. Employee Stock Purchase Plans

Invesco generally supports employee stock purchase plans that are reasonably designed to provide proper incentives to a broad base of employees, provided that the price at which employees may acquire stock represents a reasonable discount from the market price.

F. Anti-Takeover Defenses; Reincorporation

Measures designed to protect a company from unsolicited bids can adversely affect shareholder value and voting rights, and they have the potential to create conflicts of interests among directors, management and shareholders. Such measures include adopting or renewing shareholder rights plans (poison pills), requiring supermajority voting on certain corporate actions, classifying the election of directors instead of electing each director to an annual term, or creating separate classes of common or preferred stock with special voting rights. In determining whether to support a proposal to add, eliminate or restrict anti-takeover measures, Invesco will examine the particular elements of the proposal to assess the degree to which it would adversely affect shareholder rights of adopted. Invesco generally supports shareholder proposals directing companies to subject their anti-takeover provisions to a shareholder vote. Invesco generally opposes payments by companies to minority shareholders intended to dissuade such shareholders from pursuing a takeover or other changes (sometimes known as greenmail) because these payments result in preferential treatment of some shareholders over others.

Reincorporation involves re-establishing the company in a different legal jurisdiction. Invesco generally will vote for proposals to reincorporate a company provided that the board and management have demonstrated sound financial or business reasons for the move. Invesco generally will oppose proposals to reincorporate if they are solely part of an anti-takeover defense or intended to limit directors liability.

PROXY VOTING GUIDELINES

Applicable to	All Advisory Clients, including the Invesco Funds
Risk Addressed by the Guidelines	Breach of fiduciary duty to client under Investment Advisers Act of 1940 by placing Invesco s interests ahead of client s best interests in voting proxies
Relevant Law and Other Sources	U.S. Investment Advisers Act of 1940, as amended
Last Reviewed Revised by Compliance for Accuracy	April 19, 2016
Guideline Owner	U.S. Compliance and Legal
Policy Approver	Invesco Advisers, Inc., Invesco Funds Board
Approved/Adopted Date	May 3-4, 2016

The following guidelines apply to all institutional and retail funds and accounts that have explicitly authorized Invesco Advisers, Inc. (Invesco) to vote proxies associated with securities held on their behalf (collectively, Clients).

A. INTRODUCTION

Invesco Ltd. (IVZ), the ultimate parent company of Invesco, has adopted a global policy statement on corporate governance and proxy voting (the Invesco Global Proxy Policy). The policy describes IVZ s views on governance matters and the proxy administration and governance approach. Invesco votes proxies by using the framework and procedures set forth in the Invesco Global Proxy Policy, while maintaining the Invesco-specific guidelines described below.

B. PROXY VOTING OVERSIGHT: THE MUTUAL FUNDS BOARD OF TRUSTEES

In addition to the Global Invesco Proxy Advisory Committee, the Invesco mutual funds board of trustees provides oversight of the proxy process through quarterly reporting and an annual in-person presentation by Invesco s Global Head of Proxy Governance and Responsible Investment.

C. USE OF THIRD PARTY PROXY ADVISORY SERVICES

Invesco has direct access to third-party proxy advisory analyses and recommendations (currently provided by Glass Lewis (GL) and Institutional Shareholder Services, Inc. (ISS)), among other research tools, and uses the information gleaned from those sources to make independent voting decisions.

Invesco s proxy administration team performs extensive initial and ongoing due diligence on the proxy advisory firms that it engages. When deemed appropriate, representatives from the proxy advisory firms are asked to deliver updates directly to the mutual funds board of trustees. Invesco conducts semi-annual, in-person policy roundtables with key heads of research from ISS and GL to ensure transparency, dialogue and engagement with the firms. These meetings provide Invesco with an opportunity to assess the firms capabilities, conflicts of interest and service levels, as well as provide investment professionals with direct insight into the advisory firms stances on key governance and proxy topics and their policy framework/methodologies. Invesco s proxy administration team also reviews the annual SSAE 16 reports for, and the periodic proxy guideline updates published by, each proxy advisory firm to ensure that their guidelines remain consistent with Invesco s policies and procedures. Furthermore, each proxy advisory firm completes an annual due diligence questionnaire submitted by Invesco, and Invesco conducts on-site due diligence at each firm, in part to discuss their responses to the questionnaire.

If Invesco becomes aware of any material inaccuracies in the information provided by ISS or GL, Invesco s proxy administration team will investigate the matter to determine the cause, evaluate the adequacy of the proxy advisory firm s control structure and assess the efficacy of the measures instituted to prevent further errors.

ISS and GL provide updates to previously issued proxy reports when necessary to incorporate newly available information or to correct factual errors. ISS also has a Feedback Review Board, which provides a mechanism for stakeholders to communicate with ISS about issues related to proxy voting and policy formulation, research, and the accuracy of data contained in ISS reports.

D. PROXY VOTING GUIDELINES

The following guidelines describe Invesco s general positions on various common proxy issues. The guidelines are not intended to be exhaustive or prescriptive. Invesco s proxy process is investor-driven, and each portfolio manager retains ultimate discretion to vote proxies in the manner that he or she deems to be the most appropriate, consistent with the proxy voting principles and philosophy discussed in the Invesco Global Proxy Policy. Individual proxy votes therefore will differ from these guidelines from time to time.

