



Invesco Funds

Amendments to constitution – new tax system for managed investment trusts

NOTICE PURSUANT TO SECTION 601GCB OF THE CORPORATIONS ACT 2001 (CTH)

This notice contains important information for members of the Invesco Funds named in the Schedule (the **Fund**) about changes made to the Fund's constitution. Please read this notice carefully to understand the changes. You should read this information in conjunction with the Fund's Product Disclosure Statement. Capitalised terms used in this notice are defined in the Fund's Product Disclosure Statement.

Background

A new tax regime for managed investment trusts was enacted on 5 May 2016 under the *Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2015*. This regime introduced the concept of an attribution managed investment trust (**AMIT**).

Reasons for and effect of proposed changes to constitution

The Responsible Entity has modified the Fund's constitution in accordance with section 601GCA of the *Corporations Act 2001* (Cth) to facilitate the Fund's entry to the new AMIT regime. The Fund will be an AMIT where it meets all of the conditions to be an AMIT and the Responsible Entity makes an election for the new regime to apply. An election to be an AMIT is irrevocable. For the reasons set out below, the Responsible Entity will elect for the Fund to be an AMIT from 1 July 2017.

The Responsible Entity believes that the AMIT regime can help result in more certain tax outcomes for members and greater flexibility for the Responsible Entity for reasons including the following:

- Prior to the introduction of the AMIT regime, managed investment trusts such as the Fund relied on certain 'administrative concessions' allowed by the Australian Taxation Office (**ATO**). These concessions have been codified in the AMIT regime, thus providing more certainty for investors in AMITs.
- Where managed investment trusts do not enter the AMIT regime, there is significant uncertainty as to whether the administrative concessions would continue to apply. If the administrative concessions do not apply, there is the potential for the income and gains of the Fund to be subject to a higher tax burden. The administrative practices that have been codified include:
 - AMITs are deemed to be 'fixed trusts' which should have the effect that if the Fund incurs tax losses the Fund is more likely to be able to satisfy the tests that allow the Fund to carry forward and utilise the tax losses in future income years;
 - Where the Responsible Entity has under- or over- distributions of income in an income year, the Responsible Entity may make adjustments to take the under or over into account in the year of discovery.
- The AMIT regime also facilitates flexibility for the Responsible Entity in:
 - Streaming income and gains to exiting members;
 - Dealing with income and gains of the Fund, including the ability to distribute or accumulate income and gains.

Notwithstanding the above benefits of entering into the AMIT regime, a disadvantage of electing into the AMIT regime is the inherent uncertainty in dealing with a new regime (notwithstanding it is expected that overall the new regime will be beneficial to members).

Contact details

If you have any questions or would like further information in relation to this notice, please contact the Responsible Entity:

Invesco Australia Limited
GPO Box 231 Melbourne, VIC 3001
1800 813 500

Important note

The information in this notice is general information only and does not take account of your personal financial situation and needs. You should consider this information before making a decision about the Fund and obtain financial advice tailored to your circumstances.

Before acting on this information, you should consider consulting a licensed or appropriately authorised financial adviser. You should also read and consider the current Fund Product Disclosure Statement which is available on Invesco's website: <http://www.invesco.com.au>.

Issued by: Invesco Australia Limited (ABN 48 001 693 232; AFSL 239916) as the Responsible Entity of the Fund.

Date: 30 June 2017

Schedule of Invesco Funds

List of Invesco Funds providing notice pursuant to section 601GCB of the Corporations Act (2001):

1. Invesco Wholesale Australian Share Fund (ARSN 089 540 143)
2. Invesco Wholesale Australian Smaller Companies Fund (ARSN 089 520 810)
3. Invesco Wholesale Diversified Growth Fund (ARSN 089 540 367)
4. Invesco Wholesale Senior Secured Income Fund (ARSN 089 547 606)
5. Invesco Wholesale Global Opportunities Fund – Hedged (ARSN 093 413 453)
6. Invesco Wholesale Global Opportunities Fund – Unhedged (ARSN 088 982 816)
7. Invesco Wholesale Global Property Securities Fund - Hedged (ARSN 112 838 490)
8. Invesco Senior Secured Loans Fund (ARSN 600 909 340)
9. Invesco Wholesale Global Targeted Returns Fund (ARSN 603 987 015)
10. Invesco Australian Equity Long Short Fund (ARSN 614 000 690)