



# Invesco Funds Series Prospectus

26 November 2010

**Invesco US Equity Fund\***  
**Invesco Asian Equity Fund**  
**Invesco Continental European Equity Fund**  
**Invesco Global Select Equity Fund\*\***  
**Invesco Japanese Equity Core Fund**  
**Invesco UK Equity Fund**  
**Invesco Global Real Estate Securities Fund**

**An open-ended umbrella unit trust established under the laws of Ireland.**

The Manager of the Funds, Invesco Global Asset Management Limited, accepts full responsibility for the accuracy of the information contained in this document including the Appendices as at the date of this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.

**IMPORTANT - If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. Investors should not solely rely on the risk warnings outlined below as this is not a complete list of the risks to which the Funds may be exposed. Investors should read the Prospectus, including the full set of risk warnings.**

\*This Fund is closed to further subscription from investors and the Manager has applied to the Central Bank for revocation of its approval. This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.

\*\*This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.

## FOR THE ATTENTION OF HONG KONG INVESTORS

The risk warnings set out herein constitute a Country Supplement for investors located in Hong Kong. This Country Supplement forms part of the Prospectus for Invesco Funds Series dated 26 November 2010 (the "Prospectus") and will be appended to the Prospectus on distribution to investors in Hong Kong.

- The Series is an Irish umbrella unit trust that has within it different sub-funds (each a "Fund") investing in equities and/or debt securities each with different risk profiles. The Series and/or the Funds may not be suitable for all investors.
- Some Funds may invest in emerging markets or particular industry sectors. Funds which invest in emerging markets may be subject to higher liquidity and volatility risk as well as additional legal, regulatory and political risks while Funds which invest in a particular industry sector may be subject to a higher concentration risk than Funds following a more diversified policy.

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## Important Information

All capitalised terms used in this Prospectus shall have the meanings given to them in the section "Definitions" unless the context otherwise requires.

This Prospectus comprises information relating to the Funds. The Series is authorised by the Central Bank of Ireland (the "Central Bank") as a UCITS under the UCITS Regulations.

**Authorisation pursuant to the UCITS Regulations (as defined herein) is not an endorsement or guarantee of the Series by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. Any representation to the contrary is unauthorised and unlawful. In particular, authorisation of the Funds by the Central Bank does not constitute a warranty by the Financial Regulator as to the performance of the Funds and the Central Bank shall not be liable for the performance or default of the Funds.**

The most recent Reports are available at the registered office of the Manager, and will be sent to investors upon request. The Reports shall be deemed to form part of the Prospectus.

A Simplified Prospectus is available for all Funds. In addition to summarising some important information in this Prospectus the Simplified Prospectus contains information on the historical performance and the total expense ratio for each of the Funds.

The Simplified Prospectus can also be obtained from the registered office of the Manager or, for investors in Hong Kong, Macau, Taiwan or Singapore, the Hong Kong Sub-Distributor and Representative can arrange for the Global Distributor in Dublin to send this to you directly upon request. For non-Hong Kong investors, the Simplified Prospectus is available on Invesco's internet site [www.invesco.com](http://www.invesco.com).

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Ireland and are subject to changes therein.

No person has been authorised to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus, and the Reports, and, if given or made, such information or representations must not be relied on as having been authorised by the Manager. The delivery of this Prospectus (whether or not accompanied by any Reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Funds have not changed since the date hereof.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Manager to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

None of the Shares have been or will be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or registered or qualified under applicable state statutes and (except in a transaction which is exempt from registration under the 1933 Act and such applicable state statutes) none of the Shares may be offered or sold, directly

or indirectly, in the United States of America or any of its territories or possessions (the "United States"), or to any US Person (as defined herein). Any of the Funds, may at its discretion, sell Shares to US Persons on a limited basis and subject to the condition that such purchasers make certain representations to the Fund which are intended to satisfy the requirements imposed by US law on the Fund, which limit the number of its Shareholders who are US Persons, and which ensure that the Fund is not engaged in a public offering of its Shares in the United States. In addition, the Funds have not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "1940 Act") and investors will not be entitled to the benefit of the 1940 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment entities, if a Fund has more than 100 beneficial owners of its Shares who are US Persons, it may become subject to the 1940 Act.

The Manager will not knowingly offer or sell Shares to any investor to whom such offer or sale would be unlawful, or might result in the Fund incurring any liability to taxation or suffering any other pecuniary disadvantages which the Fund might not otherwise incur or suffer or would result in the Fund being required to register under the 1940 Act. Shares may not be held by any person in breach of the law or requirements of any country or governmental authority including, without limitation, exchange control regulations. Each investor must represent and warrant to the Manager that, amongst other things, he is able to acquire Shares without violating applicable laws. Power is reserved in the Trust Deed to compulsorily redeem any Shares held directly or beneficially in contravention of these prohibitions.

However, it is contemplated that the Manager may decide to accept applications for Shares in the Funds from a limited number of accredited investors (as defined in the 1933 Act) in the United States provided that the Manager receives evidence satisfactory to it that the sale of Shares to such an investor is exempt from registration under the securities laws of the United States including, but not limited to, the 1933 Act and that in all events there will be no adverse tax consequences to the Funds or to Shareholders as a result of such a sale.

This Prospectus may be translated into other languages. Where this Prospectus is translated into another language, the translation shall be as close as possible to a direct translation from the English text and any changes therefrom shall be only as necessary to comply with the requirements of the regulatory authorities of other jurisdictions. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in any translation, the English text shall prevail to the extent permitted by the applicable laws or regulations, and all disputes as to the terms thereof shall be governed by, and construed in accordance with the laws of Ireland. In Hong Kong, the English and Chinese texts of this Prospectus shall be equally authoritative.

**The difference at any one time between the sale and repurchase price of Shares in the Funds means that investment in the Funds should be regarded as a medium to long-term investment. There can be no guarantee that the objectives of the Funds will be achieved.**

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## Important Information

### Continued

The Funds' investments are subject to normal market fluctuations and the risks inherent in all investments and there can be no assurances that appreciation will occur. It will be the policy of the Manager to maintain a diversified portfolio of investments so as to minimise risk.

The investments of a Fund may be denominated in currencies other than the base currency of that Fund. The value of those investments (when converted to the base currency of that Fund) may fluctuate due to changes in exchange rates.

The price of Shares and the income from them can go down as well as up and investors may not realise their initial investment.

**The Invesco Continental European Equity Fund, the Invesco Global Select Equity Fund<sup>1</sup> and the Invesco Asian Equity Fund may invest in emerging markets. An investment in any of these Funds should not constitute a substantial part of an investment portfolio and may not be appropriate for all investors.**

**Attention is drawn to the section "Risk Warnings".**

**Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding, switch or disposal of Shares.**

The Directors may, from time to time, determine to list the Shares of any Fund or class on the Irish Stock Exchange.

In the event that Shares of any Fund or class are listed on the Irish Stock Exchange, this Prospectus will be updated and information in respect of such listing will be disclosed in Appendix B to this Prospectus.

Invesco Global Asset Management Limited has been appointed as Manager, Global Distributor, Administrator and Registrar of the Funds. Accordingly, references to the Global Distributor, Manager, Administrator and Registrar throughout the Prospectus are to the same entity. Invesco Global Asset Management Limited is referred to as the Manager in the context of the management of the Funds, the Global Distributor in the context of the global distribution of the Funds, the Administrator in the context of administration of the Funds and the Registrar in the context of its maintenance of the Shareholder register of the Funds. Invesco Global Asset Management Limited has delegated certain of its functions in relation to the administration of the Funds, including the calculation of net asset valuations, to BNY Mellon Fund Services (Ireland) Limited as Sub-Administrator.

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<sup>1</sup> This Fund is not authorised by the SFC and is therefore not available for sale to the public in Hong Kong.

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## Directory

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### **Manager, Global Distributor, Administrator and Registrar**

Invesco Global Asset Management Limited  
Registered Office  
1st Floor  
George's Quay House  
43 Townsend Street  
Dublin 2  
Ireland  
Telephone: +353 1 439 8000  
Fax: +353 1 439 8400

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### **Trustee**

BNY Mellon Trust Company (Ireland) Limited  
Guild House  
Guild Street  
International Financial Services Centre  
Dublin 1  
Ireland

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### **Sub-Administrator**

BNY Mellon Fund Services (Ireland) Limited  
Guild House  
Guild Street  
International Financial Services Centre  
Dublin 1  
Ireland

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### **Investment Advisers**

**See Appendix B for details on the Investment Adviser appointed for each Fund**

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### **Primary Dealing Desks**

**Ireland • Hong Kong**

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### **Hong Kong Sub-Distributor and Representative**

Invesco Asset Management Asia Limited  
Registered Office  
32/F, Three Pacific Place  
1 Queen's Road East  
Hong Kong  
Telephone: +852 3128 6000  
Fax: +852 3128 6001

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### **German Sub-Distributor\* and Information Agent**

Invesco Asset Management Deutschland GmbH  
Registered Office  
An der Welle 5  
60322 Frankfurt am Main  
Germany  
Telephone: + 49 6929 807 0  
Fax: + 49 6929 807 106  
\*(for professional clients only)

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### **German Paying Agent**

BNP Paribas Securities Services S.A.  
Europa-Allee 12  
60327 Frankfurt

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### **Auditors**

PricewaterhouseCoopers  
Chartered Accountants  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

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## Description of the Funds and Shares

The Series is an open-ended umbrella fund constituted as a unit trust established by trust deed in Ireland. The Series is authorised by the Central Bank as a UCITS under the UCITS Regulations.

The Invesco Funds Series was established by Trust Deed dated 12 April 2001 as amended. The Trust Deed has been amended by a Deed of Retirement and Appointment dated 31 December 2008 appointing Invesco Global Asset Management Limited as Manager and a Deed of Retirement and Appointment dated 29 January 2010 appointing BNY Mellon Trust Company (Ireland) Limited as Trustee with effect from 31 January 2010 and immediately restated to reflect such appointment. The Trust Deed is between the Manager and the Trustee and is governed by the laws of Ireland. Under the provisions of the Trust Deed, the Manager and the Trustee have the power to delegate their duties to appointees approved by the Central Bank.

The Series offers investors a choice of investments in one or more sub-funds (each a "Fund"), in respect of which a separate portfolio of investment is held. Within each Fund, Shares may be offered in different classes which are distinguished by specific features (including, for example, sale charges and switching charges) as more fully described in Appendix A.

The assets of a Fund are exclusively available to satisfy the rights of Shareholders in relation to that Fund and the rights of creditors whose claims have arisen in connection with the creation, operation or liquidation of that Fund.

The subscription proceeds of all Shares in a Fund are invested in one common underlying portfolio of investments. Each Share is, upon issue, entitled to participate equally in the assets of the Fund to which it relates on liquidation and in dividends and other distributions as declared for such Fund or class. The Shares will carry no preferential or preemptive rights and each whole Share will be entitled to one vote at all meetings of Shareholders.

Fractions of Shares (to 2 decimal places) may be issued.

All Shares will be issued in registered form.

For the most recent updates on the Series or any Fund, you may consult your local Invesco website. Your local website address details may be obtained from your distributor/investment professional.

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## Investment Objective and Policies

The investment objectives and policies of each Fund are set out in Appendix B.

In the event that any Shares of any Fund or class are listed on the Irish Stock Exchange, the principal investment objectives and policies of the relevant Fund will, in the absence of unforeseen circumstances, be adhered to in the 3 years following such listing and any material change in the investment objectives and policies of the relevant Fund within this period may only be made with the approval of the Shareholders of that Fund.

On the expiry of the 3 years, a change to the investment objective of a Fund at any time requires prior approval by extraordinary resolution of the Shareholders of that Fund. Such changes must be made in accordance with the requirements of the Central Bank. In addition, the Manager may at its discretion alter the investment policies provided that any material change is approved by the Shareholders of that Fund and the Central Bank and notified to Shareholders of that Fund in advance to give Shareholders a reasonable opportunity to redeem their Shares prior to the implementation of such change.

The Funds may invest in the Recognised Markets listed in the Schedule. Each of the Funds will invest in those Recognised Markets appropriate to its investment policy. The Central Bank does not issue a list of approved markets.

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## How to Deal

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### Business Days & Valuation Point

Applications for subscription, switching, transfer or redemption may be made to the Manager in its role as Global Distributor in Ireland and to the Hong Kong Sub-Distributor and Representative on any Business Day.

There are active dealing desks in Ireland and Hong Kong.

Invesco Asset Management Asia Limited in Hong Kong has been appointed as Hong Kong Sub-Distributor and Representative and will forward to the Global Distributor in Ireland all applications for the subscription, switching, transfer or redemption of Shares received by it.

Applications which are received prior to the Dealing Cut-off Point will, if accepted, be dealt with on the basis of the net asset value per Share of the relevant class calculated at the next Valuation Point. Applications received after the Dealing Cut-off Point will, if accepted, be dealt with at the Valuation Point following the next Dealing Cut-Off Point.

Applications taken in a dealing location on a day which is not a Business Day will be transacted at the net asset value per Share calculated at the next Valuation Point.

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### Subscription and Redemption Prices

The subscription and redemption prices are based on the net asset value calculated by the Manager, as at each Valuation Point.

The subscription price for all classes of Shares will be quoted on the basis of the relevant net asset value per Share.

The net asset value will be rounded up or down to the nearest 2 decimal places.

In the best interests of Shareholders, the Manager may also allow for the net asset value per share to be adjusted by adding dealing and other costs and any fiscal charges which would be payable on the effective acquisition or disposal of assets in a Fund, depending on the net share activity arising from subscriptions, redemptions or switching in a Fund for a given Business Day. For the avoidance of doubt, any fees calculated as a percentage of net asset value in accordance with Appendix A hereto will continue to be calculated on the basis of the unadjusted net asset value.

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### Standard Instruction Document

Prior to placing their initial subscriptions, applicants must open an Account with the Global Distributor by completing and submitting to the Global Distributor the Standard Instruction Document.

Applicants must provide the original Standard Instruction Document and the relevant documentation required under the AML/CTF Laws and Regulations and applicants from the EU must provide documentation required under the European Taxation of Savings Income Directive. For further information regarding this directive, please see the section headed "Taxation" and for more information regarding the AML/CTF Laws and Regulations, please see the section headed "Anti-Money Laundering and Counter-Terrorist Financing".

Applicants are required to complete all relevant sections of the Standard Instruction Document, including, all applicable declarations and indemnities to the applicant.

Applicants may, in addition, authorise an agent or attorney to conduct dealings for his/her Account and on his/her behalf.

Applicants should note that failure to complete all relevant sections of the Standard Instruction Document in full may cause the Global Distributor to reject the application.

In case of failure or refusal by an applicant to provide the original Standard Instruction Document and supporting documentation required, the application shall not be accepted. Any proposed transactions may, as a result, be delayed or rejected pending receipt of all documentation as requested, at the discretion of the Global Distributor.

The Global Distributor reserves the right at any time during the course of its relationship with an applicant or Shareholder, to reject any applications for subscription, switching, transfer or redemption, in whole or in part and to request the applicant or Shareholder to submit additional information and documentation, from time to time, for the purpose of adherence to the AML/CTF Laws and Regulations.

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### Prohibition on Ownership of Shares by US Persons

All investors should note that ownership of Shares by US Persons is not permitted. The Global Distributor shall therefore reserve the right to reject any applications for Shares made by a US Person. Shareholders are also required to notify the Global Distributor immediately in the event that they become a US Person and the Global Distributor may, at its discretion, redeem or otherwise dispose of the Shares by transferring them to a person who is not a US Person. Investors are also directed to the section headed "Definition of "US Persons".

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### Declaration of Residence outside the Republic of Ireland

All applicants are required to complete the Declaration of Residence outside the Republic of Ireland as set out in the Standard Instruction Document. For further information regarding Irish residency, please see the section headed "Taxation".

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### Shareholder Account Number

On acceptance by the Global Distributor of their initial application, applicants will be allocated a Shareholder account number. This Shareholder account number should be used for all future dealings by the Shareholder with the Global Distributor. Any changes to the Shareholder's personal details or loss of Shareholder account number must be notified immediately to the Global Distributor in writing. In such circumstances, the Shareholder shall be required to submit such documents as the Global Distributor may specify in order to validly substantiate the changes to the Shareholder's personal details or claims with regard to the loss of the Shareholder account number. The Global Distributor reserves the right to require an indemnity and/or verification certified by an official body or other party acceptable to it before accepting such instructions.

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### Subscriptions

Once the Account is opened and the initial application for Shares has been accepted by the Global Distributor, subsequent applications for Shares should be made by fax, telephone, or in writing. The term "in writing" in relation to applications for Shares shall include orders submitted by way of SWIFT or other electronic means (excluding e-mail) in accordance with the Shareholder's instructions. Telephone

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## How to Deal Continued

dealing is not currently available through the Hong Kong Sub-Distributor and Representative, although it may be introduced in the future.

Applications must include the following information:

- The full name of the Fund and class in which the applicant wishes to invest;
- The amount of cash to be invested or the number of Shares applied for in respect of each class of Shares;
- The currency in which the settlement proceeds will be paid;
- The name and Shareholder account number (if available) of the client and such information that the Global Distributor may require to ensure compliance with the AML/CTF Laws and Regulations.

If possible, applicants should also include the Fund Identifier.

Investors should note the Minimum Initial Subscription Amount for each class of Shares as set out in the section headed "Definitions" and specified in Appendix A hereto.

Investors should also note that while receipt and acceptance by the Global Distributor of verification documents required under the AML/CTF Laws and Regulations are pending, all transactions may be rejected or delayed.

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### Switches

Shareholders may switch all or part of their Shareholding for Shares in either one or more of the Fund(s) within any Series or any of the other investment funds in the Invesco Global Product Range, subject to the restrictions set out in Appendix A. A notice to switch will be subject to the same terms and conditions as a notice to redeem (as described below).

For example, switching will not be possible where the Manager has suspended the redemption of Shares in a Fund or where the notice to switch is in respect of Shares for which the consideration has not been fully received by the Global Distributor. Switching will also be subject to the provisions regarding the Minimum Initial Subscription Amount (in respect of the class into which it is proposed to switch) and the Minimum Shareholding Amount (in respect of the number of shares, which will be retained in the existing class following a proposed switch). Shareholders should note that while receipt of verification documents required under the AML/CTF Laws and Regulations, are pending, all transactions may be rejected or delayed.

Following acceptance of the instruction by the Global Distributor, the number of Shares to be allotted in the Fund(s) in which the Shareholder wishes to switch all or part of his existing holding(s) of Shares will be determined on the basis of the respective net asset value of the relevant Shares, taking into account the switching charge (if any) and any currency conversion factor (if applicable).

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### Redemptions

Redemption orders may be placed by fax, telephone, in writing, or in accordance with the Shareholder's instructions on the Standard Instruction Document. The term "in writing" in relation to redemption orders shall include orders submitted by way of SWIFT or other electronic means (excluding e-mail) in accordance with the Shareholder's

instructions. Shareholders who do not elect in their Standard Instruction Document to receive redemption payments by EFT (Electronic Funds Transfer) will be required to submit a signed original redemption order in order to release redemption proceeds. Redemption applications will only be accepted for Shares which have been fully paid as at the Dealing Cut-off Point on the proposed date of redemption. Telephone dealing is not currently available through the Hong Kong Sub-Distributor and Representative, although it may be introduced in the future. Shareholders should note that while receipt of verification documents required under the AML/CTF Laws and Regulations, are pending, all transactions may be rejected or delayed.

Redemption requests must include the following information:

- The full name of the Fund and class for the Shares which the applicant wishes to redeem;
- The amount of cash or the number of Shares to be redeemed in respect of each class of Shares;
- The currency in which the settlement proceeds will be paid;
- The name and Shareholder account number of the client as well as the agent code (if applicable);
- If not previously supplied, a Non-US Person Declaration; and
- such information that the Global Distributor may require to ensure compliance with the AML/CTF Laws and Regulations.

If possible, applicants should also include the Fund Identifier.

Shareholders may redeem all or part of their shareholding in a Fund. If such request would reduce a shareholding to below the Minimum Shareholding for the relevant class of Shares, such request may, at the absolute discretion of the Manager be treated as a request to convert the shareholding to a class with a lower Minimum Shareholding.

For redemption orders of 5% or more in value of the total number of Shares in issue in a Fund, the Manager may (with the consent of the Shareholder) distribute underlying investments equivalent to the value of the Shareholder's Shares in the relevant Fund(s), rather than cash, in satisfaction of the redemption, which action shall be made in good faith and shall not prejudice the interests of remaining Shareholders.

In such circumstances, the Shareholder has the right to instruct the Manager to sell such underlying investments on its behalf (in either case the amount that the Shareholder receives after such a sale will be net of all transaction costs).

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### Settlement Procedures

#### Subscriptions

Settlement for subscriptions is due in cleared funds for receipt by the Global Distributor on the Settlement Date (as defined in the section entitled "Definitions"). Payment must be made by electronic funds transfer (see Standard Instruction Document for details).

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## How to Deal Continued

Investors in Hong Kong should note that no money should be paid to any intermediary in Hong Kong who is not duly licensed or registered (to carry on Type 1 regulated activity) by the SFC.

In the event of late payment, the Global Distributor may either rescind the subscription or charge interest at the then current rate for overdraft for such currency from the date of acceptance of the application by the Global Distributor.

In all cases, applicants and Shareholders (or in the case of electronic funds transfers, their bank) should provide the following information together with their payment: the applicant's name, Invesco Shareholder account number (if available), the deal reference and the name of the relevant Fund or Funds. The Global Distributor reserves the right to reject monies with insufficient or inaccurate reference information.

Applicants and Shareholders should note that incomplete subscription applications and subscription applications which are not settled by the due date may be cancelled by the Fund and/or Global Distributor and any costs of cancellation passed on to the applicant/Shareholder.

Applicants should not remit monies for the settlement of initial subscriptions to the Global Distributor until acceptance by the Global Distributor of an original Standard Instruction Document and relevant documentation required under the AML/CTF Laws and Regulations.

The Global Distributor shall not release any monies remitted to it by any applicant, pending the receipt of a duly completed Standard Instruction Document and any documents required by the Global Distributor for the purposes of compliance with the AML/CTF Laws and Regulations.

### Redemptions

Settlement for redemptions will normally be made by electronic funds transfer on the Settlement Date (as defined in the section entitled "Definitions") after receipt by the Global Distributor of complete redemption documentation. It should take no longer than 14 days for the Global Distributor to effect settlement of redemptions after receipt of all documentation requested by and to the satisfaction of the Global Distributor. Redemption proceeds shall not be paid to any Shareholder, pending the receipt of documents required by the Global Distributor for the purposes of compliance with the AML/CTF Laws and Regulations.

### Joint Shareholders

In the case of joint Shareholders the Global Distributor reserves the right to pay any redemption proceeds, distributions or other payments to any one holder designated to represent all joint holders or to all joint Shareholders together at the Global Distributor's absolute discretion.

### Transfers

Shares in a Fund may be freely transferred with the consent of the Global Distributor. Furthermore a transfer may not be effected if the proposed transferee does not hold an account with the Global Distributor. In order to proceed with a transfer, the proposed transferee must therefore first open an account with the Global Distributor by submitting a duly completed Standard Instruction Document accompanied by the relevant supporting documentation required for the

purposes of compliance with the AML/CTF Laws and Regulations. In case of failure or refusal by a proposed transferee to provide the original Standard Instruction Document and supporting documentation requested, the application for transfer shall not be accepted. For more information, please see the section entitled "Standard Instruction Document". Furthermore, the Global Distributor will exercise its right to refuse this consent to the transfer, where the transfer would result in legal, pecuniary, regulatory, tax or material administrative disadvantage to the Fund, to the Series or to the Shareholders as a whole or where the transfer would result in either the transferor or the transferee remaining or being registered as the holder of Shares in a Fund or class with a net asset value below the Minimum Shareholding (for the transferor) or Minimum Initial Subscription Amount (for the transferee) or such lesser amount as may be permitted or which would otherwise be in breach of the normal conditions for subscription.

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## Miscellaneous

### Market Timing

The Manager does not knowingly allow investments which are associated with market timing practices, as such practices may adversely affect the interests of all non-market timing Shareholders by harming fund performance and diluting profitability.

In general, market timing refers to the investment behaviour of an individual or a group of individuals buying, selling or exchanging shares or other securities on the basis of predetermined market indicators. Market timers also include individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by frequent or large exchanges.

The Manager may therefore combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Common ownership or control includes, without limitation, legal or beneficial ownership and agent or nominee relationships giving control to the agent or nominee of shares legally or beneficially owned by others.

Accordingly, the Manager reserves the right to (1) reject any application for switching of Shares by Shareholders whom the Manager considers market timers or (2) restrict or refuse purchases by applicants or Shareholders whom the Manager considers market timers.

### Closing of a Fund to further inflows

A Fund may be closed to new subscriptions or switches in (but not to redemptions or switches out) if, in the opinion of the Manager, this is necessary to protect the interests of existing Shareholders. One such circumstance would be where the Fund has reached a size such that the capacity of the market and/or the capacity of the relevant Investment Adviser has been reached, and where to permit further inflows would be detrimental to the performance of the Fund. Where any Fund is materially capacity constrained in the opinion of the Manager the Fund may be closed to new subscriptions or switches in without prior notice to Shareholders. Details of Funds which are closed to new subscriptions and switches in will be provided in the Reports.

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## How to Deal

### Continued

#### Client Assets

Any money paid to or to be paid by the Global Distributor prior to and pending the settlement of a transaction ("Client Assets") will be held in accordance with any applicable Client Assets regulations in Ireland. Any interest earned on Client Assets will be retained for the benefit of the Global Distributor and will not be paid to investors, for example where transactions are rejected or delayed pending the receipt of the required anti-money laundering and counter-terrorist financing documentation, the money will be held as Client Assets.

#### Multi Currency Dealing

Dealing may be effected in any of the currencies listed in the Standard Instruction Document, and the transaction will be settled in the same currency.

#### Currency Exchange Charges

In respect of the currencies listed in the Standard Instruction Document, the Fund/Global Distributor may arrange for conversion of subscription amounts and redemption proceeds into and out of the base currency of the relevant class or Fund. Such conversions will be applied to each deal at competitive rates applying on the relevant Business Day. Due to fluctuations in currency markets, returns to investors, when converted back into the currency in which the investor subscribes and redeems, may be different to the return calculated by reference to the base currency.

#### Delivery into Clearstream/Euroclear

Arrangements can be made for Shares to be held in accounts maintained with either Clearstream or Euroclear. For further information about the procedures involved, please contact your local Invesco office. Investors should note that Clearstream will accept deliveries of fractional shares to two decimal places. Investors should note Euroclear will only accept deliveries for whole numbers of Shares. Shares held by Clearstream or Euroclear will be registered in the name of the relevant depository. Please refer also to the section "Distribution Policy".

#### Contract Notes

A contract note will be sent to Shareholders by post on the first Business Day following acceptance of the application for Shares, providing full details of the transaction.

All Shares issued will be registered and the Share register will be conclusive evidence of ownership. Shares will be issued in uncertificated form.

#### Statements of Account

Statements will be forwarded to the first registered Shareholder in the currency and at the intervals specified by the Shareholder on the Standard Instruction Document. Should the Shareholder omit to select a currency and frequency, statements will be issued quarterly (and monthly for Shareholders in Hong Kong, Taiwan, Singapore and Macau) in US\$. Statements of Account provide confirmation of ownership of shares.

#### Possible Restrictions on Redemptions

The Manager may, with the approval of the Trustee, limit the total number of Shares in a Fund which may be redeemed on any Business Day to 10% (or such higher percentage as the Manager with the approval of the Central Bank may determine in any particular case) of the total number of Shares in issue in that Fund. The limitation will be applied pro rata to all Shareholders in the relevant Fund who have

requested redemptions to be effected on or as at such Business Day so that the proportion redeemed of each holding so requested is the same for all such Shareholders. Any Shares which, by virtue of this limitation, are not redeemed on any particular Business Day shall be carried forward for redemption on the next following Business Day for the relevant Fund.

