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Scheme changes related to the amendments to the prospectus, Appendix A and Hong Kong Supplement (for Hong Kong investors only) of Invesco Funds Series, Invesco Funds Series 1, Invesco Funds Series 2, Invesco Funds Series 3, Invesco Funds Series 4, Invesco Funds Series 5 or Invesco Funds Series 6[#] (each a "Series" and collectively the "Series").

Invesco Global Asset Management DAC (formerly 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 prospectus of the relevant Series, Appendix A of the prospectus and (for Hong Kong investors only) the Hong Kong Supplement (together the "Prospectus").

This letter is sent to you as a shareholder ("Shareholder") in the relevant below listed sub-funds of the Series (each a "Fund" and collectively the "Funds"). 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 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.

If the amendments mentioned below do not suit your investment requirement, you are advised that you may, at any time prior to the Effective Date (as defined hereafter) redeem your Share classes in a Fund of the Series without any redemption charges. Redemptions will be carried out in accordance with the terms of the prospectus of the Series.

[#] Invesco Funds Series 6 is not authorized by the Hong Kong Securities and Futures Commission ("the SFC") and therefore is not available for sale to the public in Hong Kong.

Invesco Global Asset Management DAC
Regulated by the Central Bank of Ireland

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

Incorporated in Ireland No 183551
VAT No IE 6583551 V

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 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 authorized 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 certain Funds of the Series **listed below**, in relation to amendments to the Prospectus which are summarised in Point A and B. For Hong Kong investors, the product key facts statements of the affected Funds will also be updated, as necessary.

Invesco proposes a new type of distribution Share class; the Monthly Distribution- 1 Share classes, which will have flexibility in setting the distribution rate (as defined below). Furthermore, Invesco proposes to reposition the existing Hedged Plus Share classes described under 4.1.2 (Hedged Plus Share classes) of the Prospectus as Monthly Distribution- 1 Share classes.

These amendments to the Prospectus will come into effect on 29 July 2016 (the "**Effective Date**").

If you are a Shareholder invested in the Share classes listed under Point B below and the amendments described below do not suit your investment requirements, you may redeem your shares without any redemption charges or may avail of a switch out of the relevant Share class into another Share class or Fund in the Series or another fund in the Invesco Cross-Border Product Range of funds in Dublin and Luxembourg (subject to minimum investment amounts and eligibility requirements as set out in the relevant fund prospectus and authorization of the particular fund for sale in your relevant jurisdiction). The switch will be carried out in accordance with the normal terms, but no switching fee will be imposed on any such switch if the application is received by the dealing cut-off point (as defined in the Prospectus) the day prior to the Effective Date. Before taking any decision to invest in another Share class or fund, you must first refer to the prospectus of the relevant Invesco fund and the risks involved in relation to the same.

For Shareholders who do not invest in the Share classes listed under Point B below, the letter is provided to you for information only as a Shareholder in the Funds in scope.

A- New distribution Share class: the Monthly Distribution- 1 Share classes

Starting from the Effective Date, the Manager will offer Monthly Distribution- 1 Share classes that may distribute out of gross income and/or directly from capital. In determining the distribution policy applicable to the Monthly Distribution- 1 Shares, the Manager will have the discretion to pay monthly:

- (a) A portion of dividends out of gross income;
- (b) A portion of dividends out of capital; and
- (c) With respect to hedged Monthly Distribution- 1 Share classes, the interest rate differential between the currency in which the Share class is denominated and the base currency of the Fund.

As a result, it is possible that the dividend level may exceed the gross income attributable to the Monthly Distribution- 1 Shares and in some cases may be significantly higher. Please note that the payment of fees and expenses will be charged to capital.

The intention of the Monthly Distribution-1 Shares is to provide a stable distribution rate, but the Manager will have flexibility and discretion in the rates that are set. For the avoidance of doubt, references to distribution rate relate to distribution payment in the form of a pre-determined amount per share per month, regardless of the actual income earned in that month.

Shareholders should note that the distribution rate will be determined at the discretion of the Manager and as a result, there is no guarantee that a distribution payment will be made and if a distribution

payment is made, the dividend amount is not guaranteed. If there is a change to the distribution rate, affected Shareholders will receive at least one month's prior notice (or such other period as agreed with the Central Bank and the SFC).

In determining the stable distribution rate applicable to each Monthly Distribution- 1 Share class, the Manager will take into consideration the securities held by the portfolio and the gross yield that these are likely to generate. The Manager may then, at its discretion, allow for an additional distribution from capital, or in the case of a hedged Monthly Distribution- 1 Share class may also take into consideration the interest rate differential between the base currency of the Fund and the currency of the Share class.

