



Invesco Global Asset Management DAC

Central Quay, Riverside IV, Sir John Rogerson's
Dublin 2
Ireland

Telephone : +353 1 439 8000

www.invesco.com

Scheme changes related to the update and amendments of the relevant Trust Deed of Invesco Funds Series, Invesco Funds Series 1, Invesco Funds Series 2, Invesco Funds Series 3, Invesco Funds Series 4, Invesco Funds Series 5 and Invesco Funds Series 6# (collectively the "Series").

Invesco Global Asset Management DAC (formerly known as Invesco Global Asset Management Limited), the manager of the Series (the "Manager") is responsible for the information contained in this letter. To the best of the knowledge and belief of the Directors of the Manager (the "Directors") (having taken all reasonable care to ensure that such is the case) the information contained in this letter is, at the date hereof, in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly. Unless otherwise specified, all capitalised terms used herein bear the same meaning as defined in the Trust Deed of the relevant Series.

This letter is sent to you as a shareholder ("Shareholder") in one or more of the below listed sub-funds of the Series. It is important and requires your immediate attention. If you are in any doubt as to the action to be taken, you should immediately consult your stockbroker, bank manager, legal or other professional adviser. If you have sold or otherwise transferred your holding in a sub-fund of the Series, please send this letter to the stockbroker, bank manager or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Invesco Funds Series

Invesco Global Select Equity Fund#
Invesco Continental European Equity Fund
Invesco Japanese Equity Core Fund
Invesco Asian Equity Fund
Invesco UK Equity Fund
Invesco Global Real Estate Securities Fund

Invesco Funds Series 6 and its sub-fund Invesco Sterling Bond Fund, Invesco Global Select Equity Fund of Invesco Funds Series and Invesco Bond Fund of Invesco Funds Series 2 are not authorised by the Hong Kong Securities and Futures Commission ("the SFC") and therefore are not available for sale to the public in Hong Kong.

Invesco Global Asset Management DAC
Is regulated by the Central Bank of Ireland

Directors: Cormac O'Sullivan (Irish), Leslie Schmidt (American), Douglas Sharp (Canadian), Sybille Hofmann (German) and William Manahan (Irish)

Incorporated in Ireland No 183551
VAT No IE 6583551 V

Invesco Funds Series 1

Invesco Japanese Equity Fund
Invesco ASEAN Equity Fund
Invesco Pacific Equity Fund

Invesco Funds Series 2

Invesco Bond Fund[#]
Invesco Emerging Markets Bond Fund
Invesco Global High Income Fund
Invesco Gilt Fund

Invesco Funds Series 3

Invesco Global Health Care Fund
Invesco Global Technology Fund

Invesco Funds Series 4

Invesco Global Small Cap Equity Fund
Invesco Continental European Small Cap Equity Fund

Invesco Funds Series 5

Invesco Korean Equity Fund
Invesco PRC Equity Fund
Invesco Emerging Markets Equity Fund

Invesco Funds Series 6[#]

Invesco Sterling Bond Fund

[#] Invesco Funds Series 6 and its sub-fund Invesco Sterling Bond Fund, Invesco Global Select Equity Fund of Invesco Funds Series and Invesco Bond Fund of Invesco Funds Series 2 are not authorised by the SFC and therefore are not available for sale to the public in Hong Kong.



29 June 2016

Dear Shareholder,

We are writing to you as a Shareholder in one or several sub-funds of the Series, in relation to updates to the existing relevant trust deed of each of the Series (collectively the "**Trust Deeds**") which are summarised below.

Unless otherwise stated herein, the scheme changes related to the Trust Deeds shall become effective on 29 July 2016 (the "**Effective Date**") or such later date as the Directors may at their absolute discretion decide, in the event of which, such other date will be communicated to Shareholders in advance. In accordance with the provisions of the Trust Deeds, BNY Mellon Trust Company (Ireland) Limited (the "**Trustee**") has certified in writing that in its opinion, such modifications, alterations and additions to the Trust Deeds does not materially prejudice the interest of the Shareholders and does not operate to release the Trustee or the Manager from any responsibility to the Shareholders to a material extent.