#### Suspension

The Manager may, after consultation with the Trustee, temporarily suspend the calculation of the net asset value per Share for any Fund and the subscription, switch or redemption of Shares in any such Fund in exceptional cases where circumstances so require and provided the suspension is justified having regard to the interests of Shareholders in the relevant Fund and may do so in any of the following events:

- (i) when one or more Recognised Markets which provide the basis for valuing a substantial portion of the assets of a Fund is closed other than for or during holidays or if dealings therein are restricted or suspended;
- (ii) when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility or power of the Manager, disposal of assets held by a Fund is not reasonably practicable without such action being seriously detrimental to the interests of Shareholders of the relevant Fund or if in the opinion of the Manager the net asset value per Share cannot fairly be calculated;
- (iii) in the event of a breakdown of the means of communications normally used for valuing any part of a Fund or Series or if for any reason the value of any part of a Fund may not be determined as rapidly and accurately as required; or
- (iv) if, as a result of exchange restrictions or other restrictions affecting the transfer of investments or funds, transactions on behalf of a Fund are rendered impracticable or if purchases, sales, deposits and withdrawals of the assets of a Fund cannot be effected at the normal rates of exchange.

Notice of any suspension will be given to any person seeking to subscribe for, switch or redeem Shares. If the request is not withdrawn, the relevant transaction will take place as of the first Business Day following the termination of the suspension. Notice of any suspension will also be given to the Central Bank on the first Business Day on which the suspension takes effect and to the SFC (for so long as the relevant Fund remains authorised in Hong Kong and, if the Shares of the Fund are listed on the Irish Stock Exchange, to the Irish Stock Exchange as soon as practicable after the suspension takes effect. If appropriate, notice of the suspension will be published as required by applicable laws.

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#### Compulsory Redemption

The Manager shall be entitled to require the transfer of or compulsory redemption of any Share or Shares owned directly or beneficially by any person where it comes to the attention of the Trustee or the Manager that such person is not qualified under any law or requirement of any country to hold such Shares. The Manager may also require the transfer or compulsory redemption of any Shares in circumstances where the holding may result in the Fund incurring any liability to tax or suffering any other pecuniary disadvantage or being

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## How to Deal Continued

required to register under the Investment Company Act of 1940, as amended of the United States. In particular, the Manager may require the compulsory redemption or transfer of Shares beneficially owned by a US Person or by a person who would otherwise be a US Person and who has not, or is not, able to demonstrate that they are a non-US Person.

The Manager reserves the right to compulsorily redeem the shareholding of any Shareholder to the amount of the value of any overpayment, duplicate payment, payment made in error, or in respect of the amount of loss incurred by the Manager due to non receipt or late receipt of funds from a Shareholder in discharge of sums due and owing in respect of a subscription and/or for any other reason wherein the Manager has suffered a loss by means of overpayment, misapplication of funds or non furnishing or late furnishing of payment by the Shareholder. Likewise in any such circumstances the Manager reserves the right at its election to place a lien or hold on the Shareholder's holding or portion of such shareholding sufficient to discharge all or any loss incurred, such lien to remain in place pending discharge of such sums due and owing to the Manager and/or resolution of the matter to the Manager's satisfaction.

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### Segregation of Fund Assets

Where an asset of a Series is not, in the opinion of the Trustee, attributable to a particular Fund or Funds, the Trustee will (subject to the approval of the Manager and the Auditors) determine the basis upon which any such asset shall be allocated between each of the Funds within that Series. The approval of the Manager is not required where the asset is allocated between all Funds within a Series pro rata to their value at the time the allocation is made. Subject to the above, the assets of each of the Funds will be segregated from the assets of all other Funds and will not be used to discharge directly or indirectly the liabilities of or claims against any other Funds.

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### Personal Data

Shareholders are required to provide personal data to the Global Distributor and/or the Sub-Distributors\*. This data shall be held on computer and manual files and processed by the Manager, or its delegate as data processor, as appropriate. Such data will be processed for the purposes of carrying out the services of the Manager in its capacity as Manager, Global Distributor, Administrator and/or Registrar and Transfer Agent as prescribed by law such as processing subscriptions and redemptions, maintaining registers of Shareholders and providing financial and other information to Shareholders, and to comply with applicable legal obligations. The information may be used in connection with investments in other investment fund(s) managed or administered by the Invesco Group.

The Manager will take steps to ensure that all personal data in relation to Shareholders is recorded accurately and maintained in a secure and confidential format. Such data will be retained only as long as necessary or in accordance with applicable laws and will only be disclosed to such third parties (including agents or delegates of the Manager) as may be permitted under applicable laws or, where appropriate, with the consent of the Shareholder. This may include disclosure to third parties such as auditors and the regulators or agents of the Manager who process the data inter alia for anti-money laundering purposes or for compliance with foreign regulatory requirements.

Personal data may be transferred within the Invesco Group (as defined on page 38) and to the Trustee for the purposes of maintaining global client records and providing centralised administrative, marketing and other services. The Manager, in its capacity as Global Distributor has delegated, in accordance with applicable laws and regulations, certain data processing functions to entities in countries which may not have data protection requirements deemed equivalent to those prevailing in the European Economic Area. In particular, the Manager has delegated certain data processing functions to Ness Technologies ("Ness") in India and has provided that the transfer of data to Ness may only be conducted in accordance with the requirements of the model clauses set out in Article 26(2) of Directive 95/46/EC for the transfer of personal data to processors established in third countries, the provisions of which require that data processors in third countries sign up to a similar level of data protection as would apply in the European Economic Area.

Data will only be used for the purpose for which it was collected, unless the consent of the Shareholder is obtained for its use for a different purpose. Shareholders may request access to, rectification or the deletion of any data supplied by them to the Manager or any of the parties above, or stored by the Manager or any of the parties above, in the manner and subject to the limitations prescribed in applicable laws. Such requests should be directed to the Data Protection Officer at the address of the Manager.

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### Anti-Money Laundering and Counter-Terrorist Financing

The Manager is subject to anti-money laundering and counter-terrorist financing obligations under the AML/CTF Laws and Regulations. To meet these obligations, it is required to apply due diligence measures to investors, including but not limited to establishing and verifying the identities of applicants, Shareholders and beneficial owners, as well as conducting ongoing due diligence and scrutinising Shareholders' transactions during the course of the business relationship.

Applicants will be required to provide original and/or certified true copies of such documents and information that the Global Distributor may specify to establish proof of identity and address of the applicant and to comply with the requirements of the AML/CTF Laws and Regulations. The extent and form of the documentation and information required will depend on the nature of the applicant and will be at the discretion of the Global Distributor.

Existing Shareholders may be requested to provide additional or updated verification documents from time to time pursuant to the Global Distributor's ongoing client due diligence requirements under the AML/CTF Laws and Regulations.

The Standard Instruction Document sets out a list of the relevant information and documentation that different categories of applicants are required to submit to the Global Distributor with their initial applications. This list is non-exhaustive and is subject to change. The Global Distributor shall reserve the right to request all such other documentation that may be required to ensure compliance with the provisions of the AML/CTF Laws and Regulations. For more information, please contact the Global Distributor. Hong Kong applicants and Shareholders should contact the Hong Kong Sub-Distributor and Representative.

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\* Limited applicability to German Sub-Distributor. Please see explanations under "Material Contracts" on page 30.

## Calculation of Net Asset Values

The following details apply in respect of each of the Funds:

1. Value, except where otherwise expressly stated, means the net asset value of a Fund, which shall be calculated by the Manager as at a Valuation Point on each Business Day by valuing the assets of the Fund in accordance with paragraphs 2 and 3 and deducting the liabilities of the Fund, in accordance with paragraph 3.
2. The value of the assets comprised in a particular Fund shall be ascertained on the following basis:
  - (A) The value of any investment quoted, listed or normally dealt in on or under the rules of a Recognised Market shall be calculated by reference to the price appearing to the Manager to be the last traded price or (if bid and offer quotations are made) the latest available middle market quotation on such Recognised Market as at the Valuation Point provided that:
    - (i) if an investment is quoted, listed or normally dealt in on or under the rules of more than one Recognised Market, the Manager shall adopt the last traded price or, as the case may be, middle quotation on the Recognised Market which, in its opinion, provides the principal market for such investment;
    - (ii) in the case of any investment which is quoted, listed or normally dealt in on or under the rules of a Recognised Market but in respect of which, for any reason, prices on that Recognised Market may not be available at any relevant time, the value thereof shall be assessed to be the probable realisation value estimated with care in good faith by the Manager or by such competent person as may be appointed for such purpose by the Manager and approved by the Trustee;
    - (iii) the Manager shall not be under any liability by reason of the fact that a value reasonably believed by it to be the latest available price or, as the case may be, middle quotation for the time being may be found not to be such; and
    - (iv) there shall be taken into account interest accrued on interest-bearing investments up to the date at which the valuation is made unless such interest is included in the price or quotation referred to above.
  - (B) The value of any investment which is not quoted, listed or normally dealt in on or under the rules of a Recognised Market shall be valued at its probable realisation value as estimated with care and in good faith by such competent person as may be appointed for such purpose by the Manager and approved by the Trustee.
  - (C) The value of each unit or share in any collective investment undertaking which provides for the units or shares therein to be realised at the option of the Shareholder out of the assets of that undertaking shall be the last published net asset value per unit or share or (if bid and offer prices are published) the last published bid price.
  - (D) The value of any exchange traded futures and options contracts which are dealt on a Recognised Market shall be:
    - (i) the settlement price as of the relevant Valuation Point as determined by the relevant Recognised Market, or
    - (ii) where it is not the practice of the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at the probable realisation value estimated with care and in good faith by the Manager or by such competent person as may be appointed for such purpose by the Manager and approved by the Trustee.
  - (E) Cash, deposits and similar property shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made.
  - (F) Financial derivative instruments not traded on a Recognised Market shall be valued either using the counterparty's valuation or an alternative valuation at least daily, provided that the valuation is verified at least weekly by the Manager, or another party which is independent of the counterparty, which has been approved for that purpose by the Trustee. If a financial derivative instrument is valued in any other way, such valuation shall follow international best practice and adhere to the principles on valuation of over-the-counter derivative instruments established by such international bodies as the International Organisation of Securities Commissions and the Alternative Investment Management Association. The alternative valuation shall be provided by a competent person appointed by the Directors and approved for the purpose by the Trustee, or a valuation by any other means provided that the value is approved by the Trustee. The alternative valuation shall be reconciled to a valuation provided by the counterparty on a monthly basis and any significant difference between the alternative valuation and the counterparty valuation shall be promptly investigated and explained.
  - (G) Property other than the investments outlined above shall be valued in such manner and at such time or times as the Manager and the Trustee shall from time to time agree.
  - (H) Notwithstanding any of the foregoing subparagraphs, the Manager may with the consent of the Trustee adjust the value of any investment or other property or permit some other method of valuation to be used if it considers that in the circumstances (including without limitation a material volume of subscriptions or redemptions of Shares of the relevant Fund; or the marketability of the investments or other property; or such other circumstances as the Manager deems appropriate) such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investment or other property.

## Calculation of Net Asset Values

### Continued

- (l) In the event that foreign exchange hedging is used in respect of any share class, as outlined in Appendix A, the value of any forward foreign exchange contracts used for such purpose shall be calculated in accordance with the principles outlined at paragraph (F) above or, alternatively, by reference to freely available market quotations, provided that, if such quotations are not available for any reason, such value shall be calculated in such manner as a competent person appointed by the Manager and approved for such purpose by the Trustee shall determine.
3. In calculating the net asset value of a particular Fund as at any particular Valuation Point ("the Relevant Valuation Point"):
- (A) every Share issued prior to the Relevant Valuation Point and not cancelled shall be deemed to be in issue and the relevant Fund shall be deemed to include the value of any cash or other property to be received in respect of each such Share after deducting therefrom or providing thereout the initial charge and adjustment (if any), and (in the case of Shares issued against the vesting of investments) any moneys payable out of the Fund;
- (B) in the event that the relevant Fund is further divided into classes, the amount of the net asset value of the relevant Fund attributable to a class shall be determined by establishing the number of Shares issued in the relevant class of the Fund at the relevant Valuation Point and by allocating the relevant fees and expenses to the class making appropriate adjustments to take account of distributions paid out of the Fund, if applicable, and apportioning the net asset value of the Fund accordingly. The net asset value per Share shall be calculated by dividing the net asset value attributable to the relevant class of the Fund by the total number of Shares in issue or deemed to be in issue in the relevant class of the Fund as of the relevant Valuation Point;
- (C) where, in consequence of any notice or redemption request duly given, a reduction of the Fund by the cancellation of Shares has been or is to be effected prior to the relevant Valuation Point but payment in respect of such reduction has not been completed, the Shares in question shall be deemed not to be in issue and any amount payable in cash or investments out of the Fund in pursuance of such reduction shall be deducted;
- (D) where any investment or other property has been agreed to be acquired or realised but such acquisition or disposal has not been completed, such investment or other property shall be included or excluded and the gross acquisition or net disposal consideration included or excluded as the case may require as if such acquisition or disposal had been duly completed;
- (E) there shall be included in the assets an amount equal to all such costs, charges, fees and expenses as the Manager may have determined to amortise less the amount thereof which has previously been or is then to be written off;
- (F) the liabilities attributable to a particular Fund shall include (without limitation) in respect of that Fund:
- (i) any amount of management charge, Trustee's remuneration, administration and registration charges (together with VAT if applicable) accrued up to the Relevant Valuation Point but remaining unpaid;
- (ii) the amount of tax (if any) on capital gains or income accrued up to the end of the last Accounting Period for the relevant Fund but remaining unpaid;
- (iii) the aggregate amount for the time being outstanding of any borrowing and the amount of any unpaid interest and expenses;
- (iv) an amount equal to the value of any futures contract which is a negative amount;
- (v) any other costs or expenses payable but not paid which are expressly authorised by any of the provisions of the Trust Deed to be payable out of the Fund (see "Fees and Expenses of the Funds" on page 23);
- (vi) an appropriate allowance for any contingent liabilities;
- (G) there shall be taken into account for each Fund such sum (if any) as the Manager estimates will fall to be paid or reclaimed for that Fund in respect of taxation related to income and capital gains down to the Relevant Valuation Point;
- (H) liabilities shall (where appropriate) be treated as accruing from day to day;
- (I) where the current price of an investment is quoted "ex" dividend or interest, the amount of such dividend or interest if receivable by a Fund but not yet received, shall be taken into account;
- (J) any value (whether of a liability or of an investment, cash or other property) otherwise than in the base currency of the relevant Fund shall be converted into such base currency at the rate (whether official or otherwise) which the Manager shall deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to the costs of exchange.
- Where foreign exchange hedging is utilised for the benefit of a particular class of Shares within a Fund, its cost and the resultant profit or loss on the hedged transaction shall be for the account of that class of Shares only. The costs and the resultant profit or loss on the hedged transaction will only be applied to the relevant class of Shares after deduction of all other fees and expenses, which will be calculated and deducted from the unhedged value of the relevant class of Shares. Accordingly, such costs and the resultant profit or loss on the hedged transaction will be reflected in the net asset value per Share for Shares of any such class.

# Investment Restrictions

The following definitions shall apply for the purpose of the investments restrictions set forth hereafter:

## EEA

European Economic Area

## EU

European Union

## Money Market Instruments

shall mean instruments as prescribed in the UCITS Notices which are normally dealt in on the money market which are liquid, and have a value which can be accurately determined at any time

## OECD

Organisation for Economic Cooperation and Development

## Regulated Market

A market within the meaning of Article 1.13 of directive 93/22/EEC (the "Investment Services Directive") or any other directive replacing or amending the Investment Services Directive and any other market in any state which is regulated, operates regularly and is recognised and open to the public and which is listed in the Schedule to this Prospectus.

## Transferable Securities

Shall mean such instruments as are prescribed in the UCITS Notices, including:

- shares and other securities equivalent to shares,
- bonds and other forms of securitised debt,
- any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange,

excluding techniques and instruments relating to transferable securities and money market instruments.

## UCITS

an Undertaking for Collective Investment in Transferable Securities within the meaning of EU Council Directive 85/611/EEC on the Coordination of Laws, Regulations and Administrative Provisions relating to Undertakings for Collective Investment in Transferable Securities (UCITS), as amended.

## Other UCI

An Undertaking for Collective Investment which has, as its sole object, the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public and which operates on the principle of risk-spreading and the units or shares of which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertaking's assets provided that action taken to ensure that the stock exchange value of such units or shares does not significantly vary from the net asset value of such units or shares shall be regarded as equivalent to such repurchase or redemption.

The Directors shall, based upon the principle of spreading of risks, have power to determine the investment policy for the investments of the Funds subject to the following restrictions:

## I.

(1) The Funds may invest in:

- a) transferable securities and money market instruments admitted to or dealt in on a Regulated Market;
  - b) (i) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on a Regulated Market and such admission is secured within one year of the issue provided that no more than 10% of net assets of any Fund is invested in such transferable securities and money market instruments; and
  - (ii) Rule 144A securities, which are securities that are not registered with the US Securities and Exchanges Commission but that can be sold to certain institutional buyers in accordance with Rule 144A under the 1933 Act, provided that:
    - (A) such securities are issued with registration rights pursuant to which such securities are to be registered with the US Securities and Exchanges Commission within one year of issue; and
    - (B) such securities are not illiquid securities.
- In the event that any such securities are not registered within one year of issue, unless such securities may be held pursuant to paragraph (2) below, the Manager must adopt as a priority objective for the sales transactions of the Fund the disposal of such securities, taking due account of the interests of its Shareholders. An illiquid security is any security that cannot be disposed of within seven days in the ordinary course of business at approximately the amount at which the Manager has valued the security;
- c) units of UCITS and/or other UCI, whether situated in an EU Member State or not, which have, as their sole object, the collective investment of transferable securities and/or other liquid financial assets of capital raised from the public and which operate on the principle of risk spreading and the units or shares of which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings and assets (provided that action taken to ensure that the stock exchange value for such units or shares does not significantly vary from the net asset value of such units or shares shall be regarded as equivalent to such repurchase or redemption) provided that:
    - such collective investment undertakings are prohibited from investing more than 10% of net assets in other collective investment undertakings;
    - such collective investment undertakings are authorised under laws that provide that they are subject to supervision considered by the Central Bank to be equivalent to that specified in a European Community Act and that cooperation between authorities is sufficiently ensured;

## Investment Restrictions

### Continued

- the level of protection for unit-holders in those other collective investment undertakings is equivalent to that provided for unit-holders in a UCITS, and in particular that the rules on segregation of assets, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Council Directive 85/611/EEC, as amended;
  - the business of those collective investment undertakings is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income, and operations over the reporting period;
- d) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution is authorised in the European Economic Area or a signatory state, other than a member state of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
- e) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market and/or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that:
- the underlying consists of instruments covered by this section (I) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Funds may invest according to their investment objective;
  - the financial derivative instruments do not expose the Funds to risks which they could not otherwise assume;
  - the counterparties to OTC derivative transactions are credit institutions, as defined at d) above or investment firms authorised in accordance with the Investment Services Directive in an EEA Member State;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value;
- and/or
- f) money market instruments other than those dealt in on a Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:
- issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong, or
  - issued by an undertaking any securities of which are dealt in on a Regulated Market, or
  - issued or guaranteed by a credit institution authorised in the European Economic Area or a signatory state, other than a member state of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- (2) In addition, the Funds may invest a maximum of 10% of the net assets of any Fund in transferable securities and money market instruments other than those referred to under (1) above.
- 
- II. The Funds may hold ancillary liquid assets.**
- 
- III.**
- a) (i) A Fund will invest no more than 10% of its net assets in transferable securities and money market instruments issued by the same body.
- (ii) A Fund may not invest more than 20% of its net assets in deposits made with the same body when the body is a credit institution referred to in I. d) above or the Trustee, or 10% of its net assets in other cases.
- (iii) The risk exposure of a Fund to a counterparty in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in I. d) above or 5% of its net assets in other cases.
- b) Where a Fund holds investments in transferable securities and money market instruments of issuing bodies which individually exceed 5% of the net assets of such Fund, the total of all such investments must not account for more than 40% of the total net assets of such Fund.
- This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.
- Notwithstanding the individual limits laid down in paragraph a), a Fund may not combine:
- investments in transferable securities or money market instruments issued by a single body,
  - deposits made with a single body, and/or
  - counterparty exposures arising from OTC derivative transactions undertaken with a single body in excess of 20% of its net assets.
- c) The limit of 10% laid down in sub-paragraph a) (i) above is increased to a maximum of 35% in respect of transferable securities or money market instruments which are issued or guaranteed by an EU Member State, its local authorities, or by any other state or by public international bodies of which one or more EU Member States are members.
- d) The limit of 10% laid down in sub-paragraph a) (i) is increased to 25% for certain bonds when they are

## Investment Restrictions

### Continued

issued by a credit institution which has its registered office in a Member State of the EU and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in case of bankruptcy of the issuer, would be used on a priority basis for the repayment of principal and payment of the accrued interest.

If a Fund invests more than 5% of its net assets in the bonds referred to in this sub-paragraph and issued by one issuer, the total value of such investments may not exceed 80% of the net assets of the Fund.

**Notwithstanding the above provisions, each Fund is authorised to invest up to 100% of its net assets, in accordance with the principle of risk spreading, in transferable securities and money market instruments issued or guaranteed by a Member State of the EU, by its local authorities or agencies, or by another member State of the OECD or by public international bodies of which one or more Member States of the EU are members, provided that such Fund must hold securities from at least six different issues and securities from one issue do not account for more than 30% of the net assets of such Fund.**

- e) The transferable securities and money market instruments referred to in paragraphs c) and d) shall not be included in the calculation of the limit of 40% in paragraph b).

The limits set out in sub-paragraphs a), b), c) and d) may not be aggregated and, accordingly, investments in transferable securities or money market instruments issued by the same body, in deposits or OTC derivative transactions effected with the same body may not, in any event, exceed a total of 35% of any Fund's net assets;

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with directive 83/349/EEC or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph III).

However, a limit of 20% of the net assets of a Fund may be applied to investment in transferable securities and money market instruments within the same group.

#### IV.

- a) Without prejudice to the limits laid down in paragraph V., the limits provided in paragraph III. are raised to a maximum of 20% for investments in shares and/or bonds issued by the same issuing body if the aim of the investment policy of a Fund is to replicate the composition of a certain stock or bond index which is sufficiently diversified, represents an adequate benchmark for the market to which it refers, is published in an appropriate manner and disclosed in the relevant Fund's investment policy.
- b) The limit laid down in paragraph a) is raised to 35% where this proves to be justified by exceptional market

conditions, in particular on Regulated Markets where certain transferable securities or money market instruments are highly dominant. The investment up to this limit is only permitted for a single issuer.

**V. A Fund may not acquire, nor may the Manager taking the aggregate of all holdings in the collective investment undertakings under its management acquire, shares carrying voting rights which should enable it to exercise significant influence over the management of an issuing body.**

A Fund may acquire no more than:

- 10% of the non-voting shares of the same issuer;
- 10% of the debt securities of the same issuer;
- 10% of the money market instruments of the same issuer.

These limits under second and third indents may be disregarded at the time of acquisition, if at that time the gross amount of debt securities or of the money market instruments or the net amount of the instruments in issue cannot be calculated.

The provisions of paragraph V. shall not be applicable to transferable securities and money market instruments issued or guaranteed by a Member State of the EU or its local authorities or by any other state, or issued by public international bodies of which one or more Member States of the EU are members.

These provisions are also waived as regards shares held by a Fund in the capital of a company incorporated in a non-Member State of the EU which invests its assets mainly in the securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents the only way in which the Fund can invest in the securities of bodies in that state provided that the investment policy of the company from the non-Member State of the EU complies with the limits laid down in paragraph III., V. and VI. a), b), c) and d).

#### VI.

- a) A Fund may acquire units of UCITS and/or other UCIs referred to in paragraph I.(1) c), provided that no more than 10% of a Fund's net assets be invested, in aggregate, in the units of UCITS or other UCI.
- b) The underlying investments held by the UCITS or other UCIs in which a Fund invests do not have to be considered for the purpose of the investment restrictions set forth under III. above.
- c) When a Fund invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the Manager or by any other company to which the Manager is linked by common management or control, or by a substantial direct or indirect holding (i.e. more than 10% of the capital or voting rights), the Manager or other company cannot charge subscription or redemption fees on account of its investment in the units of such UCITS and/or UCIs.

In respect of a Fund's investments in other UCITS and/or other UCIs referred to in the preceding paragraph, the total management fees (excluding any

## Investment Restrictions

### Continued

performance fees) that may be charged to such Fund and each of the other UCITS and/or other UCIs concerned shall not be higher than the maximum annual management fee specified for the relevant class of Shares of the Fund in Appendix A. In such circumstances, the Fund will indicate in its annual report the total management fees charged to both the relevant Fund and to the other UCITS and/or other UCIs in which such Fund has invested during the relevant period.

When the Manager and/or Investment Adviser receives a commission (including a rebated commission) by virtue of a Fund's investment in a UCITS or other UCI, this commission must be paid into the property of the relevant Fund.

- d) A Fund may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the net amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to the units issued in the relevant sub-fund.

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#### **VII. The global exposure of each Fund relating to financial derivative instruments may not exceed the net assets of the relevant Fund.**

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following sub paragraphs.

If a Fund invests in financial derivative instruments, the exposure to the underlying assets may not exceed in aggregate the investment limits laid down in paragraph III above. When a Fund invests in index-based financial derivative instruments, these investments do not have to be combined to the limits laid down in paragraph III provided that the index meets the criteria set down in paragraph IV (a) above.

When a transferable security or money market instrument embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of this paragraph VII.

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#### **VIII.**

- a) A Fund may not borrow for the account of any Fund amounts in excess of 10% of the net assets of that Fund, such borrowings to be effected only on a temporary basis, provided that a Fund may acquire foreign currencies by means of back to back loans;
- b) A Fund may not grant loans to or act as guarantor on behalf of third parties.

This restriction shall not prevent a Fund from acquiring transferable securities, money market instruments or other financial instruments referred to in I. (1) c), e) and f) which are not fully paid.

- c) A Fund may not carry out uncovered sales of transferable securities, money market instruments, units of UCITS or other UCIs or other financial instruments.

- d) A Fund may not acquire either precious metals or certificates representing them.

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#### **IX.**

- a) A Fund need not comply with the limits laid down in these investment restrictions when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk spreading, recently created Funds may, subject to approval by the Central Bank, derogate from paragraphs III., IV. and VI. a) and b) for a period of six months following the date of their creation.
- b) If the limits referred to in paragraph a) are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interest of its shareholders.
- c) To the extent that an issuer is a legal entity with multiple sub-funds, each sub-fund is to be considered as a separate issuer for the purpose of the application of the risk spreading rules set out in paragraph VI.

Investment in FDI as referred to in 1(e) above is only permitted where a risk management process has been submitted to the Central Bank. At the date of this Prospectus, the risk management process of each Fund has been submitted to the Central Bank. FDI will be used subject to the conditions and limitations set down by the Central Bank.

Without limitation, the Manager may adopt additional investment restrictions to facilitate the distribution of Shares in a Fund to the public in a particular jurisdiction. In addition, the investment restrictions set out above may be changed from time to time by the Manager in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares in a Fund are currently offered, provided that the assets of the Fund will at all times be invested in accordance with the restrictions on investments set out in the UCITS Regulations. In the event of any such addition to, or change in, the investment restrictions applicable to a Fund, a reasonable notification period will be provided by the Fund to enable Shareholders in the Fund to redeem their Shares prior to implementation of these changes.

