



Invesco China Opportunity Fund III Prospectus

As of 20 February 2012

(A sub-fund of Invesco China Series II, a unit trust established as an exempted trust in the Cayman Islands)

IMPORTANT - If you are in any doubt about the contents of this Prospectus, you should seek independent professional financial advice.

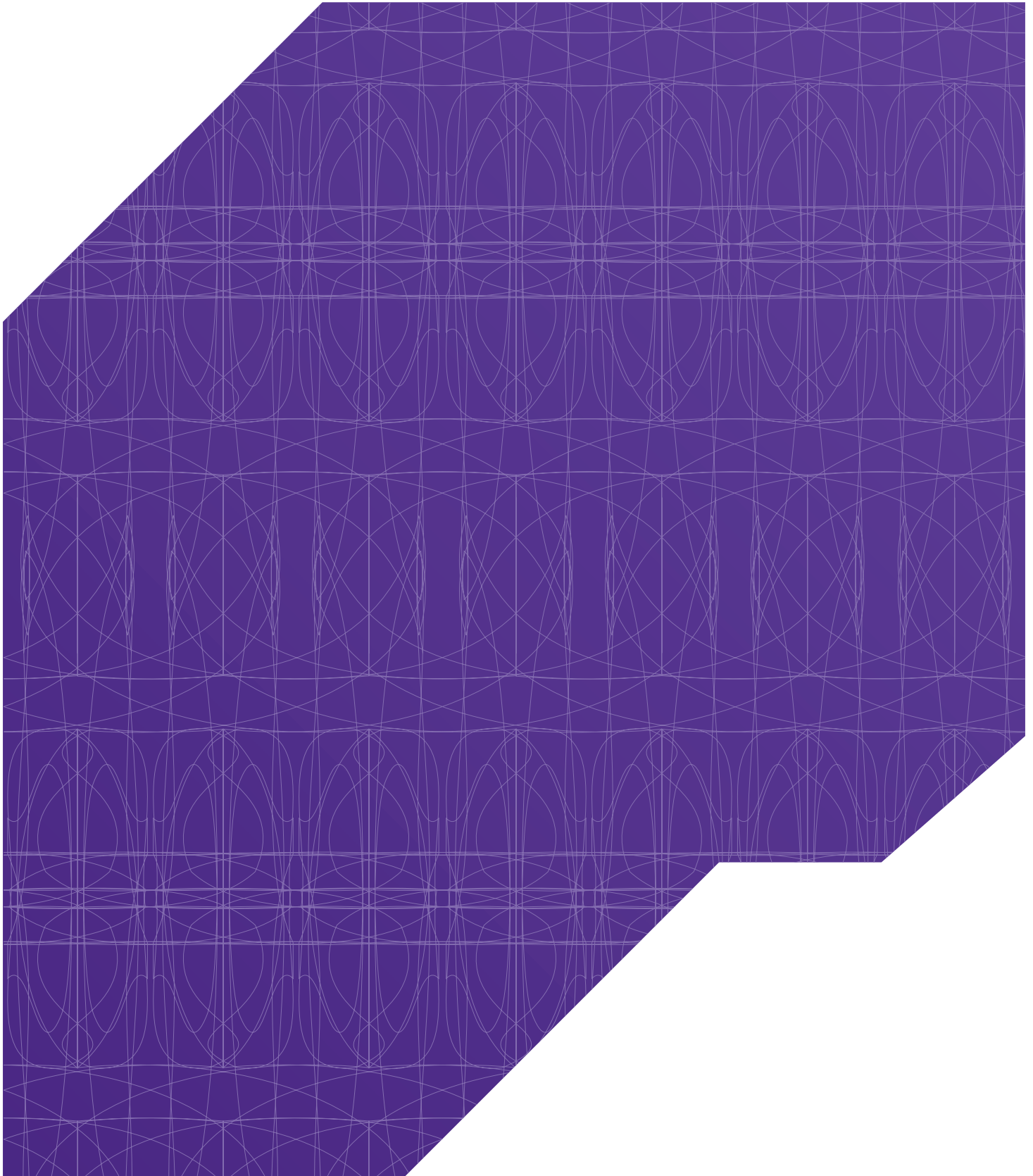


Invesco China Opportunity Fund III Addendum

(the "**Fund**") (a sub-fund of Invesco China Series II, a unit trust established as an exempted trust in the Cayman Islands)

Third Addendum dated 28 April 2015 to the Prospectus dated 20 February 2012 as amended by the First Addendum dated 10 April 2012 and the Second Addendum dated 21 March 2014

This Addendum shall supersede certain provisions of the Prospectus dated 20 February 2012 in relation to the Fund as amended by the First Addendum dated 10 April 2012 and the Second Addendum dated 21 March 2014 (the "Prospectus") as described herein and should be read in the context of and in conjunction with the Prospectus. All information contained in the Prospectus is deemed to be incorporated herein. In the case of any conflict between this Addendum and the Prospectus, this Addendum shall prevail.



Addendum

Words and expressions not specifically defined herein will bear the same meaning as that attributed to them in the Prospectus.

The Manager accepts full responsibility for the accuracy of the information contained in this Addendum and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement misleading.

Unless otherwise stated, the changes to the Prospectus set out below will take effect as of the date of this Addendum.

1. DEFINITIONS

- (a) Page 6 of the Prospectus - insert the following definition immediately after the definition for the term "Eligible Investor":

"FATCA"

(i) sections 1471 to 1474 of the US Internal Revenue Code of 1986 and any associated legislation, regulations or guidance, or similar legislation, regulations or guidance enacted in any jurisdiction which seeks to implement similar tax reporting and/or withholding tax regimes; (ii) any treaty, law, regulation, or other official guidance enacted in any jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction or Hong Kong and the US, or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement or implement the legislation, regulations or guidance described in paragraph (i); and (iii) any agreement pursuant to the implementation of (i) or (ii) above with any governmental or taxation authority in any jurisdiction.

- (b) Page 7 of the Prospectus - the definition of "Registrar" is deleted in its entirety and replaced with the following:

"Registrar"

Northern Trust Global Fund Services Cayman Limited.

2. RISK FACTORS

- (a) Page 15 of the Prospectus - the risk factor headed "Tax Considerations" is deleted in its entirety and replaced by the following:

Tax Considerations: by investing in A Shares and other permitted PRC investments prescribed by the QFII Regulations, the Fund has agreed to reimburse the Sub-Manager, as the QFII, for any PRC taxes that the Sub-Manager may be subject to withholding and other taxes (including capital gains tax) as may be imposed in the PRC. The current tax laws, regulations and practice in the PRC may change in the future with retrospective effect. Specifically, under the Corporate Income Tax Law of the People's Republic of China and its Implementing Rules, which took effect in China from 1 January 2008 onwards and a recent circular from the State Administration of Tax on 23 January 2009, the Fund's income from interests, dividends and profit distributions sourced from China, received by QFII on behalf of the Fund, is generally subject to Chinese withholding tax at a rate of 10%, absent an applicable tax treaty.

The Ministry of Finance, the State Administration of Taxation and the CSRC jointly issued a tax circular Cai Shui [2014] No. 79 on 31 October 2014 confirming that gains obtained by QFIIs from the transfer of A Shares and other equity interest investment in China shall be subject to Corporate Income Tax Law, although QFIIs are temporarily exempted from such tax commencing 17 November 2014. Subject to the temporary exemption, QFIIs as non-PRC tax residents with no permanent establishment in China should therefore be subject to 10% PRC withholding income tax on capital gains from disposal of A Shares, despite there are still certain uncertainties on the calculation method of the PRC withholding income tax on capital gains. The Manager has provided for this tax on realised capital gains obtained from the transfer of A Shares prior to 17 November 2014. The Manager will not make any tax provision on the gross unrealised and realised capital gains with effect from 17 November 2014 but reserves the right to provide for this tax on gains obtained from the transfer of A Shares once the abovementioned temporary exemption has been removed.

The Net Asset Value on any Dealing Day may not accurately reflect the tax liabilities, and investors should be aware that there may at any point in time be under-accrual or over-accrual for PRC tax liabilities which impact on the performance of the Fund and the Net Asset Value during the period of such under-accrual or over-accrual and there may be subsequent adjustments to the Net Asset Value. Such unequal allocation of PRC tax liabilities amongst Unitholders is a potential risk of investing in the Fund. Moreover, there is no assurance that the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the investments of the Fund.

- (b) Page 17 of the Prospectus - insert the following after the section headed "Derivatives Risks" as a new section headed "FATCA Withholding Risk":

FATCA Withholding Risk: FATCA generally imposes a new reporting regime and potentially a 30% withholding tax on (i) certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends ("Withholdable Payments") and (ii) a portion of certain non-U.S. source payments from non-U.S. entities that have entered into an agreement with the U.S. Internal Revenue Service ("IRS") to the extent attributable to Withholdable Payments ("Foreign Passthru Payments").

In the event that the Trust (for itself or for the Fund) is not able to comply with the requirements imposed by FATCA and the Trust or the Fund suffers withholding tax in relation to certain payments as a result of the non-compliance, the Net Asset Value of the Trust and the Fund may be adversely affected and the Trust and the Fund may suffer a significant loss as a result.

Pursuant to the Trust Deed and in order to comply with FATCA, the Trustee and the Manager shall be entitled to take or refrain from taking any action the Trustee or the Manager reasonably determines it is required by FATCA to take or refrain from taking, including without limitation (i) making any deduction or withholding the Trustee or the Manager reasonably determines it is required by FATCA to make in respect of any payment it receives for the

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account of, or makes to or on behalf of, the Trust or any Unitholder, (ii) deeming a Unitholder to give a realisation request with respect to all of its Units in the Fund and (iii) report and/or disclose on behalf of the Fund to the IRS or equivalent authority and any other foreign government body as required by FATCA, any information in its or its agents' or delegates' possession regarding a Unitholder including, without limitation, financial information concerning the Unitholder's investment in the Fund, and any information relating to any shareholders, principals, partners, beneficial owners (direct or indirect) or controlling persons (direct or indirect) of such Unitholder. Neither the Trustee nor the Manager shall be required to increase any payment in respect of which it makes any such deduction or withholding or otherwise compensate the Trust, the Unitholder or any other person for such deduction or withholding.

For further information, please see the section headed "Foreign Account Tax Compliance Act" in the section "TAXATION" in the Prospectus.

3. MANAGEMENT AND ADMINISTRATION

- (a) Page 23 of the Prospectus - the last sentence of the first paragraph under the sub-section headed "The Manager" is deleted in its entirety and replaced with the following:

"The directors of the Manager are LO, Andrew Tak Shing, GREENWOOD, John Gerald, LEE, Siu Mei, LIU, Gracie Yuen See, SIMPSON, Jeremy Charles and TONG, Anna."

- (b) Page 25 of the Prospectus - all references to "Northern Trust Cayman International, Limited" shall be replaced with "Northern Trust Global Fund Services Cayman Limited".

4. TAXATION

- (a) Page 28 of the Prospectus - Delete the third paragraph under the sub-heading "Income Tax" in the section headed "China" and replace with the following:

"Pursuant to the Corporate Income Tax Law and its detailed implementation rules, non-PRC tax resident who does not establish any permanent establishment in China (or which have permanent establishment in China but income derived is not effectively connected with such permanent establishment) is subject to PRC withholding income tax at the rate of 10% for dividends, interest, royalty, rental and other income (mainly referring to capital gain) derived from sources inside China.

The State Administration of Taxation issued a tax circular Guo Shui Han [2009] No.47 on 23 January, 2009 clarifying that, in accordance with the Corporate Income Tax Law, QFIIs are subject to 10% PRC withholding income tax on dividends and interest received from PRC. The Ministry of Finance, the State Administration of Taxation and the CSRC jointly issued a tax circular Cai Shui [2014] No. 79 on 31 October 2014 confirming that gains obtained by QFIIs from the transfer of A Shares and other equity interest investment in China shall be subject to Corporate Income Tax Law, although QFIIs are temporarily exempted from such tax commencing 17 November 2014. Subject to the temporary exemption,

QFIIs as non-PRC tax residents with no permanent establishment in China should therefore be subject to 10% PRC withholding income tax on capital gains from disposal of A Shares, despite there are still certain uncertainties on the calculation method of the PRC withholding income tax on capital gains. In the absence of specific guidance, the calculation method of the PRC withholding income tax on capital gains under the Old FIE Income Tax Law should apply. The Manager has provided for this tax on realized capital gains obtained from the transfer of A Shares prior to 17 November 2014. The Manager will not make any tax provision on the gross unrealised and realised capital gains with effect from 17 November 2014 but reserves the right to provide for this tax on gains obtained from the transfer of A Shares once the abovementioned temporary exemption has been removed.

With the uncertainty of how the current rules are to be applied to the taxation of capital gains on A Shares, the PRC taxation authorities not implementing the current rules, the possibility of the rules being changed and the possibility of taxes being applied retrospectively, any provision for taxation made by the Manager may be excessive or inadequate to meet final PRC tax liabilities on capital gains on A Shares. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such capital gains will be taxed, the level of provision and when they subscribed and/or redeemed their units in/from the Fund."

- (b) Page 29 of the Prospectus - insert the following after the last paragraph under the section headed "Hong Kong" as a new sub-section headed "Foreign Account Tax Compliance Act":

Foreign Account Tax Compliance Act

Under FATCA, all non-U.S. entities in a broadly defined class of Financial Institutions ("**FIs**"), are required to comply with an expansive documentation and reporting regime, or, beginning from July 1, 2014, be subject to a 30% U.S. withholding tax on certain U.S. payments, including interest and dividends from securities of U.S. issuers, constituting "withholdable payments" (beginning in 2017, a 30% withholding tax may be applied to gross proceeds from the sale of assets which could produce withholdable payments and Foreign Passthru Payments). Certain passive non-U.S. entities, which are Non-Financial Foreign Entities ("**NFFEs**"), are required to either certify to the FIs that they have no substantial U.S. owners or no controlling persons that are specified U.S. persons or report certain information with respect to their substantial U.S. owners or controlling persons that are specified U.S. persons. Non-compliance will result in the same 30% U.S. withholding tax as described above being imposed on the passive NFFEs beginning from July 1, 2014. The reporting obligations imposed under FATCA generally require FIs to obtain and disclose information about certain investors (including but not limited to the passive NFFEs) to the U.S. Internal Revenue Service ("**IRS**") or the local tax authorities of the jurisdiction in which they are resident.

The impact of FATCA on FIs in a specific country may be modified by an Intergovernmental Agreement ("**IGA**") between the U.S. and that country. A Model 2 IGA between the U.S. and Hong Kong has been signed on 13 November 2014 ("**Hong Kong IGA**").

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The Hong Kong IGA should apply to the Trust and/or the Fund as they should be treated as residents in Hong Kong.

For purposes of the Hong Kong IGA, currently each of the Trust and the Fund is treated as an "Investment Entity" and therefore a "Financial Institution". As such, each of the Trust and the Fund is a "Reporting FATCA Partner Financial Institution". Each of the Trust and the Fund has been registered with the IRS as of the date of this Prospectus, and thus it is expected that they will generally not be subject to the above described 30% withholding tax.

Under the Hong Kong IGA, a "Reporting FATCA Partner Financial Institution" is obligated to apply prescribed due diligence procedures, and report to the IRS specified information about any "U.S. Accounts" and "Nonparticipating Financial Institutions".

The Trust or the Fund will endeavour to satisfy the requirements imposed under FATCA and the Hong Kong IGA to avoid any U.S. withholding tax (although there is no assurance that the Trust or the Fund will be able to satisfy these requirements). In order to comply with the FATCA requirements under the Hong Kong IGA, Unitholders may be required, upon demand by the Trustee or the Manager, to provide a self-certification or other information or documentation in order to establish their tax residence or to comply with any reporting obligations imposed by the U.S., Hong Kong or any other jurisdiction. Furthermore, if there is any change in circumstances that would affect a Unitholder's tax residence status or there is reason for the Trustee or the Manager to suspect that a Unitholder's self-certification is incorrect or unreliable, a new self-certification and/or additional documentation may be required from the Unitholder.

In the event a Unitholder does not provide the requested information and/or documentation such that the Trust or the Fund does suffer U.S. withholding tax on its investments, the net asset value of the Trust or the Fund may be adversely affected and the Trust or the Fund may suffer significant loss as a result of non-compliance.

To the extent a Unitholder fails to provide the requested information and/or documentation, whether or not that actually leads to a risk of the Trust and/or the Fund being subject to U.S. withholding tax under FATCA, the Trustee or the Manager on behalf of the Trust and the Fund reserves the right to take any action and/or pursue all remedies at its discretion including, without limitation, (i) reporting the relevant information of such Unitholder to the IRS; (ii) withholding, deducting from such Unitholder's account, or otherwise collecting any such tax liability from such Unitholder to the extent permitted by applicable laws and regulations; (iii) deeming such Unitholder to have given notice to redeem all Units in the Fund (please refer to the sub-section of the Prospectus headed "Compulsory Transfer or Redemption" for details); and/or (iv) bringing legal action against such Unitholder for losses suffered by the Trust or the Fund as a result of such withholding tax.

The Trustee or the Manager in taking any such action or pursuing any such remedy, if permitted by applicable laws and regulations, shall act in good faith and on reasonable grounds. As the detailed implementation rules and schedule of implementation have not yet been finalized, the application of the withholding rules and

the information that may be required to be reported and disclosed are uncertain and subject to change. The Trustee and/or the Manager reserve the right to take any further action as may be required.

By investing (or continuing to invest) in the Fund, investors shall be deemed to acknowledge that:

- (i) the Fund (or its agent) may be required to disclose and report to the IRS certain confidential information in relation to the investor, including but not limited to the investor's name, address, tax identification number (if any), date of birth, Global Intermediary Identification Number (if any), and certain information relating to the investor's investment;
- (ii) the local competent authority may be required to exchange information regarding non-consenting U.S. account with the IRS and/or other foreign competent authorities;
- (iii) the Fund (or its agent) may be required to disclose and report to the IRS and other foreign competent authorities certain confidential information when registering with such authorities and if such authorities contact the Fund (or its agent directly) with further enquiries;
- (iv) the Fund may require the investor to provide additional information and/or documentation which the Fund may be required to disclose and report to the IRS;
- (v) in the event an investor does not provide the requested information and/or documentation, whether or not that actually leads to compliance failures by the Fund, or a risk of the Fund or its investors being subject to withholding tax under the relevant legislative or inter-governmental regime, the Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, deeming such Unitholder to have given notice to redeem all Units in the Fund (please refer to the sub-section of the Prospectus headed "Compulsory Transfer or Redemption" for details); and
- (vi) no investor affected by any such action or remedy shall have any claim against the Fund (or its agent) for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Fund in order to comply with any of the Hong Kong IGA or any future IGAs, or any of the relevant underlying legislation.

In the event that a prospective or existing investor is determined to be a "U.S. Account" based on the "self-certification", existing documentation and/or other documentary evidence provided, the Fund is required to obtain "consent" to report from such investor in order to comply with FATCA requirements. If "consent" is not obtained from such account holder, the Fund reserves the right to not open the account for any new prospective investor or close the account in respect of an existing investor and/or report aggregate information of account balances, payment amounts and number of non-consenting U.S. accounts to the IRS pursuant to the Hong Kong IGA.

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Each Unitholder should consult its own tax advisors regarding the requirements, possible implications and related tax consequences of FATCA with respect to its own situation.

5. PUBLICATION OF NET ASSET VALUE

Page 30 of the Prospectus - The section headed "Publication of Net Asset Value" is deleted in its entirety and replaced with the following:

Publication of Net Asset Value

The Net Asset Value per Unit will be published daily on the website of the Manager www.invesco.com.hk¹

6. SUSPENSION OF DETERMINATION OF NET ASSET VALUE

Page 31 of the Prospectus - The third paragraph under the sub-heading "Suspension of Determination of Net Asset Value" is deleted and replaced with the following:

Whenever the Manager or Trustee shall declare such a suspension it shall, as soon as may be practicable after any such declaration and at least once a month during the period of such suspension, publish a notice on the website of the Manager www.invesco.com.hk.