I. Corporate Governance

Management teams of companies are accountable to the boards of directors and directors of publicly held companies are accountable to shareholders. Invesco endeavors to vote the proxies of companies in a manner that will reinforce the notion of a board s accountability. Consequently, Invesco generally votes against any actions that would impair the rights of shareholders or would reduce shareholders influence over the board.

The following are specific voting issues that illustrate how Invesco applies this principle of accountability.

Elections of directors

In uncontested director elections for companies that do not have a controlling shareholder, Invesco generally votes in favor of slates if they are comprised of at least a majority of independent directors and if the boards key committees are fully independent. Key committees include the audit, compensation and governance or nominating Committees. Invesco s standard of independence excludes directors who, in addition to the directorship, have any material business or family relationships with the companies they serve. Contested director elections are evaluated on a case-by-case basis.

Director performance

Invesco generally withholds votes from directors who exhibit a lack of accountability to shareholders, either through their Level of attendance at meetings or by adopting or approving egregious corporate-governance or other policies. In cases of material financial restatements, accounting fraud, habitually late filings, adopting shareholder rights plan (poison pills) without shareholder approval, or other areas of poor performance, Invesco may withhold votes from some or all of a company s directors. In situations where directors performance is a concern, Invesco may also support shareholder proposals to take corrective actions, such as so-called clawback provisions.

Auditors and Audit Committee members

Invesco believes a company s audit committee has a high degree of responsibility to shareholders in matters of financial disclosure, integrity of the financial statements and effectiveness of a company s internal controls. Independence, experience and financial expertise are critical elements of a well-functioning audit committee. When electing directors who are members of a company s audit committee, or when ratifying a company s auditors, Invesco considers the past performance of the committee and holds its members accountable for the quality of the company s financial statements and reports.

Majority standard in director elections

The right to elect directors is the single most important mechanism shareholders have to promote accountability. Invesco supports the nascent effort to reform the U.S. convention of electing directors, and generally votes in favor of proposals to elect directors by a majority vote.

Staggered Boards/Annual Election of Directors

Invesco generally supports proposals to elect each director annually rather than electing directors to staggered multi-year terms because annual elections increase a board s level of accountability to its shareholders.

Supermajority voting requirements

Unless required by law in the state of incorporation, Invesco generally votes against actions that would impose any supermajority voting requirement, and generally supports actions to dismantle existing supermajority requirements.

Responsiveness of Directors

Invesco generally withholds votes for directors who do not adequately respond to shareholder proposals that were approved by a majority of votes cast the prior year.

Cumulative voting

The practice of cumulative voting can enable minority shareholders to have representation on a company s board, Invesco generally supports proposals to institute the practice of cumulative voting at companies whose overall corporate-governance standards indicate a particular need to protect the interests of minority shareholders.

Proxy access

Invesco generally supports shareholders nominations of directors in the proxy statement and ballot because it increases the accountability of the board to shareholders. Invesco will generally consider the proposed minimum period of ownership (e.g., three years), minimum ownership percentage (e.g., three percent), limitations on a proponent s ability to aggregate holdings with other shareholders and the maximum percentage of directors who can be nominated when determining how to vote on proxy access proposals.

Shareholder access

On business matters with potential financial consequences, Invesco generally votes in favor of proposals that would increase shareholders opportunities to express their views to boards of directors, proposals that would lower barriers to shareholder action and proposals to promote the adoption of generally accepted best practices in corporate governance. Furthermore, Invesco generally votes for shareholder proposals that are designed to protect shareholder rights if a company s corporate governance standards indicate that such additional protections are warranted.

Exclusive Forum

Invesco generally supports proposals that would designate a specific jurisdiction in company bylaws as the exclusive venue for certain types of shareholder lawsuits in order to reduce costs arising out of multijurisdidional litigation.

II. Compensation and Incentives

Invesco believes properly constructed compensation plans that include equity ownership are effective in creating incentives that induce management and employees of companies to create greater shareholder wealth. Invesco generally supports equity compensation plans that promote the proper alignment of incentives with shareholders long-term interests, and generally votes against plans that are overly dilutive to existing shareholders, plans that contain objectionable structural features, and plans that appear likely to reduce the value of the Client s investment.

Following are specific voting issues that illustrate how Invesco evaluates incentive plans.

Executive compensation

Invesco evaluates executive compensation plans within the context of the company s performance under the executives tenure. Invesco believes independent compensation committees are best positioned to craft executive-compensation plans that are suitable for their company-specific circumstances. Invesco views the election of independent compensation committee members as the appropriate mechanism for shareholders to express their approval or disapproval of a company s compensation practices. Therefore, Invesco generally does not support shareholder proposals to limit or eliminate certain forms of executive compensation. In the interest of reinforcing the notion of a compensation committee s accountability to shareholders, Invesco generally supports proposals requesting that companies subject each year s compensation record to an advisory shareholder vote, or so-called say on pay proposals.

Equity-based compensation plans

Invesco generally votes against plans that contain structural features that would impair the alignment of incentives between shareholders and management. Such features include the ability to reprice or reload options without shareholder approval, the ability to issue options below the stock s current market price, or the ability automatically to replenish shares without shareholder approval.