It should also be noted that in addition to the specific objectives and policies of the Funds as set out in the Fund Appendices, the Funds may also, as an activity ancillary to their primary investment objectives and policies and/or for temporary defensive purposes, invest part of their assets in interest-bearing securities including bonds, notes and debentures, engage in forward currency transactions and utilise futures and options for efficient portfolio management purposes under the conditions and within the limits laid down by the Central Bank and, if more restrictive, the SFC. In addition, each Fund may invest up to 10% of its net assets in other collective investment schemes that have investment objectives and policies that are consistent with those of the relevant Fund.

Except for Funds for which specific securities ratings information is given and save for those issued or guaranteed in emerging countries all corporate bonds will be rated

## Investment Restrictions

### Continued

investment grade, that is, rated as one of the four highest rating categories by Standard & Poor's Rating Group, Moody's Investors Services, Inc. or deemed to be of equivalent quality in the judgment of the Investment Adviser.

For so long as the Funds are registered in Taiwan, unless otherwise approved or exempted by the Financial Supervisory Commission (the "FSC"), the Funds offered and sold in Taiwan will be subject to the following restrictions:

- a) The percentage of derivatives trading conducted by a Fund may not exceed the following percentages set by the FSC: (i) the risk exposure of the open position in derivative products held by the Fund for purposes of increase of investment efficiency shall not exceed 40% of the net asset value of such Fund and (ii) the total value of the open short position in derivative products held by the Fund for hedging purposes shall not exceed the total market value of the relevant securities held by such Fund;
- b) The Fund may not invest in gold, spot commodities, or real estate;
- c) The percentages of the Fund's total investments placed in Mainland China or in China related stock (as defined by the FSC) may not exceed the percentages set by the FSC;
- d) The percentage of the investment in any Fund that is contributed by Taiwan investors may not exceed the limit set by the FSC;
- e) The investment portfolio of the Fund may not make Taiwan securities markets its primary investment area; a percentage limit for such investment shall be set by the FSC;
- f) The Fund may not be denominated in New Taiwan Dollars or Renminbi; and
- g) The Fund must have been established for one full year.

In the event that the above restrictions are amended, the Fund shall comply with such amended restrictions.

Although each Fund is now authorised by the Central Bank as a UCITS under the UCITS Regulations and the Prospectus has been updated to incorporate new investment restrictions provided thereunder, for so long as a Fund remains authorised by the SFC in Hong Kong and unless otherwise approved by the SFC, the Manager and the relevant Investment Adviser confirms its intention to operate the Fund in accordance with the UCITS Regulations, except that such Fund, may only enter into financial derivative instruments for efficient portfolio management or hedging purposes and to comply with any other requirements or conditions imposed by the SFC from time to time in respect of such Fund. Unless otherwise agreed with the SFC, not less than one month's prior notice will be given to existing Hong Kong investors in the relevant SFC authorised Fund of any change to the aforementioned policy and the relevant offering document will be updated accordingly.

For so long as a Fund is authorised by the SFC in Hong Kong the following restrictions shall apply: (a) investments in warrants and options on transferable securities for non-hedging purposes shall not exceed 15% of the Fund's total

net asset investing value based on the total amount of premium paid for such investments in warrants and options and (b) investments in China A shares and China B shares shall not exceed 10% of the net asset value of such Fund (including exposure through participation notes, equity-linked notes or similar China A-Shares access products). Unless otherwise agreed with the SFC, not less than one month's prior notice will be given to existing Hong Kong investors in the relevant SFC authorised Fund of any change to the aforementioned policy and the relevant offering document will be updated accordingly.

#### Efficient Portfolio Management

The Manager may enter into transactions which are economically appropriate to ensure efficient portfolio management of a Fund, i.e. for the purpose of reducing relevant risks and/or costs and/or to increase capital or income returns subject to any such transactions complying with the overall investment restrictions of the relevant Fund and that any potential exposure arising from the transaction must be fully covered by cash or other property sufficient to meet any obligation to pay or deliver that could arise. The types of transaction which the Funds may enter into and the restrictions on the uses thereof under the conditions and within the limits stipulated by the Central Bank under the UCITS Regulations, are set out below. For the avoidance of doubt, a Fund may also use financial derivative instruments for efficient portfolio management purposes, subject to the restrictions set out in the investment policy of the relevant Fund and the general restrictions on the use of financial derivative instruments outlined in this Prospectus.

#### 1. Repurchase/Reverse Repurchase and Securities Lending Agreements

Repurchase/reverse repurchase and securities lending agreements may only be effected in accordance with normal market practice.

Securities lending arrangements may be entered into by the Manager in respect of a Fund when it reasonably appears to the Manager to be economically appropriate with a view to creating additional income with no or an acceptable degree of risk or for efficient portfolio management purposes. Should the Manager engage in securities lending, all incremental income accruing from securities lent will be shared between the parties as agreed to from time to time and disclosed in the relevant Fund's report and accounts each year.

The Manager will seek to appoint counterparties who have a minimum credit rating of at least A2 by Standard & Poor's Rating Agency and P2 by Moody's Rating Agency or be of a similar credit status.

As security for any securities lending activities, the Manager on behalf of the relevant Fund will obtain collateral in the manner set out below, the market value of which will at all times be at least 100% of the market value of the securities lent.

- (A) Collateral must be obtained for each repurchase/reverse repurchase contract or securities lending transaction. Collateral must be liquid and can be in the form of cash, government or other public securities, certificates of deposit or bonds/ commercial paper issued by relevant institutions or by non-bank institutions where the issue and the issuer are rated A1 or equivalent, letters of credit with a residual maturity

## Investment Restrictions

### Continued

of three months or less, which are unconditional and irrevocable and which are issued by relevant institutions, equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

- (B) Until expiry of the repurchase/reverse repurchase contract or stock lending arrangement, collateral obtained under such contracts or arrangements must:
- (i) be marked to market daily;
  - (ii) be equal or exceed in value at all times the value of the amount invested or securities on loan;
  - (iii) be transferred into the name of the Trustee, or its agent;
  - (iv) be immediately available to the relevant Fund without recourse to the counterparty in the event of default by the counterparty;

The requirement at (iii) above is not applicable in the event that the Fund uses tri-party collateral management services of International Central Securities Depositories and relevant institutions which are generally recognised as specialists in this type of transaction. The Trustee must be a named participant to the collateral arrangements.

- (C) The relevant Fund may only enter into such transactions with counterparties having a credit rating of A2/P2 or better by S&P or Moody's or given an equivalent rating by any other recognised rating agency or which if unrated, have in the opinion of the Investment Adviser an implied rating of A2/P2 or better. Alternatively, an unrated counterparty is acceptable where the relevant Fund is indemnified against losses suffered as a result of a failure by the counterparty, by an entity which maintains a rating of A2/P2. A list of approved counterparties will be maintained and monitored on a regular basis by the credit risk team appointed in respect of each Fund's securities lending activities.
- (D) Non-cash collateral (i) cannot be sold or pledged; (ii) must be held at the risk of the counterparty and (iii) must be issued by an entity independent of a counterparty.

Cash received as collateral may only be invested in the following:

- deposits with relevant institutions;
- government or other public securities;
- certificates of deposit as set out above;
- letters of credit as set out above;
- repurchase agreements subject to the provisions herein; and
- Daily dealing money market funds which have and maintain a rating of AAA or equivalent. If investment is made in a linked money market fund, no subscription, conversion or redemption charge can be made by the underlying fund.

Invested cash collateral held at the risk of a Fund, other than cash collateral invested in government or other public securities or money market funds, must be invested in a diversified manner. The Fund must be satisfied at all times that any investment of cash collateral will enable it to meet its repayment obligations.

Where cash collateral is invested in a daily dealing money market funds, such funds must be established in EU countries. This requirement extends to entities managed by the Manager or by another company to which the Manager is linked by common management or control, provided they meet the above requirements).

To the extent that any such securities lending arrangements are with any appointed investment managers or investment adviser of the Manager or any Connected Person of either of them, such transactions will be at arm's length and will be executed as if effected on normal commercial terms. In particular, cash collateral invested in money market funds in this manner may be subject to a pro rata portion of such money market fund's expenses, including management fees. Investors should note that such expenses would be in addition to the management fees charged by the Manager and disclosed in Appendix A hereto.

Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

- (E) Notwithstanding the provisions of paragraph (B)(iii) above, a Fund may enter into securities lending programmes organised by generally recognised International Central Securities Depositories Systems provided that the programme is subject to a guarantee from the system operator.
- (F) Each Fund must have the right to terminate the stock lending arrangement at any time and demand the return of any or all of the securities loaned. Any agreement must provide that once such notice is given the borrower is obliged to redeliver the securities within 5 business days or such other period as normal practice dictates.
- (G) Repurchase agreements or securities lending agreements do not constitute borrowing or lending for the purposes of Regulations 70 and 71 of the UCITS Regulations.
- (H) The relevant Fund may only enter into securities lending transactions with any appointed investment manager or adviser of the Fund or any connected person of either of them with the written consent of the Trustee.
- Such transactions (if any) will be disclosed in the Fund's annual report and will be executed at arm's length and executed as if effected on normal commercial terms.
- (I) No more than 50% of the net asset value of any Fund, may be lent at any one time pursuant to such securities lending transactions. This maximum amount may be increased or decreased from time to time by the Directors upon prior notice to Shareholders.

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## Investment Restrictions

### Continued

#### 2. Protection against Exchange Rate Risk

(A) The Funds may employ techniques and instruments intended to provide protection against exchange risks in the context of the management of their assets and liabilities. In this regard a Fund may:

- (i) utilise OTC contracts in accordance with paragraph 1.1(e) above;
- (ii) if permitted by the Central Bank and included as part of the investment policy of a Fund, utilise forward foreign exchange contracts to alter the currency exposure characteristics of transferable securities held by a Fund provided that any such transactions (a) must not be speculative in nature, i.e. they must not constitute an investment in their own right; (b) must be fully covered by cashflows arising from the transferable securities held by the Fund; (c) must be used in accordance with the investment objective of the relevant Fund; (d) must be economically appropriate; (e) must only be undertaken for the purposes of a reduction in risk, costs and/or an increase in capital or income returns to the relevant Fund; and (f) details of transactions entered into during the reporting period and the resulting amount of commitments must be disclosed in the periodic reports of the relevant Fund;
- (iii) utilise currency options;
- (iv) the Fund may seek to hedge its investments against currency fluctuations which are adverse to the base currency of the Fund by utilising currency options, futures contracts and forward exchange contracts. The Fund may seek to achieve the same economic result from time to time by utilising a currency other than the currency of the given portfolio security as long as, in the view of the Investment Adviser, such currency is essentially correlated to the currency of the relevant portfolio security based on the expected exchange rate pattern, i.e. the Fund may "cross hedge" one foreign currency exposure by selling related foreign currency into the base currency of the Fund.

(B) The exposure of a Fund to foreign currency risk must not be leveraged in any way through the use of the techniques and instruments permitted under paragraph A above. Uncovered positions in currency derivatives are not permitted.

For the avoidance of doubt, a Fund may use any of the efficient portfolio management techniques and instruments, (including currency options and forward currency exchange contracts) set out above, within the conditions and limits imposed by the Central Bank, to hedge the foreign currency exposure of a share class against the base currency of the relevant Fund or against the currency or currencies in which the assets of the relevant Fund are denominated.

It may not be practical or efficient to hedge the foreign currency exposure of a share class exactly against the currency or currencies in which all the assets of the relevant Fund are denominated. Accordingly in devising and implementing its hedging strategy the Investment Adviser may hedge the foreign currency exposure of such class

against the major currencies in which the assets of the relevant Fund are, or are expected to be, denominated. In determining the major currencies against which the foreign currency exposure of the relevant class should be hedged, the Investment Adviser may have regard to any index which is expected to closely correspond to the assets of the relevant Fund.

#### Borrowing

Neither the Manager nor the Trustee may borrow money, grant loans or act as guarantor on behalf of third parties for the account of a Fund except as is permitted under the UCITS Regulations, namely:

- (i) a Fund may acquire currency other than the relevant base currency by means of "back to back" lending i.e. borrowing in a currency other than the relevant base currency against the deposit of an equivalent amount in the relevant base currency usually with the lender or one of its affiliates. Any currency obtained in this manner is not classified as borrowing for the purposes of the borrowing limit set out at (ii) below, except to the extent that the value of the currency obtained exceeds the value of the base currency deposit;
- (ii) each Fund may borrow up to 10% of its net asset value provided this borrowing is on a temporary basis. The Trustee may give a charge over the assets of the Fund in order to secure borrowings. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding.

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## Risk Warnings

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### General

Since the value of the Shares in a Fund depends on the performance of the underlying investments, which are subject to market fluctuations, no assurance can be given that the investment objective of the Funds will be achieved and the amounts invested can be returned to the investor upon redemption of the Shares. The value of shares in a Fund may fall as well as rise.

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### International Investing

Investments on an international basis involve certain risks, including:

- The value of the assets of a Fund may be affected by uncertainties such as changes in government policies, taxation, fluctuations in foreign exchange rates, the imposition of currency repatriation restrictions, social and religious instability, political, economic or other developments in the law or regulations of the countries in which a Fund may invest and, in particular, by changes in legislation relating to the level of foreign ownership in the countries in which a Fund may invest.
- Accounting auditing and financial reporting standards, practices and disclosure requirements applicable to some countries in which a Fund may invest may differ from those applicable in Ireland in that less information is available to investors and such information may be out of date.
- A Fund's assets may be invested in securities denominated in currencies other than the base currency of the Fund (details for each Fund are set out in Appendix A), and any income from these investments will be received in those currencies, some of which may fall against the base currency of the Fund. The Manager will compute its net asset value and make any distributions in the base currency of the Fund. Therefore, there is a currency exchange risk which may affect the value of the Shares and the income distributions paid by a Fund.

For those hedged Share classes denominated in a different currency to the base currency, investors should note that there is no guarantee that the exposure of the currency in which the Shares are denominated can be fully hedged against the base currency of the relevant Fund. Investors should also note that the successful implementation of the strategy may substantially reduce the benefit to Shareholders in the relevant class of Shares of decreases in the value of the Share class currency against the base currency of the relevant Fund. In addition, investors should note that, in the event that they request payment of redemption proceeds in a currency other than the currency in which the Shares are denominated, the exposure of that currency to the currency in which the Shares are denominated will not be hedged.

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### Equities risk

The Funds may invest in equity securities. The prices of and the income generated by equity securities may decline in response to certain events, including the activities and results of the issuer, general economic and market conditions, regional or global economic instability and currency and interest rate fluctuations. There can be no guarantee that the value of any equity securities held by a Fund will increase in value or that any income will be derived from such securities. The value of, and income derived from,

equity securities held may fall as well as rise and the Fund may not recoup the original amount invested in such securities.

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### Investing in Financial Derivative Instruments

**There are certain investment risks which apply in relation to techniques and instruments which the Investment Adviser may employ for efficient portfolio management purposes including, but not limited to, those described below. However, should the Investment Adviser's expectations in employing such techniques and instruments be incorrect, a Fund may suffer a substantial loss, having an adverse effect on the net asset value of the Shares.**

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### Financial Derivative Instruments and Hedging Strategies

Investments of a Fund may be composed of securities with varying degrees of volatility and may comprise, from time to time, financial derivative instruments. Since financial derivative instruments may be geared instruments, their use may result in greater fluctuations of the net asset value of the Fund concerned.

A Fund may use financial derivative instruments for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments or, if disclosed in relation to any Fund, financial derivative instruments may be used as part of the principal investment policies. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Investments in financial derivative instruments are subject to normal market fluctuations and other risks inherent in investment in securities. In addition, the use of financial derivative instruments involves special risks, including:

1. dependence on the Investment Adviser's ability to accurately predict movements in the price of securities being hedged and movements in interest rates;
2. imperfect correlation between the movements in securities or currencies on which a financial derivative instruments contract is based and movements in the securities or currencies in the relevant Fund;
3. the absence of a liquid market for any particular instrument at any particular time which may inhibit the ability of a Fund to liquidate a financial derivative instrument at an advantageous price;
4. the degree of leverage inherent in futures trading (i.e. the low margin deposits normally required in future trading means that futures trading may be highly leveraged). Accordingly, a relatively small price movement in a futures contract may result in an immediate and substantial loss to a Fund; and
5. possible impediments to efficient portfolio management or the ability to meet repurchase requests or other short term obligations because a percentage of a Fund's assets may be segregated to cover its obligations.

Upon request by any Shareholder, information relating to the risk management methods employed for any Fund, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments, will be provided to such Shareholder.

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## Risk Warnings

### Continued

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#### Counterparty Risk

A Fund will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments are not afforded the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance guarantee of an exchange clearing house and therefore the Fund will bear the risk of the counterparty's insolvency, bankruptcy or default or a delay in settlement due to a credit or liquidity problem affecting the counterparty. It may prove difficult to locate replacement counterparties to implement the hedging or efficient portfolio strategy behind the original contract and a Fund may suffer a loss due to adverse market movements while replacement contracts are executed. A downgrade in a counterparty's credit rating may oblige a Fund to terminate the relevant contract in order to ensure compliance with its investment policy and/or the UCITS Regulations and/or related guidance issued by the Central Bank.

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#### Custody risk

Each Series is authorised by the Central Bank as a UCITS under the UCITS Regulations. The assets owned by each Fund are held on trust for the Fund by a trustee that is also regulated by the Central Bank.

The Central Bank requires that the trustee ensure that there is legal separation of non-cash assets held under custody and that records are maintained that clearly identify the nature and amount of all assets under custody, the ownership of each asset and where the documents of title to that asset are located. Where the trustee engages a sub-custodian, the Central Bank requires that the trustee ensure the sub-custodian maintains these standards and the liability of the trustee will not be affected by the fact that it has entrusted to a sub-custodian some or all of the assets of the fund. However, certain jurisdictions have different rules regarding the ownership and custody of assets generally and the recognition of the interests of a beneficial owner such as a Fund. There is a risk that in the event a trustee or sub-custodian becomes insolvent, the relevant Fund's beneficial ownership of assets may not be recognised in foreign jurisdictions and creditors of the trustee or sub-custodian may seek to have recourse to the Fund's assets. In jurisdictions where the relevant Fund's beneficial ownership is ultimately recognised, the Fund may suffer a delay in recovering its assets, pending the resolution of the relevant insolvency or bankruptcy proceedings.

In respect of cash assets, the general position is that any cash accounts will be designated to the order of the Trustee for the benefit of the relevant Fund. However, due to the fungible nature of cash, it will be held on the balance sheet of the bank with whom such cash accounts are held (whether a sub-custodian or a third party bank), and will not be protected from the bankruptcy of such bank. A Fund will therefore have counterparty exposure risk to such bank. Subject to any applicable government guarantee or insurance arrangements in respect of bank deposits or cash deposits, where a sub-custodian or third party bank holds cash assets and subsequently becomes insolvent, the Fund would be required to prove the debt along with other unsecured creditors. The Fund will monitor its exposure in respect of such cash assets on an ongoing basis.

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#### Settlement Risk

A Fund will be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments. Shareholders should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for a Fund in respect to investments in emerging markets. A Fund will be exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, they deal, whether they engage in exchange traded or off-exchange transactions. A Fund may be subject to the risk of loss of its assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Fund, or the bankruptcy of an exchange clearing house.

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#### Interest Rate Risk

The Funds that invest in bonds or other fixed income securities may fall in value if the interest rates change. Generally, the prices of debt securities rise when interest rates fall, while the prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.

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#### Credit Risk

The Funds that invest in bonds and other fixed income securities are subject to the risk that issuers do not make payments on such securities. An issuer suffering from an adverse change in its financial condition could lower the quality of a security leading to greater price volatility on that security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

A Fund may bear the risk of loss on an investment due to the deterioration of an issuer's financial standing. Such a deterioration may result in a reduction of the credit rating of the issuer's securities and may lead to the issuer's inability to honour its contractual obligations, including making timely payment of interest and principal. Credit ratings are a measure of credit quality. Although a downgrade or upgrade of an investment's credit ratings may or may not affect its price, a decline in credit quality may make the investment less attractive, thereby driving its yield up and its price down. Declines in credit quality can result in bankruptcy for the issuer and permanent loss of investment. In the event of a bankruptcy or other default, the relevant Fund could experience both delays in liquidating the underlying securities and losses including a possible decline in value of the underlying securities during the period when the relevant fund seeks to enforce its rights thereto. This will have the effect of reducing levels of capital and income in the Fund and lack of access to income during this period together with the expense of enforcing the Fund's rights.

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#### Repurchase/Reverse Repurchase Agreements and Securities Lending Agreements

In the event of insolvency, bankruptcy or default of the seller under a repurchase agreement or securities lending agreement, a Fund may experience both delays in liquidating the underlying securities and losses, including the possible decline in the value of securities, during the period while it seeks to enforce its rights thereto, possible sub-normal

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## Risk Warnings

### Continued

levels of income and lack of access to income during the period and expenses in enforcing its rights.

In such circumstances, the collateral will be called upon. Whilst the value of the collateral will be maintained to at least equate to the value of the securities transferred, in the event of a sudden market movement, there is a risk that the value of such collateral may fall below the value of the securities transferred.

The Fund shall seek to mitigate this risk by requiring any securities lending agent to indemnify the relevant Fund against such fall in the value of collateral (save where such collateral has been re-invested at the instructions of the Fund).

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#### Use of Credit Default Swaps

Credit default swaps ("CDS"), used for a purpose other than hedging, such as for efficient portfolio management purposes, may present a risk of liquidity if the position must be liquidated before its maturity for any reason. Furthermore, the valuation of CDS may give rise to difficulties which traditionally occur in connection with the valuation of OTC contracts.

Insofar as the Fund(s) use CDS, which are financial derivative instruments, for efficient portfolio management or hedging purposes, investors should note that such instruments are designed to transfer credit exposure of fixed income products between the buyer and seller. The Fund(s) would typically buy a CDS to protect against the risk of default of an underlying investment, known as the reference entity and would typically sell a CDS for which it receives payment for effectively guaranteeing the creditworthiness of the reference entity to the buyer. In the latter case, the Fund(s) would incur exposure to the creditworthiness of the reference entity but without any legal recourse to such reference entity. In addition, as with all over the counter derivatives, CDS expose the buyer and seller to counterparty risk and the Fund(s) may suffer losses in the event of a default by the counterparty of its obligations under the transaction and/or disputes as to whether a credit event has occurred, which could mean the Fund(s) cannot realise the full value of the CDS.

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#### Investment in Developing Markets

**The following considerations apply to Funds which invest in emerging markets or newly industrialised countries.**

The securities markets of developing countries are not as large as the more established securities markets and have substantially less trading volume. The markets may lack liquidity and exhibit high price volatility meaning that the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The market may also exhibit a high concentration of market capitalisation and trading volume in a small number of issuers, representing a limited number of industries, as well as a high concentration of investors and financial intermediaries. Brokers in developing countries typically are fewer in number and less capitalised than brokers in established markets.

At present, some stock markets in emerging market countries restrict foreign investment which result in fewer investment opportunities for a Fund. This may have an adverse impact on the investment performance of a Fund which has as its investment objective to invest substantially in developing countries.

Many emerging markets are undergoing a period of rapid growth and are less regulated than the world's leading stock markets and there may be less publicly available information about companies listed on such markets than is regularly published about companies listed on other stock markets. In addition, market practices in relation to settlement of securities transactions and custody assets in emerging markets can provide increased risk to emerging markets funds. Although the Manager considers that a truly diversified global portfolio should include a certain level of exposure to the emerging markets, **it recommends that an investment in any one emerging market Fund should not constitute a substantial portion of any investor's portfolio and may not be appropriate for all investors.**

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#### Market suspension risk

A Fund may invest in securities listed on a Recognised Market. Trading on a Recognised Market may be halted or suspended due to market conditions, technical malfunctions which prevent trades from being processed or otherwise pursuant to the Recognised Market's rules. If trading on a Recognised Market is halted or suspended, the Fund will not be able to sell the securities traded on that Recognised Market until trading resumes.

Further, trading of the securities of a specific issuer may be suspended by a Recognised Market due to circumstances relating to the issuer. If trading of a particular security is halted or suspended, the Fund will not be able to sell that security until trading resumes.

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#### Market Liquidity Risk

The Fund may be adversely affected by a decrease in market liquidity for the securities in which it invests which may impair the Fund's ability to execute transactions. In such circumstances, some of the Fund's securities may become illiquid which would impact the Fund's ability to acquire or dispose of such securities at their intrinsic value.

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#### Investing in smaller companies

Investment in smaller companies may involve greater risks and thus may be considered speculative. Investment in a Fund investing in smaller companies should be considered long term and not as a vehicle for seeking short term profits. Many small company stocks trade less frequently and in smaller volumes and may be subject to more abrupt or erratic price movements than stocks of larger companies. The securities of small companies may also be more sensitive to market changes than securities in large companies. **The Manager recommends that an investment in any one smaller company Fund should not constitute a substantial portion of any investor's portfolio and may not be appropriate for all investors.**

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#### Investing in sector based Funds

The Manager will not normally, in the case of sector-based Funds, maintain a wide spread of investments in order merely to provide a balanced portfolio of investments. A more concentrated approach is taken than is normally the case in order to take greater advantage of successful investments. The Manager considers that this policy involves a greater than usual degree of risk and, since investments are chosen for their long term potential and their prices (and therefore the net asset value of the Fund) may be subject to above average volatility. Investors should be aware that there can be no assurance that the Fund's investment will be successful or that the investment objective described will be attained.

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## Fees and Expenses of the Funds

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### Management Charge

The Manager will be paid by each Fund a management charge calculated daily and paid on the last Business Day of each month at a rate for each class of Share in each Fund as set out in Appendix A, based on the net asset value of each class of Shares of each Fund on each Business Day, plus VAT (if any), in each case and shall be paid monthly. The management charge may be increased, up to a maximum of 2.5% of the net asset value of the Fund, plus VAT (if any), with the prior approval by ordinary resolution of the Shareholders of the relevant Fund. The Manager is responsible for the fees of the Investment Advisers and the management charge covers any fee payable to the Manager in its capacity as Global Distributor, and may pay a part of the management charge to recognised intermediaries, or such other persons as the Manager may determine, at its absolute discretion.

Please refer to paragraph VI (c) in the section entitled "Investment Restrictions" for further details on the calculation of the Management Fee in the event that a Fund makes an investment in any other open-ended investment company or unit trust managed by a member of the Invesco Group.

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### Administration and Registration Fee

The Manager will also be paid by each Fund an administration fee in respect of its duties as Administrator and Registrar for each Fund. The administration fee will be calculated daily and will be paid monthly on the last Business Day of each month at a rate for the relevant class of Shares of a Fund as set out in Appendix A based on the net asset value of the class of Shares of each Fund on each Business Day, plus VAT (if any), and will cover fees payable in respect of its duties as registrar. The administration fee may be increased, up to a maximum of 0.5% per annum of the net asset value of the Fund, plus VAT (if any), on 3 months' written notice to Shareholders. The Manager may pay a portion of its administration fees to the Sub-Administrator in consideration for the Sub-Administrator providing certain administration functions to the Funds.

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### Remuneration of the Trustee

The Trustee will be paid a trustee fee calculated on a monthly basis at a rate of up to a maximum of 0.0075% per annum of the net asset value of each Fund on the last Business Day of each calendar month (or at such higher rate as the Trustee and the Manager may at any time agree), plus VAT (if any) and will be paid monthly. In addition, the Trustee will charge each Fund safekeeping and servicing fees at varying rates, depending on the country in which the assets of a Fund are held and currently ranging from 0.001% to 0.45% of the net asset value of the assets invested in such country, plus VAT (if any), together with charges at normal commercial rates in respect of investment transactions, as agreed with the Manager from time to time. Sub-custodian fees are paid out of these safekeeping and servicing fees.