7. DIRECTORY

Page 37 of the Prospectus - reference to the name and address of the Registrar is deleted in its entirety and replaced with the following:

Northern Trust Global Fund Services Cayman Limited
94 Solaris Avenue
Camana Bay, P.O. Box 1348
Grand Cayman KY1-1108
Cayman Islands

¹ The contents of this website and any other websites referred to in this Prospectus have not been reviewed by the SFC

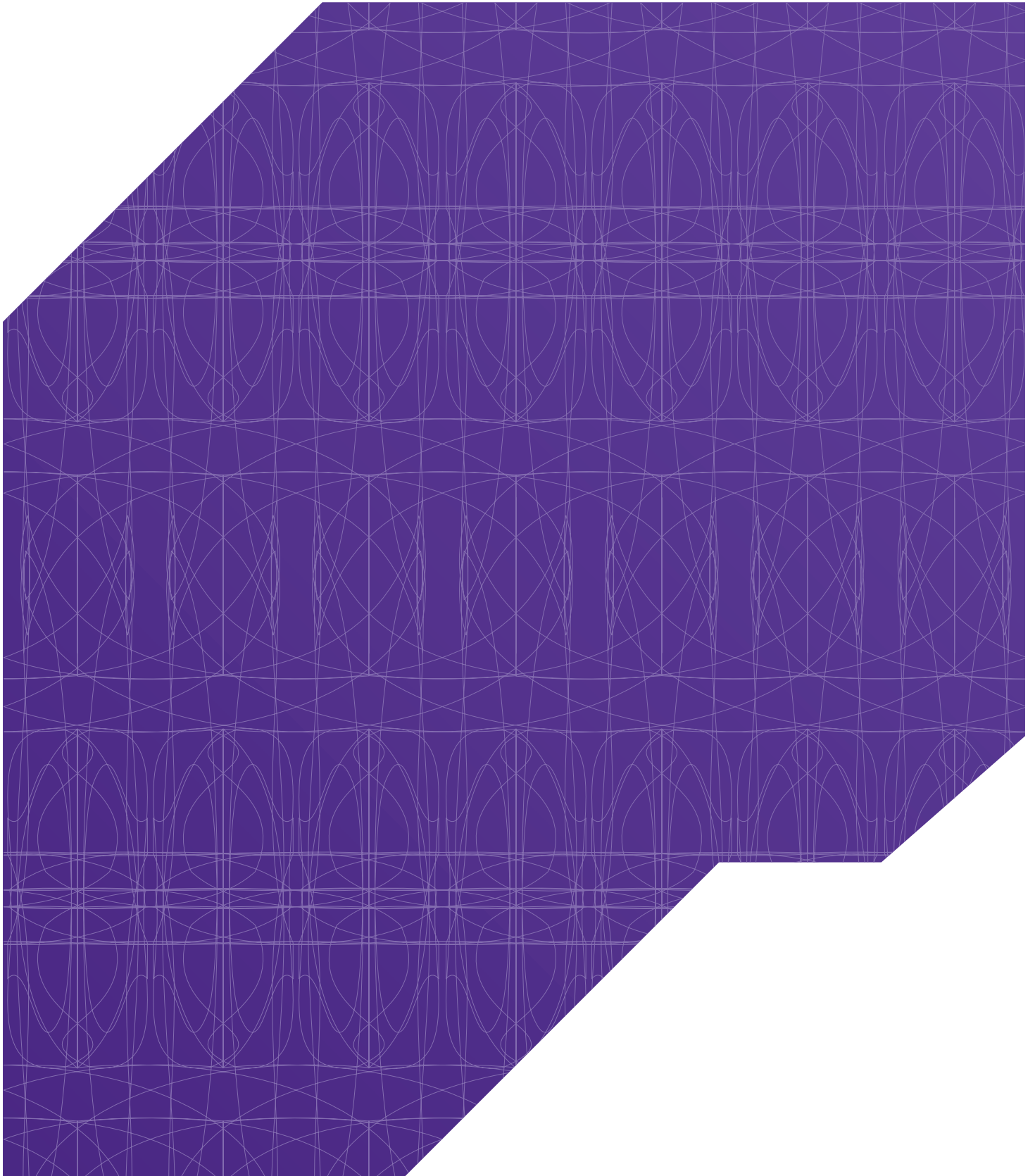


Invesco China Opportunity Fund III Addendum

(the "**Fund**") (a sub-fund of Invesco China Series II, a unit trust established as an exempted trust in the Cayman Islands)

Second Addendum dated 21 March 2014 to the Prospectus dated 20 February 2012 (as amended by the First Addendum dated 10 April 2012)

This Addendum shall supersede certain provisions of the Prospectus dated 20 February 2012 in relation to the Fund as amended by the first addendum dated 10 April 2012 (the "Prospectus") as described herein and should be read in the context of and in conjunction with the Prospectus. All information contained in the Prospectus is deemed to be incorporated herein. In the case of any conflict between this Addendum and the Prospectus, this Addendum shall prevail.



Addendum

Words and expressions not specifically defined herein will bear the same meaning as that attributed to them in the Prospectus.

The Manager accepts full responsibility for the accuracy of the information contained in this Addendum and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement misleading.

1. DEFINITIONS

- (a) Page 6 of the Prospectus - Delete the definition of the term "Law" and replace it with the following:

""Law""

Mutual Funds Law (2013 Revision) of the Cayman Islands."

- (b) Page 6 of the Prospectus - insert the following definition immediately after the definition for the term "Law":

""LGFV""

local government financing vehicles in mainland China."

- (c) Page 7 of the Prospectus - insert the following definition immediately after the definition for the term "Trustee":

""UIB""

urban investment bonds, being debt instruments issued by LGFVs in the mainland China listed bond and interbank bond-market. These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects."

2. INVESTMENT OBJECTIVES AND RESTRICTIONS

Page 9 of the Prospectus - Delete the second paragraph under the section headed "Investment Policy" in its entirety and replace with the following:

"Up to 30% of the total assets of the Fund in aggregate may be invested in cash, cash equivalents, money market instruments, and/or onshore or offshore debt securities (including convertible bonds) of mainland China issuers. Should the Fund invest in debt securities, its holdings in each of (i) UIBs (城投债), (ii) asset-backed securities (including mortgage-backed securities and asset-backed commercial papers) and (iii) onshore debt securities rated BB+ or below (as rated by major PRC local credit rating agencies), offshore debt securities of below investment grade (as rated by internationally recognized credit rating agencies) or unrated debt securities, shall not exceed 10% of the Fund's total assets."

3. RISK FACTORS

- (a) Page 11 of the Prospectus - Delete the last three sentences of the paragraph in the section headed "Foreign Exchange Risk" in its entirety and replace with the following:

"In addition, the Fund issues certain different classes of Units denominated in currencies other than the base currency of the Fund. In relation to such classes of Units, due to fluctuations in currency markets, returns to investors, when converted back into the currency in which the investor subscribes or redeems, may be different to the return calculated by reference to the base currency. Therefore, the value of those investments (when converted to the base currency of the Fund) may fluctuate due to changes in exchange rates. The price of Units can go down as well as up and investors may not realize their initial investment."

- (b) Page 14 of the Prospectus - Delete the first and second paragraphs of the sub-section headed "Limits on Redemption" in the section headed "QFII Risks" in its entirety and replace with the following:

"- **Limits on Redemption:** where the Fund is invested in the securities market in China by investing through the QFII investment quota of the Sub-Manager, repatriation of invested principal and income from China shall be subject to the QFII Regulations in effect from time to time including any regulatory requirements applicable to (including but not limited to) minimum amounts of investments, lock-up period, frequency and limits on repatriation or withdrawal of investments in such A Shares and other QFII Permitted Securities under the QFII investment quota of the Sub-Manager. For each QFII investment quota approved by SAFE, the relevant QFII is required to remit into China the full amount of the principal funds within six months from the SAFE approval date. If the Sub-Manager (as a QFII) fails to remit the quota amount in full within such stipulated period of time and the amount actually remitted is more than the equivalent amount of US\$20 million, the amount actually remitted shall be its investment quota. Under current QFII Regulations applicable to the QFII investment quota of the Sub-Manager utilised by the Fund, since the Fund qualifies as an open-ended China fund (as defined under the QFII Regulations), capital invested into China by the Fund through the investment quota of the Sub-Manager may not be repatriated within three months of the remittance by the Fund of such quota amount in full (or within three months of the date which is six months after the relevant quota approval date, in case that the quota amount has not been remitted in full within the stipulated period). Thereafter, remittance and repatriation for the account of the Fund may be effected on a weekly basis by the QFII Custodian through the Sub-Manager's QFII investment quota based on the net subscriptions and redemption of Units but such repatriation will be subject to a maximum monthly amount equal to 20% of the Sub-Manager's total assets in China as at the end of the preceding year. Repatriation of an amount in excess of this limit is subject to approval by SAFE."

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If the net amount to be repatriated by the QFII Holder for the account of the Fund on any occasion over a particular calendar month exceeds 20% of the QFII holder's total assets in China as at the end of the preceding year, prior approval from SAFE is required which may delay payment of redemption proceeds. Once prior approval from SAFE is obtained, the amount due on the redemption of Units will normally be paid within 7 Business Days after the end of the relevant calendar month when the redemption was effected (i.e. after it has been processed), and in any event by the later of (i) one calendar month from the relevant Dealing Day (i.e. the relevant Business Day when a properly documented redemption request is received); or (ii) 7 Business Days after completion of the conversion of the redemption proceeds from RMB to the relevant class currency and such proceeds have been paid to the Custodian.

However, the relevant QFII Regulations are subject to uncertainty in their application. For instance, the maximum repatriation limit without SAFE's approval may be applied on the Sub-Manager's QFII investment quota as a whole. That means the repatriation limit may be applied to all the open-ended China funds that invest through the Sub-Manager's QFII investment quota in aggregate such that the Fund will have to share this repatriation limit with the other open-ended China funds, rather than having the benefit of the full repatriation limit without requiring SAFE approval. The investment regulations and/or the approach adopted by SAFE in relation to the repatriation limit may change from time to time. A repatriation of principal and/or profits over and above the repatriation limit will require approval from SAFE, which may delay payment of redemption proceeds."

- (c) Page 14 of the Prospectus - Insert the following sentence at the end of the paragraph of the sub-section headed "Regulatory Development" in the section headed "QFII Risks":

"CSRC and SAFE may impose certain practical restrictions on the investment of QFIIs through their quotas to address the relevant political and economic considerations. For example, in practice, a QFII is required to use no less than 50% of its QFII investment quota to invest in A Shares and the cash held by a QFII should not exceed 20% of its QFII investment quota."

- (d) Page 15 of the Prospectus - Delete the sub-section heading "Capital Repatriation" in the section headed "QFII Risks" and replace it with "Repatriation", and delete the second last sentence of that sub-section in its entirety and replace with the following:

"As to the Fund, any repatriation of an amount in excess of the relevant repatriation limit is subject to approval by SAFE."

4. ISSUE OF UNITS

- (a) Page 18 of the Prospectus - Delete the first paragraph of the sub-section headed "Minimum Initial Investment, Subsequent Subscription and Minimum Holding" in the section headed "Issue of Units" in its entirety and replace with the following:

"The minimum initial investments are US\$1,500 for Class A Units denominated in US Dollars and HK\$10,000 for Class A Units denominated in Hong Kong Dollars, US\$250,000 for Class C Units denominated in US Dollars and HK\$2 million for Class C Units denominated in Hong Kong Dollars, US\$1 million for Class I Units, and ¥1 million for Class Y Units, respectively. The Manager may accept investments for smaller amounts in its sole discretion."

- (b) Page 18 of the Prospectus - Delete the third paragraph of the sub-section headed "Minimum Initial Investment, Subsequent Subscription and Minimum Holding" in the section headed "Issue of Units" in its entirety and replace with the following:

"The minimum holding is US\$50,000 for Class C Units denominated in US Dollars and HK\$400,000 for Class C Units denominated in Hong Kong Dollars, unless the Manager determines otherwise in its sole discretion. There is no minimum holding requirement for Class A Units, Class I Units or Class Y Unit".

- (c) Page 19 of the Prospectus - Delete the second paragraph of the sub-section headed "Payment Procedure" in the section headed "Issue of Units" in its entirety and replace with the following:

"Dealing in the Units of the Fund shall be in the currency in which the relevant class of Units is denominated."

- (d) Page 20 of the Prospectus - Delete the third paragraph of the section headed "Anti-Money Laundering Procedures" and replace it with the following:

"If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law, 2008 of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the Financial Reporting Authority, pursuant to the Terrorism Law (2011 Revision) of the Cayman Islands if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise."

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- (e) Page 20 of the Prospectus - In the fourth paragraph of the section headed "Anti-Money Laundering Procedures", delete the references to Monetary Authority Law (2011 Revision) and Tax Information Authority Law (2009 Revision) and replace them respectively with Monetary Authority Law (2013 Revision) and Tax Information Authority Law (2013 Revision).

5. REDEMPTION OF UNITS

Page 21 of the Prospectus - Delete the second paragraph of the sub-section headed "Payment of Redemption Proceeds" in the section headed "Redemption of Units" in its entirety and replace with the following:

"Subject as mentioned above and except where the redeeming Unitholder gives alternative payment instructions, such amount less any applicable redemption fee will be paid to the redeeming Unitholder at his risk by cheque or by telegraphic transfer in the currency in which the relevant class of Units is denominated. Redemption proceeds would normally be paid within 7 Business Days after the Dealing Day and in any event by the later of (i) one calendar month from the relevant Dealing Day (i.e. the relevant Business Day when a properly documented redemption request is received); or (ii) 7 Business Days after completion of the conversion of the redemption proceeds from RMB to the relevant class currency and such proceeds have been paid to the Custodian."

6. TAXATION

Page 28 of the Prospectus - Delete the second paragraph of the section headed "Cayman Islands" and replace with the following:

"The Trustee has obtained an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 81 of the Trusts Law (2011 Revision) of the Cayman Islands, for a period of 50 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax or duty to be levied on income or on capital assets, gains or appreciations or any tax in the nature of estate duty or inheritance tax shall apply to any property comprised in or any income arising under the Trust or to the trustees or the beneficiaries thereof in respect of any such property or income."

7. DIRECTORY

Page 34 of the Prospectus - Delete the address of the Sub-manager and replace with the following:

"Perpetual Park, Perpetual Park Drive

Henley-on-Thames

Oxfordshire, RG9 1HH

United Kingdom"



Invesco China Opportunity Fund III Addendum

**First Addendum Dated 10 April 2012
To The Prospectus Dated 20 February 2012**

(The "**Fund**") (a sub-fund of Invesco China Series II, a unit trust established as an exempted trust in the Cayman Islands)

This Addendum shall supersede certain provisions of the Prospectus dated 20 February 2012 in relation to the Fund (the "Prospectus") as described herein and should be read in the context of and in conjunction with the Prospectus. All information contained in the Prospectus is deemed to be incorporated herein. In the case of any conflict between this Addendum and the Prospectus, this Addendum shall prevail.

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Words and expressions not specifically defined herein will bear the same meaning as that attributed to them in the Prospectus.

The Manager accepts full responsibility for the accuracy of the information contained in this Addendum and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement misleading.

1. DEFINITIONS

- (a) Page 6 of the Prospectus - Delete the definitions of "Class A Unit", "Class C Unit", "Dealing Day", "First Subscription Day" and "Initial Offer Price" in their entirety and insert the following expressions and their corresponding meanings to the section headed "Definition":

"Class A Unit"

a Unit issued as a Class A Unit, denominated in HK\$ or US\$.

"Class C Unit"

a Unit issued as a Class C Unit, denominated in HK\$ or US\$.

"Dealing Day"

each Business Day or such other day or days as the Manager may determine (subject to the Trustee's prior approval) from time to time. The first Dealing Day shall be the Business Day immediately following the First Subscription Day.

"First Subscription Day"

the Business Day designated by the Manager upon which the Units will be made available for first subscription, which currently is designated to fall on 27 April 2012, or such other Business Day as may be determined by the Manager with prior notification to the Trustee."

"Initial Offer Price"

US\$10.00 (or the equivalent amount in HK\$ or Yen) per Unit.

- (b) Page 6 of the Prospectus - Insert the following definition of "Hong Kong Dollars" and "HK\$" in the section headed "Definitions":

"Hong Kong Dollars" and "HK\$"

the lawful currency of Hong Kong for the time being.

2. THE FUND

Page 8 of the Prospectus - Delete the first sentence of the third paragraph under the section headed "The Fund" in its entirety and replace with the following:

"The Fund is currently authorised under the Trust Deed to issue the following classes of Units, namely Class A Units denominated in Hong Kong Dollars or US Dollars, Class C Units denominated in Hong Kong Dollars or US Dollars, Class I Units denominated in US Dollars, and Class Y Units denominated in Yen."

3. RISK FACTORS

Page 11 of the Prospectus - Delete the last sentence of the first paragraph under the sub-section headed "General" in the section headed "Risk Factors" in its entirety.

4. ISSUE OF UNITS

- (a) Page 18 of the Prospectus - Delete the first sentence of the first paragraph under the section headed "Issue of Units" and replace with the following:

"Currently the following classes of Units are available for issue - Class A Units denominated in Hong Kong Dollars or US Dollars, Class C Units denominated in Hong Kong Dollars or US Dollars, Class I Units denominated in US Dollars and Class Y Units denominated in Yen."

- (b) Page 18 of the Prospectus - Delete the first paragraph under the sub-section headed "Initial Issue of Units" in the section headed "Issue of Units" in its entirety and replace with the following:

"Units will be allotted on the First Subscription Day, which is currently designated to fall on 27 April 2012 or such other Business Day as may be determined by the Manager with prior notification to the Trustee at the Initial Offer Price, namely (i) in the case of Class A Units denominated in US Dollars of US\$10 per Unit, plus any applicable charge, (ii) in the case of Class A Units denominated in Hong Kong Dollars, the HK\$ amount equivalent to US\$10 per Unit, plus any applicable charge, (iii) in the case of Class C Units denominated in US Dollars of US\$10 per Unit, plus any applicable charge, (iv) in the case of Class C Units denominated in HK Dollars, the HK\$ amount equivalent to US\$10 per Unit, plus any applicable charge, (v) in the case of Class I Units denominated in US Dollars of US\$10 per Unit, plus any applicable charge and (vi) in the case of Class Y Units denominated in Yen, the Initial Offer Price will be Yen amount equivalent to US\$10 per Unit, plus any applicable charge. The Manager is entitled to receive a sales charge of up to 5.25% of the Initial Offer Price of each of Class A Units and Class C Units. There is no sales charge for Class I Units and Class Y Units."

- (c) Page 18 of the Prospectus - Delete the first paragraph under the sub-section headed "Minimum Initial Investment, Subsequent Subscription and Minimum Holding" in the section headed "Issue of Units" in its entirety and replace with the following:

"The minimum initial investments are US\$1,500 for Class A Units denominated in US Dollars (or the equivalent amount in HK\$ for Class A Units denominated in Hong Kong Dollars), US\$250,000 for Class C Units denominated in US Dollars (or the equivalent amount in HK\$ for Class C Units denominated in Hong Kong Dollars), US\$1 million for Class I Units, and ¥1 million for Class Y Units, respectively. The Manager may accept investments for smaller amounts in its sole discretion."

Addendum

Continued

- (d) Page 18 of the Prospectus - Delete the third paragraph under the sub-section headed "Minimum Initial Investment, Subsequent Subscription and Minimum Holding" in the section headed "Issue of Units" in its entirety and replace with the following:

"The minimum holding for Class C Units denominated in US Dollars is US\$50,000 (or the equivalent amount in HK\$ for Class C Units denominated in Hong Kong Dollars), unless the Manager determines otherwise in its sole discretion. There is no minimum holding requirement for Class A Units, Class I Units or Class Y Units."

- (e) Page 19 of the Prospectus - Delete the second paragraph under the sub-section headed "Payment Procedure" in the section headed "Issue of Units" in its entirety and replace with the following:

"Dealing in the Units of the Fund shall be in the currency in which the relevant class of Units is denominated, being in Hong Kong Dollars or US Dollars (as applicable) for Class A and Class C Units denominated in the relevant currency, in US Dollars for Class I Units and in Yen for Class Y Units."

- (f) Page 19 of the Prospectus - Delete the first sentence of the first paragraph of the sub-section headed "Eligible Investors" in the section headed "Issue of Units" in its entirety and replace with the following:

"The Fund's policies do not permit the sale of Units to U.S. Persons unless such U.S. Persons are able to represent that they are "accredited investors" under Regulation D promulgated under the U.S. Securities Act of 1933 and "qualified purchasers" under the U.S. Investment Company Act of 1940 (individually, an "**Eligible U.S. Person**")."

- (g) Page 20 of the Prospectus - Delete the first sentence of the fourth paragraph of the sub-section headed "Eligible Investors" in the section headed "Issue of Units" in its entirety and replace with the following:

"Therefore Units may only be offered and issued to and for the benefit of an investor who the Manager determines (i) is not a U.S. Person, (ii) is not a Cayman Person, or is a U.S. Person but the investor qualifies as an Eligible U.S. Person (each an "**Eligible Investor**")."

5. REDEMPTION OF UNITS

- (a) Page 21 of the Prospectus - Delete the first paragraph under the sub-section headed "Minimum Redemption and Redemption Restrictions" under the section headed "Redemption of Units" in its entirety and replace with the following:

"There is no minimum redemption amount requirement for any of the Classes of Units. A Unitholder may not make a partial redemption of Units which would result in that Unitholder holding less than the minimum holding of the relevant class of Units in force from time to time. The Distributor, at its absolute discretion, has the power to convert a Unitholder's Units from one class into another class if the value of the Unitholder's investment falls below the minimum holding for the relevant class."

- (b) Page 21 of the Prospectus - Delete the second paragraph of the sub-section headed "Payment of Redemption of Proceeds" in the section headed "Redemption of Units" in its entirety and replace with the following:

"Subject as mentioned above and except where the redeeming Unitholder gives alternative payment instructions, such amount less any applicable redemption fee will be paid to the redeeming Unitholder at his risk by cheque or by telegraphic transfer in the currency in which the relevant class of Units is denominated, being Hong Kong Dollars or US Dollars (as applicable) for Class A Units and Class C Units denominated in the relevant currency, US Dollars for Class I Units, and Yen for Class Y Units. The amount due on the redemption of Units will normally be paid within 7 Business Days after the end of the relevant calendar month when the redemption was effected, and in any event by the later of (i) one calendar month from the relevant Dealing Day; or (ii) 7 Business Days after completion of the conversion of the redemption proceeds from RMB to USD and such USD-denominated proceeds have been paid to the Custodian."

6. CHARGES AND EXPENSES

Page 25 of the Prospectus - Delete the paragraph under the sub-section headed "Global Custodian Fees" in the section headed "Charges and Expenses" in its entirety and replace with the following:

"The Global Custodian's fees will be paid out of the assets of the Fund. The Global Custodian's fees payable by the Fund is up to 0.15% per annum calculated and accrued daily. The Trust as a whole is subject to a minimum monthly fee of US\$5,000 payable to the Global Custodian for acting as a global custodian of each sub-fund of the Trust and such a minimum fee (where applicable) shall be shared pro-rata by each sub-fund of the Trust based on its Net Asset Value at the last Valuation Point of the relevant month. The Trustee shall discharge out of the Fund's assets (i) reasonable out-of-pocket expenses payable to the Global Custodian, (ii) all transaction charges payable to the Global Custodian and the QFII Custodian (which shall be charged at normal commercial rates) and (iii) all fees paid by the Global Custodian to the QFII Custodian (which shall be charged at normal commercial rates)."

7. GENERAL INFORMATION

Pages 32 and 33 of the Prospectus - Delete all references to the word "Trust" under the sub-section headed "Mutual Funds Law and Regulation" in the section headed "General Information" and replace them with the word "Fund".



Important Information

Invesco China Series II ("**Trust**") is a unit trust established as an umbrella fund under the laws of the Cayman Islands by a trust deed dated 15 February 2012 and managed by Invesco Hong Kong Limited ("**Manager**"). This Prospectus comprises information relating to Invesco China Opportunity Fund III, a sub-fund of the Trust ("**Fund**").