Employee stock-purchase plans

Invesco generally supports employee stock-purchase plans that are reasonably designed to provide proper incentives to a broad base of employees, provided that the price at which employees may acquire stock is at most a 15 percent discount from the market price.

Severance agreements

Invesco generally votes in favor of proposals requiring advisory shareholder ratification of executives severance agreements. However, Invesco generally opposes proposals requiring such agreements to be ratified by shareholders in advance of their adoption. Given the vast differences that may occur in these agreements, some severance agreements are evaluated on an individual basis.

III. Capitalization

Examples of management proposals related to a company s capital structure include authorizing or issuing additional equity capital, repurchasing outstanding stock, or enacting a stock split or reverse stock split. On requests for additional capital stock, Invesco analyzes the company s stated reasons for the request. Except where the request could adversely affect the Client s ownership stake or voting rights, Invesco generally supports a board s decisions on its needs for additional capital stock. Some capitalization proposals require a case-by-case analysis. Examples of such proposals include authorizing common or preferred stock with special voting rights, or issuing additional stock in connection with an acquisition.

IV. Mergers, Acquisitions and Other Corporate Actions

Issuers occasionally require shareholder approval to engage in certain corporate actions such as mergers, acquisitions, name changes, dissolutions, reorganizations, divestitures and reincorporations and the votes for these types of corporate actions are generally determined on a case-by-case basis.

V. Anti-Takeover Measures

Practices designed to protect a company from unsolicited bids can adversely affect shareholder value and voting rights, and they potentially create conflicts of interests among directors, management and shareholders. Except under special issuer-specific circumstances, Invesco generally votes to reduce or eliminate such measures. These measures include adopting or renewing poison pills , requiring supermajority voting on certain corporate actions, classifying the election of directors instead of electing each director to an annual term, or creating separate classes of common or preferred stock with special voting rights. Invesco generally votes against management proposals to impose these types of measures, and generally votes for shareholder proposals designed to reduce such measures. Invesco generally supports shareholder proposals directing companies to subject their anti-takeover provisions to a shareholder vote.

VI. Environmental, Social and Corporate Responsibility Issues

Invesco believes that a company s response to environmental, social and corporate responsibility issues and the risks attendant to them can have a significant effect on its long-term shareholder value. Invesco recognizes that to manage a corporation effectively, directors and management must consider not only the interest of shareholders, but also the interests of employees, customers, suppliers and creditors, among others. While Invesco generally affords management discretion with respect to the operation of a company s business, Invesco will evaluate such proposals on a case-by-case basis and will vote proposals relating to these issues in a manner intended to maximize long-term shareholder value.

VII. Routine Business Matters

Routine business matters rarely have the potential to have a material effect on the economic prospects of Clients holdings, so Invesco generally supports a board s discretion on these items. However, Invesco generally votes against proposals where there is insufficient information to make a decision about the nature of the proposal. Similarly, Invesco generally votes against proposals to conduct other unidentified business at shareholder meetings.

D. EXCEPTIONS

Client Maintains Right to Vote Proxies

In the case of institutional or sub-advised Clients, Invesco will vote the proxies in accordance with these guidelines and the Invesco Global Proxy Policy, unless the Client retains in writing the right to vote or the named fiduciary of a Client (e.g., the plan sponsor of an ERISA Client) retains in writing the right to direct the plan trustee or a third party to vote proxies.

Voting for Certain Investment Strategies

For cash sweep investment vehicles selected by a Client but for which Invesco has proxy voting authority over the account and where no other Client holds the same securities, Invesco will vote proxies based on ISS recommendations.

Funds of Funds

Some Invesco Funds offering diversified asset allocation within one investment vehicle own shares in other Invesco Funds. A potential conflict of interest could arise if an underlying Invesco Fund has a shareholder meeting with any proxy issues to be voted on, because Invesco s asset-allocation funds or target-maturity funds may be large shareholders of the underlying fund. In order to avoid any potential for a conflict, the asset-allocation funds and target maturity funds vote their shares in the same proportion as the votes of the external shareholders of the underlying fund.

F. POLICIES AND VOTE DISCLOSURE

A copy of these guidelines, the Invesco Global Proxy Policy and the voting record of each Invesco Retail Fund are available on Invesco s web site, www.invesco.com. In accordance with Securities and Exchange Commission regulations, all Invesco Funds file a record of all proxy-voting activity for the prior 12 months ending June 30th. That filing is made on or before August 31st of each year. In the case of institutional and sub-advised Clients, Clients may contact their client service representative to request information about how Invesco voted proxies on their behalf. Absent specific contractual guidelines, such requests may be made on a semi-annual basis.

INVESCO CANADA

PROXY VOTING GUIDELINES

Purpose

The purpose of this document is to describe Invesco Canada Ltd. s (Invesco Canada) general guidelines for voting proxies received from companies held in the accounts (Accounts) for which it acts as investment fund manager and/or adviser including:

- Investment fund manager, including investment funds offered in Canada (the Canadian Funds),
- Adviser, including separately managed portfolios (SMPs),
- Sub-adviser, including investment funds registered under and governed by the US Investment Company Act of 1940, as amended (the US Funds).

The Accounts referred to above, exclude Accounts that are sub-advised (Sub-Advised Accounts) by affiliated or third party advisers (Sub-Advisers). Proxies for Sub-Advised Accounts will be voted in accordance with the Sub-Adviser s proxy voting policy (which may contain different voting recommendations), provided the policy as a whole is designed with the intention of voting securities in the best interest of the Account; unless the sub-advisory agreement provides otherwise.