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### Other Expenses

The Manager, the Trustee and their appointees are entitled to recover reasonable out-of-pocket expenses incurred in the performance of their duties for each Fund out of the assets of the relevant Fund. Under the Trust Deed, where costs and expenses relate to matters common to more than one Fund of the Series the Manager is entitled to apportion those costs and expenses among the relevant Funds of the Series on the basis of the values of the Funds prevailing at the time,

or in such other manner as appears to the Manager to be most equitable.

The costs of establishing the Series and the relevant Funds and the expenses of the issue of Shares on the first Business Day have been paid by Invesco Plc.

If further Funds are created, the costs of establishing those Funds will be allocated by the Manager to those Funds and will be amortised over the first 5 accounting periods of the relevant Fund, or such longer period(s) as may be required where the amount to be amortised in any one period would exceed the rate of 0.05% per annum, based on the net asset value of the Fund on the last Business Day of each month.

Other payments out of the assets of a Fund which are authorised by the Trust Deed include: all taxes, duties and stamp duties which may be due on the assets and the income of the Funds, in respect of the Trust Deed, on the creation or issue of Shares, (other than stamp duty payable by an applicant for Shares), or arising in any other circumstance; all fiscal and purchase or fiscal and sale charges in connection with the acquisition or disposal of investments; all expenses incurred in relation to the registration, transfer and holding of investments by or on behalf of the Trustee; all expenses incurred in the collection of income and administration of the Funds; all costs and expenses of ensuring that the Funds conform to legislation in force; all costs and expenses incurred by the Manager or Trustee in connection with setting up any new Series (other than those items which the Manager agrees to bear), all commissions, stamp duty, VAT, and any other costs incurred in connection with any dealing in foreign exchange, options, financial futures or contracts for differences including the provision of cover or margin; all stationery, printing, translation, postage and distribution costs for all documents issued pursuant to the Trust Deed including cheques, warrants, dividends, tax certificates, statements, accounts, reports, prospectuses; fees and expenses of the Registrar or its appointees; any fees payable to the Central Bank and to the competent authorities in any other country or territory other than Ireland in which Shares in the Fund are or may be marketed; the costs and expenses incurred in meeting on a continuing basis the notification, registration and other requirements of each such regulatory authority and any fees and expenses of representatives or facilities agents in any such other country or territory; all fees and costs in connection with a scheme of reconstruction and amalgamation under which the Funds acquire property; all costs and expenses incurred by the Manager, Trustee, Investment Advisers, Sub-Administrator and any of their appointees which are permitted by the Trust Deeds and the fees and expenses of the auditors of the Funds.

Where a Fund is terminated, any unamortised expenses remaining from the establishment of the Fund will normally be borne by the Manager of the Fund.

Investors should note in respect of those fees expressed as a percentage of net asset value, that in circumstances where the Manager allows for the net asset value per share to be adjusted by adding dealing and other costs and fiscal charges as a result of net share activity arising from subscriptions, redemptions or switching in a Fund on any given Business Day, such fees will continue to be calculated on the basis of the unadjusted net asset value.

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## Distribution Policy

The distribution policy applicable to each class of Shares will be specified in Appendix A. There may be accumulating and/or distributing Share classes. The following information is applicable to distributing Share classes.

Dividends, if any, paid out in respect of Shares held through Clearstream (formerly Cedel) or Euroclear will be paid to investors. Subject to the foregoing and notwithstanding any other provision of this document all distributions below \$50 in value will be automatically applied in the purchase of further Shares of the same class. Substantially all the Income of the Funds, after deduction of expenses, will be distributed to Shareholders of the Fund in accordance with their respective interests. In the case of any class of Shares which is subject to a lower management fee, distributions relating to the reduced management fee will be accumulated and all other distributions will be applied in the purchase of further Shares of that class unless Shareholders elect otherwise. Details of normal Distribution Dates for each Fund are set out in Appendix A. Dividend vouchers and payments will be despatched to Shareholders as soon as possible thereafter.

Further details regarding the “distributing fund” status of the Funds are provided in Appendix C (United Kingdom Taxation).

An equalisation account is maintained by each Fund so that the amount distributed on all classes of Shares will be the same for all Shares of the same type, notwithstanding different dates of issue. A sum equal to that part of the issue price of a Share which reflects income (if any) accrued up to the date of issue will be deemed to be an equalisation payment and treated as repaid to Shareholders with the first distribution or accumulation for the relevant Fund to which the Shareholder is entitled in the same accounting period as that in which the Shares are issued. Equalisation will not be operated in respect of the first issue of Shares by a Fund.

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### Unclaimed Distributions

Any distribution payment which remains unclaimed after a period of six years from the date of original payment shall be forfeited and revert to the capital of the relevant Fund. Thereafter neither the payee nor any of his successors shall have any right to the distribution payment.

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## Taxation

### General

The information given under this heading is based on the enacted laws and current practice of Ireland which may be subject to change in content and interpretation. It is not comprehensive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.

Dividends received by the Funds from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Funds can make a declaration to the payer that they are collective investment undertakings beneficially entitled to the dividends which will entitle the Funds to receive such dividends without deduction of Irish dividend withholding tax.

Dividends, interest and capital gains (if any) that the Funds receive with respect to its investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. The Funds may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. The Funds may not therefore be able to reclaim withholding tax suffered by it in particular countries. If this position changes in the future and the application of a lower rate results in a repayment of the Funds the net asset value will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

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### European Union Tax Considerations

The European Union agreed proposals for a new directive (EC Directive 2003/48/EC) regarding the taxation of savings income in June 2003. Member States of the European Union (“Member States”) are required to provide the tax authorities of another Member State with details of payments of interest (which may include distributions or redemption payments by collective investment funds) or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States to opt instead for a withholding tax system for a transitional period in relation to such payments. Ireland and the United Kingdom amongst others have opted for exchange of information rather than a withholding tax system. Under the provisions of the Directive all EU Member States were required to implement the Directive into their domestic laws by 1 January 2005, although it was proposed that the laws, regulations and administrative provisions necessary to comply with this Directive were to be adopted by 1 January 2004. The Directive has been enacted into Irish legislation with effect from 1 July 2005.

Accordingly, the Trustee, Manager, Administrator paying agent or such other entity considered a “paying agent”<sup>\*</sup> for the purposes of the Taxation of Savings Income Directive may be required to disclose details of payments of savings interest income to investors in the Funds who are individuals or residual entities to the Irish Revenue Commissioners who will pass such details to the Member State where the investor resides. To the extent that the paying agent is

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<sup>\*</sup> For the purposes of the European Taxation of Savings Income Directive, a “paying agent” is the economic operator who pays interest to or secures the payment of interest for the immediate benefit of the beneficial owner.

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## Taxation

### Continued

located in the jurisdictions that operate a withholding tax system under the terms of the Directive, rather than an exchange of information system, tax may be deducted from interest payments to investors.

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#### Ireland

The Manager has been advised that on the basis that the Funds are resident in Ireland for taxation purposes the taxation position of the Funds and the Shareholders is as set out below.

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#### The Funds

The Funds shall be regarded as resident in Ireland for tax purposes if the Trustee of the Funds is regarded as tax resident in Ireland. It is the intention of the Manager that the business of the Funds will be conducted in such a manner as to ensure that they are Irish Resident for tax purposes.

Under current Irish law and practice, the Manager has been advised that the Funds qualify as an investment undertaking as defined in Section 739B of the Taxes Act. On that basis it is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a **“Chargeable Event”** in the Funds. A **“Chargeable Event”** includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the Funds for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Funds in respect of Chargeable Events in respect of a Shareholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the Chargeable Event provided that a Relevant Declaration is in place and the Funds are not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

A deemed disposal for tax purposes by a Shareholder of their Shares will take place at the end of a “relevant period” and tax will be determined and accounted for as outlined above. A relevant period means a period of eight years beginning with the acquisition of the Shares and each subsequent period of eight years beginning immediately after the preceding relevant period. The Shareholder will be deemed to have disposed of and immediately reacquired their Shares at market value at that date. Any tax paid on the deemed disposal is available for offset against the ultimate tax liability. In the event that tax is overpaid, the Shareholder is entitled to a refund of any unutilised credit.

Where the percentage value of Shares held by Irish Residents is less than 10% of the total value of the Shares in a Fund and the Fund has made an election to report annually to the Revenue Commissioners certain details for each Irish Resident Shareholder, the Fund is not required to deduct tax and the Shareholder must instead pay tax on the deemed disposal on a self-assessment basis.

In the absence of a Relevant Declaration there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A Chargeable Event does not include:

- Any transaction (which might otherwise be a Chargeable Event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;

- An exchange by a Shareholder, effected by way of an arms length bargain where no payment is made to the Shareholder, of Shares in the Funds for other Shares in the Funds;
- An exchange of shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Funds with another investment undertaking;
- A transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses and former spouses, subject to certain conditions.

If the Funds become liable to account for tax and a Chargeable Event occurs, the Funds shall be entitled to deduct from the payment arising on a Chargeable Event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Funds indemnified against loss arising to the Funds by reason of the Funds becoming liable to account for tax on the happening of a Chargeable Event if no such deduction, appropriation or cancellation has been made.

Please see the “Shareholders” section below dealing with the tax consequences for the Funds and the Shareholders of Chargeable Events in respect of:

- (i) Shareholders who are neither Irish Resident nor Ordinarily Resident in Ireland; and
- (ii) Shareholders who are either Irish Resident or Ordinarily Resident in Ireland.

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#### Shareholders

##### (i) Shareholders who are neither Irish Resident nor Ordinarily Resident in Ireland

The Funds will not have to deduct tax on the occasion of a Chargeable Event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration and (c) the Funds are not in possession of any information which would reasonably suggest that the information contained therein to that effect is no longer materially correct. In the absence of a Relevant Declaration, tax will arise on the happening of a Chargeable Event in the Fund regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described in paragraph (ii) below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland, no tax will have to be deducted by the Funds on the occasion of a Chargeable Event provided that the Intermediary has made a Relevant Declaration that it is acting on behalf of such persons and the Funds are not in possession of any information which would reasonably suggest that the information contained therein to that effect is no longer materially correct.

Shareholders who are neither Irish Resident nor Ordinarily Resident in Ireland and who have made

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## Taxation

### Continued

Relevant Declarations, in respect of which the Funds are not in possession of any information which would reasonably suggest that the information contained therein to that effect is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

Where tax is withheld by the Funds on the basis that the Shareholder has filed no Relevant Declaration with the Funds, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

#### (ii) Shareholders who are Irish Resident or Ordinarily Resident in Ireland

Unless a Shareholder is an Exempt Irish Investor (as defined below) and makes a Relevant Declaration to that effect and the Funds are not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Shares are purchased by the Courts Service, tax at the rate of 25% (at the date of this Prospectus) will be required to be deducted by the Funds from a distribution (where payments are made annually or at more frequent intervals) to a Shareholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the rate of 28% (at the date of this Prospectus) will have to be deducted by the Funds on any other distribution or gain arising to the Shareholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation or transfer of Shares by a Shareholder who is Irish Resident or Ordinarily Resident in Ireland. Any gain arising will be computed as the difference between the value of the Shareholder's investment in the Fund at the date of the Chargeable Event and the cost of the investment as calculated under special rules.

There are a number of Irish Residents and persons Ordinarily Resident in Ireland who are exempted from the provisions of the above regime once Relevant Declarations are in place. These are Exempt Irish Investors. Additionally, where Shares are held by the Courts Service no tax is deducted by the Funds on payments made to the Courts Service. The Courts Service will be required to operate the tax on payments to it by the Funds when they allocate those payments to beneficial owners.

Irish Resident corporate Shareholders who receive distributions (where payments are made annually or at more frequent intervals) from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at the standard rate has been deducted. In general, such Shareholders will not be subject to further Irish tax on any other payments received in respect of their shareholding from which tax has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against

corporation tax payable for any tax deducted by the Funds. In general, non-corporate Shareholders who are Irish Resident or Ordinarily Resident in Ireland will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been deducted by the Funds on payments received. Where a currency gain is made by a Shareholder on the disposal of his/her Shares, such a Shareholder may be liable to capital gains tax in the year of assessment in which the Shares are disposed of.

Any Shareholder who is Irish Resident or Ordinarily Resident in Ireland and receives a distribution or receives a gain on encashment, redemption, cancellation or transfer from which tax has not been deducted may be liable to income tax or corporation tax on the amount of such distribution or gain.

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#### Stamp Duty

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Funds. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or property.

No Irish stamp duty will be payable by the Funds on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is a collective investment undertaking within the meaning of Section 734 of the Taxes Act) which is registered in Ireland.

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#### Capital Acquisitions Tax

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Series falls within the definition of investment undertaking (within the meaning of Section 739B of the Taxes Act), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither Irish domiciled nor Ordinarily Resident in Ireland; (b) at the date of disposition, either the Shareholder disposing of the Shares is neither Irish domiciled nor Ordinarily Resident in Ireland or the disposition is not subject to Irish law; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

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#### Definitions

For the purposes of this section, the following definitions shall apply:

“Irish Resident”

- in the case of an individual, means an individual who is resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is resident in Ireland for tax purposes.
- in the case of a company, means a company that is resident in Ireland for tax purposes.

## Taxation

### Continued

The following definitions have been issued by Irish Revenue in relation to the residence of individuals and companies:

#### **Residence - Individual**

An individual will be regarded as resident in Ireland for a particular twelve month tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that twelve month tax year or (2) for a period of at least 280 days, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in the preceding twelve month tax year, provided that the individual is resident in Ireland for at least 31 days in each twelve month tax year. In determining days present in Ireland, an individual is deemed to be present if he/she is in the country at the end of the day (midnight).

#### **Residence - Trust**

A trust will generally be Irish resident in the State where all of the trustees are resident in the State.

#### **Residence - Company**

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where the company or one of its related companies carries on a trade in Ireland and fulfils one of the following conditions:

- the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland has a double taxation treaty; or
- the company or the related company is a quoted company on a recognised Stock Exchange in the EU or in a taxation treaty country; or
- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions which are contained in Section 23A of the Taxes Act.

#### **"Ordinarily Resident in Ireland"**

The following definition has been issued by Irish Revenue in relation to the ordinary residence of individuals:

- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

The term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third

consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2008 to 31 December 2008 and departs from Ireland in that year will remain ordinarily resident up to the end of the tax year 1 January 2011 to 31 December 2011.

The concept of a trust's ordinary residence is somewhat obscure and is linked to its tax residence.

"Exempt Irish Investor" means

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739(B)(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a qualifying management company within the meaning of Section 734(1) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Acts applies;
- a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a person exempt from income tax and capital gains tax by virtue of Section 848E of the Taxes Act where the Shares held are assets of a special savings incentive account;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the Courts Service as referred to in Section 739 (B).
- a qualifying company within the meaning of section 110 of the Taxes Acts as referred to in Section 739D(6)(m) of the Taxes Acts;
- the National Pensions Reserve Fund Commission;
- the National Asset Management Agency; and
- any other Shareholder who is Irish Resident or Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Funds or

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## Taxation Continued

jeopardising tax exemptions associated with the Funds giving rise to a charge to tax in the Funds, provided that a Relevant Declaration is in place.

“Intermediary” means a person who:

- carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- holds shares in an investment undertaking on behalf of other persons.

“Ireland” means the Republic of Ireland/the State.

“Relevant Declaration” means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act. The Relevant Declaration for investors who are neither Irish Resident nor Ordinarily Resident in Ireland (or Intermediaries acting for such investors) is set out in the Standard Instruction Document for the Funds.

“Taxes Act” means the Taxes Consolidation Act, 1997 (of Ireland) as amended.

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## Management and Administration of the Funds

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### The Manager

The Manager is an indirect wholly-owned subsidiary of Invesco Ltd, a company incorporated in Bermuda. The Manager was incorporated in Ireland on 23 January 1992 as a company limited by shares. The issued share capital of the Manager is US\$6.25 million and the authorised share capital is US\$10 million and the secretary of the Manager is Invesco Asset Management Limited. The Manager acts as manager, administrator, registrar and global distributor of the Irish domiciled funds in the Invesco Global Product Range. The Manager is responsible, inter alia, for calculation of the net asset value of the Funds, world-wide distribution of Shares of the Funds, all Shareholder communications and the handling of applications and redemption orders.

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### Directors

The Directors of the Manager are:

**Carsten Majer** (German) Mr. Majer is Chief Marketing Officer for Invesco Continental Europe and a member of the Continental European Management Committee; direct responsibilities include Marketing, PR and Product Development strategies. Mr. Majer joined Invesco Kapitalanlagegesellschaft, Germany in September 2001 and was appointed as Managing Director in November 2003. Before joining Invesco, Mr. Majer held a number of senior management positions at Threadneedle Investments in Luxembourg and London from 1996 to 2001. Mr. Majer first entered the Fund Management Industry in 1992 working for Gamax in Germany.

**Brian Collins** (Irish), Mr. Collins joined Bank of Ireland (Corporate Banking) in 1972 where he held various management positions. From 1986 to 1992 Mr. Collins served as General Manager and Managing Director of Bank of Ireland's Hong Kong business and was primarily engaged in Treasury, Corporate and Trade Finance before his appointment as Managing Director of Bank of Ireland International Finance in 1992 where he served until 1996. From 1996 until July 2004, Mr. Collins served as Managing Director of Bank of Ireland Securities Services where he had responsibility for client assets in excess of EUR 120 billion and was a member of the Bank of Ireland Group Operating Risk Committee. Mr. Collins was formerly Chairman of the Dublin Funds Industry Association and Chairman of An Taoiseach's Fund Industry Committee. Mr. Collins is a fellow of the Institute of Bankers in Ireland. Mr. Collins holds other non executive directorships, mostly in the fund management industry.

**John Rowland** (British) Mr. Rowland is Managing Director responsible for Invesco's worldwide Investment Operations teams. Previous positions within Invesco include European Chief Operating Officer and Global Head of Information Technology. He joined Invesco in April 2002. His experience in the funds management industry spans over 20 years and was gained in various firms and locations. Before joining Invesco, he was Global Head of IT for AXA Investment Managers based first in Paris and then in London. Before that, he headed the technology function in National Mutual Funds Management of Melbourne, Australia.

**Oliver Carroll**, FCCA (Irish) is Head of Financial Reporting at Invesco, with responsibility for Ireland and Continental Europe. Mr. Carroll joined Invesco in 1999 as a manager within the finance team in Invesco Jersey, moving to Invesco Dublin in 2000. Over the following years he was responsible for the centralisation of various processes and establishment

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## Management and Administration of the Funds

### Continued

of new teams in the Finance Department. In 2006, he assumed the role of Head of Finance and was appointed a director.

In 2007, he also assumed responsibility for Continental Europe. Prior to joining Invesco, Mr. Carroll spent 5 years in public practice in a range of auditing and taxation roles including 2 years with PricewaterhouseCoopers. Mr. Carroll is a fellow of the Chartered Association of Certified Accountants.

**Leslie Schmidt**, CPA (American) is Managing Director responsible for a majority of Invesco's worldwide fund accounting ex-Asia Pacific and the General Manager of the Invesco Dublin office. She is also Senior Vice President of Invesco Advisers, Inc., a U.S. registered investment adviser subsidiary of Invesco Ltd.

Since 1992, Ms. Schmidt has served in various roles and capacities with Invesco Ltd. and its various investment advisory and distributor subsidiaries in various locations. She is also a director of Invesco Global Asset Management Company Limited, an Irish management company and Invesco Management S.A., a Luxembourg management company. Ms. Schmidt is a director of a number of Invesco promoted funds.

Prior to joining Invesco, Ms. Schmidt spent seven years with KPMG Peat Marwick in a number of progressive auditing roles primarily in the investment services area. Ms. Schmidt is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants.

**Jan Hochtritt** (German) joined Invesco in May 2003 and was appointed Head of Global Products in January 2004. He has worked for the last fourteen years in the Financial Services and Asset Management Industry in Frankfurt, Moscow and London. Since June 2007, Mr. Hochtritt has been one of the two conducting persons of Invesco S.A. Luxembourg. Mr. Hochtritt holds a B.B.A. (Hons) from Friedrich Schiller University (Germany) and an MBA from University of Hull (UK).

The address of the Directors of the Manager, who, with the exception of Brian Collins, are all executive directors, is the registered office of the Manager, 1st Floor, George's Quay House, 43 Townsend Street, Dublin 2 Ireland.

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#### The Trustee

The Trustee is BNY Mellon Trust Company (Ireland) Limited, a private limited liability company incorporated in Ireland on 13 October 1994. Its main activity is to act as the custodian and trustee of the assets of collective investment schemes. The Trustee is authorised by the Central Bank under the Investment Intermediaries Act 1995 (as amended).

The parent company of the Trustee is The Bank of New York Mellon Corporation. The Bank of New York Mellon Corporation is a global financial services company operating in 34 countries and serving more than 100 markets. The company provides asset management and wealth management, asset servicing, issuer services, clearing services and treasury services. At 31 March 2010 it had more than US\$22.4 trillion in assets under custody and administration, more than US\$1.1 trillion in assets under management and serviced US\$11.8 trillion in outstanding debt.

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#### The Invesco Group

Invesco Ltd., the promoter of the Funds, is the holding company of Invesco Aim Management Group Inc. and Invesco Inc. organisations and is one of the world's largest independent fund management companies with total funds under management within the Invesco Group amounting to over US\$557.7 billion as at 30 June 2010. It is incorporated in Bermuda, has its headquarters in Atlanta, USA and has subsidiaries or sister companies located throughout the world. Invesco Ltd. is also listed on the New York Stock Exchanges under the symbol "IVZ".

The Manager has delegated its duties as investment manager to the Investment Advisers, all of which are companies within the Invesco Group. The Trustee has appointed the Manager as registrar. The names and address of the Hong Kong Sub-Distributor and Representative, the German Sub-Distributor\* and the Trustee are set out under "Directory".

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#### Other Service Providers

##### The Sub-Distributors

Certain sub-distributors (which are companies within the Invesco Group) have been appointed by the Global Distributor under the various Sub-Distribution Agreements details of which are set out under "Material Contracts" to provide, inter alia, distribution services to the Global Distributor in relation to the Funds including the receipt of applications in respect of the issue and redemption of Shares. An exception is the Sub-Distribution Agreement with the German Sub-Distributor, according to which the German Sub-Distributor may only provide distribution services to professional clients as defined by Directive 2004/39/EC and as transposed into German law. Retail clients in Germany should contact their local distribution agents.

##### The Hong Kong Sub-Distributor and Representative

In accordance with the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds and by various agreements details of which are set out under "Material Contracts", the Manager has appointed Invesco Asset Management Asia Limited as the Hong Kong Sub-Distributor and Representative for the Funds. Its functions include, inter alia, dealing with all enquiries in relation to the Fund and generally representing the Manager in Hong Kong and arranging the publication in Hong Kong of all advertisements and documents of that nature in Hong Kong.

##### The Sub-Administrator

The Manager has appointed BNY Mellon Fund Services (Ireland) Limited to provide certain administration services to the Funds, including the calculation of the net asset value of each Fund.

The Sub-Administrator is a private limited company incorporated in Ireland on 31 May, 1994 (under registration number 218007). The Sub-Administrator is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds.

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\* For professional clients only

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## Management and Administration of the Funds

### Continued

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#### Material Contracts

The following contracts have been entered into and are or may be material:

- (a) The Investment Services Agreement dated 9 June 1992 and 10 July 1992 (as amended) between the Manager and Invesco Asset Management Limited, Invesco Hong Kong Limited, Invesco Asset Management (Japan) Limited, Invesco Advisers, Inc. (previously known as Invesco Institutional (N.A.) Inc.) and Invesco Trimark Ltd pursuant to which each of the latter agreed to provide investment services to the Manager in respect of certain Funds. The Manager may appoint on similar terms other Investment Advisers in respect of other Funds;
- (b) The Hong Kong Representative Agreement dated 10 July 1992 (as amended), between the Manager and Invesco Asset Management Asia Limited pursuant to which the Manager appointed Invesco Asset Management Asia Limited as its Hong Kong Representative in respect of certain of the Funds, in accordance with the provisions of the Hong Kong Code on Unit Trusts and Mutual Funds. The Agreement may be terminated by either party on thirty days written notice or upon the relevant Fund or Series ceasing to be authorised by the SFC under the Hong Kong Securities and Futures Ordinance;
- (c) The Sub-Distribution Agreement dated 25 November 1996 (as amended) between the Manager, the Manager acting in its capacity as Global Distributor, Invesco Asset Management Asia Limited and Invesco GT Asset Management plc, pursuant to which the appointment of the sale and redemption agents was continued subject to the terms and conditions set out therein;
- (d) The Sub-Distribution Agreement dated 10 December 2008 between the Manager acting in its capacity as Global Distributor and Invesco Asset Management Deutschland GmbH pursuant to which Invesco Asset Management Deutschland GmbH is appointed as the German Sub-Distributor with effect from 10 December 2008. According to this Sub-Distribution Agreement, the German Sub-Distributor provides distribution services to professional clients (as defined by Directive 2004/39/EC and as transposed in German law) only and may not serve retail clients;
- (e) The Sub-Distribution Agreement (as amended) between the Manager, the Manager acting in its capacity as Global Distributor and Invesco Asset Management S.A. pursuant to which Invesco Asset Management S.A. is appointed as the Sub-Distributor with effect from 13 March 2007;
- (f) The UK Representation and Sub-Distribution Agreement dated 15 August 2008 between the Global Distributor and Invesco Global Investment Funds Limited, pursuant to which Invesco Global Investment Funds Limited was appointed UK Representative and Sub-Distributor; and
- (g) the Sub-Administration Agreement dated 29 January 2010 between the Manager and BNY Mellon Fund Services (Ireland) Limited, pursuant to which BNY Mellon Fund Services (Ireland) Limited was appointed as Sub-Administrator to provide certain administration services to the Funds.

Save as set out below, each of the Agreements referred to in (a) to (g) above may be terminated by either party on three months prior written notice, or in such other circumstances listed in the Agreement and is governed by the laws of Ireland.

The Hong Kong Representative Agreement referred to at (b) above may be terminated by either party on 30 days prior written notice, or upon the cessation of SFC authorisation of the relevant Fund or Series, and is governed by Hong Kong law.

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## Miscellaneous Provisions

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### Change of Trustee and Manager

The Trustee is not entitled to retire voluntarily except upon the appointment of a new Trustee. If the Trustee wishes to retire, or ceases to be approved by the Central Bank in respect of one or any of the Funds, the Manager will use reasonable endeavours to find a new Trustee approved by the Central Bank. The Trustee may be replaced by the Manager by notice in writing to the Trustee.

In respect of one or any of the Funds, the Manager may be removed by the Trustee if (i) the Manager ceases to be approved under the UCITS Regulations by the Central Bank, or (ii) an order is made or resolution passed to wind up the Manager or the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation approved by the Trustee) or if a receiver is appointed over any of its assets, or (iii) if for good and sufficient reason the Trustee is of the opinion, and so states in writing to the Manager, that it is in the interests of Shareholders of one or any of the Funds that the Manager be removed.

In respect of one or any of the Funds, neither the Manager nor the Trustee may be replaced without the approval of the Central Bank. Any change in either the Manager or the Trustee must be notified to the Irish Stock Exchange in the event that any Fund or class of Shares is listed. The Manager may retire as Manager of one or any of the Funds in favour of another corporation approved by the Trustee and the Central Bank.