The Manager accepts full responsibility for the accuracy of the information contained in this Prospectus and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, there are no other facts the omission of which would make any statement misleading. Distribution of this Prospectus must be accompanied by a copy of the latest available annual report and accounts of the Trust and any subsequent interim report.

The Trust and the Fund have been authorised by the Securities and Futures Commission ("**SFC**"). SFC authorization is not a recommendation or endorsement of the Trust or the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

For Japanese residents

Units in the Trust have not been and will not be registered under the Financial Instruments and Exchange Law (the "**FIEL Law (Japan)**"). Units will not be offered or sold in Japan except by way of a private placement to Qualified Institutional Investors (as defined under the FIEL Law (Japan) and the Cabinet Office Ordinance; hereafter "**QIIs**" or "**Qualified Institutional Investors**") pursuant to the exemption available under Article 2, Paragraph 3, Item 2 (a) of the FIEL Law (Japan) after filing a registration statement concerning a foreign investment trust with the Commissioner of the Financial Services Agency under the Law Concerning the Investment Trusts and Investment Companies of Japan. Units will be and may be offered in Japan only by way of a private placement to QIIs pursuant to Article 2, Paragraph 2, Item 3 (a) of the FIEL Law (Japan). The Units sold by way of a private placement to QIIs are subject to resale restrictions that such Units cannot be resold to anyone other than QIIs.

For Singapore residents

The Fund is a restricted scheme under the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the offer, holding and subsequent transfer of Units in the Fund in Singapore is restricted.

The Fund is not authorised or recognised by the Monetary Authority of Singapore ("**MAS**") and the offer or invitation of Units which is the subject of this Prospectus is not allowed to be made to the retail public in Singapore. This Prospectus has not been lodged with MAS and is not a prospectus as defined in the SFA. Accordingly, statutory liability under the SFA in relation to the contents of prospectuses would not apply. MAS takes no responsibility for the contents of this Prospectus. You should consider carefully whether the investment is suitable for you.

This Prospectus has not been registered as a prospectus with the MAS. No offer or sale, or invitation for subscription or purchase, of the Units may be made, nor any document or material (including but not limited to this Prospectus) relating

to the Units may be circulated or distributed, whether directly or indirectly, to persons in Singapore other than (a) to an **institutional investor** pursuant to Section 304 of the SFA; (b) to a **relevant person** pursuant to Section 305(1) of the SFA or any person pursuant to Section 305(2) of the SFA, and in accordance with the conditions specified in Section 305 of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Except as specifically stated below, each of the following relevant persons specified in Section 305 of the SFA which acquires the Units:

- (i) a corporation (which is not an accredited investor as defined in section 4A of the SFA) the sole business of which is to hold investments, and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) the sole purpose of which is to hold investments, and each beneficiary¹ of which is an individual who is an accredited investor, shall not transfer (in the case of a corporation) its securities, or (in the case of a trust) its beneficiaries' rights and interests (howsoever described) in the trust, within 6 months after the date of acquisition of the Units unless:
 - (1) the transfer is made only to an institutional investor or relevant person, or arises from (in the case of a corporation) an offer referred to in Section 275(1A) of the SFA or, (in the case of a trust) an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S\$200,000 (or its equivalent in another currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;
 - (2) no consideration is or will be given for the transfer; or
 - (3) the transfer is by operation of law.

The above conditions (1), (2) and (3) do not apply where Units acquired are of the same class as other Units an offer of which has previously been made in or accompanied by a prospectus and which are listed for quotation on a securities exchange.

For other investors

No action has been taken to permit the offering of Units or distribution of this Prospectus in any jurisdiction where action would be required for such purpose (including the People's Republic of China) other than Hong Kong, Macau or Singapore. Accordingly, this Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or the conditions for such offer or solicitation are not satisfied.

¹ The reference to "beneficiaries" includes a reference to unitholders of a business trust and participants of a collective investment scheme.

Important Information

Continued

In particular:

- (i) the Units have not been registered under the United States Securities Act of 1933 (as amended) and, except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or for the benefit of a US Person (as defined in Regulation S under such Act); and
- (ii) the Trust has not been and will not be registered under the United States Investment Company Act of 1940 as amended.

This Prospectus does not constitute, and shall not be construed as, an invitation to the persons resident or domiciled in the Cayman Islands to subscribe for Units. Persons resident or domiciled in the Cayman Islands are prohibited from holding Units. For these purposes, "persons resident or domiciled in the Cayman Islands" does not include any object of a charitable trust or power or any exempted or non-resident Cayman Islands company.

Units in the Fund are offered on the basis only of the information contained in this Prospectus.

Any information given or representations made by any dealer, salesman or other person and (in either case) not contained herein should be regarded as unauthorised and, accordingly, should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Units in the Fund shall, under any circumstances, constitute a representation that the information contained in this Prospectus is correct at any time subsequent to the date hereof. This Prospectus may from time to time be updated and prospective applicants of Units should enquire of the Manager as to the issue of any later Offering Memoranda.

Potential applicants for Units 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, incorporation or domicile and which might be relevant to the application, subscription, holding, or disposal of Units.

The distribution of this Prospectus and the offering or purchase of Units may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Units, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Units pursuant to this Prospectus to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction.

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Definitions

For the purposes of this Prospectus, the following expressions have the following meanings:

"A Shares"

shares denominated in RMB, issued by companies in the PRC and listed on the PRC Stock Exchanges, or such other shares issued by companies in the PRC listed on the PRC Stock Exchanges and available for investment by QFIIs.

"Business Day"

each day that is not a Saturday or a Sunday or a day (i) on which banks are authorized or required to close in Hong Kong or China; or (ii) on which the PRC Stock Exchanges are closed. If there is a Number 8 Typhoon Signal or higher, or a black rainstorm warning or other similar event and as a result the period during which banks in Hong Kong are open on any day for normal banking business is reduced, such day will not be treated as a Business Day unless the Manager determines otherwise or such other day or days as the Manager may agree from time to time.

"Cayman Islands"

the British Overseas Territory of the Cayman Islands.

"China" or "PRC"

the People's Republic of China, excluding Taiwan, Hong Kong and Macau SAR, and the term "Chinese" shall be construed accordingly.

"CIMA"

the Cayman Islands Monetary Authority.

"Class A Unit"

a Unit issued as a Class A Unit.

"Class C Unit"

a Unit issued as a Class C Unit.

"Class I Unit"

a Unit issued as a Class I Unit.

"Class Y Unit"

a Unit issued as a Class Y Unit.

"Code"

the Overarching Principles Section and Section II- Code on Unit Trusts and Mutual Funds of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products issued by the SFC, as may be amended or replaced from time to time.

"Corporate Income Tax Law"

Corporate Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) promulgated on 16 March 2007, which came into effect and repealed the Income Tax Law on 1 January 2008.

"CSDCC"

the Central Securities Depository and Clearing Corporation Limited.

"CSRC"

the China Securities Regulatory Commission of the PRC.

"Dealing Day"

the last Business Day of each calendar month or such other day or days as the Manager may determine (subject to the Trustee's prior approval) from time to time. The first Dealing Day shall be the last Business Day of the calendar month immediately following the First Subscription Day. There will be one additional Dealing Day for the month of June 2012 on 8 June 2012.

"Dealing Deadline"

5:00 p.m. (Hong Kong time) on a Dealing Day or such other time as the Manager (subject to the Trustee's prior approval) may in its discretion determine.

"Distributor"

Invesco Asset Management Asia Limited or such other person or institution as may be appointed as Distributor by the Manager from time to time.

"Eligible Investor"

has the meaning given to it in the section headed "Eligible Investors".

"FDIs"

financial derivative instruments.

"FIE(s)"

foreign investment enterprises(s) incorporated in the PRC.

"First Subscription Day"

the Business Day designated by the Manager upon which the Units will be made available for first subscription, which currently is designated to fall on 16 March 2012, or such other Business Day as may be determined by the Manager with prior notification to the Trustee.

"Fund"

the Invesco China Opportunity Fund III, a Sub-Fund of the Trust.

"Global Custodian"

JPMorgan Chase Bank, N.A., Hong Kong Branch.

"Global Custody Agreement"

the agreement between the Trustee and the Global Custodian dated 15 February 2012, as amended from time to time.

"Hong Kong"

the Hong Kong Special Administrative Region of the PRC.

"IFRS"

the International Financial Reporting Standards.

"Initial Offer Price"

US\$10.00 (or the equivalent amount in Yen) per Unit.

"Investment Sub-Advisor"

Invesco Great Wall Fund Management Company Limited.

"Law"

Mutual Funds Law (2009 Revision) of the Cayman Islands.

"Manager"

Invesco Hong Kong Limited.

Definitions

Continued

"Net Asset Value"

the net asset value of the Fund determined in accordance with the terms of the Trust Deed and, where the context requires, the Net Asset Value of any class or series of Units of the Fund or the Net Asset Value per Unit.

"Prospectus"

this prospectus as amended or supplemented from time to time.

"PRC"

The People's Republic of China.

"PRC Stock Exchanges"

the Shanghai Stock Exchange, the Shenzhen Stock Exchange and any other stock exchange that opens in the PRC.

"QFII"

a qualified foreign institutional investor pursuant to the relevant PRC laws and regulations.

"QFII Custodian"

Bank of China Limited.

"QFII Custodian Agreement"

the agreement dated 2 December 2004 between the Global Custodian and the QFII Custodian, as supplemented by a supplement pursuant to which the Sub-Manager, the Global Custodian and the QFII Custodian are also parties for the purposes of the Fund as amended from time to time.

"QFII Permitted Securities"

securities and investments permitted to be held or made by QFIIs under QFII Regulations.

"QFII Regulations"

the laws and regulations governing the establishment and the operation of the qualified foreign institutional investors regime in the PRC, as may be promulgated and/or amended from time to time.

"Renminbi" or "RMB"

the lawful currency of PRC for the time being.

"Registrar"

Northern Trust Cayman International, Limited.

"SAFE"

the State Administration of Foreign Exchange of the PRC.

"SAT"

the State Administration of Taxation of the PRC.

"SFC"

the Securities and Futures Commission of Hong Kong.

"SFO"

the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as may be amended from time to time.

"Sub-Fund"

a separate pool of assets of the Trust, which is invested and administered separately from other assets of the Trust as shall be established from time to time, including the Fund.

"Sub-Manager"

Invesco Asset Management Limited.

"Sub-Manager Agreement"

the agreement by which the Manager has appointed the Sub-Manager to provide sub-investment management services in relation to the Fund.

"Technical Service Agreement"

the agreement between the Manager and the Investment Sub-Advisor dated 22 March 2005, as amended from time to time.

"Trust"

Invesco China Series II, an umbrella unit trust established under the laws of the Cayman Islands.

"Trust Deed"

the trust deed establishing the Trust entered into by the Manager and the Trustee dated 15 February 2012, as amended by supplemental deeds from time to time.

"Trustee"

Bank Consortium Trust Company Limited.

"Unit"

where there is only one class of Units in issue, one undivided share in the Fund. Where more than one class of Units is in issue, one undivided share of a particular class of Units.

"Unitholder"

the registered holder for the time being of a Unit, and includes persons jointly registered in respect of a Unit.

"U.S."

the United States of America, its territories and possessions, any state of the U.S., and the District of Columbia.

"US Dollars" and "US\$"

the lawful currency of the U.S. for the time being.

"Valuation Point"

the close of business in the last relevant market to close on each Business Day or such other time on such other Business Day as the Manager with the approval of the Trustee may determine from time to time.

"Yen" and "¥"

the lawful currency of Japan for the time being.

The Fund

The Trust is established as a unit trust by the Trustee and the Manager pursuant to the Trust Deed. The Trust Deed is governed by the laws of the Cayman Islands. All Unitholders are bound by and are deemed to have notice of the provisions of the Trust Deed.

The Trust is an umbrella fund with one or more Sub-Funds. Each Sub-Fund will have its own separate and distinct investment policy. This Prospectus relates solely to the Fund.

The Fund is currently authorised under the Trust Deed to issue the following classes of Units, namely Class A Units denominated in US Dollars, Class C Units denominated in US Dollars, Class I Units denominated in US Dollars, and Class Y Units denominated in Yen. Class A Units and Class C Units are available for issue to investors generally. Class I Units are available for issue and shall be issued only to (i) investors who, at the time the relevant subscription form is received, have entered into an agreement with the Manager (or with any of its affiliates or any subsidiary of Invesco Ltd.) in relation to fees and other matters, (ii) any collective investment schemes managed by the Manager, or (iii) otherwise at the sole discretion of the Manager. Class Y Units are available for certain Japanese institutional investors and subject to the discretion of the Manager. Class A Units, Class C Units, Class I Units and Class Y Units shall rank *pari passu* save in relation to the matters set out in this Prospectus. The Manager may create additional classes of Units from time to time.

The base currency of the Fund is US Dollars.

Investment Objective and Restrictions

Investment Objective

The investment objective of the Fund is to achieve long term capital growth by investing into equities and/or equity related securities of companies of different industry sectors and all market capitalizations (including small to medium sized companies) with substantial exposure to mainland China.

Investment Policy

The Fund will invest at least 70% of its assets in A Shares. The assets of the Fund will be invested into different industry sectors and all market capitalizations equities and/or equity related securities with substantial exposure to mainland China.

Up to 30% of the total assets of the Fund in aggregate may be invested in cash and cash equivalents, money market instruments and/or in debt securities (including convertible bonds) of mainland China issuers.

The Fund may also use FDIs such as futures, options and warrants for hedging and non-hedging purposes to the extent permissible under the Fund's investment restrictions set out below.

Investment Restrictions

The Trust Deed contains investment restrictions applicable to the Fund. A summary of these restrictions appears below.

Unless otherwise disclosed in this Prospectus and agreed by the SFC, the Fund is subject to the following principal investment restrictions:-

- (1) not more than 10% of the Net Asset Value of the Fund may consist of securities (other than government and other public securities¹) issued by a single issuer²;
- (2) the Fund's holding of ordinary shares of a single class (other than government and other public securities) when aggregated with the holdings of the same class of securities held by any or all the other Sub-Funds which may be launched at a future date may not exceed 10% of the securities of the same class in issue;
- (3) not more than 15% of the Net Asset Value of the Fund may consist of securities neither listed, quoted nor dealt in on a stock exchange, over-the-counter market or other organised securities market;
- (4) not more than 30% of the Net Asset Value of the Fund may consist of government and other public securities of a single issue;
- (5) the Fund may be fully invested in government and other public securities issued by a single issuer provided that it holds government and other public securities of at least six different issues;

¹ any investment issued by, or the payment of principal and interest on, which is guaranteed by the government of any member state of the Organisation for Economic Co-operation Development (OECD) or any fixed interest investment issued in any OECD country by a public of local authority or nationalised industry of any OECD country or anywhere in the world by any other body which is, in the opinion of the Trustee, of similar standing.

² an issuer of investments based on an underlying security (such as an issuer of covered warrants) is treated separately from an issuer of the underlying security, provided that the 10% restriction applicable to any single issuer is not exceeded if and when any rights of convertibility are exercised.

- (6) not more than 15% of the Net Asset Value of the Fund may consist of warrants and options, other than warrants and options held for hedging purposes;
- (7) no uncovered options may be written on behalf of the Fund;
- (8) the aggregate value of the exercise prices of all call options written on behalf of the Fund may not exceed 25% of the Net Asset Value of the Fund;
- (9) the Fund may enter into financial futures contracts for hedging purposes;
- (10) the net aggregate value of the contract prices, whether payable to or by the Fund, under all outstanding futures contracts entered into for the account of the Fund (other than futures contracts entered into for hedging purposes), together with the aggregate value of investments falling within paragraph (11) below held by the Fund, may not exceed 20% of the Net Asset Value of the Fund;
- (11) not more than 20% of the Net Asset Value of the Fund may consist of physical commodities (including gold, silver, platinum or other bullion) and commodity based investments (other than securities issued by companies engaged in producing, processing or trading in commodities);
- (12) not more than 10% of the Net Asset Value of the Fund may consist of shares or units in other collective investment schemes which are non-recognised jurisdiction schemes and not authorised by the SFC;
- (13) the Fund may invest in one or more managed funds which are either recognized jurisdiction schemes or schemes authorized by the SFC. The value of the Fund's holding of units or shares in each such underlying managed fund may not exceed 30% of its total Net Asset Value, unless the underlying managed fund is authorized by the SFC, and the name and key investment information of the underlying scheme are disclosed in the offering document of this Prospectus;
- (14) the objective of each underlying collective investment schemes in which the Fund invests may not be to invest primarily in any investment prohibited by Chapter 7 of the Code, and where such collective investment scheme's objective is to invest primarily in investments restricted by Chapter 7 of the Code, such holdings may not be in contravention of the relevant limitation. Where the Fund invests in any underlying collective investment scheme(s) managed by the Manager or its connected persons, all initial charges on the underlying collective investment scheme(s) must be waived. The Manager must not obtain a rebate on any fees or charges levied by an underlying collective investment scheme or its management company;
- (15) no increase in the overall total of initial charges, Manager's annual fee, or any other costs and charges payable to the Manager or any of its connected persons borne by the Unitholders or by the Fund may result, if the collective investment schemes in which the Fund invests are managed by the Manager or by a connected person of the Manager;

Investment Objective and Restrictions

Continued

- (16) no investment may be made in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies and interests in REITs);
- (17) the Fund may not make short sales if as a consequence the liability of the Fund to deliver securities would exceed 10% of the Net Asset Value of the Fund;
- (18) securities sold short must be actively traded on a market where short selling is permitted;
- (19) the Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person without the prior written consent of the Trustee;
- (20) the Fund may not acquire any investment which would involve the assumption of unlimited liability on the part of the Trustee;
- (21) the Fund may not invest in a security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class or, collectively, the directors and officers of the Manager own more than 5% of those securities; and
- (22) the Fund may not invest in a security where a call is to be made for any sum unpaid on that security unless such call could be met in full out of cash or near cash held by the Fund which has not been set aside for the purpose of providing cover for options written on behalf of the Fund.

Investments in A Shares

The Fund's direct investments in A Shares will be made through the QFII investment quota of the Sub-Manager and are therefore subject to compliance with the following additional investment restrictions applicable to each QFII (including the Sub-Manager):

- (i) shares held by each underlying foreign investor who makes investment through a QFII investment quota in one listed company should not exceed 10% of the total outstanding shares of that company; and
- (ii) total shares held by all underlying foreign investors who make investment through QFII investment quotas in the A Shares of one listed company should not exceed 20% of the total outstanding shares of that company.

Borrowings

The Manager may borrow up to 25% of the latest Net Asset Value of the Fund to acquire new investments or for liquidity purposes to meet redemptions and other expenses. The assets of the Fund may be charged or pledged as security for any such borrowings.

Breach of Investment and Borrowing Restrictions

If the investment and borrowing restrictions set out above are breached, the Manager shall as a priority objective take all steps necessary within a reasonable period of time to remedy the situation, having due regard to the interests of the Unitholders. Provided that the Trustee takes reasonable care to ensure that the investment and borrowing restrictions relating to the Fund and the conditions under which the Fund was authorised by the Commission are complied with, the Trustee shall not be liable to the Unitholders, the Trust and

any Sub-Funds (including the Fund) for any breach of the investment and/or borrowing restrictions in relation to, or the financial performance of, the Trust or any of the Sub-Funds.

Securities Lending

The Manager does not at present intend to engage in securities lending transactions, repurchase agreement or reverse repurchase agreement for the account of the Fund.

Should there be a policy change which leads to definitive plans to enter into such transactions, the Manager will give all Unitholders one month's prior notice before such change takes effect. This Prospectus will also then be updated to provide details of the arrangements relating to any such transactions as required by the SFC.

Risk Factors

General

An investment in the Units involves substantial risks. Prospective investors should give careful consideration to the following factors, among others, in evaluating the merits and suitability of an investment in the Units. The value of Units may fall as well as rise and investors may not get back the amount originally invested. Accordingly, an investment in the Fund should only be made by persons who are able to bear the risk of loss of all the capital invested. The Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. **Investors should also note that dealing in the Units of the Fund is only available once a month.**

The following specific risks should be carefully considered by prospective investors.

Investment Risk

There can be no assurance that the Fund will achieve its investment objective. An investment in the Fund involves investment risks, including possible loss of the amount invested. The capital return and income of the Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, the Fund's return may fluctuate in response to changes in such capital appreciation or the value of or income from such investments.

Investors should also be aware that the value of the investments made by the Fund may fall as well as rise. Therefore, the income of the Fund and its Net Asset Value might be adversely affected. Since emerging markets such as the PRC tend to be more volatile than developed markets, investments in the PRC market are exposed to higher levels of market risk. Before making an investment decision, a prospective investor should consider the suitability of the investment in the Units with respect to his investment objectives and personal risk profile.

The Fund invests in companies with substantial exposure to mainland China and invests the majority of its portfolio in the A Shares market. A fund that invests in a single region or country may likely be more volatile and subject to higher concentration risk than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the region or country in which it invests.

Investors should be aware that owing to investment and repatriation restrictions, the Fund may need to maintain high cash balances for the purposes of, among others, payment of the fees of its service providers. This may result in lesser amounts being invested than would otherwise be the case if such investment and repatriation restrictions did not apply.

Foreign Exchange Risks

The Fund's assets may be denominated in currencies other than US Dollars and any income received by the Fund from those investments will be received in those currencies, some of which may fall in value against the US Dollars. The Fund will compute its Net Asset Value in US Dollars and there is therefore a currency exchange risk which may affect the value of the Units to the extent that the Fund makes such investments. It is possible that the Fund may invest its assets in countries which have exchange control restrictions and the Fund may encounter difficulties or delay in relation to the receipt of its investments due to such controls existing in various countries. More specific details of such risks in relation to the Fund investing in China are described below in the section "Specific Risks Relating to China - Foreign Exchange Control and Currency Conversion Risk". In addition, the Fund issues certain different class or

classes of Units denominated in currencies other than the base currency of the Fund, and is exposed to exchange rate fluctuations for the period from the relevant trade date to the settlement date of Units of such class or classes of Units and conversion. The Fund may enjoy gain or suffer loss related to such exchange rate fluctuations. The Fund may use currency hedging techniques but this may not be possible or practicable in all cases.