For the avoidance of doubt, there is no change in the nature/type or level of fees for the existing Share classes of each sub-fund of the relevant Series and all costs and/or expenses related to the above updates will be borne by the Manager. Moreover, the below changes will not have any implications on the features and risks applicable to the relevant Series.

There is no resulting increase in any fees or charges borne by the relevant sub-fund of the Series or Shareholders and no change in the manner in which the relevant sub-fund of the Series will be operated in this regard. Accordingly, no action is required by you in your capacity as a Shareholder in this respect.

I. Updates of the Trust Deeds further to Central Bank of Ireland Regulations

General amendments for overall consistency and to reflect legislative and regulatory updates issued by the Central Bank of Ireland (the "Central Bank") including amendments required pursuant to the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank UCITS Regulations") and Investor Money Regulations, have been included. In particular, Shareholders should note that:

- Definition of "Assets" has been included (i.e. all Investments, cash and derivatives in which the Designated Portfolio is authorised to invest or hold pursuant to the Prospectus, the Trust Deed and the UCITS Regulations).
- Clause 2.3.1 (ix) and (xii): it has been clarified that the fees of the Manager include the Management Charge as defined in the Trust Deeds. In addition, it has been clarified that the expenses of the trust may include fees and expenses of any sub-custodian. In this regard there is no change to existing practice.
- New Clause 2.3.3: it has been clarified that unless otherwise prohibited in any jurisdiction where the Trust is registered or authorised, all recurring fees and expenses will be charged against income or against capital, and, if need be, against the assets of the Trust as the Manager may, from time to time, determine. In this regard there is no change to existing practice.

- Clause 8.5 (renumbered Clause 7.5): under a new Clause 7.5.1, it has been clarified that the nature of the investments to be transferred into the Deposited Property would qualify as investments in accordance with the investment objectives, policies and restrictions of the Trust.
- Clause 8.6.2 (i) (renumbered Clause 7.6.2 (i)): it has been updated that (save for the initial issue of shares) the Issue Price shall be the price per share ascertained by the Manager by dividing the Value of the Designated Portfolio represented by the number of units outstanding.
- Clause 8.6.3 (renumbered Clause 7.6.3): it has been clarified that the liabilities of each Shareholder shall be limited to the amount agreed to be contributed by such Shareholder for the subscription of Shares.
- Clause 8.9 (renumbered Clause 7.9): it has been clarified that the Manager may determine a "reasonable" period to determine a default in payment of Shares to be issued or sold. In this regard there is no change to the existing practice.
- Clause 10.2.3 (renumbered Clause 9.2.3) has been clarified to state that payment of the redemption prices to the shareholders shall not exceed ten business days from the relevant Dealing Day. In this regard there is no change to existing practice.
- Clause 10.2.6 (iii) (renumbered Clause 9.2.6 (iii)): it has been clarified that where a Shareholder requests a redemption of a number of Shares not less than 5% of the total value of all the Shares, the cost of any sale may be charged to the Shareholder. In this regard there is no change to existing practice.
- Clause 10.2.6 (iv)(b) (renumbered Clause 9.2.6 (iv)(b)) has been enhanced that asset allocation is subject to the approval of the Trustee in the context of redemption of Shares. In this regard there is no change to existing practice.
- Clause 10.2.6 (renumbered Clause 9.2.6): new Clauses 9.2.6 (vi) and (vii) have been inserted to set out the maximum redemption charge relating to the repurchase of units which will not exceed 3% of the redemption amount and that the maximum redemption charge relating to redemption and repurchase of Shares will not be increased without prior approval of Shareholders. As per the Prospectus disclosures, there is no intention to apply redemption charge and, in the event of any future application of a redemption charge, the required regulatory approvals will be sought and one month notice will be given to shareholders.
- Clause 10.3.3 (renumbered Clause 9.3.3) has been amended in order to comply with the Central Bank UCITS Regulations in relation to the carrying forward process. It has been amended that the redemption requests carried forward from the first relevant dealing day will not be prioritised over other redemption requests received for the second relevant dealing day and will be treated pro rata.
- Clause 15.1 (Scheme of Investment) (renumbered Clause 14.1) has been updated to clarify the disclosure regarding payment and transfer of Deposited Property to Trustee and Designated Portfolio's investments in shares and / or debt securities and updates regarding investments which seek to replicate an index. In this regard there is no change to the existing practice.