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### Reports

Audited financial statements of each Fund made up to the year end for the relevant Fund, together with the reports of the Manager and the Trustee, shall be published and made available to Shareholders on request (and sent to Shareholders resident in Hong Kong (in English), Macau, Singapore and Taiwan) within four months of the relevant year end (as specified in Appendix A). The Manager shall also prepare semi-annual reports for each Fund which shall be made available to Shareholders on request (and sent to Shareholders resident in Hong Kong (in English), Macau, Singapore and Taiwan) within two months of the period end.

Copies of the latest annual report and any subsequent semi-annual report will be sent to Shareholders free of charge on request and shall be offered to all Shareholders free of charge prior to the conclusion of a contract. The Manager intends to make the latest annual report and any subsequent semi-annual report available on Invesco's internet site [www.invesco.com](http://www.invesco.com) (for Shareholders in Hong Kong, please refer to [www.invesco.com.hk](http://www.invesco.com.hk)).

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### Nature of Shares and Meetings of Shareholders

The nature of the right represented by a Share in a Fund is that of an undivided beneficial interest under a trust. Fractions of Shares (to 2 decimal places) will be issued.

The Trust Deed makes provision for meetings of Shareholders in a Fund or where appropriate, the Series, by extraordinary resolution (to be proposed and passed as such by a majority consisting of 75% or more of the total number of votes cast for and against the resolution), (i) to sanction any modification, alteration or addition to the provisions of a Trust Deed, (ii) to sanction an increase in the maximum amount of the fee charged by the Manager in respect of any of the Funds, (iii) to terminate a Fund, (iv) to give authorisations or directions to the Trustee in the winding up

of a Fund, (v) to approve a scheme of reconstruction and amalgamation with some other scheme which is a UCITS, (vi) to approve the imposition of any liability on Shareholders or the Trustee not expressly provided for or contemplated under the relevant Trust Deed, and (vii) to approve any matter required by the Central Bank and the Irish Stock Exchange, in the event that any fund or class of shares is listed, any laws affecting a Fund, the Trustee or the Manager with the approval of the Trustee. Shareholders in a Fund may also by Ordinary Resolution (to be proposed and passed by a majority consisting of 50% or more of the total number of votes cast for and against the resolution) approve any matter referred to in (vii) above. On a show of hands every Shareholder of the relevant Fund present in person or, if a corporation, present by an officer or agent, has one vote. On a poll every Shareholder of the relevant Fund present in person or by proxy has the same number of votes as the number of undivided Shares in the property of the Fund represented by the Shares of which he is the Shareholder. Voting in respect of fractions of Shares is not permitted. If the Trustee is of the opinion that there is or may be a conflict of interest between Shareholders holding different classes of Share in a Fund, the Trustee must require an extraordinary resolution to be proposed and passed at separate meetings of Shareholders of each class of Share.

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### Notices

Any notice required to be served upon a Shareholder is deemed to have been duly given if sent by post or left at the Shareholder's address as appearing in the Shareholder register. Service or delivery of a notice or document to any one of several joint Shareholders is deemed effective on the other joint Shareholders. Notices and documents (including cheques and warrants) sent by post by the Trustee or the Manager are sent at the risk of the persons entitled to them.

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### Definition of "US Persons"

Each investor in a Fund must represent and warrant to the Manager that, amongst other things, he is able to acquire Shares without violating applicable laws.

For the purposes of this Prospectus, but subject to such applicable laws and to such changes as may be notified by the Manager to applicants for and transferees of Shares, a US Person has the meaning set forth in Regulation S, as amended from time to time, as promulgated under the 1933 Act. Regulation S currently defines a "US Person" as: (a) any natural person who is a resident of the United States; (b) any partnership or corporation organised or incorporated under the laws of the United States; (c) any estate of which any executor or administrator is a US Person; (d) any trust of which any trustee is a US Person; (e) any agency or branch of a foreign entity located in the United States; (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or, if an individual, resident in the United States; and (h) any partnership or corporation (i) if organised or incorporated under the laws of any foreign jurisdiction and (ii) formed by a US person principally for the purpose of investing in securities not registered under the 1933 Act unless it is organised or incorporated, and owned, by accredited investors (as defined in rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.

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## Miscellaneous Provisions

### Continued

"US Persons" does not include: (a) a discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated or, if an individual, resident in the United States; (b) any estate of which any professional fiduciary acting as executor or administrator is a US Person if (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by foreign law; (c) any trust of which any professional fiduciary acting as trustee is a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person; (d) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (e) any agency or branch of a US Person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located or (f) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and or any other similar international organisations, their agencies, affiliates and pension plans.

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#### Winding Up

A Fund or the Series may be terminated: (i) if the Trustee serves notice to the Manager of its desire to retire and the Manager fails to find a new Trustee within 12 months of the Trustee delivering such notification; (ii) if the authorisation of the Fund, or as the case may be the Series is revoked under the UCITS Regulations; (iii) if the Manager is removed pursuant to the relevant Trust Deed; (iv) by Shareholders in the relevant Fund or the Series passing an extraordinary resolution at a meeting of Shareholders of that Fund or Series or (v) by the Manager if the net assets of the Fund fall below \$20 million. Unamortised establishment costs of the Series and/or the relevant Fund shall be borne by the Manager.

Under the Trust Deeds, on a termination of a Fund or the Series, Shareholders are entitled to receive distributions in proportion to their respective interests in the Series or in the relevant Fund, as the case may be, after all liabilities and costs and expenses have been deducted. Such distributions will be the net cash proceeds derived from the realisation of the property of the umbrella or the relevant Fund, except in exceptional circumstances where on the recommendation of the Manager the Trustee may determine to make distributions in specie. Distributions will only be made against production of Share certificates (if any) or of such other evidence of title as required by the Trustee at its absolute discretion.

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#### Documentation available for Inspection

Copies of the most recent Prospectus, the latest Reports, the Trust Deed, the Material Contracts, the Investment and Operational Guidelines establishing the Funds, the UCITS Regulations and the Central Bank UCITS Notices may be obtained, free of charge, at the offices of the Manager, the offices of the Hong Kong Sub-Distributor and the German

Information Agent during usual business hours on a business day in the relevant location.

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#### Conflicts of Interest

The Manager and other companies within the Invesco Group may from time to time act as investment managers or advisers to other clients which invest in the Funds and may act in other capacities in respect of the Funds or other clients. It is therefore possible that such members of the Invesco Group may, in the course of their business, have potential conflicts of interest with the Funds. The Manager and such other members of the Invesco Group will, however, have regard in such event to their obligations under the Trust Deeds and the Material Contracts and, in particular, to their obligations to act in the best interest of the Funds so far as is practicable, having regard to their obligations to other clients when undertaking any investments where potential conflicts of interest may arise. It is the policy of the Manager to ensure that any such transactions shall be entered into at arm's length, on normal commercial terms and executed on best terms. When the Funds make an investment in any other open-ended investment company or unit trust managed by a member of the Invesco Group, the provisions under paragraph VI (c) of the Investment Restrictions described above shall apply.

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#### Soft Commission

The Manager and any of its Connected Persons may effect transactions by or through the agency of another person with whom the Manager and any of its Connected Persons have an arrangement under which that party will, from time to time, provide to, or procure for the Manager and any of its Connected Persons, group services or other benefits such as research and advisory services, computer hardware associated with specialised software or research services and performance methods, portfolio valuation and analysis, market price services etc. The provision of such services can reasonably be expected to benefit the Funds as a whole and may contribute to an improvement in the Funds' performance and that of the Manager or any of its Connected Persons in providing services to the Funds and for which no direct payment is made but instead the Manager and any of its Connected Persons undertake to place business with that party. It is the policy of the Invesco Group to obtain best execution on all transactions for all customers. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

The Manager and any Connected Person shall not retain the benefit of any cash commission rebate (being cash commission repayment made by a broker or dealer to the Manager and/or any Connected Person) paid or payable for any such broker or dealer in respect of any business placed with such broker or dealer by the Manager or any Connected Persons for the account of and on behalf of the Funds or any one of the Funds. Any such cash commission rebate received from any such broker or dealer shall be held by the Manager and any Connected Persons for the account of the Funds or the relevant Fund as appropriate.

The Manager may also at its discretion and on behalf of the Funds transact foreign exchange business with parties which are related to the Manager or the Trustee but will endeavour to adhere to its policy of best execution in relation to all

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## Miscellaneous Provisions

### Continued

such transactions. Soft commission and related party transactions shall be disclosed in the periodic Reports.

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#### Related Party Transactions

The Manager, the Trustee, the Sub-Administrator or their associates may have dealings in the assets of the Funds provided that any such transactions are effected on normal commercial terms negotiated at arm's length and in the best interests of Shareholders and provided that each such transaction complies with any of the following:

- (i) a certified valuation of such transaction is provided by a person approved by the Trustee as independent and competent;
- (ii) the transaction has been executed on best terms on and under the rules of an organised investment exchange; or where neither (i) or (ii) is practical;
- (iii) where the Trustee is satisfied that the transaction has been executed on normal commercial terms negotiated at arm's length.

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#### Directors Interests

No Director of the Manager, nor any Connected Person, has any interest, direct or indirect, in the Shares of the Funds, the existence of which is known to or could with reasonable diligence be ascertained by that Director.

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#### Publication of Prices

The Manager intends to make prices available by posting up to date prices on Invesco's internet site [www.invesco.com](http://www.invesco.com) (for Shareholders in Hong Kong please refer to [www.invesco.com.hk](http://www.invesco.com.hk)) and to make such prices available at the offices of the Manager and where an alternative means of making prices available is required to publish such prices in the publications referred to in Appendix A in the country in which the Fund is registered and authorised for marketing. In the event that a Fund or class of Shares is listed, relevant prices will also be notified to the Irish Stock Exchange without delay.

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#### Modification of Trust Deed

No modification may be made to the Trust Deeds which would cause the Series or a Fund to cease to be subject to the UCITS Regulations, or which has not been approved by the Central Bank. Subject thereto, the Trustee and Manager may by supplemental deed modify, alter, add to or replace the provisions of the Trust Deeds in such manner and to such extent as they may consider expedient, provided that:

- (i) such modification, alteration or addition is required for the purpose of conformity with legislation made and the Trustee certifies in writing its opinion that such modification, alteration or addition does not operate to release the Trustee or the Manager from any responsibility to Shareholders to a material extent;
- (ii) the Manager and the Trustee wish to supplement or amend the list of Recognised Markets or Specific Investments included in the Trust Deed; or
- (iii) the Trustee certifies in writing its opinion that such modification, alteration, or addition does not materially prejudice the interests of Shareholders of the Fund and does not operate to release the Trustee or the Manager from any responsibility to those Shareholders to a material extent.

No such modification, alteration, addition or replacement is to be made without the sanction of an extraordinary resolution of a meeting of Shareholders of the relevant Fund or the Series as the case may be.

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#### Important Information for Investors

The country specific Important Information for Investors is set out in Appendix C to this Prospectus, with the exception of information for German investors, which is set out below.

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#### Important Information for Investors in Germany

Pursuant to § 132 of the Investment Act the Manager has notified the Bundesanstalt für Finanzdienstleistungsaufsicht of the intention to publicly distribute Shares of the Series' Funds in Germany. The Shares of the Funds are authorised for public distribution in Germany.

Bankhaus B. Metzler Seel. Sohn & Co. KGaA, Große Gallusstr. 18, 60311 Frankfurt, (the "German Paying Agent") is the paying agent within the meaning of § 131 sentence 1 of the Investment Act. Accordingly, the redemption and switching of Shares can be effected through the German Paying Agent. Upon request of Shareholders, the redemption proceeds, dividend and other payments will also be paid by the German Paying Agent in cash in Euro.

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#### Documents and Information:

The full Prospectus including Appendices A, B and C, the current Simplified Prospectuses, the most recent annual reports and, if subsequently published, the semi-annual reports, the Trust Deeds, the Investment and Operational Guidelines and copies of the Investment Services Agreements, the Sub-Distribution Agreements, the Hong Kong Representative Agreement, the UK Representation and Sub-Distribution Agreement, the Administration Agreement the UCITS Regulations and the Central Bank UCITS Notices may be obtained, free of charge, at Invesco Asset Management Deutschland GmbH, An der Welle 5, 60322 Frankfurt am Main, (the "German Information Agent"). Notices to Shareholders will be published by way of investor letter. The issue and redemption prices of the Shares of the classes "A" and "C" as well as (if issued) the classes "A (Eur-Hgd)" and "C (Eur-Hgd)" of all Funds will be published on [www.fazfinance.net](http://www.fazfinance.net). The issue and redemption prices of Shares of all other classes are available at the German Information Agent.

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#### Taxation in Germany

The statements regarding the tax regulations only apply to Shareholders with unlimited tax liability in Germany. They do not purport to be a complete analysis of all tax considerations relating to the holding of Shares. They should not be understood as tax consulting and do not represent a substitute for such. In any case, Shareholders and potential investors should contact their own professional tax advisor as to the possible tax consequences of buying, holding or disposing of Shares and to the provisions of German law.

The remarks with respect to the tax consequences at the Shareholder level only apply if the necessary publication requirements, within the meaning of the German Investment Tax Act, have been met. The Manager intends to satisfy these requirements with respect to Shares authorized for sale in Germany.

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#### The Funds

The Manager intends to conduct the affairs of the Funds so that the Funds are not subject to taxation in Germany.

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## Miscellaneous Provisions

### Continued

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#### **The Shareholder**

The following remarks regard the taxation of the Funds' current income as well as gains on the disposal of Shares, at the level of such Shareholder that holds his Shares as (i) private assets or (ii) business assets. Moreover, these remarks reflect the law in effect after the introduction of the Flat Rate Tax on 1 January 2009, administrative guidelines, and the interpretation and/or complementation thereof as set forth by the tax authorities and/or courts. The remarks, however, do not address the tax consequences, which could be relevant to the taxation of an individual Shareholder based upon his personal circumstances.

#### **Flat Rate Tax (beginning 1 January 2009)**

The Company Tax Reform Act 2008, dated 14 August 2007 (the "New Regulations"), contains significant new regulations regarding the taxation of capital income that is applicable since 1 January 2009. The New Regulations include, in particular, the introduction of a flat rate tax for Shareholders who hold their Shares as private assets.

#### **(i) Shares as private assets**

Any taxable income accruing on an investment in a Fund is considered as income from capital assets and is usually subject to income tax. Among the sources for income from capital assets are the distributed income from Funds, the deemed distributed income from Funds, the *Zwischengewinn* (fully taxable primarily interest income component of the Fund's income received upon sale of Shares) as well as capital gains from the sale of Shares in Funds. These types of income from capital assets are, in general, subject to a withholding tax of 25 per cent (plus solidarity surcharge of 5.5 per cent and, if applicable, a church tax).

#### **Gains from the disposal of securities and gains from derivatives**

Capital gains from the sale of securities (including short sales) and derivatives are tax-exempt for the Shareholder if they are accumulated and there is no disposal of Shares. The taxation of capital gains from the sale of securities and derivatives, when distributed by the Fund, depends on when the securities and derivatives were acquired by the Fund and when the Shareholder acquired the Shares in the Fund. Capital gains from the sale of securities and derivatives are fully taxable if the Shareholder acquired the Shares after 1 January 2009. Capital gains from the sale of securities and derivatives acquired by the Fund after 1 January 2009 are fully taxable upon distribution regardless of when the Shareholder acquired the Shares. Capital gains from the sale of securities and derivatives acquired by the Fund prior to 1 January 2009 are tax exempt for the Shareholders who acquired the Fund units prior 1 January 2009 irrespective of the holding period.

#### **Interest and other income**

Interest and other income received by the Fund are always taxable at the Shareholder level regardless of whether the income is accumulated or distributed by the Fund.

#### **REIT-Dividends**

Dividends from REITs (Real Estate Investment Trust) according to the German Law (German REIT Act) received by the Fund are fully taxable at the Shareholder level regardless of whether the income is accumulated or distributed by the Fund.

#### **Dividends**

The dividends received by the Fund (whether distributed or accumulated) are fully taxable at the Shareholder level. The so-called half income procedure which was in use prior to 1 January 2009 was abolished with the introduction of the New Regulations.

#### **Negative fiscal income**

Negative fiscal income generated at Fund level cannot be attributed directly to the Shareholder for tax purposes. Negative fiscal income must be offset with positive income generated at Fund level in the same business year or are to be carried forward at the Fund level and offset in subsequent years if the losses cannot be offset in the year in which they result. The losses can only be offset with the same type of income, e.g. negative dividend income can only be offset with positive dividend income, negative REIT-dividend income can only be offset with positive REIT-dividend income and negative interest and other income can only be offset with positive interest and other income.

#### **Capital gains from the sale or redemption of Shares**

For Shares acquired before 1 January 2009, capital gains from the sale or redemption of Shares are still treated as private capital gains and are tax exempt. For Shares acquired after 31 December 2008, the capital gains from the sale or redemption of Shares are subject to a capital income withholding tax of 25 per cent (plus solidarity surcharge and, if applicable, church tax) regardless of the holding period.

Upon the disposal or redemption (or equivalent transaction) of foreign fund shares, the capital income withholding tax of 25 per cent also applies to the accumulated deemed distribution income (income that is deemed accrued by the Shareholder after 31 December 1993 and which has not been previously subjected to German withholding tax). However, subject to certain legal requirements, the capital income withholding tax mentioned above can be credited against the German income tax.

The capital income withholding tax will basically satisfy any income tax liability of the private German Investor in respect of capital investment income. In case of a foreign accumulating Fund and/or Shares will be held in a non-German custody account the flat rate tax could not be withheld by the bank and therefore the private German Investor has to include his capital income in his personal tax return and, in principle, a tax rate of 25 per cent (plus solidarity surcharge and, if applicable, church tax) applies. However, the income can be declared in cases in which the personal tax rate of the Shareholder is lower than the applicable rate of 25 per cent (*Günstigerprüfung* - roughly: favorability check).

#### **(ii) Shares as business assets**

In principle, for the Shareholder that holds their Shares as business assets, the taxable income received from the Fund is subject to German income tax or, if applicable, German corporate income tax. Both distributed as well as deemed distributed income will be subject to tax. Tax on distributed income is to be paid in the year of its accrual. Deemed distribution income is deemed to be accrued at the end of the Fund's business year and the tax is to be paid by the Shareholders in that year.

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## Miscellaneous Provisions

### Continued

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#### Gains from the sale of securities and gains from derivatives

Accumulated gains from the sale of securities (including short sales) and derivatives at the level of the Fund are not deemed to have been received by the Shareholder and therefore are not currently taxable. Upon distribution, gains from the sale of bonds and other securities as well as gains from derivatives are fully taxable for all Shareholders holding their Shares as business assets. Under the New Regulation, distributed capital gains from the sale of equities are no longer taxable according to the half income procedure. Instead, 60 per cent of the gains are taxable upon distribution to Shareholders who are individual entrepreneurs or partnerships holding the assets as business assets (so-called partial income procedure). For corporate entities, the distributed gains from the sale of equities are still tax exempt (however 5 per cent of those capital gains remain non-deductible expenses for the corporate entities). However, the distributed capital gains from the sale of equities are fully taxable for corporate entities if either of the following regulations applies: § 8b subsection 7 of the Corporate Income Tax Act (credit institutions that hold Shares in their trading inventory) or § 8b subsection 8 of the Corporate Income Tax Act (life and health insurance companies).

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#### Interest and other income

Interest and other income are always taxable to the Shareholder. This applies regardless of whether the income is accumulated or distributed.

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#### REIT-Dividends

Dividends from REITs (Real Estate Investment Trust) according to the German Law (German REIT Act) received by the Fund are fully taxable at the Shareholder level regardless of whether the income is accumulated or distributed by the Fund.

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#### Dividends

Dividends received as distributed or deemed distributed income on Shares held as business assets by corporate entities to which the regulations of § 8b subsections 1 - 6 of the Corporate Income Tax Act applies are still tax exempt (however 5 per cent of the dividends remain non deductible expenses for the corporate entities). Dividends received as distributed or deemed distributed income are fully taxable for the Shareholder if either of the following regulations applies: § 8b subsection 7 of the Corporate Income Tax Act (credit institutions that hold Shares in their trading inventory) or § 8b subsection 8 of the Corporate Income Tax Act (life and health insurances). 60 per cent of the dividends received as distributed or deemed distributed income on Shares held as business assets by an individual entrepreneur or partnership is subject to tax under the New Regulations (partial income procedure).

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#### Negative fiscal income

Negative fiscal income generated at Fund level cannot be attributed directly to the Shareholder for tax purposes. Negative fiscal income must be offset with positive income generated at Fund level in the same business year or are to be carried forward at the Fund level and offset in subsequent years if the losses cannot be offset in the year in which they result. The losses can only be offset with the same type of income, e.g. negative dividend income can only be offset with positive dividend income, negative REIT-dividend income can only be offset with positive REIT-dividend income

and negative interest and other income can only be offset with positive interest and other income.

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#### Capital gains from sale or redemption of Shares

In principle, capital gains from the sale or redemption of Shares held as business assets are taxable. An exception applies to that part of the capital gain, which contains dividends as well as realized and unrealized gains on equities (so-called Aktiengewinn - roughly: equity profit). This part of capital gain from the sale or redemption of Shares held as business assets by corporate entities to which the regulations of § 8b subsections 1 - 6 of the Corporate Income Tax Act apply is tax-exempt (however 5 per cent of those capital gains remain non-deductible expenses for those corporate entities). In the case of individual entrepreneurs and partnerships, only 60 per cent of this part of the capital gain is subject to tax (partial income procedure).

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#### Capital Income Withholding Tax and Solidarity Surcharge

In the case of a distribution, the distributed and deemed distributed income (in case of a partial distribution) is subject to a capital income withholding tax of 25 per cent if the Shares will be held in a German custody account. In addition, a solidarity surcharge of 5.5 per cent is levied on the withheld tax as well as church tax, if applicable. Upon the disposal or redemption (or equivalent transaction) of foreign shares, the capital income withholding tax of 25 per cent (plus solidarity surcharge and, if applicable, church tax) are applicable to the amount of the accumulated deemed distribution income (income that is deemed accrued by the Shareholder after 31 December 1993 and which has not been previously subjected to German withholding tax). Further, upon sale or redemption of Shares the amount of the sale proceeds or redemption price that represents the interest which accrued but not yet distributed or attributed to the investor as deemed distributed income (Zwischengewinn) is taxable for income tax and capital income withholding tax purposes. The capital income withholding tax on this amount is 25 per cent plus the 5.5 per cent solidarity surcharge as well as church tax, if applicable.

The capital income withholding tax for Shares held as business assets does not have a compensatory effect. Pursuant to the relative regulations, the aforementioned withholding tax can be credited towards the German income or corporate income tax liability or may be refunded upon request in the case of a tax exemption.

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#### Tax risk

The tax treatment of funds can change in unforeseeable and not necessarily to the advantage of the investor. A change of erroneously determined tax bases of the Fund for previous business years (e.g. based on field audits) can, in the case of a disadvantageous correction of the Shareholder's taxation, result in the Shareholder having to carry the tax burden from the correction for previous business years, even though he may have not been invested in the Fund at that particular time. Conversely, it is possible that he will not benefit from an advantageous correction for the current and for previous business years, in which he participated in the Fund, if the redemption or sale of the Shares occurs before the realisation of such correction.

Furthermore, a correction of tax data can result in the actual assessment of taxable income or, as the case may be, tax advantages, occurring in a different assessment period from

## Miscellaneous Provisions

### Continued

the one that originally applied, thereby negatively impacting the individual Shareholder.

Attention should be paid to the fact that the taxable income per Share may, in the case of accumulating funds, which do not calculate an "Ertragsausgleich" (roughly: income equalisation), be distorted from an economical perspective, since the taxable income of the entire year will be determined based on the shares outstanding on the last day of the Fund business year.

**The summary above is based upon advice received by the Directors regarding the law and practice in force in Germany at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position will not change (including retroactive changes) whether by way of legislation, legal practice or tax authority writs.**

**It is recommended that Shareholders and any interested persons should get advice from their tax consultant on the tax implications of buying, holding and selling Shares and on the related rights in Germany and outside Germany.**

## Schedule

### Recognised Markets

The following exchanges and markets are Recognised Markets in accordance with the requirements of the Central Bank which does not issue a list of approved markets. With the exception of permitted investments in unlisted investments, investment will be restricted to the following stock exchanges and markets. Any change in this Schedule will be implemented by a supplement to this Prospectus.

- (i) Any stock exchange in any EU Member State or in any of the following member countries of the OECD:

Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland and the United States of America.

- (ii) Any of the following stock exchanges:

Argentina	Buenos Aires Stock Exchange, Cordoba Stock Exchange, La Plata Stock Exchange, Mendoza Stock Exchange, Rosario Stock Exchange
Bangladesh	Dhaka Stock Exchange, Chittagong Stock Exchange
Bermuda	Bermuda Stock Exchange
Botswana	Botswana Stock Exchange
Brazil	Bahia-Sergipe-Alagoas Stock Exchange, Extremo Sul Stock Exchange, Porto Alegre Mina Esperito Santo Brasilia Stock Exchange, Parana Stock Exchange, Curitiba Pernambuco e Paraiba Stock Exchange, Regional Stock Exchange, Fortaleza Rio de Janeiro Stock Exchange, Santos Stock Exchange, Sao Paulo Stock Exchange
Chile	Santiago Stock Exchange, Valparaiso Stock Exchange
China	Shanghai Stock Exchange, Shenzhen Stock Exchange
Colombia	Bogota Stock Exchange, Medellin Stock Exchange
Croatia	Zagreb Stock Exchange
Egypt	Cairo Stock Exchange, Alexandria Stock Exchange
Ghana	Ghana Stock Exchange
Hong Kong	Hong Kong Stock Exchange
India	The National Stock Exchange of India Limited, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabad Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Gauhari Stock Exchange, Magadh Stock Exchange, The Stock Exchange, Mumbai Pune Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange,

## Schedule Continued

Indonesia	Jakarta Stock Exchange, Surabaya Stock Exchange	-	the market conducted by the "listed money market institutions" as described in the Financial Services Authority publication "The regulation of the wholesale cash and OTC derivatives markets: "The Grey Paper";
Israel	Tel Aviv Stock Exchange		
Jordan	Amman Stock Exchange		
Kenya	Nairobi Stock Exchange		
Kuwait	Kuwait Stock Exchange		
Lebanon	Beirut Stock Exchange		
Malaysia	Kuala Lumpur Stock Exchange		
Mauritius	Stock Exchange of Mauritius		
Mexico	Mexico Stock Exchange		
Morocco	Casablanca Stock Exchange		
Namibia	Namibian Stock Exchange		
Pakistan	Karachi Stock Exchange (Guarantee) Ltd, Lahore Stock Exchange, Islamabad Stock Exchange		
Peru	Lima Stock Exchange		
Philippines	Philippines Stock Exchange Inc.		
Philippines	Philippines Stock Exchange Inc. Manila Stock Exchange Makati Stock Exchange		
Singapore	Singapore Exchange Limited		
South Africa	Johannesburg Stock Exchange		
South Korea	Korea Stock Exchange		
Sri Lanka	Colombo Stock Exchange	(iv)	Markets for Financial Derivative Instruments. The Chicago Mercantile Exchange, and any other exchanges and markets, including any board of trade or similar entity, or automated quotation system, which markets and exchanges are regulated, operating regularly, recognised and open to the public and in an EU Member State or EEA Member State (being EU Member States, Norway, Iceland and Liechtenstein).
Taiwan	Taiwan Stock Exchange Corporation		
Thailand	Stock Exchange of Thailand, Bangkok		
Turkey	Istanbul Stock Exchange		
United Arab Emirates	Abu Dhabi Exchange, Dubai International Financial Exchange, Dubai Financial Markets Dubai Financial Market		
Uruguay	Montevideo Stock Exchange		
Venezuela	Caracas Stock Exchange, Maracaibo Stock Exchange		
Vietnam	Vietnam Stock Exchange		
Zambia	Lusaka Stock Exchange		
(iii) The following markets:			
		-	the market organised by the International Capital Market Association;

## Definitions

### **"Account"**

A shareholder dealing account opened with the Global Distributor by each Shareholder (in particular by completing and submitting the Standard Instruction Document) in order to attribute a shareholder account number to each Shareholder and facilitate dealings across the Invesco Global Product Range. For the avoidance of doubt, such account is not, and shall not be construed as, a bank or securities account nor a share register

### **"AML/CTF Laws and Regulations"**

Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, the Criminal Justice (Terrorist Offences) Act 2005 and all the implementing measures and regulations made thereunder (as may be amended or supplemented from time to time)

### **"Business Day(s)"**

Any day on which banks in Ireland are open for normal banking and foreign exchange business, unless such bank business day in Ireland is a day on which the Global Distributor is not open for business due to the occurrence of substitution holidays following 25 or 26 December and/or 1 January in each year

With effect from 1 April 2011 or such earlier or later date as may be determined by the Directors and notified to Shareholders, Good Friday and 24 December of each year will not be Business Days

### **"Central Bank"**

The Central Bank of Ireland

### **"Connected Person"**

- (a) Any person or company beneficially owning, directly or indirectly, 20% or more of the shares of the Manager or able to exercise directly or indirectly, 20% or more of the total votes in the Manager; or
- (b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or
- (c) any member of the group for which that company forms part, or
- (d) any director or officer of that company or of any of its Connected Persons as defined in (a), (b) or (c).