Termination of the Fund

The Fund may be terminated under the circumstances set out in the Section headed "Termination of the Trust or any Sub-Fund". For instance, if the Manager is required to dispose of the holdings of the Fund as a result of the circumstances set out in "QFII Risks - Investment Quota" below, the aggregate Net Asset Value may be significantly affected and fall below the threshold with respect to the termination of the Trust or the Fund, the Manager may terminate the Fund in accordance with the Trust Deed. The Unitholders may not be able to recoup all of its initial investment in the Fund.

Equities Risks

The Fund 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.

Specific Risks Relating to China

The assets of the Fund are primarily invested in equities or listed securities of companies or governments whose principal operations are based in China and additional risks may be encountered. These include:

- **Foreign Exchange Control and Currency Conversion Risk:** SAFE imposes restrictions on the ability of enterprises in the PRC to retain and deal in foreign currency. Domestic transactions must be priced and settled in RMB. There remain significant restrictions on the ability of enterprises located in the PRC to purchase and make outward remittance of foreign currency. SAFE approval may be required in order to purchase or remit foreign currency, which would be required to comply with all applicable requirements as may from time to time be imposed by SAFE, including on all transfers and repatriations of foreign currency by a QFII. Accordingly, there is a risk that the Fund may not be able to repatriate foreign currency for the purposes of distributions or redemptions in relation to the Units. The Fund's investments will include A Shares or other securities denominated in RMB, therefore the Fund will convert funds into RMB in order to make such investments. The cost of investments of the Fund in A Shares or other securities denominated in RMB and the performance of such investment will be affected by the exchange rate movements between US Dollars and RMB. There can be no assurance that the RMB will not be subject to devaluation or revaluation or that shortages in the availability of foreign currency will not develop. The Fund may use currency hedging techniques but this may not be possible or practicable in all cases. Where a Unitholder has redeemed his Units, the Manager retains a discretion to

Risk Factors

Continued

adjust the amount payable to the redeeming Unitholder to reflect changes in the exchange rate between the RMB and the US Dollar for the period from the relevant redemption day to the date redemption proceeds are converted from RMB to US Dollars. Accordingly, the redeeming Unitholder also bears the risk of such exchange rate fluctuations.

- **Country Risk:** the value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties within China and within emerging markets generally. Existing laws and regulations may not be consistently applied. During the past three decades, the Chinese government has been reforming the economic and political systems of China, and these reforms are expected to continue. Many of the reforms are unprecedented or experimental and are expected to be refined or changed. Other political, economic and social factors could also lead to further readjustments to the reform measures. The Fund's operations and financial results could be adversely affected by adjustments in Chinese state plans, political, economic and social conditions, changes in the policies of the Chinese government such as changes in laws and regulations (or the interpretation thereof), measures which may be introduced to control inflation, changes in the rate or method of taxation, imposition of additional restrictions on currency conversion and the imposition of additional import restrictions. The transformation from a centrally planned, socialist economy to a more market-oriented economy has resulted in many economic and social disruptions and distortions. Moreover, there can be no assurance that the economic and political initiatives necessary to achieve and sustain such a transformation will continue or, if such initiatives continue and are sustained, that they will be successful. In the past the Chinese government has applied nationalization, expropriation, confiscatory levels of taxation and currency blockage. There can be no assurance that this will not re-occur and any re-occurrence could adversely affect the interests of the Fund.
- **Market Characteristics:** the Chinese markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more developed markets and are not highly regulated. The decrease in market liquidity for the securities in which it invests 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. The securities markets in the PRC are emerging markets that are undergoing rapid growth and changes. This may lead to trading volatilities, difficulties in settlement and recording of transactions and in interpreting and applying the relevant regulations. In addition, there is a low level of regulation and enforcement activity in these securities markets. Settlement of transactions may be subject to delay and administrative uncertainties. Further, regulations continue to develop and may change without notice which may further delay redemptions or restrict liquidity. There may not be regulation and monitoring of the Chinese securities markets and activities of investors, brokers and other participants equivalent to that in certain more developed markets. The PRC Stock Exchanges have lower trading volumes than most developed markets and the market capitalizations of listed companies are small compared to those on more developed exchanges in developed markets. The listed equity securities of many companies in China are accordingly materially less liquid, subject to greater dealing spreads and experience materially greater volatility than many listed companies in developed markets. Currently, quoted companies are undergoing split-share structure reform to convert state owned shares or legal person shares into transferable shares with the intention to increase liquidity of A Shares. However, the effects of such reform remain to be seen. Government supervision and regulation of the Chinese securities market and of quoted companies is also less developed than in many developed markets. In addition, there is a high measure of legal uncertainty concerning the rights and duties of market participants with respect to investments made through securities systems or established markets. The Chinese stock markets have in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in the future. The above factors could negatively affect the Fund's Net Asset Value, the ability of the Manager to liquidate unfavourable positions or to redeem Units and the price at which any Units may be redeemed.
- **Custody Risk:** custodians in the PRC may not be able to offer the same level of service such as safekeeping, settlement and administration of securities that is customary in more developed markets. Thus, the Fund may suffer loss as a result of improper or lack of segregation of its assets from the assets of a PRC custodian or sub-custodian.
- **Cash Custody Risk:** due to the fungible nature of cash, the cash assets of the Fund will be held on the balance sheet of the bank with whom cash accounts of the Fund are held (whether a custodian, sub-custodian or a third party bank), and will not be protected from the bankruptcy, liquidation or receivership of such bank. The 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 custodian, 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 Manager will monitor the Fund's exposure in respect of such cash assets on an ongoing basis.
- **Investing in Smaller Companies:** the Fund may invest in smaller companies which may involve greater risks and thus may be considered speculative. The investment in the Fund 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 markets changes than securities in large companies.
- **Financial Disclosure and Corporate Governance:** accounting, auditing and financial reporting standards in China may not be equivalent to standards applicable in more developed countries. As a result, the lower levels of disclosure and transparency of certain material information may impact on the value of investments made by the Fund. This, if combined with a weak regulatory environment, could result in lower standards of corporate governance and less protection of minority shareholder rights of the companies in which the Fund will invest.

Risk Factors

Continued

- **Legal and Regulatory System:** the PRC legal system is a codified legal system. Unlike common law jurisdictions such as Hong Kong, decided cases do not form part of the legal structure of the PRC and prior court decisions may be cited for reference but have no binding effect. Experience in the implementation, interpretation and enforcement of the laws and regulations and of commercial contracts, undertakings and commitments entered into is also limited. As such, the administration of the PRC laws and regulations may be subject to a certain degree of discretion by the authorities. The outcome of dispute resolutions may not have the level of consistency or predictability as in other countries with more developed legal systems. Due to such inconsistency and unpredictability, if the Fund should be involved in any legal dispute in the PRC, it may experience difficulties in obtaining legal redress or in enforcing its legal rights. Thus, there is no assurance that such inconsistency or future changes in legislation or the interpretation thereof may not have any adverse impact upon the investments of the Fund in the PRC.

Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce taxation and trade. Despite the PRC government's effort in improving commercial laws and regulations, many of these laws and regulations remain unclear. The PRC government is still in the process of developing a comprehensive set of laws and regulations in the course of PRC's transformation from a centrally planned economy to a more free market oriented economy. Along the developing process of the PRC legal and regulatory system, there is no assurance that any future changes in such laws and regulations or their interpretation or their enforcement thereof will not have any material adverse effect on the Fund's investments in the PRC.

CSRC is responsible for supervising the national securities markets and producing relevant regulations in the PRC. The securities market and the regulatory framework for the securities industry in the PRC is still at an early stage of development as compared with those of developed countries, there may be lower level of regulatory monitoring system of the activities in an emerging securities market.

- **World Trade Organisation (WTO):** the PRC became a member of WTO on 11 December 2001. With the PRC's accession into the WTO, companies in which the Fund invests in the PRC may face increased competition as the PRC is required to significantly reduce the trade barriers for imports that have historically existed and that currently exist in the PRC, such as reducing restrictions on trading for certain kinds of products of foreign companies, lifting prohibitions, quantitative restrictions or other measures maintained against imports and significantly reducing tariffs. Any present or future increase in foreign competition may have an adverse effect on the Fund's investments in the PRC.
- **Risk relating to wars or terrorist attacks:** any adverse political and/or economic impact on the PRC which may be originated from wars or terrorist attacks similar to the ones occurred in the United States in September 2001 is

possible. There can be no assurance that there will not be any wars or terrorist attacks which could have direct or indirect effect on the PRC in which the investments of the Fund will be located and the corresponding political and/or economic effects arising therefrom, if any, may in turn adversely affect the investments and profitability of the Fund.

- **The outbreak, or threatened outbreak, of any severe communicable disease in the PRC:** the outbreak, or threatened outbreak, of any severe communicable disease (such as severe acute respiratory syndrome or avian influenza or H1N1) in the PRC, could materially and adversely affect the overall business sentiments and environment in the PRC, particularly if such outbreak is inadequately controlled. This in turn could materially and adversely affect the investments and profitability of the Fund.

QFII Risks

Under the prevailing regulations in the PRC, foreign investors can invest in the A Share market through institutions that have obtained QFII status in the PRC. The Trust or the Fund is not a QFII, but the Fund may directly invest in A Shares via the QFII investment quota obtained by the Sub-Manager. The prevailing rules and regulations governing QFIIs under the QFII Regulations impose restrictions on investments, lock-up period and repatriation of principal and profits in relation to QFII's investments in A Shares and other QFII Permitted Securities, which will restrict or affect the Fund's investments.

- **Investment Quota:** whereas the Sub-Manager has agreed to make available QFII investment quota to the Fund pursuant to the Sub-Manager Agreement, the Fund does not have the exclusive use of such QFII investment quota. The investment regulations including those relating to foreign ownership limits and the repatriation of principal and profits relevant to a QFII apply to the Sub-Manager's QFII investment quota as a whole, and not simply to investments made on behalf of the Fund. Thus investors should be aware that violations of those investment regulations arising out of activities related to a portion of the Sub-Manager's QFII investment quota other than that portion which is utilised by the Fund could result in the revocation of or other regulatory action in respect of the Sub-Manager's QFII investment quota as a whole, including any portion utilised by the Fund. Hence the ability of the Fund to make investments and/or repatriate monies from the Sub-Manager's QFII investment quota may be affected adversely by the investments, performance and/or repatriation of monies invested by other funds and clients utilising the QFII investment quota of the Sub-Manager. In addition any repatriation of monies by the Fund to meet obligations such as the payment of fees may adversely impact the ability of the Fund to repatriate monies to meet Unitholders' redemption requests.

There can be no assurance that the Sub-Manager will be able to provide sufficient QFII investment quota to meet all proposed investments to be made by the Fund, or that the investments of the Fund can be realised in a timely manner due to possible adverse changes in relevant laws or regulations relating to the QFII investment quota of the Sub-Manager, which will hinder the Fund's ability in pursuing the investment objectives or result in loss under extreme circumstances. Should the Sub-Manager lose its QFII status or the Sub-Manager retire or be removed or the Sub-Manager's QFII investment quota be revoked or

Risk Factors

Continued

reduced, the Fund may not be able to invest in A Shares or other QFII Permitted Securities through the Sub-Manager's QFII investment quota, and the Fund may be required to dispose of its holdings which would likely have a material adverse effect on the Fund.

- **Limits on Redemption:** where the Fund is invested in the securities market in China by investing through the QFII investment quota of the Sub-Manager, repatriation of invested principal and income from China shall be subject to the QFII Regulations in effect from time to time including any regulatory requirements applicable to (including but not limited to) minimum amounts of investments, lock-up period, frequency and limits on repatriation or withdrawal of investments in such A Shares and other QFII Permitted Securities under the QFII investment quota of the Sub-Manager. For each QFII investment quota approved by SAFE, the relevant QFII is required to remit into China the full amount of the principal funds within six months from the SAFE approval date. If the Sub-Manager (as a QFII) fails to remit the quota amount in full within such stipulated period of time and the amount actually remitted is more than the equivalent amount of US\$20 million, the amount actually remitted shall be its investment quota. Under current QFII Regulations applicable to the QFII investment quota of the Sub-Manager utilised by the Fund, since the Fund qualifies as an open-ended China fund (as defined under the QFII Regulations), capital invested into China by the Fund through the investment quota of the Sub-Manager may not be repatriated within three months of the remittance by the Fund of such quota amount in full (or within three months of the date which is six months after the relevant quota approval date, in case that the quota amount has not been remitted in full within the stipulated period). Thereafter, remittance and repatriation for the account of the Fund may be effected on a monthly basis by the QFII Custodian through the Sub-Manager's QFII investment quota based on the net subscriptions and redemption of Units up to a maximum of US\$50 million (including profit and principal) each time without the need to seek the SAFE's approval. Repatriation of an amount in excess of US\$50 million (including profit and principal) is subject to approval by SAFE.

However, the relevant QFII Regulations are subject to uncertainty in their application. For instance, the maximum repatriation limit of US\$50 million (including profit and principal) without SAFE's approval may be applied on the Sub-Manager's QFII investment quota as a whole. That means, the US\$50 million repatriation limit may be applied to all the open-ended China funds that invest through the Sub-Manager's QFII investment quota in aggregate such that the Fund will have to share this repatriation limit with the other open-ended China funds, rather than having the benefit of the full US\$50 million for repatriation on a monthly basis without requiring SAFE approval. The investment regulations and/or the approach adopted by SAFE in relation to the repatriation limit may change from time to time. A repatriation of principal and/or profits over and above the US\$50 million limit will require approval from SAFE, which may delay payment of redemption proceeds.

During the period being a minimum of the first three months and a maximum of the first eight months after the First Subscription Day the Fund will impose a redemption fee of up to 5% of the Net Asset Value per Unit of Class A

Units, Class C Units, Class I Units and Class Y Units which will be retained by the Manager. Redemptions of Units are subject to restrictions which the Manager will in its sole discretion determine. In particular, the Manager may limit the number of Units of any class in the Fund redeemed on any Dealing Day to 10% (or such higher percentage as the Manager and the Trustee may from time to time determine) of the total number of Units in the Fund in issue. For more information, see the section "Redemption of Units".

In addition, as the Sub-Manager's QFII investment quota value is based on the initial capital remitted into the Sub-Manager's custodian account in China and is required to maintain a minimum balance of its QFII investment quota under the QFII Regulations, redemptions by other funds or clients investing through the Sub-Manager's QFII investment quota might result in the Sub-Manager's QFII investment quota being reduced and accordingly, the Sub-Manager may lose its QFII status. Furthermore, as the Trust is an umbrella fund, the Sub-Manager's QFII investment quota may be utilised by the Fund and/or other Sub-Funds and redemptions by Unitholders in any Sub-Fund may impact on the Unitholders in the other Sub-Funds.

- **Regulatory Development:** the QFII Regulations which regulate investments by QFIIs in the PRC and the repatriation and currency conversion are relatively new. The application and interpretation of the QFII Regulations is therefore relatively untested and there is no certainty as to how they will be applied. CSRC and SAFE have been given wide discretions in the QFII Regulations and there is no precedent or certainty as to how these discretions might be exercised now or in the future. At this stage of early development, the QFII Regulations may be subject to further revisions in the future, there is no assurance whether such revisions will prejudice the QFII, or whether the QFII investment quotas (including the quota utilised by the Fund) which are subject to review from time to time by CSRC and SAFE may be removed substantially or entirely. At the time of the launch of the Fund, the QFII Regulations continue to develop and are undergoing continual change. CSRC and/or SAFE may have power in the future to impose new restrictions or conditions on or terminate the Sub-Manager's QFII status which may adversely affect the Fund and the Unitholders. It is not possible to predict how such changes would affect the Fund.
- **PRC Brokers and Best Execution:** the Fund may have difficulty in obtaining best execution of transactions in A Shares or other PRC securities. The Fund will use PRC brokers appointed by the Sub-Manager to execute transactions in the PRC markets for the account of the Fund. Although under the QFII Regulations a QFII may appoint up to three PRC brokers per stock exchange, due to operational constraints and until these are removed, the market practice currently allows only one Chinese broker to be used per stock exchange in the PRC. If a PRC broker offers the Fund standards of execution which the Sub-Manager reasonably believes to be amongst best practice in the PRC marketplace, the Manager and the Sub-Manager may determine that they should consistently execute transactions with that PRC broker (including where it is an affiliate) notwithstanding that they may not be executed at the best price and shall have no liability to account to the Fund in respect of the difference between the price at which the Fund executes transactions and any

Risk Factors

Continued

other price that may have been available in the market at that relevant time.

- **Investment Restrictions:** direct investments in A Shares through QFII are subject to compliance with the following investment restrictions which are currently in force and applicable to each QFII (including the Sub-Manager):
 - (i) shares held by each underlying foreign investor who makes investment through QFII investment quotas in one listed company should not exceed 10% of the total outstanding shares of the company; and
 - (ii) total shares held by all underlying foreign investors who make investment through QFII investment quotas in the A Shares of one listed company should not exceed 20% of the total outstanding shares of that company.

Since there are limits on the total shares held by all underlying investors in one listed company, the capacity of the Fund to make investments in A Shares will be affected by the activities of all underlying investors, not just the Sub-Manager.

The investment restrictions will be applied to all underlying investors. However, it will be difficult in practice for the QFII to monitor the investment of the underlying investors since the investor may make investment through different QFIIs. The Fund will utilise only part of the QFII investment quota granted by SAFE to the Sub-Manager. Violations of the QFII Regulations may arise out of activities relating to such portion of the Sub-Manager's QFII investment quota which is being utilised by funds and clients other than the Fund. Such violations could result in the revocation of or other regulatory action in respect of the QFII investment quota of the Sub-Manager as a whole, including any portion made available to or utilised by the Fund.

- **Capital Repatriation:** the regulations on repatriation of principal and profits will also be applied to each QFII investment quota as a whole. In this regard, the capacity of the Fund to make investments in A Shares and the ability to repatriate monies from the QFII investment quota granted to the Sub-Manager may be adversely affected by the investments, performance and/or repatriation of monies invested by other clients utilising the Sub-Manager's QFII investment quota. Repatriation of principal may be subject to SAFE's approval and there are restrictions imposed on the repatriation amount and interval. As to the Fund, any repatriation of an amount in excess of US\$50 million (including profit and principal) is subject to approval by SAFE. In this regard, the process of repatriations by the Fund may be affected by any delay in obtaining the approval from SAFE which may be out of the control of the Sub-Manager.
- **Tax Considerations:** by investing in A Shares and other permitted PRC investments prescribed by the QFII Regulations, the Fund has agreed to reimburse the Sub-Manager, as the QFII, for any PRC taxes that the Sub-Manager may be subject to withholding and other taxes (including capital gains tax) as may be imposed in the PRC. The current tax laws, regulations and practice in the PRC may change in the future with retrospective effect. Specifically, under the Enterprise Income Tax Law of the People's Republic of China and its Implementing Rules, which took effect in China from 1 January 2008

onwards and a recent circular from the State Administration of Tax on 23 January 2009, the Fund's income from interests, dividends and profit distributions sourced from China, received by QFII on behalf of the Fund, is generally subject to Chinese withholding tax at a rate of 10%, absent an applicable tax treaty. In addition, given the uncertainty surrounding the Fund's potential PRC tax liabilities in determining the Net Asset Value of the Fund a provision shall be made in the amount of 10% of capital gains for potential PRC capital gains tax. The Net Asset Value on any Dealing Day may not accurately reflect the tax liabilities, and investors should be aware that there may at any point in time be under-accrual or over-accrual for PRC tax liabilities which impact on the performance of the Fund and the Net Asset Value during the period of such under-accrual or over-accrual and there may be subsequent adjustments to the Net Asset Value. Such unequal allocation of PRC tax liabilities amongst Unitholders is a potential risk of investing in the Fund. Moreover, there is no assurance that the existing tax laws and regulations will not be revised or amended in the future. Any of these changes may reduce the income from, and/or value of, the investments of the Fund.

- **QFII Custody:** any A Shares or other QFII Permissible Securities acquired by the Fund through the QFII investment quota of the Sub-Manager will be maintained by Bank of China Limited as the QFII Custodian, in electronic form via a securities account with the CSDCC in such name or joint names as may be permitted or required in accordance with the PRC law.

A Shares and other QFII Permitted Securities of the Fund will be registered in the joint names of the Fund and the Sub-Manager as QFII. There will be segregation of assets by the QFII Custodian such that the assets of the Fund will not form part of the assets of the QFII or the QFII Custodian. The Fund has received a legal opinion confirming that as a matter of PRC law, the Sub-Manager as QFII will have no ownership interest in the securities and that the Fund will be ultimately and exclusively entitled to ownership of the securities. However, given that pursuant to the investment regulations, the Sub-Manager as QFII will be the party entitled to the securities (albeit that this entitlement does not constitute an ownership interest or preclude the Sub-Manager purchasing the securities on behalf of the Fund), such A Shares and other QFII Permitted Securities of the Fund may be vulnerable to a claim by a liquidator of the Sub-Manager and may not be as well protected as if they were registered solely in the name of the Fund. In particular, notwithstanding that the Fund will be ultimately and exclusively entitled to ownership of the securities under the QFII Regulations, there is a risk that creditors of the Sub-Manager may incorrectly assume that the Fund's assets belong to the Sub-Manager pursuant to the registration in the joint names of the Fund and the Sub-Manager (as the QFII Quota Holder) and such creditors may seek to gain control of the Fund's assets to meet the Sub-Manager's liabilities owed to such creditors. Under such circumstances, the Fund may be required to take certain actions against such creditors and resulting in the Fund incurring expenses and potential delays in investment/divestment of its assets.

The Fund may incur losses due to (i) any acts or omissions of CSDCC or other depository or clearing system for which neither the Trustee nor the Global Custodian is responsible for selecting nor monitoring or (ii) any acts or omissions

Risk Factors

Continued

of the QFII Custodian or PRC brokers and will be exposed to the risks involved in the execution or settlement of any transaction or in the transfer of any funds or securities in the PRC settlement system.

