



## Calculation of Sales Charges on Your Investment

Your transaction confirmation statement now shows the sales charge rate applicable to purchases of mutual fund shares that are sold with a front-end sales load. The sales charge rate shown is expressed in terms of the sales charge paid as a percentage of the net amount of your investment (the amount invested after deduction of the sales charge). This method of calculating the sales charge is used at the direction of FINRA. Please note, however, that this calculation does not reflect the way that sales charges are assessed, which is discussed in your fund's prospectus and statement of additional information. In fact, this calculation can often result in an assessed sales charge that is greater than the percentage of the front-end load discussed in the prospectus.

The example presented below illustrates how sales charges are assessed. Invesco has always assessed sales charges in this manner, which follows industry standards.

### **These are the elements of the calculation:**

- The Net Asset Value ("NAV") is the value of a single fund share based on the value of the fund's investment portfolio, minus its liabilities.
- An investor purchases shares of a mutual fund at the Public Offering Price ("POP"), which is equal to the NAV plus the sales charge per share.
- POP is calculated by dividing the NAV by a percentage equal to one minus the applicable front-end load disclosed in the fund's prospectus.
- In the example below, the NAV is \$11.77, and the front-end load is 5.50% (0.0550 expressed as a decimal).

### **Here's how the calculation works:**

- The first step is to subtract the front-end load from 1 (1 minus 0.0550 equals 0.945).
- Then divide the NAV by this result to get the POP (\$11.77 divided by 0.945 equals \$12.46).
- The net amount invested is then determined by multiplying the number of shares purchased by the NAV.



**Example:**

- A shareholder is investing \$10,000 in Class A shares of Invesco Basic Balanced Fund, which has a public offering price (POP) of \$12.46 and a net asset value (NAV) of \$11.77, each calculated on the date on which the investment is made.
- The gross amount invested is divided by the POP to determine how many shares the investor's \$10,000 will purchase.  
 $\$10,000 \text{ divided by } \$12.46 \text{ equals } 802.5682 \text{ shares purchased—the number of shares is calculated to the fourth decimal place.}$
- The number of shares purchased is multiplied by the NAV to find the net amount invested.  
 $802.5682 \text{ shares multiplied by } \$11.77 \text{ (the NAV) equals } \$9,446.23.$
- The net amount invested is subtracted from the gross amount invested to determine the sales charge paid.  
 $\$10,000 \text{ minus } \$9,446.23 \text{ equals } \$553.77, \text{ the sales charge paid.}$
- The amount of the sales charge paid is divided by the gross amount invested to find the sales charge rate, which is expressed as a decimal.  
 $\$553.77 \text{ divided by } \$10,000 \text{ equals } 0.0553770, \text{ the calculated sales charge rate expressed as a decimal.}$
- This sales charge rate is calculated to the seventh decimal point, as shown. It is then rounded to the fourth decimal place, in this case to 0.0554.
- To translate the decimal sales charge rate into the more familiar percentage sales charge rate, the decimal sales charge rate is multiplied by 100.  
 $0.0554 \text{ multiplied by } 100 \text{ equals } 5.54\%, \text{ the calculated sales charge rate on this transaction.}$

*Please note that this example is hypothetical and is not intended to represent the value of any Invesco fund or Invesco account. In addition, for a retirement plan, the sales charge rate displayed may differ slightly from the examples given here based on the contribution type (for example, employee vs. employer contributions). The percentage split between contribution types may affect the actual rate assessed.*