Voting rights will not be exercised in accordance with this policy or the Sub-Adviser s proxy policy if the investment management agreement between the client and Invesco Canada governing the SMP provides otherwise.

Compliance will review the proxy voting policies and procedures of any new sub-advisors as part of its due diligence.

Introduction

lnvesco Canada has a fiduciary obligation to act in the best long-term economic interest of the Accounts when voting proxies of portfolio companies.

The default is to vote with the recommendation of the company s management.

As a general rule, portfolio managers shall vote against any actions that would:

- Reduce the rights or options of shareholders,
- Reduce shareholder influence over the board of directors and management,

- Reduce the alignment of interests between company management and the shareholders; or
- Reduce the value of shareholders investments.

Since Invesco Canada s portfolio managers follow an investment discipline that includes investing in companies that are believed to have strong management teams, the portfolio managers will generally support the management of companies in which they invest, and will accord proper weight to the recommendations of company management. Therefore, in most circumstances, votes will be cast in accordance with the recommendations of company management.

While Invesco Canada s proxy voting guidelines are stated below, the portfolio managers will take into consideration all relevant facts and circumstances (including country specific considerations), and retain the right to vote proxies as deemed appropriate.

These guidelines may be amended from time to time.

Voting rights may not be exercised in situations where:

- The securities have been sold subsequent to record date;
- Administrative issues prevent voting, or;
- Invesco Canada is sub-advising for an unaffiliated third-party and either: (a) the sub-advisory agreement with the unaffiliated third-party does not permit Invesco Canada to vote the securities; or (b) the securities to be voted have been lent out by the unaffiliated third-party.

Conflicts of Interest

When voting proxies, Invesco Canada s portfolio managers assess whether there are material conflicts of interest between lnvesco Canada s interests and those of the Account. A potential conflict of interest situation may include where Invesco Canada or an affiliate manages assets for, provides other financial services to, or otherwise has a material business relationship with, a company whose management is soliciting proxies, and failure to vote in favour of management of the company may harm Invesco Canada s relationship with the company. In all situations, the portfolio managers will not take Invesco Canada s relationship with the company into account, and will vote the proxies in the best interest of the Account. To the extent that a portfolio manager has any personal conflict of interest with respect to a company or an issue presented, that portfolio manager should abstain from voting on that company or issue. Portfolio managers are required to report in writing to the relevant Investment Head or ClO any such conflicts of interest and/or attempts by outside parties to improperly influence the voting process. If the portfolio manager in question is the ClO, such conflicts of interest and/or attempts by outside parties to improperly influence the voting process shall be presented in writing to the Chief Compliance Officer. The Global Investments Director (or designate) will report any conflicts of interest to the Independent Review Committee on an annual basis.

I. BOARDS OF DIRECTORS

We believe that a board that has at least a majority of independent directors is integral to good corporate governance. Unless there are restrictions specific to a company s home jurisdiction, key board committees, including audit and compensation committees, should be completely independent.

Voting on Director Nominees in Uncontested Elections

Votes in an uncontested election of directors are evaluated on a case-by-case basis, considering factors that may include:

- Long-term financial company performance relative to a market index,
- Composition of the board and key board committees,
- Nominee s attendance at board meetings,
- Nominee s time commitments as a result of serving on other company boards,
- Nominee s stock ownership position in the company,
- Whether the chairman is also serving as CEO, and
- Whether a retired CEO sits on the board.

Voting on Director Nominees in Contested Elections

Votes in a contested election of directors are evaluated on a **case-by-case** basis, considering factors that may include:

- Long-term financial performance of the company relative to its industry,
- Management s track record,
- Background to the proxy contest,

Qualifications of director nominees (both slates),

- Evaluation of what each side is offering shareholders as well as the likelihood that the proposed objectives and goals can he met, and
- Stock ownership positions in the company.

Majority Threshold Voting for Director Elections

We will generally vote **for** proposals that require directors to be elected with an affirmative majority of votes cast unless the relevant portfolio manager believes that the company has adopted formal corporate governance principles that present a meaningful alternative to the majority voting standard.

Separating Chairman and CEO

Shareholder proposals to separate the chairman and CEO positions should be evaluated on a **case-by-case** basis.

While we generally support these proposals, some companies have governance structures in place that can satisfactorily counterbalance a combined position. Voting decisions will take into account factors such as:

- Designated lead director, appointed from the ranks of the independent board members with clearly delineated duties;
- Majority of independent directors;
- All-independent key committees;
- Committee chairpersons nominated by the independent directors;
- CEO performance is reviewed annually by a committee of independent directors; and
- Established governance guidelines.

Majority of Independent Directors

While we generally support proposals asking that a majority of directors be independent, each proposal should be evaluated on a case-by-case basis.

We generally vote for proposals that the board s audit, compensation, and/or nominating committees be composed exclusively of independent directors.

Stock Ownership Requirements

We believe that individual directors should be appropriately compensated and motivated to act in the best interests of shareholders. Share ownership by directors better aligns their interests with those of other shareholders. Therefore, we believe that meaningful share ownership by directors is in the best interest of the company.