- **Disclosure of Interests and Short Swing Profit Rule:** under the PRC disclosure of interest requirements, the Fund may be deemed to be acting in concert with other funds managed within the Invesco group or a substantial shareholder of the Invesco group and therefore may be subject to the risk that the Fund's holdings may have to be reported in aggregate with the holdings of such other funds mentioned above should the aggregate holding triggers the reporting threshold under the PRC law, currently being 5% of the total issued shares of the relevant PRC listed company. This may expose the Fund's holdings to the public with an adverse impact on the performance of the Fund.

In addition, subject to the interpretation of PRC courts and PRC regulators, the operation of the PRC short swing profit rule may be applicable to the Fund's investments with the result that where the holdings of the Fund (possibly with the holdings of other investors deemed as concert parties of the Fund) exceed 5% of the total issued shares of a PRC listed company, the Fund may not reduce its holdings in such company within six months of the last purchase of shares of such company. If the Fund violates the rule and sells any of its holdings in such company in the six month period, it may be required by the listed company to return any profits realized from such trading to the listed company. Moreover, under PRC civil procedures, the Fund's assets may be frozen to the extent of the claims made by such company. These risks may greatly impair the performance of the Fund.

- **Clearing Reserve Fund:** under the QFII Regulations, the QFII Custodian is required to deposit a minimum clearing reserve fund as a percentage of the Sub-Manager's QFII investment quota, the percentage amount to be determined from time to time by the CSDCC Shanghai and Shenzhen branches.
- **Termination of Sub-Manager Agreement:** to achieve its investment objective, the Fund is dependent on having access to the Sub-Manager's QFII investment quota in relation to its investments in the PRC markets. The Fund will invest via the QFII investment quota of the Sub-Manager under the Sub-Manager Agreement. The Sub-Manager Agreement may be terminated by the Manager or the Sub-Manager at any time after the expiry of two years from the date of the Sub-Manager Agreement on not less than 90 days' notice or earlier for cause. If the Sub-Manager Agreement is terminated and the Manager is not able to enter into suitable replacement agreements on or before the termination of the Sub-Manager Agreement, the Fund may not be able to fulfil its investment objective and may have to enter into liquidation.
- **Counterparty and Settlement Risks:** the Fund will be exposed to credit risk from parties with whom it trades and may also bear the risk of settlement default. This may include exposure to the risk of the credit default of issuers of commercial paper and similar instruments. In addition, market practices in relation to the settlement of transactions and the custody of assets could result in increased risks.

- **Substantial Redemptions:** if there are substantial redemptions within a limited period of time, it may be difficult for the Fund to provide sufficient funds to meet such redemptions without liquidating positions prematurely at an inappropriate time or on unfavourable terms.
- **Debt Securities:** subject to the QFII Regulations and the investment objective of the Fund, the assets of the Fund may be invested in unrated or low grade debt securities which are subject to greater risk of loss of principal and interest than higher-rated debt securities. The Manager may invest in debt securities which rank junior to other outstanding securities and obligations of the issuer, all or a significant portion of which may be secured on substantially all of that issuer's assets. The assets of the Fund may be invested in debt securities which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for foreign debt securities involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult.
- **Risks of Investing in Other Collective Investment Schemes:** the assets of the Fund may be invested in listed and unlisted collective investment schemes. As a shareholder or unitholder of another collective investment scheme, the Fund will bear, along with other shareholders or unitholders, its portion of the expenses of the other collective investment schemes, including management and/or other fees. These fees will be in addition to the management fees and other expenses which the assets of the Fund bears directly with its own operations. However, where the Fund invests in any other open ended investment company or unit trust managed by the Manager or a member of the Invesco Ltd. Group no initial charge will be charged to the Fund and the Manager will waive the annual management charge to which it is entitled in respect of such investment to the extent that it is lower than that of the other open-ended investment company or trust and, to the extent that it is higher, will charge only the amount by which it is higher. The Fund may also be invested in collective investment schemes whose principal objects include investment in other collective investment schemes. Such collective investment schemes may themselves as a shareholder or unitholder of another collective investment scheme be charged a portion of the expenses of the other collective investment scheme, including management and/or other fees which ultimately could be borne by the Fund. Moreover, it should be noted that an investment by the Fund in a collective investment scheme whose principal objects include investment in other collective investment schemes may adversely affect the transparency of an investment in the Fund. The collective investment schemes in which the Fund invests may be leveraged or unleveraged and may be established in unregulated jurisdictions which do not have an equivalent level of investor protection as that provided in highly regulated jurisdictions by collective investment schemes authorised under the law of highly regulated jurisdictions and subject to the regulations and conditions of any such highly regulated jurisdictions.

Risk Factors

Continued

- **Valuations:** the Fund's assets will be valued by the Trustee. The Trustee shall be entitled to use and rely upon electronically transmitted information from such source or sources as they may from time to time think fit with regard to the pricing of investments on any securities market notwithstanding that the prices so used are not the last traded prices, for example, when the investments are not quoted or the markets involved are not liquid.
- **No Comparable Market Value of Unlisted Securities:** to the extent the Fund invests in unlisted securities, comparable market values may not be available. To determine market values, the Manager, the Sub-Manager and the Investment Sub-Advisor may make reference to the latest financial statements of the investee companies, statistics of the relevant business sector and market value of comparable securities, but there can be no assurance that the assessment made by the Manager, the Sub-Manager or Investment Sub-Advisor will prove accurate.
- **Cross Liability:** each Sub-Fund of the Trust will be allocated the assets attributable to such Sub-Fund and from which will be debited liabilities specifically allocable to that Sub-Fund, respectively. The assets of a Sub-Fund are not generally available to discharge the liabilities of another Sub-Fund. However, assets of a Sub-Fund may be used to meet certain limited general liabilities of the Trust (such as formation costs, registration and filing costs in respect of the Trust) only to the extent to which the Trustee is entitled pursuant to the Trust Deed to discharge such liabilities from the assets of more than one Sub-Fund. Investors should note that under the Trust Deed neither the Trustee nor the Manager shall, save as expressly provided in the relevant prospectus, be entitled to any indemnity out of the assets of a Sub-Fund in respect of a liability incurred in relation to any other Sub-Fund. However, it is not possible in all circumstances to quantify the extent to which assets of a Sub-Fund might be used to discharge liabilities of any other Sub-Fund.
- **Reliance on the Manager and the Sub-Manager:** the Manager and the Sub-Manager will have complete discretion for selecting, directing, valuing and monitoring the Fund's investments. The Fund's success depends, to a large extent, on the services of the Manager and Sub-Manager.

The Trustee is not affiliated with any of the Manager and the Sub-Manager and has no control over the management of the assets of the Fund and is accordingly not responsible for the actions of the Manager or the Sub-Manager. Provided that the Trustee takes reasonable care to ensure that the investment and borrowing restrictions in relation to the Fund and the conditions under which the Fund was authorised by the Commission was complied with, the Trustee shall not be liable to the Unitholders, the Trust and any Sub-Funds (including the Fund) for any breach of the investment and/or borrowing restrictions in relation to, or the financial performance of, the Trust or any of the Sub-Funds.

- **Derivatives Risks:** to the extent permitted by the Code, the Fund may invest in FDIs for the purpose of hedging and non-hedging purposes. Investments in FDIs may require a deposit or initial margin and additional deposit or margin on short notice if the market moves against the investment positions. If no provision is made for the

required margin within the prescribed time, the investment may be liquidated at a loss. Therefore, it is essential that such investments in derivatives are monitored closely. The Manager has the necessary expertise and controls for investments in derivatives, and has in place systems to monitor the derivative positions of the Fund.

Although the use of FDIs in general may be beneficial or advantageous, derivatives involve risks which differ from, and, are possibly, greater than, the risks associated with more traditional securities investments. The risks presented by derivatives include but are not limited to market risk, management risk, credit risk, liquidity risk and leverage risk.

Prospective investors should read this Prospectus and consult with their professional advisors before determining to invest in the Fund.

Issue of Units

Currently the following classes of Units are available for issue – Class A Units denominated in US Dollars, Class C Units denominated in US Dollars, Class I Units denominated in US Dollars and Class Y Units denominated in Yen. Class A Units and Class C Units are available for issue to investors generally. Class I Units are available for issue and shall be issued only to (i) investors who, at the time the relevant subscription form is received, have entered into an agreement with the Manager (or any of its affiliate or any subsidiary of Invesco Ltd.) in relation to fees and other matters, (ii) any collective investment schemes managed by the Manager, or (iii) otherwise at the sole discretion of the Manager. Class Y Units are available for certain Japanese institutional investors and subject to the discretion of the Manager.

Initial Issue of Units

Units will be allotted on the First Subscription Day, which is currently designated to fall on 16 March 2012 or such other Business Day as may be determined by the Manager with prior notification to the Trustee at the Initial Offer Price, namely (i) in the case of Class A Units denominated in US\$ of US\$10 per Unit, plus any applicable charge, (ii) in the case of Class C Units denominated in US\$ of US\$10 per Unit, plus any applicable charge, (iii) in the case of Class I Units denominated in US\$ of US\$10 per Unit, plus any applicable charge and (iv) in the case of Class Y Units denominated in Yen, the Initial Offer Price will be Yen amount equivalent to US\$10 per Unit, plus any applicable charge. The Manager is entitled to receive a sales charge of up to 5.25% of the Initial Offer Price of each of Class A Units and Class C Units. There is no sales charge for Class I Units and Class Y Units.

Unless otherwise agreed by the Manager, application monies in cleared funds must be received by the Trustee on behalf of the Fund before 5:00 p.m. (Hong Kong time) on the First Subscription Day. In the event that subscription monies are not received in cleared funds prior to 5:00 p.m. (Hong Kong time) on the First Subscription Day, the Manager may cancel such issue of the relevant Units without prejudice to any claim in respect of the failure of the applicant to make payment when due.

If the Manager is of the opinion that it is not in the interests of investors or commercially viable to proceed with the launch of the Fund, the Manager may, upon notification to the Trustee, determine in its sole and absolute discretion to extend the First Subscription Day or not to issue any Units. If the Manager decides not to launch any Fund, subscription monies paid by the applicants will be returned without interest by cheque through the post or by telegraphic transfer at the risk and expense of the applicants within one calendar month following the First Subscription Day.

Subsequent Issues of Units

Applications for the issue of Units in the Fund will, if received and accepted by the Manager prior to the Dealing Deadline on a Dealing Day, be dealt with on that Dealing Day. Payment for Units issued for cash shall be due forthwith upon issue of such Units. Payment in full in cleared funds must be received within four Business Days or such earlier date as may be from time to time determined by the Manager upon giving notice to the applicant following the Dealing Day on which the relevant Units are issued. Subscription applications from investors or intermediaries with whom the Distributor does not have any established agreement and/or relationship will be accepted only on a “cash with order” basis. Investors may deal in any of the currencies set out in the standard instruction document. The Distributor reserves the right to accept applications only on a

“cash with order” basis from existing investors or intermediaries at the Distributor’s election.

Unless otherwise agreed by the Manager, applications received after the Dealing Deadline for a particular Dealing Day will be dealt with on the next following Dealing Day and application monies received after the Dealing Deadline on a Business Day will be dealt with on the next following Business Day.

Subject to the suspension of the determination of the Net Asset Value (for details see the section headed “Valuation”), the prices at which Units will be issued on a Dealing Day will be calculated by the Trustee as at the Valuation Point to which the application relates.

Units will be issued at the Net Asset Value per Unit of the relevant class as at the Valuation Point in relation to such Dealing Day on which such Units are subscribed, rounded to the nearest two decimal places.

Class A Units and Class C Units are subject to a sales charge of up to 5.25% of the Net Asset Value per Unit of the Class A Units and Class C Units respectively. There is no sales charge for Class I Units. Such sales charge shall be retained by or paid to the Manager for its own absolute use and benefit.

The Manager has the discretion to close the Fund for subscription, as it considers appropriate including (but not limited to) where the Fund is unable to access additional QFII investment quota for any reason.

Minimum Initial Investment, Subsequent Subscription and Minimum Holding

The minimum initial investments are US\$1,500 for Class A Units denominated in US Dollars, US\$250,000 for Class C Units, US\$1 million for Class I Units, and ¥1 million for Class Y Units, respectively. The Manager may accept investments for smaller amounts in its sole discretion.

There is no minimum subsequent subscription for Class A Units, Class C Units or Class I Units. The minimum subsequent subscription for Class Y Units is ¥100,000 unless the Manager determines otherwise in its sole discretion.

The minimum holding for Class C Units is US\$50,000, unless the Manager determines otherwise in its sole discretion. There is no minimum holding requirement for Class A Units, Class I Units or Class Y Units.

Application Procedure

Investors are required to complete a standard instruction document with the initial subscription.

Applications for Units of the Fund may be made by completing an application form (available from the Distributor) supported by any required documents and sending it by post or facsimile to such address or facsimile number as set out on the application form. In order for an application to be valid for a particular Dealing Day, the Distributor must receive the application by the Dealing Deadline of that particular Dealing Day or by such other time as the Manager in its discretion shall agree.

Application submitted by facsimile should upon request be followed by an original completed application form. Investors should be reminded that if they choose to send application forms by facsimile, they bear their own risk of the forms not being received by the Distributor. Investors should therefore

Issue of Units

Continued

for their own benefit confirm with the Distributor safe receipt of an application form. Neither the Manager, the Trustee nor the Distributor shall be responsible to any investor for any loss or delays resulting from the non-receipt or illegibility of any application form sent by facsimile. In addition, the Manager, the Trustee and the Distributor shall be authorised to act on any facsimile application which they believe emanates from an investor and neither the Manager, the Trustee nor the Distributor shall be liable to any party (including the applicant for Units, the Trust and the Fund) for acting in good faith on an application which emanates from any unauthorised individual(s).

Notwithstanding the above, if payment has not been received within the period set out above, the application may be cancelled and considered void or the Manager (at its discretion) may enforce payment of the sum due. In the event that an application is cancelled, the Trustee is entitled to charge the applicant an administration charge to cover the administration costs involved in processing the application. The applicant may also be required to pay the difference (for the account of the Fund) in respect of each cancelled Unit of the amount (if any) by which the applicable Net Asset Value of such cancelled Unit at the time of subscription exceeds the applicable Net Asset Value of a Unit in the Fund on the date of cancellation.

The Manager or the Distributor has an absolute discretion to accept or reject in whole or in part or hold any application for Units. The Manager, the Distributor and the Trustee may require additional documents for supporting the application for Units including any original documents. Where an application for Units is rejected including where the Manager considers in its absolute discretion that there is insufficient QFII investment quota, the subscription monies shall be returned to the applicant by cheque through the post or by telegraphic transfer within one month of receipt at the risk of the applicant and without interest.

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on the Type 1 (dealing in securities) regulated activity under Part V of the SFO or who does not fall within the statutory exemption from the requirement to be licensed or registered to carry on Type 1 regulated activities under Part V of the SFO.

Payment Procedure

All subscription monies should be paid to the account and in the manner as specified on the subscription form, or as the Distributor shall otherwise specify. No third party payment is permitted.

Dealing in the Units of the Fund shall be in the currency in which the relevant class of Units is denominated, being in US Dollars for Class A, Class C and Class I and Yen for Class Y.

Units issued by the Fund will be held for investors in registered form and will only be issued in uncertificated form. Certificates will not be issued. A contract note will be issued upon acceptance of an investor's application and will be forwarded by ordinary post (at the risk of the person entitled thereto) by the Trustee.

Restrictions on Issue

Units shall only be issued to or for the benefit of an Eligible Investor. The Manager (or its agents) reserves the right to reject in whole or in part any application for Units in its absolute discretion and without stating a reason for doing so. Where an application for Units is rejected including where

the Manager considers in its absolute discretion that the Sub-Manager may have insufficient QFII investment quota, the subscription monies shall be returned to the applicant by cheque through the post or by telegraphic transfer within one month of receipt at the risk of the applicant and without interest. Any class of Units may be closed for subscription either temporarily or permanently at the discretion of the Manager (or its agents). The Manager has the discretion to close the Fund for subscription as it considers appropriate.

Market Timing

The Distributor reserves the right to reject any application in whole or in part. Investors should note that while receipt of identification documents are pending, all transactions may be rejected or delayed and neither the Manager, the Distributor nor the Trustee shall be liable to any party (including the Unitholder concerned, the Trust and the Fund) for any losses, damages or costs incurred by any such party or parties arising directly or indirectly from such rejection or delay.

The Manager does not knowingly allow investments which are associated with market timing practices, as such practices may adversely affect the interest of all non-market timing Unitholders 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 Units 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 characterized by frequent or large exchanges.

The Manager may therefore combine Units 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 restrict or refuse purchases by investors whom the Manager considers market timers.

Eligible Investors

The Fund's policies do not permit the sale of Units to U.S. Persons unless such U.S. Persons are able to represent that they are "accredited investors" under Regulation D of the U.S. Securities Act and "qualified purchasers" under the U.S. Investment Company Act of 1940. For this purpose, a "**U.S. Person**" is any natural person resident in the U.S., any partnership or corporation organized or incorporated under the laws of the U.S., any trust of which any Trustee is a U.S. Person, any agency or branch of a foreign entity located in the U.S., any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the U.S., and any partnership or corporation if organized or incorporated under the laws of any foreign jurisdiction and formed by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by "accredited investors" (as defined under Regulation D of the U.S. Securities Act) who are not natural persons, estates or trusts.

The Manager may refuse to accept, in whole or in part, applications to purchase Units in order to ensure that the Units

Issue of Units

Continued

are exempt from registration under the U.S. Securities Act and under any U.S. state securities laws or to ensure compliance with or exemption from any other U.S. regulatory regime, including the U.S. Employee Retirement Income Security Act of 1974, as amended.

No Unit may be held by any person who is a resident or who is domiciled in the Cayman Islands (which shall not include any object of a charitable trust or power or any exempted or non-resident Cayman Islands company an exempted or ordinary non resident company incorporated in the Cayman Islands) (a "**Cayman Person**").

Therefore Units will only be offered and issued to and for the benefit of each eligible investor who the Manager determines is not a U.S. Person or Cayman Person (an "**Eligible Investor**"). The Fund's policies also prohibit the sale of Units to any investor to whom such sale would be unlawful. The Trustee, in consultation with the Manager, has, and intends to exercise, the right to force the redemption of any Unit sold or otherwise acquired in contravention of these prohibitions. See the section headed "Compulsory Redemption".

Each Unitholder must notify the Distributor in writing of any change to the Unitholder's personal details or in the information contained in the subscription form (including any change that would mean the investor is no longer an Eligible Investor) and furnish the Distributor with whatever additional documents relating to such change as the Distributor may request.

Anti-Money Laundering Procedures

In order to comply with regulations aimed at the prevention of money laundering, the Trustee and the Manager will and may through the Distributor, require all prospective investors to provide evidence, including officially certified true copies of documents, to verify their identity and source of funds.

The Trustee, the Manager and the Distributor reserve the right to request such information as is necessary to verify the identity of an applicant and the source of the payment. The Trustee, the Manager or the Distributor may refuse to accept the application and the subscription monies relating to such application and refuse to pay any redemption proceeds if an applicant for Units delays in producing or fails to produce any information required for the purposes of verification of identity or source of funds, and in that event the Trustee, the Manager or the Distributor shall return the subscription monies (without interest and at the expense of the applicant) by telegraphic transfer to the account from which the monies were originally sent. Neither the Trustee, the Manager, the Distributor nor their delegates shall be liable to the applicant for any loss suffered by the applicant as a result of the rejection or delay of any application or payment of redemption proceeds.

If any person resident in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or is involved with terrorism or terrorist property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands, pursuant to the Proceeds of Crime Law, 2008 of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher pursuant to the Terrorism Law (2011 Revision) of the Cayman Islands if the disclosure relates to involvement with terrorism or terrorist

financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

The Fund, the Trustee, or any officers or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Cayman Islands Monetary Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Law (2011 Revision), or by the Tax Information Authority, under the Tax Information Authority Law (2009 Revision) or Reporting of Savings Income information (European Union) Law (2007 Revision) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund, Trustee, officer or agent, may be prohibited from disclosing that the request has been made.

Monthly Statements

Statements will be issued to each Unitholder on a monthly basis confirming the number and class of Units which the Unitholder holds in the Fund.

Redemption of Units

Any Unitholder may redeem his Units on any Dealing Day in whole or in part subject to the following:

Minimum Redemption and Redemption Restrictions

There is no minimum redemption amount requirement for any of the Classes of Units. Class A, Class C Units, Class I Units and Class Y Units may only be redeemed on a monthly basis. A Unitholder may not make a partial redemption of Units which would result in that Unitholder holding less than the minimum holding of the relevant class of Units in force from time to time. The Distributor, at its absolute discretion, has the power to convert a Unitholder's Units from one class into another class if the value of the Unitholder's investment falls below the minimum holding for the relevant class.

In respect of any redemption requests made within the period being a minimum of the first three months and a maximum of the first eight months after the First Subscription Day, a redemption fee of up to 5% of the Net Asset Value per Unit of Class A Units, Class C Units, Class I Units and Class Y Units redeemed will be charged and retained by the Manager for its own absolute use and benefit. No redemption fee will be charged after the aforementioned period.

The Manager will, in its sole discretion, periodically assess whether the introduction of any changes to the current redemption restrictions, more frequent redemption rights or higher redemption limits should be permitted or would be desirable taking into consideration the interests of the Unitholders as a whole, the Sub-Manager's QFII licence, the QFII Regulations (and any amendment thereto) and prevailing circumstances and market conditions, among other factors, and will notify the Unitholders of the results of this assessment (insofar as there are any material changes to the current redemption restrictions) in writing.