- Clause 15.2 (renumbered Clause 14.2) has been updated to include the list of issuers in which a Designated Portfolio may invest up to 100% of its net asset value in accordance with the Irish law applicable. This change will not affect the way the SFC-authorized funds are being managed.
- The reference to "effected on normal commercial terms" has been removed in Clauses 15.3.3, 16.2.3 and 24.2.3 (renumbered Clauses 14.3.3, 15.2.3 and 23.2.3).
- Clause 17.1 (renumbered Clause 16.1) has been clarified that, in accordance with the Irish Law and the Prospectus, borrowings may not exceed 10% of the Deposited Property of the Designated Portfolio, and shall only be on a temporary basis. This change will not affect the way the SFC-authorized funds are being managed.
- Clause 22.5 (renumbered Clause 21.5): the maximum management charge has been stated and the process in the event of an increase of the annual fee payable to the investment manager has been disclosed. This update merely reflects the current maximum management fee and the current process for any increases.
- New Clauses 22.2.7 and 22.2.8 have been included to state the Trustee's obligations pursuant to the requirements of the Central Bank. This update includes the Trustee's obligations to prepare Trustee's report and notify the relevant authorities of any material and non-material breach by the Trust or the Trustee.
- Clause 27.1 (renumbered Clause 28.1) in relation to conditions of retirement of the Trustee has been enhanced.
- Clause 30.2 (renumbered Clause 31.2): it has been clarified that in case of liquidation, the Trustee's determination to distribute in specie shall be subject to Ordinary Resolution by Shareholders, and the Trustee shall arrange to sell assets proposed to be distributed in specie, where requested to do so by Shareholders. The cost of such sale may be charged to the Shareholder.
- Clause 31.1 (renumbered Clause 32.1) has been updated to include other means of notices to Shareholders (by facsimile or electronic communication, including email) subject to relevant jurisdictional requirements¹.
- Clause 32.1 (renumbered Clause 33.1) has been enhanced that any assignment of this Deed shall be in accordance with the requirements of the Authority.
- The Second Schedule (Definition of Value) has been updated to be in line with the Central Bank UCITS Regulations.

¹ Hard copies of notices to Shareholders will continue to be distributed to Hong Kong investors.

II. Updates of the Trust Deeds further to UCITS V regulations as a result of changes to the Undertakings for Collective Investment in Transferable Securities Directive (the "UCITS Directive")

The European Commission has proposed a number of amendments to the UCITS Directive, referred to collectively as the "UCITS V Directive". The general objective of these amendments is to increase protection and transparency for Shareholders by focusing on the duties and the liability of Trustee. The Trust Deeds have been updated to comply with provisions of the UCITS V Directive, the Trust Deeds will reflect inter alia:

- Updates to the duty of the Trustee which is to provide safekeeping, oversight and asset verification services in respect of the assets of each Series in accordance with the provisions of the UCITS V Directive. (Clauses 22, 23, 24 and 25)
- Definitions of "Cash Accounts", "Central Depository", "Central Bank UCITS Regulations", "Directive", "Escalation Procedure", "Securities", "Services", "Sub-custodian", "UCITS" have been added and definitions of "Investment" and "UCITS Regulations" have been amended in accordance with UCITS V requirements. (Definitions and Interpretations)
- Where the Trustee or any of its affiliates advance funds to the relevant Designated Portfolio to facilitate settlement of any transaction, the Manager shall immediately reimburse the Trustee or any of its affiliates out of the assets of the Trust. (Clause 14.7)
- The Trustee will be liable for loss of financial instruments held in custody or in the custody of any sub-custodian, unless it can prove that loss has arisen as a result of an external event beyond its control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Trustee shall also be liable for all other losses suffered as a result of the Depository's negligent or intentional failure to fulfil its obligations under the UCITS V Directive. (Clause 22.1)
- The obligation of the Trustee, inter alia, to ensure that the sale, issue, repurchase and cancellation of Shares in the relevant Series is carried out in accordance with the UCITS V Directive and the Trust Deed. (Clause 22.2.1)
- The obligation of the Trustee to carry out the instructions of the Manager, unless they conflict with the UCITS V Directive, the Irish regulation or the Trust Deed. (Clause 22.2.3)
- The obligation of the Trustee to enquire into the conduct of the Manager in each financial year and report thereon to Shareholders. (Clause 22.2.6)
- The carve-out that the Trustee and the Manager shall not be liable to account to any Shareholder for any payment made by the Trustee in good faith to any fiscal authority of Ireland or elsewhere for taxes or other charges arising out of or relating to a Designated Portfolio or to the Trust or any transaction is now subject and without prejudice to the Trustee's liability provisions in Clause 22.1(a). (Clause 23.11)
- The Trustee has power to delegate the whole or any part of its depository functions, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. (Clause 23.12.2)



- The ability of the Manager and Trustee to act upon the advice of or information from any servant, adviser or agent is subject and without prejudice to the Trustee's duty to exercise due skill, care and diligence and the liability provision in Clause 22.1(a). (Clause 23.13)
- The Trustee will also provide cash monitoring services in respect of each Series' cash flows and subscriptions. (Clause 24.2)
- Neither the Trustee nor its Sub-custodians may re-use the Securities of the Trust for their own use and the market value of the collateral shall at all times amount to at least the market value of the reused Securities plus a premium. (Clause 24.4)
- The Trustee has to maintain its books and records relating to the Investments so as to ensure it is readily apparent that the Investments are held solely on behalf of, and belong to, the Designated Portfolio and do not belong to the Trustee or any of its affiliates or any Sub-custodian. (Clause 26.3)
- The Trustee will not be responsible in certain circumstances beyond the control of the Trustee (Force majeure). (Clause 27)
- Neither the Trustee nor the Manager shall, unless compelled to do so by any court of competent jurisdiction or if required by applicable law or regulation, either before or after the termination of the Trust Deed, disclose confidential information to any person unless certain specified exceptional circumstances apply. (Clause 36)
- The Trustee has a duty to ensure that adequate disaster recovery and business continuity arrangements are implemented and maintained, appropriate to a company offering professional custodial services. (Clause 37)
- The list of markets in which the Trustee provides custody services. (Third Schedule)

III. Change of Clause 11.3.1 (renumbered Clause 10.3.1) of the Trust Deeds

Clause 11.3.1 (renumbered Clause 10.3.1) of the Trust Deeds currently allows the Manager to switch "C" and "I" Share classes into "A" Shares under certain circumstances as defined in the prospectus of the Series. In consequence, new Clause 10.3.1 has been modified in order to state that if a Shareholder ceases to satisfy the eligibility requirements applicable to the Shares classes as described in the prospectus of the Series (for example and not limited to, if a Shareholder's holding of Shares reserved to institutional investors ceases to qualify as such or if a Shareholder's holding ceases to comply with the applicable minimum shareholding as a result of a switch or redemption request), the Manager, at its absolute discretion, may re-designate such Share class into the most appropriate Share class of the same sub-fund (defined as Designated Portfolio in the Trust Deeds) provided that such Share class is available, after prior written notification of at least 30 calendar days. For the avoidance of doubt, the initial share class and the share class being switched into may not necessarily have the identical fee structure. If the Manager cannot find an identical Share class in which a Shareholder may be switched into, the Manager will consider all features of the existing Share class before deciding in which Share class the Shareholder should switch into. Having engaged with the affected Shareholders, if there is no appropriate share class at all or if the proposed re-designation does not suit investment requirements of the Shareholder, the Manager may propose a switch into a "A" Share class of the same sub-fund or may consider the possibility of compulsory

redemption free of charge. Such compulsory redemption will be permitted by applicable laws and regulations and the Manager will act in good faith and on reasonable grounds.