We generally vote **for** proposals that require a certain percentage of a director s compensation to be in the form of common stock.

Size of Boards of Directors

We believe that the number of directors is important to ensuring the board s effectiveness in maximizing long-term shareholder value. The board must be large enough to allow it to adequately discharge its responsibilities, without being so large that it becomes cumbersome.

While we will prefer a board of no fewer than 5 and no more than 16 members, each situation will be considered on a **case-by-case** basis taking into consideration the specific company circumstances.

Classified or Staggered Boards

In a classified or staggered board, directors are typically elected in two or more classes , serving terms greater than one year.

We prefer the annual election of all directors and will generally **not support** proposals that provide for staggered terms for board members. We recognize that there may be jurisdictions where staggered terms for board members is common practice and, in such situations, we will review the proposals on a **case-by-case** basis.

Director Indemnification and Liability Protection

We recognize that many individuals may be reluctant to serve as corporate directors if they are personally liable for all lawsuits and legal costs. As a result, limitations on directors liability can benefit the corporation and its shareholders by helping to attract and retain qualified directors while providing recourse to shareholders on areas of misconduct by directors.

We generally vote **for** proposals that limit directors liability and provide indemnification as long as the arrangements are limited to the director acting honestly and in good faith with a view to the best interests of the company and, in criminal matters, are limited to the director having reasonable grounds for believing the conduct was lawful.

II. AUDITORS

A strong audit process is a requirement for good corporate governance. A significant aspect of the audit process is a strong relationship with a knowledgeable and independent set of auditors.

Ratification of Auditors

We believe a company should limit its relationship with its auditors to the audit engagement, and certain closely related activities that do not, in the aggregate, raise an appearance of impaired independence.

We generally vote **for** the reappointment of the company s auditors unless:

- It is not clear that the auditors will be able to fulfill their function;
- There is reason to believe the auditors have rendered an opinion that is neither accurate nor indicative of the company s financial position; or
- The auditors have a significant professional or personal relationship with the issuer that compromises their independence.

Disclosure of Audit vs. Non-Audit Fees

Understanding the fees earned by the auditors is important for assessing auditor independence. Our support for the re-appointment of the auditors will take into consideration whether the management information circular contains adequate disclosure about the amount and nature of audit vs. non-audit fees.

There may be certain jurisdictions that do not currently require disclosure of audit vs. non-audit fees. In these circumstances, we will generally **support** proposals that call for this disclosure.

III. COMPENSATION PROGRAMS

Appropriately designed equity-based compensation plans, approved by shareholders, can be an effective way to align the interests of long-term shareholders and the interests of management, employees and directors. Plans should not substantially dilute shareholders ownership interests in the company, provide participants with excessive awards or have objectionable structural features. We will consider each compensation plan in its entirety (including all incentives, awards and other compensation) to determine if the plan provides the right incentives to managers, employees and directors and is reasonable on the whole.

While we generally encourage companies to provide more transparent disclosure related to their compensation programs, the following are specific guidelines dealing with some of the more common features of these programs (features not specifically itemized below will be considered on a **case-by-case** basis taking into consideration the general principles described above):

Cash Compensation and Severance Packages

We will generally **support** the board s discretion to determine and grant appropriate cash compensation and severance packages.

Executive Compensation (say on pay)

Proposals requesting that companies subject each year s compensation record to a non binding advisory shareholder vote, or so-called say on pay proposals will be evaluated on a **case-by-case** basis.

Equity Based Plans Dilution

Equity compensation plans can increase the number of shares of a company and therefore dilute the value of existing shares. While such plans can be an effective compensation tool in moderation, they can be a concern to shareholders and their cost needs to be closely watched. We assess proposed equity compensation plans on a **case-by-case** basis.

Employee Stock Purchase Plans

We will generally vote **for** the use of employee stock purchase plans to increase company stock ownership by employees, provided that shares purchased under the plan are acquired for no less than 85% of their market value. It is recognized that country specific circumstances may exist (e.g. tax issues) that require proposals to be reviewed on a **case-by-case** basis.

Loans to Employees

We will vote **against** the corporation making loans to employees to allow employees to pay for stock or stock options. It is recognized that country specific circumstances may exist that require proposals to be reviewed on a **case-by-case** basis.

Stock Option Plans Board Discretion

We will vote **against** stock option plans that give the board broad discretion in setting the terms and conditions of the programs. Such programs should be submitted with detail and be reasonable in the circumstances regarding their cost, scope, frequency and schedule for exercising the options.

Stock Option Plans Inappropriate Features

We will generally vote **against** plans that have any of the following structural features:

- ability to re-price underwater options without shareholder approval,
- ability to issue options with an exercise price below the stock s current market price,
- ability to issue reload options, or
- automatic share replenishment (evergreen) features.

Stock Option Plans Director Eligibility

While we prefer stock ownership by directors, we will **support** stock option plans for directors as long as the terms and conditions of director options are clearly defined

Stock Option Plans Repricing

We will vote **for** proposals to re-price options if there is a value-for-value (rather than a share-for-share) exchange.

Stock Option Plans Vesting

We will vote **against** stock option plans that are 100% vested when granted.

Stock Option Plans Authorized Allocations

We will generally vote **against** stock option plans that authorize allocation of 25% or more of the available options to any one individual.