Redemption Procedure

A redemption request must be given in writing and sent by post or facsimile and must specify the number (or value) of Units and class of Units in the Fund to be redeemed, the name(s) of the registered holder(s), and give payment instructions for the redemption proceeds. Redemption requests submitted by facsimile must always be followed by an original completed redemption request form unless investors have elected in their standard instruction document to receive redemption payments by electronic funds transfer. Investors should be reminded that if they choose to send redemption requests by facsimile, they bear their own risk of the requests not being received by the Distributor. Investors should therefore for their own benefit confirm with the Distributor safe receipt of a redemption request. Neither the Manager nor the Distributor shall be responsible to a Unitholder for any loss resulting from the non-receipt or illegibility of any redemption request sent by facsimile. In addition, the Trustee, the Manager and the Distributor shall be authorised to act on any facsimile request which they believe emanates from a Unitholder and neither the Trustee, the Manager nor the Distributor shall be liable to any party (including the Unitholder concerned, the Trust and the Fund) for acting in good faith on such request which emanates from unauthorised individuals. In order for redemption to take effect on a particular Dealing Day, the redemption request must be received by the Distributor not later than the Dealing Deadline.

If the request is received after the Dealing Deadline it will be dealt with on the next Dealing Day.

Units redeemed on a Dealing Day will be redeemed at a price calculated by reference to the Net Asset Value per Unit of the relevant class as at the Valuation Point on such Dealing Day, rounded to the nearest two decimal places. Subject as described in the paragraph headed "Minimum Redemption and Redemption Restrictions" above, no charge will be imposed on the redemption of Units.

Redemption applications will only be accepted for Units which have been fully paid as at the Dealing Deadline on the proposed date of redemption. Investors should note that while receipt of redemption documents are pending all transactions may be rejected or delayed and neither the Manager, the Distributor nor the Trustee shall be liable to any party (including the Unitholder concerned, the Trust and the Fund) for any losses, damages or costs incurred by any such party or parties arising directly or indirectly as a result of any rejection or delay.

Payment of Redemption Proceeds

Redemption proceeds will not be paid to any redeeming Unitholder until (a) the original written redemption request duly signed by the Unitholder has been received by the Distributor and (b) the signature of the Unitholder (or each joint Unitholder) has been verified to the satisfaction of the Trustee. No third party payment requests will be accepted. All bank charges incurred in making the redemption payment will be borne by the redeeming Unitholder.

Subject as mentioned above and except where the redeeming Unitholder gives alternative payment instructions, such amount less any applicable redemption fee will be paid to the redeeming Unitholder at his risk by cheque or by telegraphic transfer in the currency in which the relevant class of Units is denominated, being US Dollars for Class A Units, US Dollars for Class C Units and Class I Units, and Yen for Class Y Units. Redemption proceeds would normally be paid within 7 Business Days after the Dealing Day and in any event no later than 7 Business Days after completion of the conversion of the redemption proceeds from RMB to USD and such USD-denominated proceeds have been paid to the Custodian.

The Manager does not currently intend to exercise its discretion (as provided in the Trust Deed) to pay redemption proceeds in kind to redeeming Unitholders and may only do so in the future after having first obtained the consent from relevant redeeming Unitholder.

Redemption Gate

With a view to protecting the interests of Unitholders, the Manager is entitled with the approval of the Trustee to limit the number of Units of any class in the Fund redeemed on any Dealing Day (whether by sale to the Manager or by cancellation by the Trustee) to 10% (or such higher percentage as the Manager may from time to time determine) of the total number of Units in the Fund in issue. In this event, the limitation will apply pro rata so that all Unitholders wishing to redeem Units on that Dealing Day will redeem the same proportion of such Units, and Units not redeemed (but which would otherwise have been redeemed) will be carried forward for redemption, subject to the same limitation, on the next Dealing Day. If requests for redemption are so carried forward, the Manager will inform the Unitholders concerned. Where the Manager postpones redemptions in exercise of this power, the Manager may make exceptions in cases of hardship or otherwise to allow particular redemption requests to be processed.

Redemption of Units

Continued

Distribution Policy

Suspension of Redemption

The Manager may suspend the right of the Unitholders to require the redemption and/or may delay the payment of any moneys in respect of any such redemption during any periods in which the determination of the Net Asset Value of the Fund is suspended (for details see the section headed "Valuation"). Any Unitholder may at any time after such a suspension has been declared and before termination of such suspension withdraw any request for the redemption of Units by notice in writing to the Manager. If no such notice withdrawing any such request has been received by the Manager before termination of such suspension, the Manager shall, subject to and in accordance with the terms of the Trust Deed, redeem Units in respect of which it has received applications for redemption as at the Dealing Day next following the termination of such suspension.

Distributions are not expected but may be made as determined by the Manager.

Compulsory Transfer or Redemption

If it shall come to the notice of the Manager or the Trustee (who shall inform the Manager as soon as practicable thereafter) that Units of any class are owned directly or beneficially by any person in contravention of any laws or requirements of any country, any governmental authority or any stock exchange on which such Units are listed or in circumstances (whether directly or indirectly affecting such person and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Manager to be relevant) which in its opinion might result in the Fund, the Trust, the Trustee and/or the Manager incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund, the Trust, the Trustee and/or the Manager might not otherwise have incurred or suffered, the Manager may give notice to Unitholder requiring him to transfer such Units to a person who would not thereby be in contravention of any such restrictions as aforesaid or may give a request in writing for the redemption of such Units in accordance with the terms of the Trust Deed. If any person upon whom such a notice is served pursuant to the Trust Deed does not within thirty days, or such other prescribed time limit set out in the Trust Deed from time to time, redeem or transfer such Units as aforesaid or establish to the satisfaction of the Manager (whose judgment shall be final and binding) that such Units are not held in contravention of any such restrictions he shall be deemed upon the expiration of such time limit to have given a request in writing for the redemption of all such Units.

Switching

Switching to other Sub-Funds is not permitted.

Transfers

Units in the Fund may be freely transferred with the consent of the Manager. A transfer may not be effected if the transferor and the proposed transferee have not completed a standard instruction document and provided supporting documentation required for identification purposes. The Manager will only exercise its right to refuse this consent where the transfer would result in legal, pecuniary, regulatory, tax or material administrative disadvantage to the Fund, to the Trust or to the Unitholders as a whole or where the transfer would result in either the transferor or the transferee remaining or being registered as the holder of Units in the Fund or class with a net asset value below the minimum holding (for the transferor) or minimum initial investments (for the transferee) or such lesser amount as may be permitted or which would otherwise be in breach of the normal conditions for subscription.

Management and Administration

The Manager

The Manager is Invesco Hong Kong Limited, a wholly owned subsidiary of Invesco Ltd. The Manager is licensed to carry out asset management activities pursuant to the Securities and Futures Ordinance (Cap. 571) of Hong Kong. Invesco Hong Kong Limited was formed in Hong Kong in 1972. The Manager specialises in investment research and fund management in the Asia Pacific with other Invesco Ltd. Group companies in Hong Kong, China, Taiwan, Singapore, Japan and Australia. The directors of the Manager are LO, Andrew Tak Shing, GREENWOOD, John Gerald, LEE, Siu Mei, LIU, Gracie Yuen See, SIMPSON, Jeremy Charles, TONG, Anna and NG, Ka Yiu Desmond.

Invesco Ltd. is listed on the New York Stock Exchange. Invesco Ltd. and its predecessors have over 130 years experience in fund management. It is one of the largest independent fund management groups in the world, with assets under management worldwide of approximately US\$598.4 billion as of 30 September 2011. The Manager has been appointed as manager to the Fund pursuant to the Trust Deed for the selection of investments of the Fund which will be advised by the Investment Sub-Advisor.

The Manager is responsible for the selection of investments of the Fund and the day to day management of the Fund, and will supervise the conduct of the administration of the Fund by the Trustee.

The Manager shall be subject to removal by not more than one month's notice in writing given by the Trustee under certain circumstances. The Manager may retire in favour of some other manager approved by the Trustee.

The Manager shall be entitled to delegate all or any of its duties, powers and discretion under the Trust Deed to another person or corporation approved by the Trustee (but no such approval is required if the delegate is an associate of the Manager as defined in the Trust Deed). The Manager shall be solely responsible for the acts and omissions of any such delegate and for the payment of its remuneration.

The Sub-Manager

The Manager has appointed Invesco Asset Management Limited as Sub-Manager to the Fund and the Fund shall invest in PRC securities through the QFII investment quota of the Sub-Manager pursuant to the Sub-Manager Agreement.

The Sub-Manager is authorised and regulated by the UK's Financial Services Authority to carry on investment business in the United Kingdom. The Sub-Manager provides investment management services to a wide range of clients including pension funds, investment trusts, onshore and offshore funds and institutional clients. The directors of the Sub-Manager are Roderick George Howard Ellis, Charles Douglas Henderson, Paul Jean Joubert, James Ian Weddenburn Cleland Robertson, John Rowland, Robert John Yerbury, Nigel Marcus Charles Doman, Graeme John Proudfoot, Andrew John Rofe, Lu Ann Stella Katz, and Ian James Trevers and the company secretary is Emma Pearce.

The Sub-Manager is not responsible for performing the function of custody of the assets of the Fund acquired on the account of the Fund through the use of its QFII investment quota and held by the QFII Custodian (where such function shall be provided by the QFII Custodian) or for the function of best execution of trades made for the account of the portion of its QFII

investment quota used by the Fund (where such function shall be provided by the PRC brokers subject to the provisions of the section "Risk Factors - PRC Brokers and Best Execution"). For the avoidance of doubt, the Sub-Manager accepts no responsibility for the custody of any other assets of the Fund (i.e. those that are not acquired through the use of the QFII investment quota) or the best execution of trades made for any other account of the Fund. Furthermore, the Sub-Manager excludes itself from any liability to the Fund or any Unitholder or any other person for any action or omission effected by the Sub-Manager in the discharge of its duties under the Sub-Manager Agreement save in the case of negligence, wilful default or fraud on its part. Furthermore, the Trust shall be responsible for indemnifying the Sub-Manager for any loss or damage which it may suffer or incur in its capacity as Sub-Manager or otherwise in the discharge of its responsibilities under the Sub-Manager Agreement other than in respect of any loss or damage arising from any negligence, wilful default or fraud on the part of the Sub-Manager.

The Manager will retain day-to-day investment management discretion over the Fund's investment portfolio. However as the licensed QFII holder, the Sub-Manager will supervise and monitor the Manager's management of the Fund's assets acquired through the use of and held within its QFII investment quota. The Manager will regularly report to the Sub-Manager as to its activities in respect of such assets. The Sub-Manager reserves the right to assume the full discretionary management of the Fund's assets acquired through the use of and held within its QFII investment quota if it deems necessary for any reason.

The Sub-Manager Agreement may be terminated by either party at any time after the expiry of two years from the date of the Sub-Manager Agreement or earlier in certain circumstances.

The Investment Sub-Advisor

The Manager has appointed Invesco Great Wall Fund Management Company Limited as the Investment Sub-Advisor in respect of the Fund.

The Investment Sub-Advisor is one of the first Sino-foreign joint venture fund management companies to receive a license (which was granted in June 2003) and it was one of the first Sino-foreign joint ventures to launch domestic funds investing in China in October 2003. It is one of the pre-eminent fund managers in the China market.

The Investment Sub-Advisor is a company duly incorporated and validly existing under the laws of China and is regulated by the Department of Investment Fund Supervision under the China Securities Regulatory Commission of China. The Investment Sub-Advisor is a joint venture company owned by Sub-Manager, China Great Wall Securities Co, Limited, Dalian Shide Group Company Limited and Kailuan Group Co., Ltd.

Under the Technical Service Agreement, the Manager has appointed the Investment Sub-Advisor to provide technical services on (a) providing macroeconomic and securities investment research reports; (b) recommending guidelines for securities investments such as guidelines for portfolio structure, weightings and stock selection; (c) giving recommendations to the Manager regarding the purchase, sale and reinvestment of securities; and (d) assisting the Manager with the necessary promotion of market, products and services.

The Technical Service Agreement may be terminated by either party upon written notice to the other party.

Management and Administration

Continued

The Trustee

The Trustee is Bank Consortium Trust Company Limited. The Trustee is a trust company incorporated in Hong Kong.

Under the Trust Deed, the Trustee is responsible for the safekeeping of the assets of the Trust. The Trustee may, however, appoint, or cause the appointment of, any person or persons to be custodian of such assets. The Trustee is required to exercise reasonable skill, care and diligence in the selection, appointment and monitoring of such person and during the term of their appointment, must satisfy itself as to the ongoing suitability of such person to provide custodial services to the Trust, having regard to the market or markets for which such persons are appointed to act as custodian. The Trustee will remain responsible for the failure by such person to use reasonable care in the provision of custodial services by such person in accordance with the standards prevailing in the relevant market or from the fraud or wilful default or negligence of such person or material breach of the relevant agreement with such person in the provision of custodial services by such person, except where if such assets are held by a designated and named custodian or sub-custodian as required under local law or regulations and the Trustee has no other choice as to the appointment of such designated and named custodian or sub-custodian (whether the appointment is made directly by the Trustee or via a custodian). In addition, the Trustee shall not, however, incur any liability in respect of or be responsible for losses incurred by reason of the liquidation, bankruptcy or insolvency of such custodian, joint custodian or sub-custodian unless such custodian, joint custodian or sub-custodian is a connected person of the Trustee. Further, the Trustee shall not be liable to any party (including the Unitholders, the Trust and the Fund) for any act or omission by (or the insolvency of) any securities depository or settlement system which holds the Investment or any losses, damages or costs incurred by the Trust and/or the Fund arising directly or indirectly from any such act or omission or insolvency.

The Global Custodian

The Trustee has engaged JPMorgan Chase Bank, N.A., Hong Kong Branch as the Global Custodian in relation to the Trust pursuant to the Global Custody Agreement.

JPMorgan Chase Bank, N.A. is a company incorporated in the U.S. It is a leading global financial services firm with assets under custody of US\$14.9 trillion as of 30 September 2009 and operations in more than 60 countries as at 30 September 2009. The firm is a leader in investment banking, financial services for consumers and businesses, financial transaction processing, asset and wealth management, and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase Bank, N.A., has its corporate headquarters in New York and its U.S. retail financial services and commercial banking headquarters in Chicago. JPMorgan serves millions of consumers in the U.S. and many of the world's most prominent corporate, institutional and government clients.

Under the Global Custody Agreement, the Global Custodian will establish and maintain one or more cash and securities accounts on behalf of the Trust. The Global Custodian is authorised under the Global Custody Agreement to act through and hold the Trust's securities with subcustodians, being currently the entities listed in the Global Custody Agreement which includes the QFII Custodian and/or such other entities as the Global Custodian may appoint as subcustodians ("**Subcustodians**"). The Global Custodian will use reasonable care in the selection and continued appointment of such subcustodians. The Global Custodian will require each

Subcustodian to identify in its own books that securities held at such Subcustodian by the Global Custodian on behalf of its customers belong to either the Trustee, the Fund or the Trust such that it is readily apparent that the securities do not belong to the Global Custodian or the Subcustodian.

Under a QFII Custodian Agreement dated 2 December 2004, the Global Custodian appointed Bank of China Limited as its subcustodian within China.

The Global Custodian will use reasonable care in performing its obligations under the Global Custody Agreement. The Global Custodian will not be in violation of the Global Custody Agreement with respect to any matter as to which it has satisfied its obligation of reasonable care. The Global Custodian will be liable to the Fund, the Trust, the Trustee, the Manager and/or the Sub-Manager for the Trust's direct losses, damages, costs, expenses and penalties to the extent they result from the Global Custodian's fraud, negligence, or wilful default in performing its duties as set out in the Global Custody Agreement and to the extent provided therein. Nevertheless, under no circumstances will the Global Custodian be liable for any indirect, incidental, consequential or special damages (including, without limitation, lost profits) of any form incurred by any person or entity, whether or not foreseeable and regardless of the type of action in which such a claim may be brought, with respect to the accounts, the Global Custodian's performance thereunder, or the Global Custodian's role as custodian.

Subject always to the provisions of the Global Custody Agreement, the Global Custodian and J.P.Morgan Indemnitees (as defined in the Global Custody Agreement) will be indemnified out of the assets of the Trust against, and held harmless from, any liabilities which may be imposed on, incurred by or asserted against any of the JPMorgan Chase Bank, N.A. Indemnitees in connection with or arising out of (i) the Custodian's performance under the Global Custody Agreement, provided that J.P. Morgan Indemnitees have not acted with negligence or engaged in fraud or wilful default in connection with the liabilities in question, or (ii) any of J.P.Morgan Indemnitees' status as a holder of record of the securities held on behalf of the Trust. Nevertheless, the Trust will not be obligated to indemnify any J.P.Morgan Indemnitee with respect to any liability for which the Global Custodian is liable under the provisions of the Global Custody Agreement.

Either party may terminate the Global Custody Agreement on ninety (90) days' written notice to the other party. The Global Custody Agreement may also be terminated earlier by the Trustee in certain circumstances.

The QFII Custodian

The QFII Custodian has been appointed by the Global Custodian to act as its sub-custodian for the assets to be invested in the PRC including all assets of the Fund held through the QFII investment quota of the Sub-Manager pursuant to the QFII Custodian Agreement.

Pursuant to the QFII Regulations, the QFII Custodian shall establish a RMB special account and a corresponding foreign exchange account for the Fund. The QFII Custodian shall also establish a securities account for the Fund in the joint names of the Fund and the Sub-Manager as the QFII.

The QFII Custodian Agreement pursuant to which the QFII Custodian is appointed is supplemented by a supplement to which the Sub-Manager, the Global Custodian and the QFII

Management and Administration Continued

Custodian are also parties for certain purposes under the QFII Regulations.

The Registrar

The Trustee has appointed Northern Trust Cayman International, Limited to act as the Registrar of the Trust and the principal register of Unitholders of the Fund will be held in the Cayman Islands. The Registrar will also provide the principal office of the Fund in the Cayman Islands.

The Trustee and the Registrar will not participate in transactions and activities, or make any payments denominated in US Dollars, which, if carried out by a US person, would be subject to sanctions by The Office of Foreign Assets Control of the US Department of the Treasury.

None of the Trustee or their employees, service providers or agents are involved directly or indirectly in the business affairs, organisation, sponsorship or investment management of the Fund or any Sub-Fund, and are not responsible for the preparation or issue of this Prospectus other than the descriptions of "The Trustee" and "the Registrar" above. Therefore, such entities accept no responsibility for any information contained in this Prospectus.

The Distributor

The Manager has appointed Invesco Asset Management Asia Limited as the Distributor. Its functions include, inter alia, receiving applications for subscriptions and redemptions, dealing with all enquiries in relation to the Fund and generally representing the Manager and arranging the publication of all relevant documents. The functions of the Distributor include handling of any investor complaints or enquiries.

The Manager may appoint various additional distributors for Units in the Fund from time to time.

Charges and Expenses

Sales Charge

Unless the Manager determines otherwise, the sales charge on the purchase of Class A Units and Class C Units shall be up to 5.25%, respectively, of the Net Asset Value per Unit of the relevant class and shall be retained by the Manager. There is no sales charge for Class I Units and Class Y Units.

Redemption Fee

Unless the Manager determines otherwise, the redemption fee on the redemption of Class A Units, Class C Units, Class I Units and Class Y Units shall be up to 5%, respectively, of the Net Asset Value of each Unit of the relevant class redeemed within the period being a minimum of the first three months and a maximum of the first eight months after the First Subscription Day and shall be retained by the Manager, and no redemption fee will be charged by the Manager thereafter.

Trustee's Fees

Pursuant to the Trust Deed the Trustee shall be entitled to be paid out of the assets of the Fund a fee of 0.135% per annum on the first US\$40,000,000 of the Net Asset Value and 0.12% per annum thereafter, subject to a minimum of US\$30,000 per annum. Such fees will accrue daily and be paid monthly in arrears. The Trustee shall be reimbursed for all reasonable out-of-pocket expenses incurred by the Trustee in relation to the Fund out of the Fund's assets.

Any change to the proposed Trustee's fees will only be implemented after giving one month's notice to affected Unitholders and any increase beyond the maximum level will require to be approved by way of a Unitholders' extraordinary resolution.

The annual registration fees payable by the Trust in the Cayman Islands (i.e. the Fund's pro rata share thereof based on its Net Asset Value) will be paid out of the assets of the Fund. The Trustee will receive a fee of US\$3,000 in relation to the establishment of the Fund.

Global Custodian Fees

The Global Custodian's fees will be paid out of the assets of the Fund. The Global Custodian fees is up to 0.12% per annum calculated and accrued daily. The Trustee shall discharge out of the Fund's assets (i) reasonable out-of-pocket expenses payable to the Global Custodian, (ii) all transaction charges payable to the Global Custodian and the QFII Custodian (which shall be charged at normal commercial rates) and (iii) all fees paid by the Global Custodian to the QFII Custodian (which shall be charged at normal commercial rates).

Registrar's Fees

The Registrar shall be entitled to be paid out of the assets of the Fund an annual fee of 0.025% of the Net Asset Value.

Manager's Fees

Under the Trust Deed, the Manager is entitled to receive a monthly management fee at the rate of up to 2.0% per annum of the Net Asset Value of that part of the Fund attributable to the relevant class of Units, calculated and accrued on a daily basis and payable monthly in arrears. Currently the Manager proposes to charge a management fee of 1.75% per annum of the Net Asset Value of the Class A Units, 1.25% per annum of the Net Asset Value of the Class C Units, and 0.5% per annum of the Net Asset Value of the Class Y Units calculated and accrued daily and payable monthly in arrears. Until such time as the Manager determines otherwise, there is no management fee for Class I Units. The Manager shall be reimbursed for all

Charges and Expenses

Continued

reasonable out-of-pocket expenses incurred by the Manager in relation to the Fund out of the Fund's assets.

Any change to the proposed management fees will only be implemented after giving at least one month's notice to affected Unitholders and any increase beyond the maximum level will require to be approved by way of a Unitholders' extraordinary resolution. The Manager will be responsible for the fees payable to the Sub-Manager.

The Manager has discretion to waive all or any part of the fees to which it is entitled as it deems fit. The Manager may also in its discretion pay all or any portion of the sales charge and management fees to its recognised intermediaries and delegates or persons introducing investors, including but not limited to the Distributor, as it deems appropriate from time to time.