Upon receipt of such written notification, if the switch proposed does not suit the investment requirements of the Shareholder, the Shareholder will be advised that he may redeem at any time his shares held in the relevant Fund without redemption fees or switch out prior to the effective date of the proposed switch, free of charge, into another Fund in the Series or another fund in the Invesco range in Dublin and Luxembourg (subject to eligibility requirements as set out in the relevant fund prospectus and authorisation of the particular fund for sale in the Shareholder's relevant jurisdiction).

IV. Amendment to Clause 13 (renumbered Clause 12) and definition of "Income Shares" in the Trust Deeds

Currently Clause 13 (renumbered Clause 12) "Income Allocation" sets out the details of Fixed Distribution Income Shares and Gross Income Shares; and how distributions are allocated and calculated. New Clause 12 has been amended with reference to the revised definition of "Income Shares", such that it includes all share classes that might deduct or distribute from capital. The wordings have been simplified such that the calculation of Distribution is no longer set out in the Trust Deeds. Moreover, a new Clause 12.2.1 in relation to distribution of dividends in respect of the various types of Income Shares has been included. This provides that the Manager may, at its discretion, pay dividends on Income Shares in accordance with the distribution policy as set out in the Prospectus. Such dividends may be paid out of (i) the net investment income consisting primarily of interest and dividends; and/or (ii) realised profits on the disposal of investments less realised and unrealised losses (including fees and expenses); and/or (iii) capital as may be lawfully distributed, determined in accordance with generally accepted accounting principles. Under certain circumstances, the fees and expenses may be paid out of capital.

A new Clause 12.2.7 has also been included to clarify Trustee's duties in respect of distribution of dividends in accordance with applicable regulations.

For the avoidance of doubt, there is no change in relation to the method of calculation of dividend payment for the fixed distribution Income Share classes or the gross Income Share classes.

V. General / miscellaneous amendments

Other general or other miscellaneous amendments and tidy-ups have been made e.g. to align with the existing practice. For example:

- In compliance with Irish law, the Manager, Invesco Global Asset Management Limited, has been converted to a Designated Activity Company ("DAC") and the name of the Manager has been changed to Invesco Global Asset Management DAC with effect from 12 May 2016 accordingly (please note that previous communications incorrectly indicated an effective date of 11 April 2016). There is no change in the corporate structure of the Manager and no change to its shareholding.
- General updates to Definitions and Interpretation have been made (e.g. clarification of the definition of "Initial Charge").
- Clause 7.1.1 (renumbered Clause 6.1.1): the types of Irish Residents who may not be offered or hold the Shares has been clarified to reflect that the term refers to someone who is not an Exempt Investor or any



Shareholder (whether an Irish Resident or not) in respect of which a valid Declaration is not in place). Please refer to the Trust Deeds on the definitions of Irish Resident, Exempt Investor, Shareholder and Declaration. In this regard there is no change to the existing practice.

- Clause 8.2 (renumbered Clause 7.2) and Second Schedule (Clause 4.5.11) have been clarified that the costs and 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 in the case of the Management and Service Agent Fees payable to the Manager, will be calculated and deducted from the non-hedged value of the relevant class of Shares.
- Clause 8.6.2 (renumbered 7.6.2) has been updated to state that the Issue Price shall be the price per Share ascertained by the Manager by adjusting the resultant total by up to 4 decimal places in the relevant currency of the relevant Share class. In addition, the information on the resulting price of the Issue Price has been removed for clarification purposes as the Initial Charge has no bearing on the Issue Price. This change reflects the existing practice.
- Clause 10.2.4 (renumbered Clause 9.2.4) has been updated to state that the Redemption Price per Share shall not be less than the price per Share of the type concerned as calculated, amongst other things, by adjusting the resultant total by up to 4 decimal places as outlined in the Prospectus, in the relevant currency of the relevant Share class.
- Clause 19.2 (renumbered Clause 18.2) has been clarified to state that any distribution payment, which shall remain unclaimed after a period of six years from the date of payment, shall be forfeited and revert to the Deposited Property of the relevant Designated Portfolio.