### **"Dealing Cut-off Point"**

10.00 am, Irish time, on each Business Day except for deals placed through the Hong Kong Sub-Distributor and Representative for which the Dealing Cut-off Point is 5.00 pm, Hong Kong time, on each Business Day

With effect from 25 July 2011 or such earlier or later date as may be determined by the Directors and notified to Shareholders, the Dealing Cut-off Point shall be 12.00 pm, Irish time, except for deals placed through the Hong Kong Sub-Distributor and Representative for which the Dealing Cut-off Point shall mean 5.00 pm, Hong Kong time, on each Business Day. For the avoidance of doubt, investors in Hong Kong may determine to place any deal through the Hong Kong Sub-Distributor and Representative or through the Global Distributor

### **"Derivative Contracts"**

means futures contracts (including currency futures, stock index futures, interest rate futures) and options (including put options, call options, index options and options on interest rates) and/or any other contracts or instruments which the Manager determines from time to time

### **"Directors"**

Directors of the Manager

### **"Distribution Date"**

The date(s) for each Fund on which or before which distributions are normally made, as set out in Appendix A

### **"EU"**

European Union

### **"EUR"**

Euro

### **"Exempt Irish Investor"**

Has the meaning set forth under "Exempt Irish Investor" in the "Taxation" Section of this Prospectus

### **"Fund Appendices"**

Appendix A, Appendix B and Appendix C, containing information on the Funds within the Series

### **"Fund(s)"**

The Fund(s) listed in Appendix A

### **"Fund Identifier"**

The SEDOL, ISIN, CUSIP or equivalent code or identifier for a Fund, which will be located in the Fund's fact sheet and may be located in other relevant Fund marketing documentation

### **"German Sub-Distributor"**

Invesco Asset Management Deutschland GmbH\*

### **"Global Distributor"**

Invesco Global Asset Management Limited

### **"Hong Kong Sub-Distributor and Representative"**

Invesco Asset Management Asia Limited, registered in Hong Kong

### **"Income"**

In relation to the assets of the Funds, all interest, dividends, and other receipts (including taxation repayments) derived therefrom and considered by the Manager after consulting the Auditors to be in the nature of income and attributable thereto for the relevant period

### **"Invesco Group"**

Means Invesco Limited, as described on page 29 hereof, together with its wholly owned subsidiaries and related bodies corporate

### **"Invesco Hong Kong Limited"**

Invesco Hong Kong Limited, registered in Hong Kong

### **"Invesco Global Product Range"**

Those UCITS funds domiciled in Ireland or Luxembourg, promoted by the Invesco Group and branded as an Invesco fund

\* For professional clients only

## Definitions

### Continued

<b>“Investment Adviser”</b> Such person as set out in the Fund Appendices and specified as being Investment Adviser for the relevant Fund	With effect from 25 July 2011 or such earlier or later date as may be determined by the Directors and notified to Shareholders, the Settlement Date in the case of subscriptions shall be the third Business Day after the date of acceptance of the application
<b>“Investment and Operational Guidelines”</b> The guidelines made by the Manager with the approval of the Trustee in relation to the constitution of a Fund	In the case of redemptions, the Settlement Date shall be the fourth Business Day after receipt by the Global Distributor of complete redemption documentation
<b>“Irish Resident”</b> Has the meaning set forth under “Irish Resident” in the “Taxation” Section of this Prospectus	With effect from 25 July 2011 or such earlier or later date as may be determined by the Directors and notified to Shareholders, the Settlement Date in the case of redemptions shall be the third Business Day after receipt by the Global Distributor of complete redemption documentation
<b>“Irish Stock Exchange”</b> The Irish Stock Exchange Limited	
<b>“Manager”</b> Invesco Global Asset Management Limited, registered in Ireland	<b>“SFC”</b> The Securities and Futures Commission in Hong Kong
<b>“Material Contracts”</b> Those contracts referred to on page 30	<b>“Shareholder”</b> A registered holder of a Share
<b>“Minimum Shareholding”</b> Such amount as set out in Appendix A as being the Minimum Shareholding or such other amount as the Manager at its absolute discretion may determine. In addition, the Manager may, at its absolute discretion, (i) waive the Minimum Shareholding as set out in the Prospectus or (ii) compulsorily redeem any shareholding with a value below the amount set out in Appendix A or such other amount as the Manager at its absolute discretion may determine	<b>“Shares”</b> Units in the Funds or any of them
<b>“Minimum Initial Subscription Amount”</b> Such amount as set out in Appendix A and specified as being the Minimum Initial Subscription Amount for specified classes of Shares in the relevant Fund or such other amount as the Manager at its absolute discretion may determine. In addition, the Manager may, at its absolute discretion, waive the Minimum Initial Subscription Amount	<b>“Sub-Administrator”</b> BNY Mellon Fund Services (Ireland) Limited
<b>“Ordinarily Resident in Ireland”</b> Has the meaning set forth under “Ordinarily Resident in Ireland” in the “Taxation” Section of this Prospectus	<b>“Sub-Distributor”</b> Invesco Asset Management S.A., Invesco Asset Management Deutschland GmbH*, and Invesco Asset Management Asia Limited, in which case it shall mean “Hong Kong Sub-Distributor and Representative”
<b>“Recognised Markets”</b> The markets listed in the Schedule of this Prospectus (as amended or supplemented by the Manager or Trustee from time to time)	<b>“Taxes Act”</b> Taxes Consolidation Act, 1997 (as amended) of Ireland
<b>“Reports”</b> Audited annual report and accounts and unaudited semi-annual report and accounts	<b>“Trust Deed”</b> The trust deed for the Series referred to under “Description of the Funds and Shares”
<b>“Schedule”</b> The Schedule in this Prospectus and which forms a part hereof	<b>“Trustee”</b> BNY Mellon Trust Company (Ireland) Limited
<b>“Series”</b> Invesco Funds Series described in this Prospectus	<b>“UCITS”</b> Undertaking for Collective Investment in Transferable Securities
<b>“Settlement Date”</b> In the case of subscriptions, the Settlement Date shall be the fourth Business Day after the date of acceptance of the application	<b>“UCITS Regulations”</b> The European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) of Ireland
	<b>“US”</b> United States of America, its territories and possessions
	<b>“US Person”</b> A person who satisfies the requirements set out on page 31
	<b>“Valuation Point”</b> 10.00 am, Irish time, on any Business Day or such other time or times as the Manager may determine

\* For professional clients only

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## Definitions

### Continued

With effect from 25 July 2011 or such earlier or later date as may be determined by the Directors and notified to Shareholders, the Valuation Point shall be 12.00 pm, Irish time

**“VAT”**

Value Added Tax, a tax levied in Ireland on the supply of goods or services at varying rates

**“\$”**

US Dollar

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## **Invesco Funds Series**

### Prospectus - Appendix A

**26 November 2010**

#### **Table of Fund Details**

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This document is an Appendix to the Invesco Funds Series Prospectus dated 26 November 2010 and should be read in conjunction with it and with Appendices B and C thereto. If you do not have a copy of the Prospectus, please contact your local Invesco office and we will send you a Prospectus immediately.

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## Types of Shares:

### **"A" Shares**

"A" Shares are available to all investors. "A" Shares will be denominated in the base currency of the respective Funds.

Minimum Initial Subscription Amount  
USD 1,500.

Minimum Shareholding  
No Minimum Shareholding.

### **"A (Accum)" Shares**

In addition to "A" Shares, for certain Funds specified in the table below, the Manager will issue "A (Accum)" Shares denominated in the base currency of the relevant Fund with effect from 8 December 2010, or such other date as the Directors may determine in their absolute discretion.

The "A (Accum)" Shares are accumulation Shares, i.e. no distributions are made in respect of those Shares and any income attributable to this class of Shares will be reflected in the net asset value per Share. This is the only difference between these Shares and the existing "A" Shares for the Funds and all other references in the Prospectus and in the Appendices thereto to "A" Shares shall apply equally to "A (Accum)" Shares.

Minimum Initial Subscription Amount  
USD 1,500.

Minimum Shareholding  
No Minimum Shareholding.

### **"A (Accum-EUR)" Shares**

"A (Accum-EUR)" Shares will be denominated in Euro. The "A (Accum-EUR)" Shares are accumulation Shares, i.e. no distributions are made in respect of those Shares and any income attributable to this class of Shares will be reflected in the net asset value per Share.

The Manager will issue "A (Accum-EUR)" Shares denominated in Euro with effect from 8 December 2010 or such other date as the Directors may determine in their absolute discretion.

Minimum Initial Subscription Amount  
USD 1,500.

Minimum Shareholding  
No Minimum Shareholding.

### **"A (Accum-JPY)" Shares**

"A (Accum-JPY)" Shares will be denominated in Japanese Yen. The "A (Accum-JPY)" Shares are accumulation Shares, i.e. no distributions are made in respect of those Shares and any income attributable to this class of Shares will be reflected in the net asset value per Share.

The Manager will issue "A (Accum-JPY)" Shares denominated in Japanese Yen with effect from 8 December 2010 or such other date as the Directors may determine in their absolute discretion.

Minimum Initial Subscription Amount  
USD 1,500.

Minimum Shareholding  
No Minimum Shareholding.

### **"A (EUR Hgd)" Shares**

In addition to "A" Shares denominated in the base currency of the relevant Fund, for certain Funds specified in the table below, the Manager has issued "A" Shares denominated in Euro. The Manager intends to hedge the exposure of those Share classes to the base currency of the Fund. For dealing purposes, the Shares are denominated as "A (EUR Hgd)" Shares. Further information about this Share class is set out below in the section headed "Hedged Share Classes".

Minimum Initial Subscription Amount  
EUR 1,500.

Minimum Shareholding  
No Minimum Shareholding.

### **"A (STG)" Shares**

In addition to "A" Shares denominated in the base currency of the relevant Fund, for certain Funds specified in the table below the Manager will issue "A" Shares denominated in Sterling. The Manager does not intend to hedge the exposure of those Share classes to the base currency of the Fund. For dealing purposes, the Shares are denominated as "A (STG)" Shares.

Minimum Initial Subscription Amount  
USD 1,500.

Minimum Shareholding  
No Minimum Shareholding.

### **"C" Shares**

"C" Shares will be available to all investors. "C" Shares will incur a lower annual management charge than "A" Shares. "C" Shares will be denominated in the base currency of the respective Funds.

Minimum Initial Subscription Amount  
USD 250,000.

Minimum Shareholding  
USD 50,000.

### **"C (Accum-JPY)" Shares**

"C (Accum-JPY)" Shares will be denominated in Japanese Yen. The "C (Accum-JPY)" Shares are accumulation Shares, i.e. no distributions are made in respect of those Shares and any income attributable to this class of Shares will be reflected in the net asset value per Share.

The Manager will issue "C (Accum-JPY)" Shares denominated in Japanese Yen with effect from 8 December 2010 or such other date as the Directors may determine in their absolute discretion.

Minimum Initial Subscription Amount  
USD 250,000.

Minimum Shareholding  
USD 50,000.

### **"C (EUR Hgd)" Shares**

In addition to "C" Shares denominated in the base currency of the relevant Fund, for certain Funds specified in the table below, the Manager has issued "C" Shares denominated in

Euro. The Manager intends to hedge the exposure of those Share classes to the base currency of the Fund. For dealing purposes, the Shares are denominated as "C (EUR Hgd)" Shares. Further information about this Share class is set out below in the section headed "Hedged Share Classes".

Minimum Initial Subscription Amount  
EUR 250,000.

Minimum Shareholding  
EUR 50,000.

#### **"E" Shares**

"E" Shares are available for subscription in certain jurisdictions. "E" Shares will be denominated in Euro and incur a higher annual management charge as well as a lower initial charge than "A" Shares.

Minimum Initial Subscription Amount  
EUR 500.

Minimum Shareholding  
No Minimum Shareholding.

#### **"I" Shares**

"I" Shares will be denominated in Euro and will not bear management charges. "I" Shares will be available only to investors who, at the time that the relevant subscription application is received, have entered into individual agreements with Invesco Ltd or any of its subsidiaries or affiliates. Under the terms of such agreements, investors may agree to pay fees directly to Invesco Ltd or the relevant subsidiary or affiliate.

Minimum Incremental Subscription Amount  
EUR 500,000.

Minimum Initial Subscription Amount  
EUR 5,000,000.

Minimum Shareholding  
EUR 5,000,000.

In each case above, the reference to the Minimum Initial Subscription Amount or the Minimum Shareholding will include an equivalent amount in any of the currencies listed in the Standard Instruction Document).

#### **Hedged Share Classes**

The Manager, at its absolute discretion, has the power to issue currency hedged classes of Shares. For such classes of Shares, the Manager may: (i) hedge the currency exposure of classes of Shares denominated in a currency other than the base currency of the relevant Fund against the base currency, in order to attempt to mitigate the effect of fluctuations in the exchange rate between the Share class currency and the base currency; or (ii) hedge the currency exposure of classes of Shares against the currency or currencies in which the assets of the relevant Fund are denominated.

As this type of foreign exchange hedging may be utilised for the benefit of a particular class of Shares, its cost and resultant profit or loss on the hedged transaction shall be for the account of that class of Shares only. Investors should note that the only additional costs associated with this form of hedging are the transaction costs relating to the instruments and contracts used to implement the hedge. The

costs and the resultant profit or loss on the hedged transaction will be applied to the relevant class of Shares after deduction of all other fees and expenses, which will be calculated and deducted from the unhedged value of the relevant class of Shares. Accordingly, such costs and the resultant profit and loss will be reflected in the net asset value per Share for Shares of any such class.

The Manager may implement the foreign exchange hedge by using any of the techniques and instruments permitted in accordance with the "Investment Restrictions" section of the Prospectus. Currently, the Manager intends to implement the foreign exchange hedge by using forward foreign exchange contracts. Investors should note that while it is not the intention, over-hedged or under-hedged positions may arise due to factors outside the control of the Manager. The currency amount hedged may be up to but may not exceed 105% of the net asset value of the relevant class of Shares. The Manager will monitor hedged positions to ensure that they do not exceed the permitted level. Positions materially in excess of 100% of the net asset value of the class will not be carried forward from month to month. The costs and gains/losses of the hedging transactions will accrue solely to the relevant Share Class.

Investors in the relevant class of shares should note that there is no guarantee that the exposure of the currency in which the Shares are denominated can be fully hedged at all times against the base currency of the relevant Fund or the currency or currencies in which the assets of the relevant Fund are denominated. Investors should also note that the successful implementation of the strategy may substantially reduce the benefit to Shareholders in the relevant class of Shares of decreases in the value of the Share class currency against the base currency of the relevant Fund or the currency or currencies in which the assets of the Fund are denominated. In addition, investors should note that, in the event that they request payment of redemption proceeds in a currency other than the currency in which the Shares are denominated, the exposure of that currency to the currency in which the Shares are denominated will not be hedged.

At present, the Funds specified in the table below offer, in addition to "A" Shares and "C" Shares denominated in the base currency of the Fund, "A" Shares and "C" Shares denominated in Euro. The Manager intends to hedge the exposure of the "A (EUR Hgd)" and "C (EUR Hgd)" Share classes against the base currency of the relevant Fund. The "A (EUR Hgd)" Shares and "C (EUR Hgd)" Shares are accumulation Shares, ie no distributions are made in respect of those Shares and any income attributable to these classes of Shares will be reflected in the Net Asset Value per Share.

#### **Share Class Denomination**

The currency of denomination, currency hedging and accumulation features described above are the only differences between these classes of Shares and the existing "A" Shares and "C" Shares in these Funds. Accordingly, all other references in the Prospectus and the Appendices thereto to "A" Shares apply equally to "A (Accum)", "A (Accum-EUR)" Shares, "A (EUR Hgd)" Shares, "A (STG)" Shares and "A (Accum-JPY)" Shares. All other references in the prospectus and the Appendices thereto to "C" Shares apply to "C (Accum-JPY)" Shares and "C (EUR Hgd)" Shares.

## Table of Fund Information

Fund	Inception Date	Base Currency	Mgt Fee A Shares	Mgt Fee A (Accum) Shares*	Mgt Fee A (EUR Hgd) Shares	Mgt Fee A (Accum-JPY) Shares*	Mgt Fee A (STG) Shares
Invesco US Equity Fund <sup>1</sup>	12.04.2001	US\$	1.50%	-	-	-	-
Invesco Asian Equity Fund	12.04.2001	US\$	1.50%	-	-	-	-
Invesco Continental European Equity Fund	12.04.2001	EURO	1.50%	-	-	-	-
Invesco Global Select Equity Fund <sup>2</sup>	12.04.2001	US\$	1.50%	-	-	-	-
Invesco Japanese Equity Core Fund	12.04.2001	US\$	1.50%	1.50%	-	1.50%	-
Invesco UK Equity Fund	12.04.2001	GBP	1.50%	-	-	-	-
Invesco Global Real Estate Securities Fund	11.08.2005	US\$	1.30%	-	1.30%	-	1.30%

<sup>1</sup> This Fund is closed to further subscriptions, redemptions, switches and transfers by investors and Invesco Global Asset Management Limited has applied

<sup>2</sup> This Fund is not authorised by the SFC and is therefore not available for sale to the public in Hong Kong.

\* The A (Accum) Shares, A (Accum-EUR) Shares, A (Accum-JPY) Shares and C (Accum-JPY) Shares will be launched on or about 8 December 2010 or

### Summary of Share Class Features

	Currency of Denomination	Share Class Hedging	Distribution Policy
A	Base Currency	No	Distributing
A (Accum)	Base Currency	No	Accumulation
A (Accum-EUR)	Euro	No	Accumulation
A (Accum-JPY)	Japanese Yen	No	Accumulation
A (EUR Hgd)	Euro	Yes	Accumulation
A (STG)	Sterling	No	Distributing
C	Base Currency	No	Distributing or Accumulation*
C (Accum-JPY)	Japanese Yen	No	Accumulation
C (EUR Hgd)	Euro	Yes	Accumulation
E	Euro	No	Accumulation
I	Euro	No	Accumulation

\* The "C" Shares issued in all Funds are currently Distributing Shares except for the "C" Shares issued in the Invesco Global Real Estate Securities Fund, which are Accumulation Shares.

The addition of further new Share classes will be notified in advance to the Central Bank. Further Share classes may be established which may be subject to higher or lower fees than existing Share classes or which may not be subject to fees.

### Conversions

Switches are only possible within the same Class of Shares of another Fund.

The Directors, at their absolute discretion, have the power to convert a Shareholder's "I" Shares into "C" Shares or "A" Shares or a Shareholder's "C" Shares into "A" Shares if, as a result of redemptions, the value of the Shareholder's investment falls below the Minimum Shareholding for "I" Shares or "C" Shares respectively. Furthermore, a Shareholder's "I" Shares will automatically convert into "C" Shares if the individual agreement between the holder of "I" Shares and Invesco Ltd or any of its subsidiaries or affiliates (as relevant) is terminated. Shareholders may elect to convert their "A" Shares into "C" Shares or "C" Shares into "I" Shares if, as a result of further subscriptions, the Shareholder's investment rises above such investment limit and provided the Shareholder meets all other requirements for holding shares of the relevant class. "A" Shares of one Fund may only be switched into "A" Shares of another fund in the Invesco Global Product Range, and similar restrictions apply in the case of the other classes of Shares.

Mgt Fee A (Accum-EUR) Shares*	Mgt Fee C (Accum-JPY) Shares*	Mgt Fee C Shares	Mgt Fee C (EUR Hqd) Shares	Mgt Fee E Shares	Admin Fee A/E Shares (Max)	Admin Fee C Shares (Max)	Admin Fee I Shares (Max)	Notice for Redemptions	Annual A/C Date	Distribution Date
-	-	1.00%	-	2.25%	0.40%	0.30%	-	Nil	31-Jan	21 Feb
-	-	1.00%	-	2.25%	0.40%	0.30%	0.20%	Nil	31-Jan	21 Feb
-	-	1.00%	-	2.25%	0.40%	0.30%	0.20%	Nil	31-Jan	21 Feb
-	-	1.00%	-	2.25%	0.40%	0.30%	-	Nil	31-Jan	21 Feb
1.50%	1.00%	1.00%	-	2.25%	0.40%	0.30%	-	Nil	31-Jan	21 Feb
-	-	1.00%	-	2.25%	0.40%	0.30%	0.20%	Nil	31-Jan	21 Feb
-	-	0.80%	0.80%	2.25%	0.40%	0.30%	0.20%	Nil	31-Jan	21 Feb

*to the Central Bank for revocation of its authorisation. This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.*

*such date as the Manager may determine in its absolute discretion.*

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## Charges to Investors

The Global Distributor may, at its discretion, make an initial charge upon the issue of Shares in any Fund to investors which, until otherwise notified, will not exceed a percentage of the net asset value of the Shares (as specified hereafter) out of which the Global Distributor will pay the fees of the Sub-Distributors.

Except for certain Funds where no switching charge will apply, switching is normally subject to a payment of a charge not exceeding 1% of the value of the Shares being switched. In the case of investors who initially invested in a Fund (where no initial charge is payable) and subsequently switch into a Fund where an initial charge is payable such switch will be subject to the initial charge then applicable to the Fund into which the initial investment is switched and is payable to the Global Distributor.

The Global Distributor or the Sub-Distributors may re-allow or pay all or part of the initial charge to recognised intermediaries or such other persons as the Global Distributor or the Sub-Distributor may determine, at its discretion.

There are no redemption charges payable by investors.

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## For each of the funds listed, the following applies:

### Shares:

- A, C & E Shares are offered by all Funds. I Shares are offered in Invesco Asian Equity Fund, Invesco Continental European Equity Fund, Invesco UK Equity Fund and Invesco Global Real Estate Securities Fund
- A (Accum), A (Accum-EUR), A (Accum-JPY), A (EUR Hgd), C (Accum-JPY), C (EUR Hgd) & A (STG) Shares are offered in respect of those Funds for which fee information is included herein
- Minimum Initial Subscription Amount for A Shares is USD1,500 (or equivalent amount in any of the currencies listed in the Standard Instruction Document)
- Minimum Initial Subscription Amount for A (Accum) Shares is USD1,500 (or equivalent amount in any of the currencies listed in the Standard Instruction Document)
- Minimum Initial Subscription Amount for A (Accum-EUR) Shares is USD1,500 (or equivalent amount in any of the currencies listed in the Standard Instruction Document)
- Minimum Initial Subscription Amount for A (Accum-JPY) Shares is USD1,500 (or equivalent amount in any of the currencies listed in the Standard Instruction Document)
- Minimum Initial Subscription Amount for A (EUR Hgd) Shares is EUR1,500 (or equivalent amount in any of the currencies listed in the Standard Instruction Document)
- Minimum Subscription Amount for A (STG) Shares is USD1,500 (or equivalent amount in any of the currencies listed in the Standard Instruction Document)

- Minimum Initial Subscription Amount for C Shares is USD250,000 (or equivalent amount in any of the currencies listed in the Standard Instruction Document), which may be waived at the discretion of the Manager
- Minimum Initial Subscription Amount for C (EUR Hgd) Shares is EUR250,000 (or equivalent amount in any of the currencies listed in the Standard Instruction Document) which may be waived at the discretion of the Manager
- Minimum Initial Subscription Amount for C (Accum-JPY) Shares is USD250,000 (or equivalent amount in any of the currencies listed in the Standard Instruction Document)
- Minimum Initial Subscription Amount for E Shares is EUR500 (or equivalent amount in any of the currencies listed in the Standard Instruction Document)
- Minimum Initial Subscription Amount for I Shares is EUR5,000,000 (or equivalent amount in any of the currencies listed in the Standard Instruction Document) which may be waived at the discretion of the Manager. The minimum incremental subscription amount is EUR500,000 (or equivalent amount in any of the currencies listed in the Standard Instruction Document)
- There is no Minimum Shareholding for A Shares, A (Accum) Shares, A (Accum-EUR) Shares, A (Accum-JPY) Shares, A (EUR-Hgd) Shares, A (STG) or E Shares
- Minimum Shareholding for C Shares is USD50,000 (or equivalent amount in any of the currencies listed in the Standard Instruction Document)
- Minimum Shareholding for C (Accum-JPY) Shares is USD 50,000 (or equivalent amount in any of the currencies listed in the Standard Instruction Document)
- Minimum Shareholding for C (EUR-Hgd) Shares is EUR50,000 (or equivalent amount in any of the currencies listed in the Standard Instruction Document)
- Minimum Shareholding for I Shares is EUR5,000,000 (or equivalent amount in any of the currencies listed in the Standard Instruction Document)
- Not all share classes may be available for sale in your jurisdiction. Please contact the Manager or your local representative in this regard

### Charges:

- Initial Charge (A, A (Accum), A (Accum-EUR), A (Accum-JPY), C (Accum-JPY), A (EUR-Hgd), A (STG), C, C (EUR-Hgd) & I Shares) - not exceeding 5.25% of net asset value of the Shares
- Initial Charge (E Shares) - not exceeding 3.0928% of net asset value of the Shares
- Switching Charge - up to 1% based on the value of the Shares being switched (but see "Charges to Investors" above)

- The Trustee will be paid a fee calculated on a monthly basis at a rate of up to a maximum of 0.0075% per annum of the net asset value of each Fund on the last Business Day of each calendar month
- In addition the Trustee will charge safekeeping and servicing fees at varying rates, depending on the country in which the assets of a Fund are held and currently ranging from 0.001% to 0.45% of the net asset value of the assets invested in such country, plus VAT (if any), together with charges at normal commercial rates in respect of investment transactions, as agreed with the Manager from time to time. Sub-custodian fees are paid out of these safekeeping and servicing fees

**Prices:**

- Share Prices are available on Invesco's internet site [www.invesco.com](http://www.invesco.com) (for Shareholders in Hong Kong, please refer to [www.invesco.com.hk](http://www.invesco.com.hk)) and if required by local law or regulation, published in local leading financial newspapers including, in the case of Hong Kong, the Hong Kong Economic Times, the South China Morning Post and the Hong Kong Economic Journal

**Distribution Dates**

- If the Distribution Date falls on a non-Business Day, it will be carried over to the next available Business Day





## **Invesco Funds Series**

### Prospectus - Appendix B

26 November 2010

**Invesco US Equity Fund#**

**Invesco Asian Equity Fund**

**Invesco Continental European Equity Fund**

**Invesco Global Select Equity Fund\***

**Invesco Japanese Equity Core Fund**

**Invesco UK Equity Fund**

**Invesco Global Real Estate Securities Fund**

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This document is an Appendix to the Invesco Funds Series Prospectus dated 26 November 2010 and should be read in conjunction with it and with Appendices A and C. If you do not have a copy of the Prospectus, please contact your local Invesco office and we will send you a Prospectus immediately.