Sub-Manager's Fees

The Manager is responsible for paying the fees of the Sub-Manager. The Sub-Manager shall be reimbursed for all reasonable out-of-pocket expenses incurred by it in relation to the Fund out of the Fund assets.

Investment Sub-Advisor's Fees

The Manager is responsible for paying the fees of the Investment Sub-Advisor. The Manager shall pay any Investment Sub-Advisor's fees from its fees and not from the assets of the Fund. The Investment Sub-Advisor shall be reimbursed for all reasonable out-of-pocket expenses incurred by the Investment Sub-Advisor in relation to the Fund out of the Fund's assets.

Distributor Fees

The Manager is responsible for paying the fees of the Distributor.

Organisation Costs

The preliminary expenses incurred in respect of the formation of the Fund and in connection with the issue of Units are estimated to amount to not more than US\$140,000. These expenses will be payable out of the assets of the Fund and will be amortized over the first five years of the Fund.

Other Operating Expenses

Each Sub-Fund will bear the costs set out in the Trust Deed, which are directly attributable to it. Where such costs are not directly attributable to a Sub-Fund, the Manager shall determine with the approval of the Trustee how such costs are to be allocated. Such costs include but are not limited to the cost of (a) all stamp and other duties, taxes, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges, transfer fees and expenses, registration fees and expenses, transaction fees of the Trustee or its connected persons, custodian or sub-custodian and proxy fees and expenses, collection fees and expenses, insurance and security costs, and any other costs, charges or expenses payable in respect of the acquisition, holding and realisation of any investment or other property or any cash, deposit or loan (including the claiming or collection of income or other rights in respect thereof and including any fees or expenses charged or incurred by the Trustee or the Manager or any connected person in the event of the Trustee or the Manager or such connected person rendering services or effecting transactions giving rise to such fees or expenses), (b) the fees and expenses of the auditors, the registrar, any processing agent, administrator and any receiving agent of the Trust, (c) fees charged by the Trustee in connection with the establishment of each Sub-Fund and thereafter the fees incurred by the

Trustee or the Manager in connection with valuing the assets of the Trust or any part thereof, calculating the Net Asset Value of Units, (d) all legal and professional fees and charges incurred by the Manager or the Trustee in connection with the Trust including preparing financial statements and its filing, (e) out-of-pocket expenses incurred by the Trustee wholly and exclusively in the performance of its duties, (f) the expenses of or incidental to the preparation of deeds supplemental to the Trust Deed, (g) the expenses of holding meetings of Unitholders and of giving notices to Unitholders, (h) the costs and expenses of obtaining and maintaining a listing for the units on any stock exchange or exchanges selected by the Manager and approved by the Trustee and/or in obtaining and maintaining any approval or authorisation of the Trust or in complying with any undertaking given, or agreement entered into in connection with, or any rules governing such listing approval or authorisation, (i) without prejudice to the generality of the foregoing, all costs incurred in publishing the issue and redemption prices of Units, all costs of preparing, printing and distributing all statements, accounts and reports pursuant to the provisions of the Trust Deed (including the fees of the Trust's auditors), the expenses of preparing and printing any offering document, explanatory memorandum or document to the like effect, and any other expenses, deemed by the Manager, after consulting the Trustee, to have been incurred in compliance with or in connection with any change in or introduction of any law or regulation or directive (whether or not having the force of law) of any governmental or other regulatory authority or with the provisions of any code relating to unit trusts and (j) all other reasonable costs, charges and expenses which in the opinion of the Trustee and the Manager are properly incurred in the administration of the Trust or any Sub-Fund and pursuant to the performance of their respective duties hereunder, (k) all fees and expenses incurred in connection with the retirement or removal of the Manager, the Trustee, the auditors of the Trust or any entity providing services to the Trust or any Sub-Fund, or the appointment of a new manager, a new trustee, new auditors or other new service providers providing services to the Trust, and (l) all such charges, costs, expenses and disbursements as under the general law the Trustee is entitled to charge to the Trust.

Neither the Manager, the Sub-Manager nor its connected persons will receive cash or other rebates from brokers or dealers in respect of transactions for the account of the Trust. However, the Manager, the Sub-Manager and its connected persons may enter into soft commission arrangements with brokers or dealers for the provision to the Manager or its connected persons of goods and services which are of demonstrable benefit to Unitholders. Execution of transactions for the Sub-Funds will be consistent with best execution standards as practicable.

Conflicts of Interest

Investors' attention is drawn to the following potential conflicts of interest.

The Trustee, the Registrar, the Manager, the Sub-Manager, the Investment Sub-Advisor and any of their holding companies, holding company shareholders, any subsidiaries of their holding company and any of their directors, officers, employees, agents and affiliates ("**Interested Parties**") may be involved in other financial, investment or other professional activities which may on occasion cause conflicts of interest with the Fund. These include management of other funds, purchases and sales of securities, investment and management advisory services, brokerage services, and serving as directors, officers, advisers, trustees, administrators, custodians, registrars, investment managers, investment adviser or agents of other funds or other companies. In particular it is envisaged that the Trustee, the Manager or the Registrar, the Sub-Manager or the Investment Sub-Advisor may be involved in advising other investment funds which may have similar or overlapping investment objectives to or with the Fund. The Trustee, the Registrar, the Manager or the Investment Sub-Advisor may provide services to third parties similar to those provided to the Fund and shall not be liable to account for any profit earned from any such services. Where a conflict arises the Trustee, the Manager, the Sub-Manager or the Investment Sub-Advisor will endeavour to ensure that it is resolved fairly. In relation to the allocation of investment opportunities to different clients, including the Fund, the Manager may be faced with conflicts of interest; with regard to its duties to such clients, the Manager will seek to ensure that investment opportunities in those circumstances will be allocated fairly.

The Manager, the Sub-Manager, the Investment Sub-Advisor and/or any company associated with any of them reserves the right to effect transactions by or through the agency of another person with whom the Manager, the Sub-Manager, the Investment Sub-Advisor and/or any company associated with them have an arrangement under which that party will from time to time provide to or procure for the Manager, the Sub-Manager, the Investment Sub-Advisor and/or any company associated with them goods, services or other benefits (such as research and advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Fund as a whole and may contribute to an improvement in the performance of the Fund or of the Manager, the Sub-Manager, the Investment Sub-Advisor and/or any company associated with them in providing services to the Fund and for which no direct payment is made but instead the Manager, the Sub-Manager, the Investment Sub-Advisor and/or any company associated with them undertake to place business with that party. 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 Sub-Manager is a shareholder of the Investment Sub-Advisor.

The Trustee, or any wholly-owned subsidiary on behalf of the Trustee, may acquire securities from, or dispose of securities to, any Interested Party or any investment fund or account advised or managed by any such person, but only with the prior approval of the Manager. Any Interested Party may hold Units and deal with them as it thinks fit. An Interested Party may buy, hold and deal in any investments for its own account notwithstanding that similar investments may be held by the Trustee or any subsidiary for the account of the Fund.

Any Interested Party may contract or enter into any financial or other transaction with any Unitholder or with any entity any of whose securities are held by or for the account of the Fund, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions and benefits which it may negotiate in relation to any sale or purchase of any investments of the Fund effected by it for the account of the Fund and which may or may not be for the benefit of the Fund.

Taxation

General

The following summary of the principal tax consequences applicable to the Trust or the Fund, as the case may be, in the Cayman Islands, Hong Kong and China is based upon the proposed conduct of the activities to be carried out by the Manager, the Sub-Manager, the Trust and the Fund as described in this Prospectus. The following summary does not constitute tax advice and it does not deal with the local taxes, withholding or otherwise, that may be applicable to the income or gain derived from the investments of the Fund. The comments in this summary could be adversely affected if any of the material facts on which they are based should prove to be inaccurate. These comments are based upon the current tax laws and practice of the countries referred to in this summary at the date of this Prospectus and the related practice and interpretation of such laws, which are subject to change at any time, possibly on a retroactive basis. Any such changes could adversely affect the comments made. It is emphasised that neither the Trust, the Fund, the Manager, the Sub-Manager nor any other persons involved in the preparation of this Prospectus accept responsibility for any tax effects or liabilities resulting from the purchase, ownership or disposition of Units in the Fund.

Investors should consult their professional advisers on the possible tax, exchange control or other consequences of buying, holding, selling or redeeming Units under the laws of their country of citizenship, residence or domicile. These consequences, including the availability of, and the value of, tax relief to investors will vary with the law and practice of the investors' country of citizenship, residence, domicile or incorporation and their personal circumstances and are subject to change.

Cayman Islands

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Trustee in respect of the Fund or the Unitholders. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Fund.

The Trustee will apply for and can expect to receive an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 81 of the Trusts Law (2011 Revision) of the Cayman Islands, for a period of 50 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax or duty to be levied on income or on capital assets, gains or appreciations or any tax in the nature of estate duty or inheritance tax shall apply to any property comprised in or any income arising under the Trust or to the trustees or the beneficiaries thereof in respect of any such property or income.

Although the Trustee is not subject to tax in the Cayman Islands, the Fund may be liable for any taxes which may be withheld at source in other countries in respect of income or gains derived from its investments.

China

The information below is a summary of certain areas of PRC taxation which are likely to be relevant to the Fund and the Unitholders and should not be taken as a definitive, authoritative or comprehensive statement of the relevant matter. In particular, there are various other taxes, duties, levies and charges which are generally of less significance but may nevertheless be applicable to the Fund and the Unitholders.

Tax Ownership

China has not issued guidance with respect to the capital gains derived from the disposal of securities and debt instruments by QFIs for Chinese tax purposes. In addition, there is a general lack of guidance in Chinese tax law with respect to the application of Chinese taxes in situations where legal title to assets are held by an intermediary on behalf of the beneficial owners of such assets. According to current Chinese administrative practice, although the Fund will be the beneficial legal owner of the securities and debt instruments held through the Sub-Manager's QFI investment quota, the Sub-Manager as the QFI should be treated as the owner of such securities and debt instruments for Chinese tax purposes. However, by investing in A Shares and other permitted PRC investments prescribed by the QFI Regulations, the Fund has agreed to reimburse the Sub-Manager, as the QFI, for any PRC taxes that the Sub-Manager may be subject to withholding and other taxes imposed in the PRC.

In the event that the Chinese tax authorities issue guidance with respect to the application of Chinese taxes in situations where legal title to assets are held by an intermediary on behalf of the beneficial owners of such assets, the expected treatment described above could change, possibly with retroactive effect. Depending on the content of such guidance, if any, the Fund, not the Sub-Manager, might constitute the taxpayer with respect to Chinese taxes that are imposed with respect to the purchase, ownership and disposal of securities and debt instruments held through the Sub-Manager's QFI investment quota.

Income tax

The Corporate Income Tax Law took effect on 1 January 2008 and repealed the Income Tax Law of the PRC Concerning Foreign Investment Enterprises and Foreign Enterprises (the Old FIE Income Tax Law) and the Enterprise Income Tax Provisional Rules of the PRC.

The corporate income tax rate under the Corporate Income Tax Law is 25% for both domestic companies and FIEs.

Pursuant to the Corporate Income Tax Law and its detailed implementation rules, non-PRC tax resident who does not establish any permanent establishment in China (or which have permanent establishment in China but income derived is not effectively connected with such permanent establishment) is subject to PRC withholding income tax at the rate of 10% for dividends, interest, royalty, rental and other income (mainly referring to capital gain) derived from sources inside China. The State Administration of Taxation issued a tax circular Guo Shui Han [2009] No.47 on 23 January, 2009 clarifying that, in accordance with the Corporate Income Tax Law, QFIs are subject to 10% PRC withholding income tax on dividends and interest received from PRC. It is however silent on the capital gains derived by QFIs. In the absence of specific guidance, the tax provisions under the Corporate Income Tax Law should apply. QFIs as non-PRC tax residents with no permanent establishment in China should technically be subject to 10% PRC withholding income tax on capital gains from disposal of A Shares. The same should apply under the Old FIE Income Tax Law. The Manager therefore reserves the right to provide for this tax on A Shares. With the uncertainty of how the current rules are to be applied to the taxation of capital gains on A Shares, the PRC taxation authorities not implementing the current rules, the possibility of the rules being changed and the possibility of taxes being applied retrospectively, any provision for taxation made by the Manager may be excessive or inadequate to meet final PRC tax liabilities on capital gains

Taxation

Continued

on A Shares. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such capital gains will be taxed, the level of provision and when they subscribed and/or redeemed their units in/from the Fund.

Interest received from RMB denominated government bonds would be exempt from PRC income tax under the Corporate Income Tax Law, but interest received from RMB denominated corporate bonds should be subject to 10% PRC withholding income tax. Capital gains from the disposition of listed government and corporate bonds should be subject to 10% PRC withholding income tax.

The PRC withholding income tax may be reduced or exempted under tax treaty protection if the QFII is a tax resident of the relevant treaty country.

Non-PRC resident investors, the definition of which shall be referred to the Corporate Income Tax Law (in case of an enterprise) and the PRC Individual Income Tax Law (in case of an individual), should not be subject to PRC tax on distributions received from the Fund, or on gains derived from the disposal of Units in the Fund. PRC tax resident investors should seek their own tax advice on their tax position with regard to their investment in the Fund.

Stamp duty

Stamp duty shall be generally applicable to the execution and receipt of all taxable documents listed in the Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in China of certain documents, including contracts for the transfer of equity interests in FIEs, the sale of A Shares and B Shares on the PRC Stock Exchanges, the sale of goods, the undertaking of processing work, the contracting of construction and engineering projects, leases, loans, etc. Stamp duty is also levied on documents effecting the transfer of property, business account books and certification in evidence of rights and licenses.

Stamp duty is imposed on the purchases and sales of shares of publicly-traded Chinese companies at applicable rate of the purchases/sales consideration. The applicable stamp duty rate and the scope of stamp duty have been changed in year 2008. Firstly, the applicable stamp duty rate has been reduced from 0.3% to 0.1% from 24 April 2008 onwards. From 19 September 2008 onwards, stamp duty is imposed on the sales of shares of publicly-traded Chinese companies only but not on the purchases of shares of publicly-traded Chinese companies.

The Fund may be subject to stamp duty in its trading activities in Chinese listed stocks as required by the relevant PRC authorities from time to time, as applicable. No PRC stamp duty is payable in respect of the subscription, sale, redemption or disposal by other means of Units in the Fund given that the Units are not PRC listed stocks.

Business tax

Business tax is imposed, generally at a rate of 5%, on the gross consideration received by a service provider of specified services and by a transferor with respect to the transfer of immovable property or intangible property.

Dividends are not included in the taxable scope of business tax. In addition, pursuant to the notice Caishui [2005] No. 155 issued jointly by State Administration of Taxation and the Ministry of Finance in December 2005, where a QFII trades in A Shares and derives a gain, such gain is exempt from business tax. Gains derived by a QFII from the disposal of government

and corporate bonds may also be exempt from business tax. Interest received from government bonds and corporate bonds may be subject to business tax at 5%.

It is possible that if and when China issues full guidance on QFII transactions, the business tax treatment may differ from and be more adverse than, that described above. It is also possible that any new tax treatment may have retroactive effect.

Hong Kong

As long as the Trust maintains its authorisations with the SFC of Hong Kong under Section 104 of the Securities and Futures Ordinance, the Trust is exempt from Hong Kong profits tax. Unitholders who are Hong Kong resident will not be subject to any Hong Kong profits tax on dividend distributions of the Fund or any gains arising on a sale, redemption or other disposal of Units which are capital in nature. Where the Hong Kong Unitholder is carrying on a trade, profession or business in Hong Kong, and derives gain on disposal of the Units, such gain will be subject to Profits Tax in Hong Kong if it is of revenue nature.

Prospective investors are strongly urged to consult their tax advisors with respect to their own tax situations prior to investing in the Fund.

Valuation

Calculation of Net Asset Value of the Fund

The Net Asset Value of the Fund will be determined by the Trustee as at each Valuation Point in accordance with the Trust Deed. The Trust Deed provides (inter alia) that:

- (a) The value of any investment (other than an interest in a Collective Investment Scheme) quoted, listed or normally dealt in on a securities market shall at the discretion of the Manager be calculated by reference to the price appearing to the Manager to be the last traded price or last bid price or midway between the latest available market dealing offered price and the latest available market dealing bid price on the securities market on which the investment is quoted, listed or normally dealt in for such amount of such investment as the Manager may consider in the circumstances to provide a fair criterion, provided that:-
- 1 If an investment is quoted, listed or normally dealt in on more than one securities market, the Manager shall adopt the price or, as the case may be, the last traded price/middle quotation on the securities market which, in its opinion, provides the principal market for such investment.
 - 2 In the case of any investment which is quoted, listed or normally dealt in on a securities market but in respect of which, for any reason, prices on that securities market may not be available at any relevant time, the value thereof shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager or, if the Trustee so requires, by the Manager after consultation with the Trustee.
 - 3 There shall be taken into account interest accrued on interest-bearing investments up to (and including) the date as at which the valuation is made, unless such interest is included in the quoted or listed price.
 - 4 For the purpose of the foregoing provisions, the Manager and the Trustee shall be entitled to use and rely upon electronically transmitted information from such source or sources as they may from time to time think fit with regard to the pricing of investments on any securities market notwithstanding that the prices so used are not the last traded prices.
- (b) The value of any investment (other than an interest in a Collective Investment Scheme) which is not quoted, listed or normally dealt in on a securities market shall be the initial value thereof ascertained as hereinafter provided or the value thereof as assessed on the latest revaluation thereof made in accordance with the provisions hereinafter contained. For this purpose:-
- 1 The initial value of an unquoted investment shall be the amount expended out of the Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other expenses incurred in the acquisition thereof).
 - 2 The Manager may at any time with the approval of the Trustee and shall at such times or at such intervals as the Trustee may request cause a revaluation to be made of any unquoted investment by a professional person approved by the Trustee as qualified to value such unquoted investment.

Notwithstanding the above, the Manager may determine to value on a straight line basis investments in debt instruments acquired at a discount to their face value.

- (c) Cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made to reflect the value thereof.
- (d) Subject as provided in Rules (e) and (f) below, the value of each unit, share or other interest in any Collective Investment Scheme shall be the last available net asset value per unit, share or other interest in such Collective Investment Scheme.
- (e) If no net asset value is available as provided in Rule (d) above, the value of each unit, share or other interest in any Collective Investment Scheme shall be determined from time to time in such manner as the Manager shall determine.
- (f) Notwithstanding Rules (a) to (e) (inclusive) above, the Manager may with the consent of the Trustee adjust the value of any investment or permit some other method of valuation to be used if, having regard to currency, applicable rate of interest, maturity, marketability and other considerations the Manager deems relevant, the Manager considers that such adjustment or use of such other method is required to reflect the fair value thereof.
- (g) Any value (whether of a borrowing or other liability or an investment or cash) otherwise than in the base currency of the Fund and any borrowing in a currency other than such base currency 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 costs of exchange.

Calculation of Net Asset Value of a Unit

The Net Asset Value of a Unit of a class relating to the Fund on a Dealing Day is the net asset value per Unit of such class provided that the Manager may add an allowance (for the benefit of the Fund) for fiscal and purchase charges which might be payable to buy investments for the account of the Fund and may deduct an allowance (for the benefit of the Fund) for fiscal and initial charges which might be payable to sell investments for the account of the Fund, the resultant amount being rounded to the nearest two decimal places.

Any rounding adjustments arising from the calculation of the Net Asset Value shall be retained by the Fund.

Publication of Net Asset Value

The Net Asset Value per Unit will be published daily in the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times and on the website of the Manager (www.invesco.com.hk).

Suspension of Determination of Net Asset Value

Either the Manager (with the prior consent of the Trustee) or the Trustee (after giving notice to the Manager) may declare a suspension of the determination of the Net Asset Value of the Fund for the whole or any part of any period during which (a) there is a closure of or the restriction or suspension of trading on any securities market on which a substantial part of the investments of the Fund is normally traded or a breakdown in any of the means normally employed by the Manager in

Valuation Continued

ascertaining the prices of investments; or (b) any period when clearing or settlement of investments of the Fund in the relevant clearing or settlement system is disrupted; or (c) any period when the Fund is unable to dispose of holdings or to repatriate the proceeds of such disposals as a result of certain quota or limits imposed by any regulatory or supervisory, governmental or quasi-governmental authority, any fiscal body or self-regulatory organisation (whether of a governmental nature or otherwise); (d) for any other reason the prices of investments of the Fund cannot, in the opinion of the Trustee, reasonably be ascertained; or (e) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise any investments of the Fund or it is not possible to do so without seriously prejudicing the interests of Unitholders of Units of the relevant class; or (f) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the investments of the Fund or the subscription or redemption of Units is delayed or cannot, in the opinion of the Trustee, be carried out promptly at normal rates of exchange; or (g) the issue and/or redemption by the Manager or transfer of Units would result in the violation of any applicable law; or (h) any period when the business operations of the Manager or the Trustee in relation to the operation of the Trust are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Such suspension shall take effect forthwith upon the declaration thereof and thereafter there shall be no determination of the Net Asset Value of the Fund until the Manager or Trustee (as the case may be) shall declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first Business Day on which (i) the condition giving rise to the suspension shall have ceased to exist and (ii) no other condition under which suspension is authorised shall exist.

Whenever the Manager or Trustee shall declare such a suspension it shall, as soon as may be practicable after any such declaration and at least once a month during the period of such suspension, publish a notice in the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times and/or cause a notice to be given to Unitholders and to all those (whether Unitholders or not) whose applications to subscribe for or redeem units shall have been affected by such suspension stating that such declaration has been made.