Further Information

The updated Trust Deeds shall be available free of charge at the registered office of the Manager from the Effective Date. They are also available from the Manager's website: [http:// www.invescomanagementcompany.ie](http://www.invescomanagementcompany.ie)². The current Trust Deeds are also available from the above address. For non-Hong Kong Shareholders, these Trust Deeds are available free of charge at the registered office of the Manager or can be requested in electronic format by sending a request to your local Invesco office or to the Investor Services Team, IFDS, Dublin on +353 1439 8100.

If you have any queries in relation to the above, or would like information on other products in the Invesco range or Series that are authorised for sale in your jurisdiction please contact your local Invesco office, details of which are set out overleaf.

Shareholders in Hong Kong may contact the Series' Hong Kong Sub-Distributor and Representative, Invesco Asset Management Asia Limited on telephone number (+852) 3191 8282.

For German Shareholders, if you are acting as a distributor for German clients, please be advised you are not required to forward this letter to your end clients by durable media.

² This website has not been reviewed by the SFC and may contain information of funds not authorised by the SFC.

For Swiss Shareholders, the Prospectus, the Key Investor Information Documents, the Trust Deeds as well as the annual and interim reports of the Series may be obtained free of charge from the Swiss representative. Invesco Asset Management (Switzerland) Ltd., Talacker 34, 8001 Zurich, is the Swiss representative and BNP Paribas Securities Services, Paris, Succursale de Zurich, Selnaustrasse 16, 8002 Zurich, is the Swiss paying agent.

Thank you for taking the time to read this communication.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Goran Will", written in a cursive style.

By order of the Board of Directors of the Manager



General Information:

The value of investments and the income generated from investment can fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Important Information for UK Shareholders

For the purpose of the United Kingdom Financial Services and Markets Act, 2000 (the "**FSMA**"), this letter has been issued by Invesco Global Investment Funds Limited which is authorised and regulated by the Financial Conduct Authority, on behalf of Invesco Global Asset Management DAC, the Global Distributor of the Series. For the purposes of United Kingdom law, the Series is a recognised scheme under section 264 of the FSMA. All or most of the protections provided by the United Kingdom regulatory system, for the protection of private clients, do not apply to offshore Series, compensation under the United Kingdom's Financial Services Compensation scheme will not be available and United Kingdom cancellation rights do not apply.

Contact information

For further queries, you may contact Invesco Asset Management Deutschland GmbH at (+49) 69 29807 0, Invesco Asset Management Österreich GmbH at (+43) 1 316 2000, Invesco Global Asset Management DAC at (+353) 1 439 8000, Invesco Asset Management Asia Limited at (+852) 3191 8282, Invesco Asset Management S.A. Sucursal en España at (+34) 91 781 3020, Invesco International Limited Jersey at +44 1534 607600, Invesco Asset Management S.A. Belgian Branch at (+32) 2 641 01 70, Invesco Asset Management S.A. at (+33) 1 56 62 43 00, Invesco Asset Management S.A. Sede Secundaria, Invesco Asset Management (Schweiz) AG at (+41) 44 287 9000, Invesco Asset Management SA Dutch Branch at (+31) 205 61 62 61, Invesco Asset Management S.A. (France) Swedish Filial at (+46) 8 463 11 06 or Invesco Global Investment Funds Limited at (+44) 207 065 4000.

Note:

This letter has been automatically generated in English. A copy of this letter is available in the following languages: Chinese, Dutch, French, German, Greek, Italian, Spanish, Finnish and Norwegian. To request a copy, please contact the Investor Services Team, IFDS, Dublin on (+353) 1 439 8100 or your local Invesco office.