\* **This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.**

# **This Fund is closed to further subscriptions from investors and the Manager has applied to the Central Bank for revocation of its approval. This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.**

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## Funds

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### **INVESCO US EQUITY FUND**

**The Invesco US Equity Fund is closed to subscriptions from investors and the Manager has applied to the Central Bank for revocation of its approval.**

#### ***Investment Objective & Policies***

This fund is invested to achieve capital growth in North America. It will invest mainly in shares of companies organised under the laws of any state of the U.S. and, to a lesser extent, Canada, although it may include shares of companies organised elsewhere which derive revenues from or have substantial interests in North America as the Manager considers appropriate. The Fund will invest in securities listed or traded on Recognised Markets.

#### ***Authorisation Details***

Approved by the Central Bank as a UCITS sub-fund on 12 April 2001 and authorised for public marketing in Austria, Jersey, Guernsey, Cyprus, France, Germany, Ireland, Italy, Luxembourg, Spain and the United Kingdom.

This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.

#### ***Investment Adviser***

Invesco Advisers, Inc.  
1166 Avenue of the Americas  
New York  
NY 10036  
United States of America

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### **INVESCO ASIAN EQUITY FUND**

#### ***Investment Objective & Policies***

The objective of this Fund is to achieve long-term capital growth by investing in securities of Asian companies. It will invest mainly in shares of companies quoted on Asia's smaller stock markets. At least 70% of the total assets of the Fund (after deducting ancillary liquid assets) shall be invested in equity securities issued by (i) companies having their registered office in an Asian country, (ii) companies established outside of Asia carrying out their business activities principally in Asia or (iii) holding companies, the interests of which are principally invested in subsidiary companies with a registered office in Asian countries. Up to 30% of the total assets of the Fund (after deducting ancillary liquid assets) may be invested in debt securities issued by the above companies or in equity or debt securities issued by companies established in any country carrying out business in the Asian region without meeting the above requirements. The Fund will invest in securities listed or traded on Recognised Markets. For the purposes of this investment policy references to "Asia" or "Asian" shall not include Japan, Australia and New Zealand.

#### ***Special Investment Considerations***

The trading volume on some of the markets through which Funds may invest may be substantially less than in the world's leading stock markets; accordingly the accumulation and disposal of holdings in some investments may be time-consuming and may need to be conducted at unfavourable prices. Liquidity may also be less and volatility of prices higher than in the leading markets as a result of a high degree of concentration of market capitalisation and trading volumes in a small number of companies. Many emerging markets are undergoing a period of rapid growth and are less regulated than many of the world's leading stock markets and there may be less publicly available information

about companies listed on such markets than is regularly published by or about companies listed on other stock markets. In addition, market practices in relation to settlement of securities transactions and custody of assets in emerging markets can provide increased risk to the Funds.

As this Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Trustee will have no liability. In such circumstances, the Trustee is under an obligation to exercise care and diligence in the selection of a sub-custodian so as to ensure that the sub-custodian has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned. In such circumstances, the Trustee must maintain an appropriate level of supervision and make appropriate enquiries from time to time in order to confirm that the obligations of the agent continue to be competently discharged.

#### ***Authorisation Details***

Approved by the Central Bank as a UCITS sub-fund on 12 April 2001 and authorised for public marketing in Austria, Belgium, Jersey, Guernsey, Cyprus, France, Finland, Germany, Greece, Hong Kong, Ireland, Italy, Luxembourg, Macau, Malta, the Netherlands, Spain, Switzerland and the United Kingdom.

Restricted foreign scheme in Singapore (for certain high net worth investors only).

Authorised in Chile (for investment by Chilean pension funds only).

#### ***Investment Adviser***

Invesco Asset Management Limited  
Registered Office  
30 Finsbury Square  
London EC2A 1AG  
United Kingdom

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### **INVESCO CONTINENTAL EUROPEAN EQUITY FUND**

#### ***Investment Objective & Policies***

The objective of this Fund is to achieve capital growth by investing in securities of Continental European companies. At least 70% of the total assets of the Fund (after deducting ancillary liquid assets) shall be invested in equity securities issued by (i) companies having their registered office in a Continental European country, (ii) companies with registered office outside Continental Europe carrying out their business activities principally in Continental Europe, or (iii) holding companies, the interests of which are principally invested in subsidiary companies with a registered office in Continental European countries. Up to 30% of the total assets of the Fund (after deducting ancillary liquid assets) may be invested in debt securities (including convertible debt) issued by the above companies or in equity or debt securities of companies carrying out business in Continental Europe without meeting the above requirements. The Fund will invest in securities listed or traded on Recognised Markets.

#### ***Special Investment Considerations***

The trading volume on some of the markets through which Funds may invest may be substantially less than in the world's leading stock markets; accordingly the accumulation and disposal of holdings in some investments may be time-

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## Funds

### Continued

consuming and may need to be conducted at unfavourable prices. Liquidity may also be less and volatility of prices higher than in the leading markets as a result of a high degree of concentration of market capitalisation and trading volumes in a small number of companies. Many emerging markets are undergoing a period of rapid growth and are less regulated than many of the world's leading stockmarkets and there may be less publicly available information about companies listed on such markets than is regularly published by or about companies listed on other stockmarkets. In addition, market practices in relation to settlement of securities transactions and custody of assets in emerging markets can provide increased risk to the Funds.

As this Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Trustee will have no liability. In such circumstances, the Trustee is under an obligation to exercise care and diligence in the selection of a sub-custodian so as to ensure that the sub-custodian has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned. In such circumstances, the Trustee must maintain an appropriate level of supervision and make appropriate enquiries from time to time in order to confirm that the obligations of the agent continue to be competently discharged.

#### **Authorisation Details**

Approved by the Central Bank as a UCITS sub-fund on 12 April 2001 and authorised for public marketing in Austria, Belgium, Jersey, Guernsey, Cyprus, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Macau, the Netherlands, Spain, Switzerland, Taiwan and the United Kingdom.

Restricted foreign scheme in Singapore (for certain high net worth investors only).

#### **Investment Adviser**

Invesco Asset Management Limited  
Registered Office  
30 Finsbury Square  
London EC2A 1AG  
United Kingdom

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#### **INVESCO GLOBAL SELECT EQUITY FUND\***

##### **Investment Objective & Policies**

This fund is invested to achieve capital growth in international securities. It is invested mainly in shares of companies quoted on the world's stock markets, although it may include other investments that the Manager considers appropriate.

##### **Special Investment Considerations**

The trading volume on some of the markets through which Funds may invest may be substantially less than in the world's leading stock markets; accordingly the accumulation and disposal of holdings in some investments may be time-consuming and may need to be conducted at unfavourable prices. Liquidity may also be less and volatility of prices higher than in the leading markets as a result of a high degree of concentration of market capitalisation and trading

volumes in a small number of companies. Many emerging markets are undergoing a period of rapid growth and are less regulated than many of the world's leading stock markets and there may be less publicly available information about companies listed on such markets than is regularly published by or about companies listed on other stock markets. In addition, market practices in relation to settlement of securities transactions and custody of assets in emerging markets can provide increased risk to the Funds.

As this Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Trustee will have no liability. In such circumstances, the Trustee is under an obligation to exercise care and diligence in the selection of a sub-custodian so as to ensure that the sub-custodian has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned. In such circumstances, the Trustee must maintain an appropriate level of supervision and make appropriate enquiries from time to time in order to confirm that the obligations of the agent continue to be competently discharged.

#### **Authorisation Details**

Approved by the Central Bank as a UCITS sub-fund on 12 April 2001 and authorised for public marketing in Austria, Jersey, Guernsey, Cyprus, France, Germany, Ireland, Italy, Luxembourg, Spain and the United Kingdom.

Restricted foreign scheme in Singapore (for certain high net worth investors only).

#### **Investment Adviser**

Invesco Trimark Ltd.  
5140 Yonge Street  
Suite 900  
Toronto  
Ontario M2N 6X7  
Canada

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#### **INVESCO JAPANESE EQUITY CORE FUND**

##### **Investment Objective & Policies**

This fund is invested to achieve capital growth in Japan. It will invest mainly in shares of companies organised under the laws of Japan, although it may include shares of companies organised elsewhere which derive revenues from or have substantial interests in Japan as the Manager considers appropriate. The Fund will invest in securities listed or traded on recognised markets.

#### **Authorisation Details**

Approved by the Central Bank as a UCITS sub-fund on 12 April 2001 and authorised for public marketing in Austria, Jersey, Guernsey, Cyprus, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Macau, Spain, Taiwan and the United Kingdom.

Restricted foreign scheme in Singapore (for certain high net worth investors only).

Applications for registration to enable public marketing in Finland and Sweden are currently pending.

\* This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.

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## Funds

### Continued

#### **Investment Adviser**

Invesco Asset Management Limited  
Registered Office  
30 Finsbury Square  
London EC2A 1AG  
United Kingdom

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#### **INVESCO UK EQUITY FUND**

##### **Investment Objective & Policies**

The objective of this Fund is to achieve capital growth by investing in securities of UK companies. At least 70% of the total assets of the Fund (after deducting ancillary liquid assets) shall be invested in equity securities issued by (i) companies having their registered office in the UK, (ii) companies and other entities located outside the UK carrying out their business activities principally in the UK, or (iii) holding companies, the interests of which are principally invested in subsidiary companies with a registered office in the UK. Up to 30% of the total assets of the Fund (after deducting ancillary liquid assets) may be invested in equity or debt securities issued by companies carrying out business in the UK without meeting the above requirements. The Fund will invest in securities listed or traded on Recognised Markets.

##### **Authorisation Details**

Approved by the Central Bank as a UCITS sub-fund on 12 April 2001 and authorised for public marketing in Austria, Belgium, Jersey, Guernsey, Cyprus, France, Germany, Hong Kong, Ireland, Italy, Luxembourg, Macau, the Netherlands, Spain, Switzerland, Taiwan and the United Kingdom.

Restricted foreign scheme in Singapore (for certain high net worth investors only).

#### **Investment Adviser**

Invesco Asset Management Limited  
Registered Office  
30 Finsbury Square  
London EC2A 1AG  
United Kingdom

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#### **INVESCO GLOBAL REAL ESTATE SECURITIES FUND**

##### **Investment Objective & Policies**

The objective of the Fund is to achieve long-term capital appreciation and to provide investors with current income at a level which is consistent with the long-term objective of the Fund through investment in a diversified portfolio of global equity and debt securities issued by companies and other entities which derive their revenues from activities related to real estate. The Fund will invest on a global basis and it is intended that most of the Fund's investments will be in North America, Europe and Asia. The Fund will invest at least 70% of its total assets (after deducting ancillary liquid assets) in:

- (a) equity securities, including common and preferred shares, issued by real estate entities which are listed or traded on Recognised Markets and equity securities issued by U.S. real estate investment trusts ("REITs") listed or traded on Recognised Markets. For the purpose of this paragraph, "real estate entities" are companies or other entities which derive the predominant portion of their revenues from activities related to real estate. The REITs that the Fund will invest in are publicly traded

companies or trusts investing in real estate, primarily in commercial real estate in the U.S.

- (b) fixed and/or floating rate debt securities issued by companies and other entities which are listed or traded on Recognised Markets and rated BBB or higher by Moody's Investor Services, Standard & Poor's or another recognised rating agency and which have an underlying exposure to mortgages or similar instruments or which are secured by mortgages or similar instruments;
- (c) exchange-traded funds (ETFs) which are domiciled in the U.S. and registered under the U.S. Investment Company Act of 1940 or which are authorised as undertakings for collective investment in transferable securities pursuant to the Council Directive of 20 December 1985 (85/611/EEC) on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as amended by Council Directive of 22 March 1988 (88/220/EEC), Directive No. (95/26/EC) of the Council and of the European Parliament of 29 June 1995 and Directive No. (2001/108/EC) of the Council and of the European Parliament of 21 January 2002 and which invest in securities described in subparagraph (a) above.

The Fund may invest up to 30% of its total assets (after deducting ancillary liquid assets) in:

- (a) debt or equity securities, which do not meet the requirements of sub-paragraphs (a) and (b) above, but are issued by companies and other entities which have a substantial exposure to the real estate market and which are listed or traded on Recognised Markets;
- (b) government securities listed or traded on Recognised Markets which are rated AAA or higher by Moody's Investor Services, Standard & Poor's or another recognised rating agency.
- (c) high yield securities listed or traded on Recognised Markets, i.e. non investment grade debt securities which generally comprise corporate debt securities otherwise known as "junk bonds". The Fund however will not invest more than 10% of its total net assets in such non investment grade debt securities.

The Fund may also hold up to 20% of its total net assets in liquid assets at any time.

##### **Additional Disclosure**

Investors should note that insofar as the Fund directly invests in REITs, any dividend policy or dividend payout at the Fund level may not be representative of the dividend policy or dividend payout of the underlying REIT. Hong Kong investors should also note that the relevant underlying REIT may not necessarily be authorised by the SFC in Hong Kong.

The Fund does not invest directly in real estate. It is authorised under the SFC's Code on Unit Trusts and Mutual Funds and not under the SFC's Code on Real Estate Investment Trusts. SFC authorisation does not imply official approval or recommendation.

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## Funds

### Continued

#### **Special Investment Considerations**

The ability to trade REITS in the secondary market can be more limited than other stocks. The liquidity of REITS on the major US stock exchanges is on average less than the typical stock included in the S&P 500 Index.

#### **Authorisation Details**

Approved by the Central Bank as a UCITS sub-fund on 11 August 2005 and authorised for public marketing in Austria, Belgium, Jersey, Guernsey, Cyprus, France, Finland, Germany, Greece, Hong Kong, Ireland, Italy, Luxembourg, Macau, The Netherlands, Spain, Switzerland, Taiwan and the United Kingdom.

Restricted foreign scheme in Singapore (for certain high net worth Investors only).

Applications for registration to enable public marketing in Sweden is currently pending.

#### **Investment Adviser**

Invesco Advisers, Inc.  
1166 Avenue of the Americas  
New York  
NY 10036  
United States of America

#### **General Information**

Information about the risks associated with investing in the Funds is set out in the Risk Warnings section of the Prospectus. Information about Fees and Expenses is set out in the Prospectus and Appendix A.

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## **Invesco Funds Series**

### Prospectus - Appendix C

**26 November 2010**

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This document is an Appendix to the Invesco Funds Series Prospectus dated 26 November 2010 and should be read in conjunction with it and with the Appendices A and B thereto. If you do not have a copy of the Prospectus, please contact your local Invesco office and we will send you a Prospectus immediately.



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## General

The Funds are currently authorised for public marketing in Austria, Belgium, Cyprus, France, Germany, Greece, Guernsey, Hong Kong, Ireland, Italy, Jersey, Luxembourg, Macau, Malta, the Netherlands, Singapore (for certain high net worth investors only), Spain, Switzerland, Taiwan and the United Kingdom save where otherwise stated in Appendix B, and the Manager intends to distribute the Funds in other jurisdictions. Details are set out in the Prospectus.

The following summaries of the anticipated tax treatment in various countries does not constitute legal or tax advice and applies only to persons holding Shares as an investment.

Prospective investors should consult their own professional advisers on the implications of making an investment in, holding or disposing of, Shares and the receipt of distributions (whether or not on redemption) with respect to such Shares under the laws of the countries in which they are liable to taxation.

This summary is based on the taxation law and practice in force at the date of this Appendix but prospective investors should be aware that the relevant fiscal rules and practice or their interpretation may change. The following tax summary is not a guarantee to any investor of the tax results of investing in the Fund.

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## Important Information for Investors in Austria

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### Austrian Distributor

Invesco Asset Management GesmbH  
Rotenturmstrasse 16-18  
1010 Vienna  
Austria  
Telephone: + 43 1 316 20 0  
Fax: + 43 1 316 20 20

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### Austrian Paying Agent

ALIZEE Bank AG  
Renngasse 6-8  
1010 Vienna  
Austria  
Telephone: + 43 1 20595 160  
Fax: + 43 1 20595 146

According to Section 36 Investment Fund Act (Investmentfonds-Gesetz) (the Austrian Investment Fund Act), the Manager has notified the Financial Market Authority (Finanzmarktaufsicht) of its intention to distribute Units of classes "A" and "C" as well, if issued, the classes "A-Euro Hedged" and "C-Euro Hedged" of all Funds in Austria and is authorised to do so from the end of the notification procedure.

ALIZEE Bank AG, Renngasse 6-8, 1010 Vienna, has been appointed as paying agent in Austria. Accordingly, in addition to the normal redemption and switching procedures Shareholders resident in Austria may alternatively redeem or switch their Shares through the Austrian Paying Agent.

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### Documents and Information:

Shareholders resident in Austria may obtain without charge copies (in German language) of the Trust Deed, the Investment and Operational guidelines, the full Prospectus, the Simplified Prospectuses and the latest audited annual report and accounts and, if published subsequently, the latest unaudited semi-annual report and accounts at the offices of the Austrian Distributor and the Austrian Paying Agent. Shareholders may inquire about the issue and redemption prices of all Share classes at the offices of the Austrian Distributor and the Austrian Paying Agent and may inspect at such offices copies of the agreements and other documents mentioned under the heading "Documentation available for inspection" of the Prospectus. The issue and redemption prices of the Share classes "A" and "C" as well, if issued, the classes "A-Euro Hedged" and "C-Euro Hedged", as well as other notices to Shareholders will be published, if required by Austrian law, in "Die Presse".

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### Taxation in Austria

PwC Price Waterhouse Coopers, Wirtschaftsprüfung und Steuerberatung GmbH, Erdbergstrasse 200, 1030 Vienna, has been appointed by the Company as the tax representative in Austria within the meaning of Section 40, Paragraph 2, Sub-paragraph 2 InvFG 1993 in connection with Section 42 InvFG 1993.

The following information is supposed to give a general overview of the principles of Austrian taxation on income derived from the funds of the Company for investors subject to unlimited tax liability in Austria. The information is based on the law as of 28 February 2010.

Particularities of individual cases are not considered. Hence, no concrete advice on the taxation of individual Share holders is hereby given. Therefore and because of the complexity of Austrian tax law, it is recommended that Share

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## Important Information for Investors in Austria Continued

holders seek advice from a tax advisor regarding the taxation of their respective holdings.

### **The fund**

The board of directors does not intend to become resident in Austria within the meaning of the Austrian Income Tax Act. Provided that the fund does not run its business in Austria through a permanent establishment or a permanent substitute the fund will in Austria only be subject to taxation in relation with specific income and other income according to Sect 98 Austrian Income Tax Act.

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### **General Information**

Investment funds are transparent according to Austrian tax law. This means that income from a fund is not taxed at fund level but at investor level.

According to Austrian tax law, interest, dividends and other income less expenses received by the fund ("Net Investment Income") as well as certain portions of the realised capital gains are considered taxable income, regardless if they are distributed to the investor or accumulated ("Deemed Distributed Income, DDI") by the fund<sup>1</sup>.

As the fund is considered as a reporting fund, the following taxation is applicable:

#### **Private Investor:**

For private investors, interest, dividends<sup>2</sup> and other income less expenses as well as 20% of the realised capital gains from the sale of equities and derivatives linked to equities are taxable at 25%. Realised capital gains from the sale of bonds and derivatives linked to bonds are tax-free for private investors. If foreign withholding tax was withheld on distributions to the fund, it can be credited against Austrian withholding tax ("KESt") to the extent of 15% of the Net Investment Income.

The Austrian depository bank of the investor must withhold 25% Austrian withholding tax on taxable parts of the distributions as well as on the DDI. This withholding tax constitutes final taxation for income tax purposes for private investors. Private investors are not required to include the income from the fund in their income tax return.

If the fund Shares are held on foreign deposit, all distributions and DDI must be included in the income tax return of the investor and are taxed at 25% special tax rate.

DDI is deemed to be received four months after the fund's year-end for private investors.

If the personal progressive income tax rate would result in a lower tax rate, this lower tax rate can be applied by way of filing an income tax return (Assessment upon Application). However, it should be noted that all income subject to final taxation and or to the 25% special tax rate have to be included in the tax return and will then be subject to the personal progressive income tax rate.

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<sup>1</sup> The fund reports net interest on a daily basis, taxable portions of distributions on a periodical basis as well as the deemed distributed income once a year to Oesterreichische Kontrollbank. Based on this information the deduction of Austrian withholding tax is made by the Austrian custodian bank of the investor.

<sup>2</sup> Income received by the fund from low tax countries should not be subject to 25% taxation. As these portions of the income are not subject to a comparable tax burden, they shall be subject to taxation according to the personal progressive tax rate. In that case the foreign tax can be credited against the Austrian tax liability. The Austrian Ministry of Finance is entitled to issue a list of low-tax countries or investments. The Austrian Ministry of Finance has not yet issued such a list.

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### **Taxation of Income from the Current Financial Year in Case of Purchase and Redemption**

Private investors investing in reporting funds will receive a withholding tax credit on the interest income received by the fund from the beginning of the fund's financial year until the date of purchase. This procedure ensures that the investor is not taxed for interest income received by the fund before the purchase.

Accordingly, in case of redemption, the investor will receive a withholding tax deduction on the interest income received by the fund from the beginning of the fund's financial year until the date of sale.

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### **Speculative Taxation**

If the investor sells funds Shares within one year since acquisition, the speculative gain is taxable at progressive income tax rate of the investor and must be included in the income tax return of the investor. Speculative gains can only be credited against speculative capital losses incurred in the same calendar year. Speculative losses cannot be carried forward into future years.

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### **Safeguard Tax**

For reporting funds, in comparison to non-reporting funds, no safeguard tax will be withheld at year-end by the custodian bank of the investor.

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### **Natural Persons Holding the Fund Shares as Business Property**

If fund Shares are held by natural persons as business property (sole proprietors or partnerships), the taxation as described above for private investors is generally applicable with the following exemptions:

While the Net Investment Income (interest, dividends, other income less expenses) of the fund is subject to 25% withholding tax with the effect of final taxation, the tax treatment of the realised capital gains is different:

All realised capital gains (regardless if they result from the sale of bonds or equities), are taxable at the progressive income tax rate and must be included in the income tax return of a natural person, who holds the fund Shares as business property. Any withholding tax withheld on realised capital gains can be credited against the income tax of the investor.

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### **Corporate Investors**

The Net Investment Income as well as all realised capital gains are subject to 25% Corporate Income Tax and must be included in the corporate income tax return of the corporation. To avoid double taxation in case of redemption, the DDI, which must be taxed on an annual basis can be capitalized. This procedure ensures that the taxable capital gain in case of redemption is reduced by the DDI which was already taxed in previous years.

Corporate investors can avoid the withholding tax deduction by way of providing the Austrian bank with a certificate of exemption. If no certificate of exemption is provided, the deducted withholding tax can be credited against the Corporate Income Tax.

The DDI is deemed to be received by corporate investors at the financial year-end of the fund.

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## Important Information for Investors in Austria

### Continued

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#### **Disclaimer**

Please note that the information on the tax consequences according to the above is based on the tax rules as of 31 December 2008. The correctness of this tax information can be affected by subsequent changes in the law or changes in the application of the law.

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## Important Information for Investors in Hong Kong

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#### **The Funds**

The Funds (except for Invesco Global Select Equity Fund) are authorised with the Securities and Futures Commission ("SFC") under Section 104(1) of the Hong Kong Securities and Futures Ordinance and hence are exempt from tax in Hong Kong on all investment income earned by them. In giving such authorisation the SFC does not take responsibility for the financial soundness of the Funds nor the correctness of any statement made or opinion expressed in this Prospectus.

SFC authorisation is not a recommendation or endorsement of the Funds nor does it guarantee the commercial merits of the Funds or their performance. It does not mean that the Funds are suitable for all investors, nor is it an endorsement of their suitability for any particular investor or class of investor.

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#### **Shareholders**

There is no tax in Hong Kong on capital gains from the sale or other disposal by an investor of Shares. However, in the case of certain investors (principally dealers in securities, financial institutions and insurance companies carrying on business in Hong Kong), such gains may be considered to be part of the investors' normal business profits and in such circumstances will be subject to Hong Kong profits tax.

There is also no tax in Hong Kong on distributions from the Fund where the investor does not carry on a trade, profession or business in Hong Kong. In the case of investors carrying on a trade, profession or business in Hong Kong, such distributions may still be non-taxable if they are not considered to be profits arising in or derived from Hong Kong.

There will be no stamp duty payable in Hong Kong on the issue of registered Shares in the Funds outside Hong Kong as well as on redemption or transfer of existing Shares since the Share registers of the Funds are maintained outside Hong Kong. There is no estate duty payable in Hong Kong.

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#### **Redemptions**

For so long as the Fund is authorised by the SFC in Hong Kong, redemption payments in relation to such SFC authorised Fund should in no circumstances be paid more than one calendar month after receipt of all documentation requested by and to the satisfaction of the Global Distributor.

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#### **Enquiries and Complaints**

All enquiries and complaints relating to the Funds and requests to view or obtain documents relating to the Funds should be addressed to the Hong Kong Sub-Distributor and Representative, Invesco Asset Management Asia Limited, at the address set out in the Prospectus. The Hong Kong Sub-Distributor and Representative can also be contacted by telephone at +852 31286000.

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## Important Information for Investors in Italy

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### General

The distribution and promotion of Shares of the Funds in Italy is carried out by various sub-distributors (collectively "the Italian Sub-Distributors") as non-exclusive agents. Accordingly, applications for the issue, switching and redemption of Shares can be effected through the Italian Sub-Distributors.

Investors in Italy may subscribe for the Shares under investment plan arrangements under terms and conditions agreed by the Funds with the Italian Sub-Distributors and disclosed in the Subscription Form for Italy.

Various paying agents have been appointed by the Manager as, and has assumed the function of, entity in charge of payments in Italy ("the Paying Agent") to the Funds. Other Paying Agents may be appointed from time to time. Each Paying Agent will perform brokerage duties, such as receiving and effecting payments related to the subscription and redemption of Shares in the Funds by investors resident in Italy, and other duties related to the participation in the Funds by Shareholders resident in Italy in compliance with the rules of the Bank of Italy and the rules of CONSOB.

Investors resident in Italy should note that additional charges may be applicable to them in connection with transactions in Shares of the Funds that require the intermediation of the Paying Agents. Please refer to the Subscription Form for Italy for details on applicable Paying Agency Fees.

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## Important Information for Investors in Luxembourg

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The Bank of New York Mellon (International) Limited, Luxembourg Branch, Aerogolf Center, 1A Hoehenhof, L-1736 has undertaken to ensure the financial service of the Shares in Luxembourg within the meaning of Article 59 of the Luxembourg law of 20 December 2002. Accordingly, redemption and switching of Shares may be effected through the Paying Agent and payment of the redemption and dividend amounts is possible through the Paying Agent.

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### Documents and Information:

Copies of the Consolidated Prospectus, the latest Reports of each Fund, the Trust Deeds, the Investment and Operational Guidelines establishing the Funds, the UCITS regulations, the Central Bank guidelines and the Material Contracts listed on pages 45 and 46 of the Prospectus may be obtained from the Luxembourg Paying Agent at the above address during usual business hours on business days in Luxembourg.

The net asset value and the subscription and redemption prices may be obtained from the Luxembourg Paying Agent at the above address during usual business hours on business days in Luxembourg. Notices to shareholders of the Luxembourg Listed Funds are published in the "d'Wort".