Limitations of Liability and Indemnity

The Trust Deed sets out a number of limitations of liabilities and indemnities provisions in favour of the Manager and the Trustee. These include but are not limited to the following:

1. The Trustee and the Manager shall not be incur any liability in respect of any action taken or thing suffered in reliance upon any documents or resolutions believed to be genuine and to have been given by the proper parties. They shall not be responsible for the authenticity of any instructions purported to be given by Unitholders or signatures or seal affixed to documents;
2. The Manager shall not be liable for any negligence, fraud, breach of contract, misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence in relation to acting upon advice or information obtained from persons acting as agents or advisers of the Manager; provided, that the Manager has exercised reasonable skill, care and diligence in the selection, appointment and monitoring of any agents or advisers and such reliance is made in good faith. Notwithstanding the foregoing, this shall not affect the Manager's responsibilities and liabilities under the Code;
3. In the absence of fraud or negligence by the Manager or the Trustee respectively, they shall not incur any liability by reason of any error of law or with respect to the correctness or errors in ascertaining the value of investments;
4. The Manager shall not, in the absence of fraud, wilful default or negligence or otherwise set out in the Trust Deed, be liable for any act or omission of the Trustee;
5. The Trustee shall remain liable for any act or omission of any agent, nominee, custodian, joint custodian or sub-custodian who holds any investments or other property of the Trust as if the same were the act or omission of the Trustee and also as required by the Code; provided, that, as far as the act or omission of any custodian, joint custodian or sub-custodian is concerned, the Trustee shall only be liable for (i) direct damages to the Trust to the extent they result from a custodian's fraud, negligence, wilful default in performing its duties under the relevant custody agreement or material breach of the relevant agreement with such custodian, (ii) direct losses that result from the failure by a sub-custodian to use reasonable care in the provision of custodial services by it in accordance with the standards prevailing in the relevant market or from fraud, wilful default, negligence or material breach by the sub-custodian of the relevant custody agreement, and (iii) direct losses incurred that result from the insolvency of any custodian or any sub-custodian affiliated to the custodian.

However, if the Trustee or the Manager have failed to show the degree of diligence and care required of them under the provisions of the Trust Deed, the Trustee or the Manager shall not be exempted or indemnified against any liability for any fraud, negligence, wilful default, breach of duty or trust of which they may be guilty in relation to their duties. Please refer to the Trust Deed for further details of these limitations of liability and indemnity provisions. For avoidance of doubt, the Trustee and the Manager have both confirmed that they will not exercise their rights and obligations under the Trust Deed (if any) which would in any way (i) exempt them from any liability to Unitholders imposed under Hong Kong law or the law of the Cayman Islands, or breaches of trust through fraud or negligence, or (ii) indemnify them against any such liability by the Unitholders or at the expense of the Unitholders.

Termination of the Trust or any Sub-fund

The Trust shall continue until it is terminated in one of the following ways set out below provided that the Trust will automatically terminate on the date falling 100 years after the date of the Trust Deed.

1. The Trustee may terminate the Trust if:-
 - (a) the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets and not discharged within 60 days and the Trustee has not appointed a new manager in accordance with the Trust Deed; or
 - (b) if, in the reasonable opinion of the Trustee, the Manager shall be incapable of performing or shall in fact fail to perform its duties satisfactorily or shall do any other thing which in the opinion of the Trustee is calculated to bring the Trust into disrepute or to be harmful to the interests of the Unitholders, provided that if the Manager shall be dissatisfied with such opinion the matter shall be referred to an independent arbitrator to be appointed by the Trustee and agreed to by the Manager for determination and his determination or that of his appointee shall be final and bind the Trustee and the Manager; or
 - (c) the Manager ceases to manage the Trust and the Trustee fails to appoint a qualified corporation as the successor manager within a period of 30 days; or
 - (d) if the Trustee shall have notified the Manager of its desire to retire as Trustee and the Manager shall be unable to find a qualified corporation to act as trustee in place of the Trustee within such time as the Manager considers to be reasonable but in any event within 6 months from receipt of such notification from the Trustee.
2. The Manager may terminate the Trust and/or the Fund if:-
 - (a) the aggregate net asset value of the Trust falls below US\$20,000,000 or the Net Asset Value of the Fund falls below US\$20,000,000, or such other amount as may be determined by the Manager and the Trustee; or
 - (b) if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable (in consultation with the SFC) to continue the Trust and/or the Fund; or
 - (c) the Trustee desires to retire and the Manager fails to find a new trustee qualified to act as trustee in the place of the retiring Trustee.

The party terminating the Trust pursuant to the above shall be required to give at least three months' notice to Unitholders of the Trust.

General Information

Material Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into and are, or may be, material:

- (a) the Trust Deed dated as of 15 February 2012 between the Trustee and the Manager pursuant to which the Fund was constituted and the Manager was appointed to manage the Fund's investments and affairs;
- (b) the Sub-Manager Agreement dated 15 February 2012, as amended, between the Manager and the Sub-Manager pursuant to which the Sub-Manager was appointed to provide certain sub-investment management services in relation to the Fund;
- (c) the Distribution Agreement dated 15 February 2012 between the Manager and the Distributor pursuant to which the Distributor provides services to the Manager;
- (d) the Global Custody Agreement dated 15 February 2012 between the Trustee and the Global Custodian pursuant to which the Global Custodian has been appointed to provide certain services to the Fund; and
- (e) the QFII Custodian Agreement dated 2 December 2004 (as supplemented by a supplementary agreement dated on or about 17 May 2005) between the Global Custodian and the QFII Custodian pursuant to which the QFII Custodian has been appointed to provide certain services to the Fund and its supplement dated on or about February 2012 among the Global Custodian, the QFII Custodian and the Sub-Manager.

Disclosure of Interests

Save as may result from the entry by the Trustee, the Manager or the Distributor into the agreements listed under "Material Contracts" above or any other fees, commissions or expenses discharged, reimbursed or paid as disclosed elsewhere in this Prospectus, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Fund in relation to the Fund.

Mutual Funds Law and Regulation

The Trust falls within the definition of a "regulated mutual fund" in terms of the Law.

The Registrar (being a licensed mutual fund administrator in the Cayman Islands) has agreed to provide the principal office of the Trust in the Cayman Islands and, accordingly, the Trust will be regulated under Section 4(1)(b) of the Law.

As a regulated mutual fund, the Trust is subject to the supervision of CIMA and CIMA may at any time instruct the Trust to have its accounts audited and to submit them to CIMA within such time as CIMA specifies. In addition, CIMA may ask the Trustee to give it such information or such explanation in respect of the Trust as it may reasonably require to enable it to carry out its duty under the Law.

The Trustee must give CIMA access to or provide at any reasonable time all records relating to the Trust and CIMA may copy or take an extract of a record if it is given access to. Failure to comply with these requests by CIMA may result in substantial fines on the part of the Trustee and may result in CIMA applying to the court to have the Trust wound up.

General Information

Continued

CIMA may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors, or the direction and management of a regulated mutual fund has not been conducted in a fit and proper manner or a person holding a position as a manager of a regulated mutual fund is not a fit and proper person to hold the position. The powers of CIMA include, *inter alia*, the power to require the substitution of the Trustee, to appoint a person to advise the Trust on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Trust. There are other remedies available to CIMA, including the ability to apply to court for approval of other actions.

Accounts and Reports

The financial statements will be prepared in accordance with IFRS. All investments are classified as “financial assets at fair value through profit or loss” where they are initially recognised at fair value and are subsequently re-measured at fair value. The Trust’s year-end is 31 March in each calendar year and audited accounts will be made available to Unitholders within four months of the end of each financial year at www.invesco.com.hk in electronic form and, in addition, are available at the office of the Manager upon request, free of charge. The Manager will also make available half-yearly unaudited interim reports to Unitholders within two months of the period which they cover at www.invesco.com.hk in electronic form and, in addition, at the office of the Manager upon request, free of charge. The first annual report will be published for the period ended 31 March 2013, and the first interim report will be published for the period ending on 30 September 2013. The audited annual report and unaudited interim reports of the Trust will be issued only in English.

Under the standard terms of an annual engagement letter, the Auditors’ liability would be capped either based on a fixed monetary amount, or based upon a multiple of fees paid to the Auditors under such letter, except to the extent finally determined to have resulted from wilful or intentional neglect or misconduct or fraudulent behaviour by the Auditors. Other release and indemnity provisions are also contained in the annual engagement letter relating to consequential loss, third party claims and fraudulent acts or omissions, misrepresentations or wilful default on the part of the Trust, its Trustee, employees or agents.

Meetings of Unitholders

The Trust Deed contains detailed provisions for meetings of Unitholders. Meetings may be convened by the Trustee, the Manager or the holders of at least 10% in value of the Units in issue, on not less than 21 days’ notice. Notice of meetings will be posted to Unitholders. Unitholders may appoint proxies, who need not themselves be Unitholders. The quorum for a meeting to pass an extraordinary resolution will be Unitholders present in person or by proxy and holding or representing not less than 25% of the Units for the time being in issue or, for an adjourned meeting, Unitholders present in person or by proxy whatever their number or the number of units held by them.

An extraordinary resolution is a resolution proposed as such and passed by a majority of 75% of the votes of those Unitholders present and entitled to vote in person or by proxy at a duly convened meeting.

The Trust Deed contains provisions for the holding of separate meetings of holders of units in different Sub-Funds and different classes where only the interests of holders in a particular Sub-Fund or class are affected.

Voting Rights

The Trust Deed provides that at any meeting of Unitholders, every Unitholder who is present as aforesaid or by proxy shall have one vote for every Unit of which he is the holder.

Modification of the Trust Deed

The Trustee and the Manager may agree to modify the Trust Deed by supplemental deed provided that the Trustee shall certify in writing that in its opinion such modification (i) is not materially prejudicial to the interests of Unitholders, does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders and (with the exception of the costs of preparing and executing the relevant supplemental deed) does not increase the costs and charges which will be payable out of the assets of any Sub-Fund or (ii) is necessary in order to comply with any fiscal, statutory or official requirement or (iii) is made to correct a manifest error. In all other cases modifications require the sanction of an extraordinary resolution.

Inspection of Documents

For so long as the Fund remains authorized by the SFC in Hong Kong, copies of the following documents may be inspected free of charge during normal business hours on any Business Day at the Manager’s office and copies thereof may be obtained at that address on payment of a reasonable fee:

- (a) the Trust Deed;
- (b) the agreements referred to in the section headed “Material Contracts” above; and
- (c) the latest financial reports of the Fund (which shall be made available free of charge).

Enquiries and Complaints

Investors or Unitholders may contact the Distributor for enquiries and/or any complaints relating to the Fund. The functions of the Distributor include, *inter alia*, dealing with all enquiries and complaints in relation to the Fund and generally representing the Manager in Hong Kong.

The address of the Distributor is 41/F Citibank Tower, 3 Garden Road, Central, Hong Kong, and the Distributor can also be contacted by telephone at +852 3128 6000. A written response with respect to a complaint and/or enquiry would generally be provided as soon as possible and within 30 calendar days from the relevant complaint and/or enquiry.

Information Published on Websites

The contents of the website www.invesco.com.hk referred to in this Prospectus and any direct or indirect links to such website have not been authorised by the SFC, and may contain information not specifically directed to Hong Kong residents or information relating to investment products that are neither authorised for sale to the public in Hong Kong nor available to Hong Kong investors.

Directory

Manager

Invesco Hong Kong Limited

41/F Citibank Tower
3 Garden Road, Central
Hong Kong

Sub-manager

Invesco Asset Management Limited

30 Finsbury Square
London EC2A 1AG
United Kingdom

Trustee

Bank Consortium Trust Company Limited

18/Floor, Cosco Tower
183 Queen's Road Central
Hong Kong

Registrar

Northern Trust Cayman International, Limited

P.O. Box 1112GT
Grand Cayman
Cayman Islands
KY1-1102

Auditor

PricewaterhouseCoopers

P.O. Box 258
Strathvale House
George Town
Grand Cayman, KY1-1104
Cayman Islands

Investment Sub-advisor

Invesco Great Wall Fund Management Company Limited

16th Floor, Citic Tower
CITIC City Plaza,
1093 Shannan Road
Shenzhen, 518031
People's Republic of China

Distributor

Invesco Asset Management Asia Limited

41/F Citibank Tower
3 Garden Road, Central
Hong Kong

Global Custodian

JPMorgan Chase Bank, N.A., Hong Kong Branch

54th Floor
One Island East
Quarry Bay
Hong Kong

QFII Custodian

Bank of China Limited

No.1 Fuxingmen Nei Dajie
Xicheng District
Beijing
People's Republic of China

Legal Advisers

To the Manager
as to Cayman Islands law:

Maples and Calder

P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

To the Manager
as to Singapore law:

Tan Peng Chin LLC

30 Raffles Place #11-00
Chevron House
Singapore 048622

To the Trustee
as to Hong Kong law:

Mayer Brown JSM

16-19th Floors, Prince's Building
10 Chater Road
Hong Kong

To the Manager
as to Hong Kong law:

Clifford Chance

28th Floor, Jardine House
One Connaught Place
Central
Hong Kong

To the Manager
as to PRC law:

Tianyuan Law Firm

11F/Tower C
Corporate Square
35 Financial St.
Beijing. 100032
People's Republic of China





PRODUCT KEY FACTS

Invesco China Opportunity Fund III

A sub-fund of Invesco China Series II

Issuer: Invesco Hong Kong Limited

12 May 2017

FOR THE ATTENTION OF HONG KONG INVESTORS

*This statement provides you with key information about this product.
This statement is a part of the Prospectus and must be read in conjunction
with the Prospectus of the Fund.
You should not invest in this product based on this statement alone.*

- The Fund uses a United States Dollar ("USD") Qualified Foreign Institutional Investor ("QFII") quota to invest primarily in the mainland China A-share markets.
- Because the QFII quota is denominated in USD, the Fund has to remit USD into Mainland China and then convert into Renminbi ("RMB") to invest.
- The Fund therefore is not denominated in RMB. All subscriptions and redemptions are in USD or HKD, as indicated.

Quick Facts

Fund Manager:	Invesco Hong Kong Limited	
Global Custodian:	JPMorgan Chase Bank, N.A., Hong Kong Branch	
QFII Holder, the Sub-Manager:	Invesco Asset Management Limited, located in the UK, (internal delegation)	
QFII Custodian:	Bank of China Limited	
Trustee:	Bank Consortium Trust Company Limited	
Base Currency:	US Dollar	
Dividend Policy:	Nil	
Dealing Frequency:	Daily	
Financial year end of this Fund:	31 March	
Ongoing charges over a year:	A (USD) Shares	2.30% [#]
	A (HKD) Shares	2.30% [#]

[#] The ongoing charges figure is calculated based on ongoing expenses for the 12-month period ending 31 March 2017 divided by the average net assets over the same period. This figure may vary from year to year. It excludes costs incurred in relation to the acquisition or disposal of any asset for the fund's portfolio.

Minimum Investment:

Share class	A
Initial	US\$1,500 / HK\$10,000
Additional	-

What is this product?

Invesco China Opportunity Fund III (the "Fund") is a sub-fund of the Invesco China Series II which is a unit trust established as an umbrella fund under the laws of the Cayman Islands.

Objectives and Investment Policy

The investment objective of the Fund is to achieve long-term capital growth by investing into equities and/or equity related securities of companies of different industry sectors and all market capitalizations (including small- to medium-sized companies) with substantial exposure to mainland China.

Investment Policy

The Fund will invest at least 70% of its assets in A Shares. The assets of the Fund will be invested into different industry sectors and all market capitalizations equities and/or equity related securities with substantial exposure to mainland China.

Up to 30% of the total assets of the Fund in aggregate may be invested in cash and cash equivalents, money market instruments and/or onshore or offshore debt securities (including convertible bonds) of mainland China issuers. Should the Fund invest in debt securities, its holdings in each of (i) Urban Investment Bonds* (城投債) ("UIBs"), (ii) asset-backed securities (including mortgage-backed securities and asset-backed commercial papers) and (iii) onshore debt securities rated BB+ or below (as rated by major PRC local credit rating agencies), offshore debt securities of below investment grade (as rated by internationally recognized credit rating agencies) or unrated debt securities, shall not exceed 10% of the Fund's total assets.

The Fund may also use financial derivative instruments such as futures, options and warrants for hedging and non-hedging purposes to the extent permissible under the Fund's investment restrictions set out in the Prospectus.

*UIBs (城投債) are debt instruments issued by local government financing vehicles ("LGFVs") in the mainland China listed bond and interbank bond-market. These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects.

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risks factors.

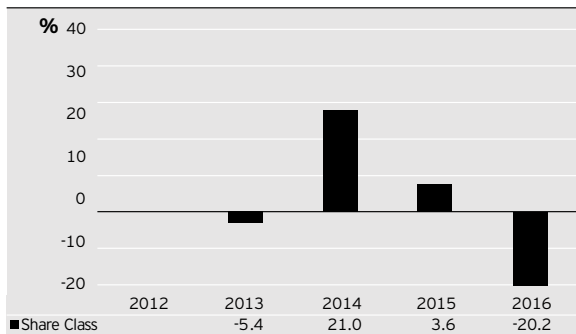
- **Investment risk** - There can be no assurance that the Fund will achieve its investment objective. There is no guarantee of the repayment of principal. The instruments invested by the Fund may fall in value. The Fund does not intend to pay any dividend or distribution.
- **Equities risk** - The value 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. 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.
- **Risk of investing in mainland China** - Investing in mainland China markets involves certain risks and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax economic, foreign exchange, liquidity and regulatory risk.
- **Concentration risk** - The Fund invests in companies with substantial exposure to mainland China and invests the majority of its portfolio in the A Shares market. A fund that invests in a single region or country may likely be more volatile and subject to higher concentration risk than a broad-based fund, such as a global equity fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the region or country in which it invests.
- **RMB currency risk** - RMB is not freely convertible and is subject to exchange controls and restrictions. There is no guarantee that RMB will not depreciate.
- **Mainland China tax risk** - In light of the announcement jointly promulgated by the Ministry of Finance, the State Administration of Taxation and the Chinese Securities Regulatory Commission under Caishui [2014] No.79 in relation to the taxation rule on QFII and RQFII, other than the 10% PRC withholding tax ("WIT") provision made on the realised capital gains derived from the transfer of China A-Shares prior to 17 November 2014 (the "Effective Date"), the Fund Manager will not make any WIT provision on the gross unrealised and realised capital gains derived from the transfer of China A-Shares through the Fund Manager's QFII quota with effect from the Effective Date. With the uncertainty of how the current rules are to be applied to the taxation of capital gains on A Shares, the PRC taxation authorities not implementing the current rules, the possibility of the rules being changed and the possibility of taxes being applied retrospectively, any provision for taxation made by the Fund Manager may not totally meet final Mainland China tax liabilities. If there is a shortfall in the tax provision amount, the Net Asset Value of the Fund may be affected as the Fund will have to bear the additional tax liabilities.

▪ **Risk on redemption limit -**

- (a) The Fund is subject to the laws and regulations governing the establishment and operation of the QFII regime in the People’s Republic of China, including any regulatory requirements applicable to minimum amounts of investments, lock-up period, frequency and limits on repatriation or withdrawal of investments.
- (b) If the net amount to be repatriated by the QFII Holder for the account of the Fund on any occasion over a particular calendar month exceeds 20% of the QFII holder’s total assets in China as at the end of the preceding year, prior approval from the State Administration of Foreign Exchange of the People’s Republic of China (“SAFE”) is required which may delay payment of redemption proceeds. Once prior approval from SAFE is obtained, the amount due on the redemption of Units will normally be paid within 7 Business Days after the end of the relevant calendar month when the redemption was effected (i.e. after it has been processed), and in any event by the later of (i) one calendar month from the relevant Dealing Day (i.e. the relevant Business Day when a properly documented redemption request is received); or (ii) 7 Business Days after completion of the conversion of the redemption proceeds from RMB to the relevant class currency and such proceeds have been paid to the Custodian.
- (c) The uncertainty and change of the laws and regulations in mainland China may adversely impact the Fund. The QFII policy and rules are also subject to change with potential retrospective effect.

- **Risk relating to those Share classes denominated with in a different currency than the base currency -** For those classes of units denominated in a different currency than the base currency, 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. Therefore, the value of those investments (when converted to the base currency of the Fund) may fluctuate due to changes in exchange rates. The price of units can go down as well as up and investors may not realize their initial investment.

How has the fund performed?



- The Manager views A (USD) Shares (the "Share Class"), being the focus share class of the Fund available to the public of Hong Kong, as the most appropriate representative share class.
- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Share Class increased or decreased in value during the calendar year being shown.
- Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 25 May 2012
- Share Class launch date: 25 May 2012

Is there any guarantee?

This Fund does not have any guarantees. You may not get back full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

Please note that only Class A will be offered to the public in Hong Kong. You may have to pay the following fees when dealing in the Class A shares of the Fund.

Fee	What you pay
Subscription fee:	Up to 5.25% of the amount you buy
Switching fee:	No switching is allowed
Redemption fee:	N/A

Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

Management fee:	Class A: 1.75% p.a.*
Custodian fee:	Up to 0.15% p.a.
Performance fee:	Nil
Administration fee:	Nil
Trustee's fee:	First US\$40,000,000 - 0.135% p.a.; Thereafter - 0.12% p.a., (Subject to a minimum of US\$30,000 p.a.)
Registrar's fee:	0.025% p.a.

*You should note that such fees and charges may be increased, up to a specified permitted maximum, by giving affected shareholders at least one month's prior notice. For details, please refer to the prospectus.

Additional Information

- The QFII quota of the Fund will be shared in aggregate in respect of all share classes of the Fund (including those not available to the Hong Kong public). The Manager may close subscriptions to all share classes of the Fund as it considers appropriate including (but not limited to) where the Fund is unable to access additional QFII investment quota for any reason.
- The Fund offers daily dealing on any business day. Please refer to prospectus for details.
- Only Class A will be available for public offering in Hong Kong.
- You generally buy and redeem units at the Fund's next-determined net asset value (NAV) after Invesco Asset Management Asia Limited receives your request in good order on or before 5pm HKT being the dealing cut-off time. Distributors may impose an earlier dealing cut-off time for receiving dealing requests from investors.
- The net asset value of this Fund is calculated each "Business Day" as defined in the Prospectus and the price of units published each Hong Kong business day (i.e. a day on which banks in Hong Kong are open for normal banking business) at www.invesco.com.hk. This website has not been reviewed by the Securities and Futures Commission (SFC).
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors at www.invesco.com.hk. This website has not been reviewed by the Securities and Futures Commission (SFC).
- Investors may obtain information on the intermediaries from Invesco Asset Management Asia Limited.

Important

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.