The new wording included under Section 4.3.2.3 (Monthly Distribution- 1 Shares) of the Prospectus is disclosed in Schedule 1 of this letter.

Section 8 (Risk Warnings) of the Prospectus has been updated in order to include the risks associated with the new Monthly Distribution- 1 Share classes. It is important to note, that any payment of distributions out of gross income or directly from capital, may amount to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of capital will result in an immediate reduction of the net asset value of the relevant Share class. This will result in capital erosion and therefore constrain future capital growth for such Share classes. **For the full risks which will be disclosed in the updated Prospectus, please refer to the Schedule 1 of this letter.**

For Hong Kong Shareholders, the distribution rate (and any change thereof) and the composition of the dividends (i.e. the relative amounts paid out of net distributable income and capital (if any)) for the last 12 months ("Dividend Composition Information") is available from the Hong Kong Sub-Distributor and Representative on request, in the annual reports or on the Invesco internet site (www.invesco.com.hk[#]).

For non-Hong Kong Shareholders, such information can be obtained on the website of the management company (www.invescomanagementcompany.ie^{*}) and will be detailed in the annual reports.

For the avoidance of doubt, there will be no change in the nature/type or level of fees for the existing Share classes of the relevant Funds in relation to the introduction of the new Monthly Distribution – 1 Share class and all costs related to such change will be borne by the Manager.

Finally, Shareholders should note that the Trust Deed of each Series has been updated at the same time in order to allow this new mechanism of distribution.

B- Change in distribution policy and subsequent renaming of the Hedged Plus Share classes as Monthly Distribution- 1 Share classes and related updates

Existing Hedged Plus Share classes are described under Section 4.1.2 (Hedged Plus Share Classes) of the Prospectus (the "Hgd Plus" Share classes). The Hgd Plus Share classes currently treat the return driven by the interest rate differential between the currency of the Hgd Plus Share class and the base currency of the relevant Fund as distributable income. It is the intention to continue to treat the return driven by the interest rate differential as distributable income, however, from an accounting perspective, it will

[#] This website has not been reviewed by the SFC.

^{*} This website has not been reviewed by the SFC and may contain information of funds not authorized by the SFC.



continue to be treated as distribution out of capital of the Share class. For the sake of clarity, the Hgd Plus Share classes are Share classes which distribute monthly, out of gross income.

As the features of the current Hgd Plus Share classes will be included in the mechanism of the Monthly Distribution- 1 Share classes, starting from the Effective Date, Section 4.1.2 of the Prospectus will be deleted and the Hgd Plus Share classes will be renamed as Monthly Distribution- 1 Share classes and will take on their features (**for the features on the Monthly Distribution- 1 Share classes, please refer to point A above**). The key difference between the Monthly Distribution- 1 Share classes and the Hgd Plus Share Classes is that the Hgd Plus Share Classes could only pay distributions from interest rate differential as outlined above (which is itself treated as capital of the Share class) whereas the Monthly Distribution- 1 Share classes can additionally pay dividends directly out of capital.

For the avoidance of doubt, the relevant new Monthly Distribution- 1 Share classes that will incorporate the features of the Hgd Plus Share classes will still be hedged against the base currency of the relevant Fund and comply with the features disclosed in Section 4.1.1(Hedged Share classes).

Please find below the table showing the impacted Funds and Share classes and their future corresponding names as of the Effective Date:

Impacted Funds (sub-funds of Invesco Funds Series 2)	Current name of the impacted Share class	Future name of the impacted Share class
Invesco Global High Income Fund	A (AUD Hgd Plus) Gross Monthly distribution Share class	A (AUD Hgd) Monthly Distribution-1 Share class
Invesco Global High Income Fund	A (CAD Hgd Plus) Gross Monthly distribution Share class	A (CAD Hgd) Monthly Distribution-1 Share class
Invesco Global High Income Fund	A (NZD Hgd Plus) Gross Monthly distribution Share class	A (NZD Hgd) Monthly Distribution-1 Share class
Invesco Emerging Markets Bond Fund	A (AUD Hgd Plus) Gross Monthly distribution Share class	A (AUD Hgd) Monthly Distribution-1 Share class
Invesco Emerging Markets Bond Fund	A (CAD Hgd Plus) Gross Monthly distribution Share class	A (CAD Hgd) Monthly Distribution-1 Share class
Invesco Emerging Markets Bond Fund	A (NZD Hgd Plus) Gross Monthly distribution Share class	A (NZD Hgd) Monthly Distribution-1 Share class

For the avoidance of doubt, there will be no change in the nature/type or level of fees for the existing Share classes of each Fund of the Series and all costs related to such change will be borne by Invesco.