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### Taxation

#### *The Funds*

The Manager intends to conduct the affairs of the Funds so that they do not become resident in Luxembourg for taxation purposes and are not subject to tax in Luxembourg other than in respect of Luxembourg sourced income. Interest paid by a Luxembourg debtor is, except for participating bonds, exempt from withholding tax.

Generally, a withholding tax at 15% is applied to the distribution of dividends to the Funds by entities resident in Luxembourg in which the Funds have invested.

However, dividend distributions to the Funds may benefit from reduced rates of the double tax treaties if applicable. If the Funds qualify for relief under the double tax treaty between Ireland and Luxembourg, the withholding tax rate on dividend distributions by entities resident in Ireland can be nil.

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### Shareholders

#### *Individuals*

Luxembourg resident Shareholders are subject to income tax on distributions by the Funds through an annual tax return. For individual Shareholders an annual tax exemption applies to taxable distributions up to EUR 1,500 (EUR 3,000 for married taxpayers filing jointly). Distributions in excess of the annual exemption are taxed at progressive income tax rates. The highest marginal tax rate will be 38.95%. In addition, a 1.4% dependency contribution is applied.

Capital gains realised by a Luxembourg resident individual investor are exempt if his/her shareholding in the fund does not exceed 10% and the disposal takes place more than six months from the date of the acquisition. Otherwise, if the disposal takes place within six months of the acquisition, the capital gains will be taxed at the marginal tax rate (i.e. max 38.95%) if the yearly capital gain exceeds EUR 500. If the disposal takes place after six months and the shareholding exceeds 10%, the capital gain will be taxed at half the marginal tax rate mentioned above (in this respect, a tax deduction of EUR 50,000 or EUR 100,000 for married taxpayers filing jointly, is valid every 10 years.

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## Important Information for Investors in Luxembourg

### Continued

Any capital losses incurred upon the disposal or redemption of Shares in the Funds may only be offset against capital gains derived. The capital losses remaining after offset cannot be carried forward. If the Luxembourg resident individual investor is a member of the Luxembourg social security regime, the taxable gain is subject to a 1.4% dependency contribution.

#### **Institutional**

Dividend distributions received by a taxable Luxembourg resident investor are taxable at the rate of 28.59%.

Any profit derived by a Luxembourg resident investor from the disposal or redemption of Shares held in the Funds will be subject to tax as a capital gain at the rate of 28.59%. If the institutional investor holds accumulating shares, only capital gains realised through the disposal/redemption of the shares are taxable in Luxembourg. Any capital losses incurred upon the sale or redemption of Shares in the Funds may be offset against any other taxable income. After such an offset, losses can, for corporate investors, be carried forward indefinitely if the conditions of article 114 of the tax law are satisfied.

#### **EU Savings Directive**

The EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (hereinafter the "Directive") provides that from 1 June 2005, paying agents established in a member state of the EU or certain dependent or associated territories of member states who make savings income payments to individuals resident in another member state (or a country which concluded bilateral agreement with the EU) or to residual entities within the sense of the Directive (and, depending on the state of residence of the paying agent, possibly also to individuals and residual entities within the sense of the Directive resident in certain dependent or associated territories of member states) will be obliged, depending on the jurisdiction of establishment of the paying agent, either to report details of the payment and payee to fiscal authorities or to withhold tax from it.

Austria and Luxembourg are entitled to provide for a "saving withholding tax system" during a transitional period. Where Luxembourg savings withholding tax applies, the rate of that tax was initially 15% from 1 July 2005 until 30 June 2008, will be progressively increased to 20% from 1 July 2008 until 30 June 2011 and will be finally 35% as of 1 July 2011. However, there are procedures which allow that this savings withholding tax is not levied. It should be noted that the European Union is currently reviewing all executive measures and guidelines issued in all relevant jurisdictions. The European Council has issued a draft proposal in order to amend the Directive. It is therefore possible that amendments to these measures and guidelines will be carried out as a result of this review process. Possible (future) EU Savings implications should thus be monitored on a continuing basis.

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## Important Information for Investors in The Netherlands

#### **General**

In accordance with the Financial Supervision Act (Wet op het financieel toezicht) the Funds have been registered with the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten).

The Representative of the Funds in the Netherlands is:

Invesco Asset Management SA  
J.C. Geesinkweg 999  
1096 AZ Amsterdam

Shares in the Netherlands are (non-exclusively) distributed through the Dutch Sub-Distributor of the Funds in the Netherlands:

Invesco Europe Limited  
Concertgebouwplein 15  
1071 LL Amsterdam

Applications for the issue, switching and redemption of Shares can be effected through the Dutch Sub-Distributor and the prices of the Funds can be requested at the offices of the Dutch Representative and the Dutch Sub-Distributor.

Shareholders resident in The Netherlands may obtain the Prospectus, the Articles and the latest Annual Report and (Audited) Accounts and, if published subsequently, also the latest Semi-Annual Report and (Unaudited) Accounts of the Funds free of charge at the offices of the Dutch Sub-Distributor. The agreements and other documents mentioned in the Prospectus can also be inspected there.

#### **Taxation**

The Directors of the Funds are informed of the following tax consequences for investors in the Funds who are resident in the Netherlands:

- a. A Dutch individual shareholder is taxed at a flat rate of 30% on deemed income from savings and investments (*inkomen uit sparen en beleggen*) within the meaning of Section 5.1 of the Income Tax Act 2001 (*Wetinkomstenbelasting 2001*). This deemed income amounts to 4% of the average of the fair market value of all the assets (including the shares in the Funds) and liabilities of the individual at the beginning and at the end of the calendar year, insofar the average exceeds a certain threshold.
- b. As an exception to the tax treatment described under a. above, individual shareholders who have a substantial interest (*aanmerkelijk belang*) in the Funds, as defined in Section 4.3 of the Income Tax Act 2001, the dividends and capital gains derived from the shareholding in the Funds are taxed at a flat rate of 25%. The dividends and capital gains derived from the shareholding in the Funds are deemed to amount to at least 4% of the fair market value of the shareholding of such individual shareholder in the Funds at the beginning of the calendar year.
- c. As an exception to the tax treatment described under a. and b. above, dividends and capital gains derived by an Individual shareholder from the shares in the Funds are subject to Dutch income tax at the progressive rates of the Income Tax Act 2001 if:

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## Important Information for Investors in The Netherlands

### Continued

- i. The shares in the Funds, or part of the shares in the Funds, are attributable to an enterprise from which the Dutch individual shareholder derives a share of the profit, whether as an entrepreneur (*ondernemer*) or as a person who has a co-entitlement to the net worth of such enterprise, without being an entrepreneur or a shareholder, as defined in the Netherlands Income Tax Act 2001; or
  - ii. The dividends or capital gains derived from the shares in the Funds qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) within the meaning of Section 3.4 of the Income Tax Act 2001, which include the performance of activities with respect to the shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).
- d. For a Dutch corporate shareholder in the Funds, who is subject to Dutch corporate income tax, dividends and capital gains derived from the shares in the Funds are subject to Dutch corporate income tax. In 2010 Dutch corporate income tax is levied at a rate of 20% for profits up to EUR 200,000 and 25.5% for profits in excess of EUR 200,000.
  - e. Certain institutional shareholders in the Funds, such as qualifying pension funds, may be exempt from taxation in respect of dividends and capital gains derived from a shareholding in the Funds.

No Dutch dividend withholding tax is payable in respect of the issue, redemption or transfer of the Shares in the Funds or in respect of any payment of dividend by the Funds.

No Dutch value added tax should arise in respect of the issue, redemption or transfer of the Shares in the Funds or in respect of any payment of dividend by the Funds.

No Dutch net wealth tax, registration tax, custom duties, transfer tax, capital tax, stamp duty or any other similar documentary tax or duty, will be payable by the shareholders in the Funds in connection with the issue, redemption or transfer of Shares in the Funds.

The above mentioned is intended as a general overview and cannot be deemed as a tax advice. Investors should seek their own professional advice in respect of the tax consequences before investing in the Funds. The overview is based on the current tax law and case law in effect at the date of this Prospectus. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth in this Prospectus. Any such changes or interpretations may be retroactive and could affect the tax consequences to shareholders in the Funds.

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## Important Information for Investors in The Republic of Ireland

The following section describes the Irish tax treatment of Shareholders who are Irish Resident or Ordinarily Resident in Ireland ("Irish Shareholders"). Shareholders should also refer to the Taxation Section of the Prospectus at Pages 37-42 which deals specifically with the enacted laws and current practice of Ireland.

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### Exempt Investors Deductions by the Fund

Tax in respect of a chargeable event ("Appropriate Tax") will not be deducted in respect of any sale, transfer, redemption, re-purchase or cancellation of Shares held by Exempt Irish Investors or on the making of any distribution in respect of such Shares. It is the Exempt Irish Investor's obligation to account for any tax (if applicable) to the Irish tax authorities and return such details as are required to the Irish tax authorities. It is also the Exempt Irish Investor's obligation to notify the Fund if it ceases to be an Exempt Irish Investor.

### Further Tax

Exempt Investors may be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, re-purchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares.

Where the Exempt Investor is not a company the payment will be treated as constituting profits or gains chargeable to Irish tax under Case IV of Schedule D as set out in Section 18 of the Taxes Act.

Where the Exempt Investor is a company and the payment is not taxable as trading income the amount of the payment will be treated as income arising to the Shareholder constituting profits or gains chargeable to Irish tax under Case IV of Schedule D as set out in Section 18 of the Taxes Act.

Where the Exempt Investor is a company and the payment is taxable as trading income:

- (i) the amount received by the Shareholder will be income of the Shareholder for the chargeable period in which the payment is made; and
- (ii) where the payment is made on the sale, transfer, redemption, re-purchase or cancellation of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares.

Certain Exempt Irish Investors may be exempt in respect of income or gains arising in respect of their Shares.

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### Non Exempt Irish Investors Deductions by the Fund on or after 1 January 2001

Irish Shareholders who are not Exempt Irish Investors and who hold Shares on or after 1 January 2001 will have Appropriate Tax deducted on any payments made to them or transfers of Shares made by them. The Appropriate Tax is 25% (as at the date of this Prospectus) on payments which are annual or more frequent (e.g. dividends) and 28% (as at the date of this Prospectus) on the sale, transfer, redemption, repurchase, cancellation of Shares or the making of any other payment in respect of their Shares. The Company will be entitled to deduct such Appropriate Tax from payments or redeem and cancel such number of Shares as are required to meet the Appropriate Tax of the

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## Important Information for Investors in The Republic of Ireland

### Continued

relevant Shareholder and will pay the Appropriate Tax in respect of such Shares to the Irish Tax Authorities.

The Finance Act 2006 has provided that a deemed disposal by a Shareholder of their Shares will take place at the end of a "relevant period". A relevant period means a period of eight years beginning with the acquisition of the Shares and each subsequent period of eight years beginning immediately after the preceding relevant period.

Where the percentage value of Shares held by Irish Residents is less than 10% of the total value of the Shares in a Fund and the Fund has made an election to report annually to the Revenue Commissioners certain details for each Irish Resident Shareholder, the Fund is not required to deduct tax and the Shareholder must instead pay tax on the deemed disposal on a self-assessment basis.

#### **Further Tax**

An Irish Shareholder, who is not a company, not an Exempt Irish Investor and in respect of whom Appropriate Tax has been deducted from the payment, will not be liable to any further tax in respect of any such distribution received in respect of his Shares or any sale, transfer, redemption, repurchase, or cancellation of his Shares.

Where the Irish Shareholder is a company and the payment is not taxable as trading income (i.e. is not taxable under Case I of Schedule D as set out in Section 18 TCA 1997), and Appropriate Tax has been deducted from the payment the following provisions apply:

- (i) where the payment is an annual or more frequent payment (e.g. a distribution), other than a payment made in respect of a cancellation, redemption or repurchase of Shares, the amount received will be treated as the net amount of an annual payment chargeable to tax under Case IV of Schedule D in respect of the gross amount of which income tax has been deducted at the standard rate; and
- (ii) the making of any other payment in respect of such Shares or any sale, transfer, redemption, repurchase or cancellation of such Shares will not be taken into account for the purposes of Irish tax.

Where the Irish Shareholder is a company and the payment is taxable as trading income, and Appropriate Tax has been deducted from the payment the following provisions apply:

- (i) the amount received by the Shareholder increased by any amount of Appropriate Tax deducted will be income of the Shareholder for the chargeable period in which the payment is made;
- (ii) where the payment is made on the sale, transfer, redemption, repurchase or cancellation of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and
- (iii) the amount of Appropriate Tax deducted will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

No repayment of Appropriate Tax will be made to any person other than a company within the charge to Irish corporation tax.

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#### **Other Taxes - All Shareholders**

##### **Capital Acquisitions Tax**

To the extent that any Share is comprised in a gift or inheritance and the donor or the donee or successor in respect of such disposition was domiciled or ordinarily resident in Ireland at the date of the disposition, a liability to Irish capital acquisitions tax may arise in respect of such gift or inheritance.

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# Important Information for Investors in The United Kingdom

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## United Kingdom Representative

Invesco Global Investment Funds Limited  
Registered Office  
30 Finsbury Square  
London EC2A 1 AG  
United Kingdom  
Telephone: + 44 207 065 4000  
Fax: + 44 207 638 0752

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## United Kingdom The Series

The Series are constituted as unit trusts in Ireland, and, on the basis of current practice, as described below in relation to applications for certification as “distributing funds”, have been assumed to be fiscally opaque for the purposes of UK taxation.

The Manager intends to conduct the affairs of the Series so as to minimise, as far as it deems reasonably practical, any liability to UK taxation, which includes intending to manage the affairs of the Series so they do not become tax resident in the UK. Accordingly, and provided the Series do not exercise a trade within the UK or carry on a trade through a permanent establishment, the Series should not be subject to UK income or corporation tax other than on certain UK source income, which may be subject to withholding taxes in the UK.

It is not expected that the activities of the Series would be regarded as trading activities for the purposes of UK taxation. However to the extent that trading activities are carried on in the UK they may in principle become liable to UK tax. The profit from such trading activities will not be assessed to UK tax provided that the relevant Series and the Manager meet certain conditions. The Manager intends to conduct the affairs of the Series so that all the aforementioned conditions are satisfied, so far as those conditions are within their control.

Dividends, interest and other income as well as capital gains received by the Series may be subject to withholding or similar taxes imposed by the country in which such dividends, interest, other income or capital gains originate.

## Shareholders

According to their personal circumstances Shareholders resident in the UK for tax purposes may be liable to income tax or corporation tax in respect of dividend or other income distributions made by the Series, whether or not such distributions are reinvested.

In the case of individuals domiciled outside the UK for UK tax purposes, and to whom the “remittance basis” of taxation applies, any such dividends or income distributions will only be subject to UK taxation to the extent that they are remitted to the UK. UK resident but non-domiciled individuals who have been resident in the UK for at least 7 years out of the previous 9 years will be subject to an annual charge of £30,000 if they wish only to be taxed on overseas income on a remittance basis. Otherwise all income will be subject to UK taxation whether or not it is remitted to the UK. The £30,000 is intended to be creditable under double taxation agreements. Certain exemptions apply, for example no such charge applies to children and individuals domiciled outside the UK who have offshore income of less than £2,000.

## Offshore fund rules

A new regime for offshore funds applies with effect for accounting periods beginning on or after 1 December 2009. Entry into the new Reporting Fund Regime has been deferred until the period of account beginning 1 December 2010 to take advantage of the transitional provisions. Accordingly, the distributor status rules as detailed below continue to apply for the period of account ended 30 November 2010.

Chapter V (Section 757) of Part XVII of the UK Taxes Act provides that if an investor who is resident or ordinarily resident in the UK for taxation purposes holds a “material interest” in a collective investment scheme that constitutes an “offshore fund”, then, unless the fund obtains certification as a “distributing fund” for each accounting period of the fund during which the investor holds that interest, any gain (calculated without the benefit of indexation or taper relief) accruing to the investor upon the sale or other disposal or part disposal of the interest (including in certain circumstances a conversion of units of one sub-fund within an umbrella into Shares of another sub-fund in that umbrella and a deemed disposal on death) will be charged to tax as income (“offshore income gain”) and not as a capital gain, notwithstanding that the collective investment scheme may have been certified as a “distributing fund” by H M Revenue & Customs (“HMRC”) for other periods of account before, during or after the period of ownership in question.

An offshore fund is defined as any collective investment scheme constituted by (i) a company resident outside the UK; (ii) a unit trust scheme, where the trustees are resident outside the UK; or (iii) any other arrangements taking effect by virtue of the law of a territory outside the UK and which creates rights of co-ownership. Following the amendments in Finance Act 2004 as regards the definition of an “offshore fund” with effect for periods of account of an “offshore fund” ending on or after 22 July 2004, the constituent parts of the Series will be treated as separate offshore funds for the purposes of the offshore funds rules. Under the current legislation each Series falls within the definition of an “offshore fund”, and thus may qualify in its own right for UK distributor status.

An interest is material if it is realizable, at or around the net asset value, within seven years of acquisition. The Shares are likely to constitute “material interest” in an “offshore fund” for the purpose of those provisions of the UK Taxes Act.

Certification as a “distributing fund” under the UK Taxes Act has been obtained or applied for in relation to each distributing share class in each Series, the latest being for period of accounts ending in the fiscal year to 6 April 2010.

However, as such certification is given retrospectively it cannot be guaranteed that the application will be successful for the above periods, or will continue to be available for future accounting periods.

In practice, applications for certification as a “distributing fund” have been made to HMRC on the basis that the Series should be treated as fiscally opaque for UK taxation purposes, and the following paragraphs are written on the assumption that this practice will continue.

On this basis, and subject to their personal circumstances, Shareholders resident or ordinarily resident in the UK for

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## Important Information for Investors in The United Kingdom Continued

taxation purposes will normally be liable to income or corporation tax in respect of dividends or other distributions of the Series, which includes any amounts that are automatically or otherwise re-invested in further Shares. Individuals will be taxed on the distributions at their full marginal rates, as the distributions are not dividends for UK tax purposes.

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### Distributing classes

It is the intention of the Manager to seek certification as a distributing fund for those classes of each Series classified as "distributing share classes" for subsequent accounting periods unless otherwise stated in Appendix A. This will require all such classes of every Series to comply with a certain distribution policy and investment restriction set out in the UK Taxes Act. All relevant investment and distribution policies have been designed to facilitate certification. However, again, as such certification is given retrospectively it cannot be guaranteed that the application will be successful for a particular period, or that certification will continue to be available for future accounting periods. As certification is sought after the year end of the relevant Series, information regarding whether certification has been obtained or not, can be found in the most recent annual or semi annual report of the Series.

On the assumption that each "distributing share class" will qualify as a distributing offshore fund Shareholders resident or ordinarily resident in the UK for taxation purposes may, unless holding Shares as dealing stock (when different rules apply), be liable to UK tax as capital gains in respect of gains arising from the sale, redemption or other disposal of Shares in each Series (save that a charge to tax on income may arise on the equalisation element of the disposal proceeds). In the case of individuals domiciled for UK tax purposes outside the UK and to whom the remittance basis applies, any gain sourced outside the UK will be subject to tax only to the extent that the gain was, or was deemed to be, remitted to the UK (subject to anti-avoidance rules as mentioned below).

It should be noted that the above treatment will only apply on the disposal of the "distributing" Share classes provided that they are certified by HMRC during the entire holding period of any particular Shareholder resident or ordinarily resident in the UK.

Details are provided in Appendix A hereto as to which share classes will constitute "distributing" share classes and which share classes will constitute "non-distributing" or "accumulation" share classes".

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### Non-distributing classes

The Manager does not intend to seek certification as a distributing "offshore fund" in relation to those share classes classified as "non-distributing" or "accumulation" share classes unless otherwise stated in Appendix A. Accordingly, Shareholders resident or ordinarily resident in the UK may be subject to income tax or corporation tax on income (rather than capital gains tax or corporation tax on chargeable gains) on any gains arising on the disposal of these Shares.

In computing both offshore income gains and capital gains, amounts reinvested which have been subject to UK tax as income can be added to the cost of the Shares disposed of and, as a result, reduce any liability to taxation on disposal.

Details are provided in Appendix A hereto as to which share classes will constitute "distributing" share classes and which share classes will constitute "non-distributing" or "accumulation" share classes".

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### Switches between classes

#### **Non-distributing classes to distributing classes**

For the purposes of UK taxation, section 762A of the UK Taxes Act 2004 contains specific provisions in relation to a switch of interest from a class that has not obtained certification as a distributing fund to a class for which certification has been obtained. These provisions dis-apply s135 and s136 of the Taxation of Chargeable Gains Act, 1992, and as such the switch of interests will constitute a disposal. Consequently, Shareholders resident or ordinarily resident in the UK will be liable to income tax or corporation tax on any deemed gain at the point of the switch.

#### **Distributing classes to non-distributing classes**

No similar provisions are contained in the Finance Act 2004 UK Taxes Act in relation to switches from a certified class to one which is not certified. Therefore s135 and s136 of the Taxation of Chargeable Gains Act 1992 will apply such that the switch of interests will not constitute a disposal for UK tax purposes. However, Shareholders will be liable to income tax or corporation tax on an offshore income gain upon ultimate disposal of such a holding. This offshore income gain will be equivalent to the gain accrued over the entire period of holding, including both the time during which the interest was in a certified class and the time during which it is in a non-certified class.

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### Anti-avoidance rules

An individual Shareholder domiciled or deemed for UK tax purposes to be domiciled in the United Kingdom may be liable to UK Inheritance Tax on their Shares in the event of death or on making certain categories of lifetime transfer.

The attention of individuals ordinarily resident in the UK for tax purposes is drawn to Chapter II of Part XIII of the Income Tax Act 2007, which may render them liable to income tax in respect of undistributed income or profits of the Series. These provisions are aimed at preventing the avoidance of income tax by individuals through a transaction resulting in the transfer of assets or income to persons (including companies) resident or domiciled abroad and may render them liable to income or corporation tax in respect of undistributed income or profits of the Series on an annual basis. The legislation is not directed towards the taxation of capital gains.

The attention of persons resident or ordinarily resident in the U.K. (and who, if individuals, are domiciled in the U.K.) is drawn to the fact that the provisions of Section 13 of the Taxation of Chargeable Gains Act, 1992 could be material to any such person who holds 10% or more of the Shares of the Series if, at the same time, the Series is controlled in such a manner as to render it an entity that would, were it to have been resident in the U.K., be a "close company" for U.K. taxation purposes. Those provisions could, if applied, result in such a person being treated, for the purposes of the U.K. taxation of chargeable gains, as if a part of any gain accruing to the Series (such as on a disposal of its investments that constitutes a chargeable gain for those purposes) had accrued to that person directly; that part being equal to the proportion of the assets of the Series to which that person would be entitled on the liquidation of the Series, at the time when the chargeable gain accrued to the

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## Important Information for Investors in The United Kingdom Continued

Series. Section 13 was extended with effect from 6 April 2008 to resident or ordinarily resident individuals who are domiciled outside the U.K. In addition, from this date, should those non-UK domiciled individuals be taxed under the remittance basis, this basis would only apply to any gain relating to the disposal of non-UK assets by the underlying Series. Any gain relating to the disposal of U.K. assets in the Series will be taxed on an arising basis.

As disposals of certain Series are subject to tax as offshore income gains, the provisions of section 762 of the UK Taxes Act rather than section 13 may apply. Section 762 substitutes "offshore income gains" for any reference to "chargeable gain" in section 13. There is some uncertainty as regards whether section 762 actually operates in the way that it was intended, since it may be interpreted as only applying to offshore income gains generated by offshore funds, as opposed to any capital gains accruing to the offshore funds. Despite this uncertainty, it would be prudent to assume that section 762 applies to all capital gains realised by offshore funds in the same way as section 13, since this would appear to have been the intention of the UK tax authorities when the legislation was drafted.

The attention of UK resident corporate investors is drawn to the provisions concerning 'Controlled Foreign Companies' in Chapter IV (Section 747) of the UK Taxes Act which may have effect in certain circumstances of subjecting a company resident in the UK to UK corporation tax on the profits of an entity resident outside the UK, were the entity assumed by virtue of being opaque to be corporate in nature. A charge to tax cannot however arise unless the non-resident entity is under the control of persons resident in the UK and, on apportionment of the non-resident's 'chargeable profits' more than 25% would be attributed to the UK resident and persons associated or connected with them. The legislation is not presently directed towards the taxation of capital gains.

Shareholders who are insurance companies within the charge to UK corporate tax holding their Shares in the Series for the purposes of their long-term business (other than pension business) will be deemed to dispose of and immediately reacquire those Series at the end of each accounting period.

Under the corporate debt tax regime in the UK any corporate Shareholder which is within the charge to UK corporation tax could be taxed on the increase in value of its holding on a mark to market basis (rather than on disposal) or will obtain tax relief on any equivalent decrease in value, if investments of the relevant Series consist of more than 60% (by value) of "qualifying investments". Qualifying investments are broadly those which yield a return directly or indirectly in the form of interest.

As unit trusts constituted under Irish trust law, the Series may alternatively be treated as fiscally transparent for UK taxation purposes. If this were to be the case the tax treatment of the Series and Shareholders would be different from that described above. The principle impact would be that Shareholders resident or ordinarily resident in the UK would become liable to income tax or corporation tax on their proportionate share of the income of the Series (subject to the deduction of expenses properly incurred and paid by the Manager out of that income) on an arising basis, whether the income is distributed by the Fund or accumulated on the Shareholders' behalf.

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### New Reporting Fund Regime

A new regime for offshore funds applies with effect for accounting periods beginning on or after 1 December 2009, in accordance with Statutory Instrument 2009/3001 and the Offshore Funds (Tax) Regulations 2009 (the "Regulations"). Under the new rules, "reporting fund" status will replace "distributing fund" status. A Shareholder who is resident or ordinarily resident in the UK for taxation purposes and holds an interest in an "offshore fund" will be taxed on any accrued gain at the time of sale, redemption or other disposal as offshore income gains, unless the fund becomes a "reporting fund" throughout the period during which the Shareholder holds an interest. If "reporting fund" status is obtained, investors shall be subject to tax on reported income attributable to the investor. Any gain accruing to the investor upon the sale, redemption or other disposal of their interest in a reporting fund will be subsequently taxed as a capital gain, with any undistributed income that has been subject to tax being treated as capital expenditure.

For existing distributor status funds, transitional rules in Schedule 1 of the Regulations allow the Series to continue as a distributing fund for the succeeding period of account. Each Series currently classified as "distributing share classes" will enter the reporting fund regime for periods of accounts commencing on and after 1 December 2010,

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### European Union Taxation of Savings Income Directive

The Trustee, Manager, paying agent or such other entity considered a "paying agent" for the purposes of the EU Savings Directive may be required to disclose details of payments of savings interest income to investors in the Series who are individuals or residual entities to the Irish Revenue Commissioners who will pass such details to the EU Member State where the investor resides. To the extent that the paying agent is located in the jurisdictions that operate a withholding tax system under the terms of the Directive, rather than an exchange of information system, tax may be deducted from interest payments to investors.

For the purpose of the Directive, interest payments include income distributions made by certain collective investment funds, to the extent that the fund has invested more than 15% of its assets directly or indirectly in interest bearing securities and income realized upon the sale, refund or redemption of fund Shares to the extent that the fund has invested more than 40% of its assets directly or indirectly in interest bearing securities. This threshold is reducing from 40% to 25% with effect from 1 January 2011.

If you are in doubt about your position, or if you may be subject to tax in a jurisdiction other than the United Kingdom, you should consult your independent financial adviser.

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## AUTHORISATION AND CONSENTS

Please refer to fund appendices.

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