Stock Option Plans Change in Control Provisions

We will vote **against** stock option plans with change in control provisions that allow option holders to receive more for their options than shareholders would receive for their shares.

IV. CORPORATE MATTERS

We will review proposals relating to changes to capital structure and restructuring on a case-by-case basis, taking into consideration the impact of the changes on corporate governance and shareholder rights, anticipated financial and operating benefits, portfolio manager views, level of dilution, and a company s industry and performance in terms of shareholder returns.

Common Stock Authorization

We will review proposals to increase the number of shares of common stock authorized for issue on a **case-by-case** basis.

Dual Class Share Structures

Dual class share structures involve a second class of common stock with either superior or inferior voting rights to those of another class of stock.

We will generally vote **against** proposals to create or extend dual class share structures where classes have different voting rights.

Stock Splits

We will vote **for** proposals to increase common share authorization for a stock split, provided that the increase in authorized shares would not result in excessive dilution given a company s industry and performance in terms of shareholder returns.

Reverse Stock Splits

We will vote **for** proposals to implement a reverse stock split.

Share Repurchase Programs

We will vote **against** proposals to institute open-market share repurchase plans if all shareholders do not participate on an equal basis.

Reincorporation

Reincorporation involves re-establishing the company in a different legal jurisdiction.

We will generally vote **for** proposals to reincorporate the company provided that the board and management have demonstrated sound financial or business reasons for the move. Proposals to reincorporate will generally **not be supported** if solely as part of an anti-takeover defense or as a way to limit directors liability.

Mergers & Acquisitions

We will vote **for** merger & acquisition proposals that the relevant portfolio managers believe, based on their review of the materials:

- will result in financial and operating benefits,
- have a fair offer price,

have favourable prospects for the combined companies, and

will not have a negative impact on corporate governance or shareholder rights.

V. SOCIAL RESPONSIBILITY

We recognize that to effectively manage a corporation, directors and management must consider not only the interests of shareholders, but the interests of employees, customers, suppliers, and creditors, among others.

We believe that companies and their boards must give careful consideration to social responsibility issues in order to enhance long-term shareholder value.

We **support** efforts by companies to develop policies and practices that consider social responsibility issues related to their businesses.

VI. SHAREHOLDER PROPOSALS

Shareholder proposals can be extremely complex, and the impact on the interests of all stakeholders can rarely be anticipated with a high degree of confidence. As a result, shareholder proposals will be reviewed on a **case-by-case** basis with consideration of factors such as:

the proposal s impact on the company s short-term and long-term share value,

its effect on the company s reputation,

the economic effect of the proposal,

industry and regional norms in which the company operates,

the company s overall corporate governance provisions, and

the reasonableness of the request.

We will generally **support** shareholder proposals that require additional disclosure regarding corporate responsibility issues where the relevant portfolio manager believes:

the company has failed to adequately address these issues with shareholders,

there is information to suggest that a company follows procedures that are not in compliance with applicable regulations, or

the company fails to provide a level of disclosure that is comparable to industry peers or generally accepted standards.
We will generally **not support** shareholder proposals that place arbitrary or artificial constraints on the board, management or the company.

Ordinary Business Practices

We will generally **support** the board s discretion regarding shareholder proposals that involve ordinary business practices.

Protection of Shareholder Rights

We will generally vote **for** shareholder proposals that are designed to protect shareholder rights if the company s corporate governance standards indicate that such additional protections are warranted.

Barriers to Shareholder Action

We will generally vote **for** proposals to lower barriers to shareholder action.

Shareholder Rights Plans

We will generally vote **for** proposals to subject shareholder rights plans to a shareholder vote.

VII. OTHER

We will vote **against** or **abstain** on proposals that may authorize the company to conduct any other business that is not described in the proxy statement or where the proxy materials lack sufficient information upon which to base an informed decision.

Reimbursement of Proxy Solicitation Expenses

Decisions to provide reimbursement for dissidents waging a proxy contest are made on a **case-by-case** basis.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES
As of February 28, 2018, the following individuals are jointly and primarily responsible for the day-to-day management of the Trust:

Andrew Geryol, Portfolio Manager, who has been responsible for the Trust since 2016 and has been associated with Invesco and/or its affiliates since 2011. From 2002 to 2011, he was employed by Allstate Investments, where he held a high yield analyst position.

Jennifer Hartviksen, Portfolio Manager, who has been responsible for the Trust since 2016 and has been associated with Invesco Canada and/or its affiliates since 2013. From 2011 to 2013, she was employed by Fiera Quantum L.P., where she also served as a Senior Portfolio Manager.

Joseph Portera, Portfolio Manager, who has been responsible for the Trust since 2016 and has been associated with Invesco and/or its affiliates since 2012. From 2009 to 2012, he was a Managing Director and lead Portfolio Manager at Hartford Investment Management.

Scott Roberts, Portfolio Manager, who has been responsible for the Trust since 2010 and has been associated with Invesco and/or its affiliates since 2000.