For Hong Kong Shareholders, the distribution rate (and any change thereof) and the composition of the dividends on the Monthly Distribution- 1 Shares (i.e. the relative amounts paid out of net distributable income and capital (if any)) for the last 12 months ("Dividend Composition Information") is available from the Hong Kong Sub-Distributor and Representative on request, in the annual reports or on the Invesco internet site (www.invesco.com.hk[#]).

For non-Hong Kong Shareholders, such information can be obtained on the website of the management company (www.invescomanagementcompany.ie^{*}) and will be detailed in the annual reports.

[#]This website has not been reviewed by the SFC.

^{*}This website has not been reviewed by the SFC and may contain information of funds not authorized by the SFC.

Further Information

The Prospectus is available free of charge at the registered office of the Manager. It is also available from the Manager's website: www.invescomanagementcompany.ie. This website has not been reviewed by the SFC and may contain information of funds not authorised by the SFC. For non-Hong Kong Shareholders, the Prospectus is 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 of funds 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.

For Swiss Shareholders, the Prospectus, the Key Investor Information Documents, the Trust Deed of the Series 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 'Lorenz' followed by a stylized surname.

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 Secondaria, Invesco Asset Management (Schweiz) AG, 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 (0) 1491 417 000.

SCHEDULE 1

Section 4.3.2.3 (Monthly Distribution- 1 Shares)

The Manager, at its absolute discretion, has the power to issue certain classes of Shares that distribute out of gross income and/or directly from capital (the "Monthly Distribution- 1" Share classes). At present, certain Funds offer such Monthly Distribution- 1 Share classes as further specified in the distribution policy of each Share class on the Website of the Manager.

As the generation of income has a higher priority than capital growth in the context of the Monthly Distribution- 1 Shares, the Monthly Distribution- 1 Shares have a greater flexibility with respect to their distribution policy.

In determining the distribution policy applicable to the Monthly Distribution- 1 Shares, the Manager may, at its discretion, pay:

- a) A portion of the dividends out of gross income;
- b) A portion of the dividends out of capital; and
- c) With respect to hedged Monthly Distribution- 1 Share classes, the interest rate differential between the currency in which the Share class is denominated and the base currency of the relevant Fund.

These Monthly Distribution- 1 Shares intend to pay a stable distribution rate. The distribution rate refers to a distribution payment in the form of a pre-determined amount per share per month, regardless of the actual income earned in that month.

The distribution rate will be determined, at the discretion of the Manager, and as a result, there is no guarantee that a distribution payment will be made and if a distribution payment is made, the dividend rate is not guaranteed.

In determining the stable distribution rate applicable to each Monthly Distribution- 1 Share class, the Manager will take into consideration the securities held by the portfolio and the gross yield that these are likely to generate. The Manager may then, at its discretion, allow for an additional distribution from capital, or in the case of a hedged Share class may also take into consideration the interest rate differential between the base currency of the Fund and the currency of the Share class.

The interest rate differential will be estimated based on the difference between the central bank rates of the base currency of the Fund and the currency in which the hedged Monthly Distribution- 1 Share class is denominated. Where the interest rate differential is positive, then it would be expected that the distribution yield may be higher than equivalent Shares denominated in the base currency of the Fund. Where the interest rate differential is negative, then it would be expected that the distribution yield may be lower than equivalent Shares denominated in the base currency of the Fund. In an extreme case, where the interest rate differential is negative and is greater than the distribution yield of the Fund in base currency, then it is possible that no dividend may be paid out and the NAV of the relevant Share class may be negatively impacted.

For the avoidance of doubt, the interest rate differential is calculated by subtracting the central bank interest rate applicable to the base currency of the Fund from the central bank interest rate applicable to the currency in which the hedged Monthly Distribution- 1 Share classes are denominated.

The distribution rate will be reviewed on at least a semi-annual basis based on market conditions. In extreme market conditions, this review may occur on a more frequent basis at the discretion of the



Manager. It is, however, not the intention of the Manager to take exchange rate fluctuations between the currency in which the Share class is denominated and the base currency of the Fund (where different) into consideration subsequent to the determination of the stable distribution rate. If there is a change to the distribution rate, affected Shareholders will receive at least one month's prior notice (or such other period as agreed with the Central Bank and SFC).