Portfolio Manager Fund Holdings and Information on Other Managed Accounts

Invesco s portfolio managers develop investment models which are used in connection with the management of certain Invesco Funds as well as other mutual funds for which Invesco or an affiliate acts as sub-adviser, other pooled investment vehicles that are not registered mutual funds, and other accounts managed for organizations and individuals. The Investments chart reflects the portfolio managers investments in the Funds that they manage. Accounts are grouped into three categories: (i) investments in the Fund s shares beneficially owned by a portfolio manager, as determined in accordance with Rule 16a-1(a) (2) under the Securities Exchange Act of 1934, as amended (beneficial ownership includes ownership by a portfolio manager s immediate family members sharing the same household); (ii) investments made either directly or through a deferred compensation or similar plan in Invesco pooled investment vehicles with the same or similar objectives and strategies as the Fund; and (iii) total investments made in any Invesco Fund or Invesco pooled investment vehicle. The Assets Managed chart reflects information regarding accounts other than the Funds for which each portfolio manager has day-to-day management responsibilities. Accounts are grouped into three categories: (i) other registered investment companies; (ii) other pooled investment vehicles; and (iii) other accounts. To the extent that any of these accounts pay advisory fees that are based on account performance (performance-based fees), information on those accounts is specifically noted. In addition, any assets denominated in foreign currencies have been converted into U.S. dollars using the exchange rates as of the applicable date.

Investments

The following information is as of February 28, 2018 (unless otherwise noted):

Portfolio Manager	Dollar Range of Investments in	Dollar Range of Investments in Invesco Pooled	Dollar Range of Investments in All Invesco Funds and Invesco Pooled

	the Fund	Investment Vehicles with the Same or Similar Objectives and Strategies as the Fund	Investment Vehicles
		Invesco High Income Trust II	
Andrew Geryol	None	N/A	$500,001 - $1,000,000
Jennifer Hartviksen[1]	None	N/A	$100,001 - $500,000
Joseph Portera	None	N/A	$500,001 - $1,000,000
Scott Roberts	$100,001 - $500,000	N/A	Over $1,000,000

1 Shares of the Fund are not sold in Canada, where the portfolio manager is domiciled. Accordingly, the portfolio manager may not invest in the Fund.

Assets Managed

The following information is as of February 28, 2018 (unless otherwise noted):

	Other Registered Investment Companies Managed		Other Pooled Investment Vehicles Managed		Other Accounts Managed	
Portfolio Manager	**Number of Accounts**	**Assets (in millions)**	**Number of Accounts**	**Assets (in millions)**	**Number of Accounts**	**Assets (in millions)**
			Invesco High Income Trust II			
Andrew Geryol	3	$1,434.2	1	$47.2	None	None
Jennifer Hartviksen	3	$1,434.2	15	$7,248.8	None	None
Joseph Portera	5	$6,108.8	4	$1,093.5	None	None
Scott Roberts	6	$7,291.5	4	$821.7	None	None

Potential Conflicts of Interest

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one Fund or other account. More specifically, portfolio managers who manage multiple Funds and/or other accounts may be presented with one or more of the following potential conflicts:

The management of multiple Funds and/or other accounts may result in a portfolio manager devoting unequal time and attention to the management of each Fund and/or other account. The Adviser and each Sub-Adviser seek to manage such competing interests for the time and attention of portfolio managers by having portfolio managers focus on a particular investment discipline. Most other accounts managed by a portfolio manager are managed using the same investment models that are used in connection with the management of the Funds.

If a portfolio manager identifies a limited investment opportunity which may be suitable for more than one Fund or other account, a Fund may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible Funds and other accounts. To deal with these situations, the Adviser, each Sub-Adviser and the Funds have adopted procedures for allocating portfolio transactions across multiple accounts.

The Adviser and each Sub-Adviser determine which broker to use to execute each order for securities transactions for the Funds, consistent with its duty to seek best execution of the transaction. However, for certain other accounts (such as mutual funds for which Invesco or an affiliate acts as sub-adviser, other pooled investment vehicles that are not registered mutual funds, and other accounts managed for organizations and individuals), the Adviser and each Sub-Adviser may be limited by the client with respect to the selection of brokers or may be instructed to direct trades through a particular broker. In these cases, trades for a Fund in a particular security may be placed separately from, rather than aggregated with, such other accounts. Having separate transactions with respect to a security may temporarily affect the market price of the security or the execution of the transaction, or both, to the possible detriment of the Fund or other account(s) involved.

Finally, the appearance of a conflict of interest may arise where the Adviser or Sub-Adviser has an incentive, such as a performance-based management fee, which relates to the management of one Fund or account but not all Funds and accounts for which a portfolio manager has day-to-day management responsibilities. None of the Invesco Fund accounts managed has a performance fee.

The Adviser, each Sub-Adviser, and the Funds have adopted certain compliance procedures which are designed to address these types of conflicts. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

Description of Compensation Structure

For the Adviser and each affiliated Sub-Adviser

The Adviser and each Sub-Adviser seek to maintain a compensation program that is competitively positioned to attract and retain high-caliber investment professionals. Portfolio managers receive a base salary, an incentive cash bonus opportunity and a deferred compensation opportunity. Portfolio manager compensation is reviewed and may be modified each year as appropriate to reflect changes in the market, as well as to adjust the factors used to determine bonuses to promote competitive Fund performance. The Adviser and each Sub-Adviser evaluate competitive market compensation by reviewing compensation survey results conducted by an independent third party of investment industry compensation. Each portfolio manager s compensation consists of the following three elements:

Base Salary. Each portfolio manager is paid a base salary. In setting the base salary, the Adviser and each Sub-Adviser s intention is to be competitive in light of the particular portfolio manager s experience and responsibilities.

Annual Bonus. The portfolio managers are eligible, along with other employees of the Adviser and each Sub-Adviser, to participate in a discretionary year-end bonus pool. The Compensation Committee of Invesco Ltd. reviews and approves the firm-wide bonus pool based upon progress against strategic objectives and annual operating plan, including investment performance and financial results. In addition, while having no direct impact on individual bonuses, assets under management are considered when determining the starting bonus funding levels. Each portfolio manager is eligible to receive an annual cash bonus which is based on quantitative (i.e. investment performance) and non-quantitative factors (which may include, but are not limited to, individual performance, risk management and teamwork).

Each portfolio manager s compensation is linked to the pre-tax investment performance of the Funds/accounts managed by the portfolio manager as described in Table 1 below.

Table 1

Sub-Adviser	**Performance time period**[2]
Invesco [3] Invesco Deutschland Invesco Hong Kong[3] Invesco Asset Management Invesco Asset Management (India) Private Limited (Invesco India)	One-, Three- and Five-year performance against Fund peer group
Invesco- U.S. Real Estate Division[3,4] Invesco Senior Secured[3,5] Invesco PowerShares[3,6]	Not applicable
Invesco Canada[3]	One-year performance against Fund peer group Three- and Five-year performance against entire universe of Canadian funds
Invesco Japan[7]	One-, Three- and Five-year performance

High investment performance (against applicable peer group and/or benchmarks) would deliver compensation generally associated with top pay in the industry (determined by reference to the third-party provided compensation survey information) and poor investment performance (versus applicable peer group) would result in low bonus compared to the applicable peer group or no bonus at all. These decisions are reviewed and approved collectively by senior leadership which has responsibility for executing the compensation approach across the organization.

With respect to Invesco PowerShares, there is no policy regarding, or agreement with, the Portfolio Managers or any other senior executive of the Adviser to receive bonuses or any other compensation in connection with the performance of any of the accounts managed by the Portfolio Managers.

[2] Rolling time periods based on calendar year-end.

[3] Portfolio Managers may be granted an annual deferral award that vests on a pro-rata basis over a four year period.

[4] Portfolio Managers for Invesco Global Infrastructure Fund, Invesco Global Real Estate Fund, Invesco MLP Fund, Invesco Real Estate Fund, Invesco Global Real Estate Income Fund and Invesco V.I. Global Real Estate Fund base their bonus on net operating profits of the U.S. Real Estate Division of Invesco.

[5] Invesco Senior Secured s bonus is based on annual measures of equity return and standard tests of collateralization performance.

[6] Portfolio Managers for Invesco PowerShares base their bonus on Invesco results as well as overall performance of Invesco PowerShares.

[7] Portfolio Managers for Invesco Pacific Growth Fund s compensation is based on the one-, three- and five-year performance against the appropriate Micropol benchmark.

Deferred / Long Term Compensation. Portfolio managers may be granted a deferred compensation award based on a firm-wide bonus pool approved by the Compensation Committee of Invesco Ltd. Deferred compensation awards may take the form of annual deferral awards or long-term equity awards. Annual deferral awards may be granted as an annual stock deferral award or an annual fund deferral award. Annual stock deferral awards are settled in Invesco Ltd. common shares. Annual fund deferral awards are notionally invested in certain Invesco Funds selected by the Portfolio Manager and are settled in cash. Long-term equity awards are settled in Invesco Ltd. common shares. Both annual deferral awards and long-term equity awards have a four-year ratable vesting schedule. The vesting period aligns the interests of the Portfolio Managers with the long-term interests of clients and shareholders and encourages retention.

Retirement and health and welfare arrangements. Portfolio managers are eligible to participate in retirement and health and welfare plans and programs that are available generally to all employees.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

ITEM 11. CONTROLS AND PROCEDURES.

(a) As of February 14, 2018, an evaluation was performed under the supervision and with the participation of the officers of the Registrant, including the PEO and PFO, to assess the effectiveness of the Registrant s disclosure controls and procedures, as that term is defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the Act), as amended. Based on that evaluation, the Registrant s officers, including the PEO and PFO, concluded that, as February 14, 2018, the Registrant s disclosure controls and procedures were reasonably designed to ensure: (1) that information required to be disclosed by the Registrant on Form N-CSR is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission; and (2) that material information relating to the Registrant is made known to the PEO and PFO as appropriate to allow timely decisions regarding required disclosure.

(b) There have been no changes in the Registrant s internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant s internal control over financial reporting.

ITEM 12. DISCLOSURE OF SECURITIES LENDING ACTIVITIES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 13. EXHIBITS.

13(a) (1)	Code of Ethics.
13(a) (2)	Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.
13(a) (3)	Not applicable.
13(a) (4)	Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: Invesco High Income Trust II

By: /s/ Sheri Morris
Sheri Morris
Principal Executive Officer

Date: May 7, 2018

Pursuant to the requirements of the Securities and Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Sheri Morris
Sheri Morris
Principal Executive Officer

Date: May 7, 2018

By: /s/ Kelli Gallegos
Kelli Gallegos
Principal Financial Officer

Date: May 7, 2018

EXHIBIT INDEX

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13(a) (3)	Not applicable.
13(a) (4)	Not applicable.