Investors should note that any payment of distributions out of gross income or directly from capital, and/or the payment of fees and expenses from capital, may amount to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of capital will result in an immediate reduction of the NAV of the relevant Share class. This will result in capital erosion and therefore constrain future capital growth for such Share classes. Hedged Share classes are described in Section 4.1.1 (Hedged Share Classes). For the avoidance of doubt, investors should note that the risks set forth under Section 4.1.1 (Hedged Share Classes) apply also to hedged Monthly Distribution- 1 Share classes.

Shareholders should also note that where dividends are paid from capital, this may result in a higher dividend, which may lead to a higher income tax liability. The Manager may pay dividends out of income or capital, and under such scenario such dividends may be considered as income distributions or capital gains in the hands of Shareholders depending on the local tax legislation in place (Please refer to Section 11 (Taxation)).

If there is a change to this policy, prior approval will be sought from the Central Bank and the SFC and affected Shareholders will receive at least one month's prior written notification.

For Hong Kong Shareholders, the distribution rate (and any change thereof) and the composition of the dividends (i.e. the relative amounts paid out of net distributable income and capital (if any)) for the last 12 months ("Dividend Composition Information") is available from the Hong Kong Sub-Distributor and Representative on request, in the annual reports or on the Invesco internet site (www.invesco.com.hk). For non-Hong Kong Shareholders, at request, such information can be obtained on the Website of the Manager and will be detailed in the annual reports.

Section 8 (Risk Warnings)

Monthly Distribution- 1 Shares

As the generation of income has a higher priority than capital growth in the context of Monthly Distribution- 1 Shares, the Manager, at its discretion, may pay distributions out of capital as well as out of gross income applicable to that Share class.

Investors should note that any payment of distributions out of gross income or directly from capital, and/or the payment of fees and expenses from capital, may amount to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of capital will result in an immediate reduction of the NAV of the relevant Share class. This will result in capital erosion and therefore constrain future capital growth for such Share classes.

The amount of distributions paid may not be correlated to past income or expected returns of the relevant Share classes or the relevant Fund. The distribution paid can thus be higher or lower than the income and return earned by the Fund during the distribution period. Monthly Distribution- 1 Shares may continue to distribute in periods in which the relevant Fund has negative returns or is making losses, which further reduces the NAV of the relevant Share class. In extreme circumstances, investors may not be able to get

back their original investment amount.

For Monthly Distribution- 1 Shares that are currency hedged, the Manager may take into account the return driven by the interest rate differential arising from the currency hedging of such Share classes in determining the distribution rate to be paid (which constitutes a distribution from capital). This will mean that, where the interest rate differential between the currency in which the hedged Monthly Distribution- 1 Share class is denominated and the base currency of the relevant Fund is positive, investors may forego capital gains in favour of distributions. Conversely, in times where the interest rate differential between the currency in which the hedged Monthly Distribution- 1 Share class is denominated and the base currency of the relevant Fund is negative, then the value of distributions payable may be reduced as a result. Investors should be aware of the uncertainty of relative interest rates, which are subject to change, and that this will have an impact on the return of the hedged Monthly Distribution - 1 Share classes. The NAV of the hedged Monthly Distribution - 1 Share classes may fluctuate and may significantly differ from other Share classes due to the fluctuation of the interest rate differential between the currency in which the hedged Monthly Distribution- 1 Share class is denominated and the base currency of the relevant Fund, and investors in such Share classes may therefore be adversely affected.

For the avoidance of doubt, the interest rate differential is calculated by subtracting the central bank interest rate applicable to the base currency of the Fund from the central bank interest rate applicable to the currency in which the hedged Monthly Distribution- 1 Share classes are denominated.

It is not the intention of the Manager to take exchange rate fluctuations between the currency in which the Share class is denominated and the base currency of the Fund (where different) into consideration subsequent to the determination of the stable distribution rate.

Shareholders should also note that the higher dividend that they receive may lead to a higher income tax liability. The Manager may pay dividends out of income or capital, and under such scenario such dividend may be considered as income distributions or capital gains in the hands of Shareholders depending on the local tax legislation in place. Investors should seek their own professional tax advice in this regard (Please refer to Section 11 (Taxation)).

The distribution rate will be determined at the discretion of the Manager and as result, there is no guarantee that a distribution payment will be made and if a distribution payment is made, the dividend rate is not guaranteed.

Shareholders should note that investments in the Monthly Distribution- 1 Shares do not constitute an alternative to a savings account or fixed-interest paying investment.

If there is a change to this policy, prior approval will be sought from the Central Bank and the SFC and affected Shareholders will receive at least one month's prior written notification.