

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

IN RE MUTUAL FUNDS INVESTMENT
LITIGATION

MDL 1586

This Document Relates To:
In re Invesco
04-md-15864-02

Case No. 04-MD-15864
(J. Frederick Motz, Judge)

**STIPULATION AND AGREEMENT OF SETTLEMENT
(INVESCO/AIM FUNDS DEFENDANTS)**

This stipulation and agreement of settlement dated January 15, 2010 (the “Stipulation”) memorializes the agreement among Investor Class Lead Plaintiff on behalf of itself and the Investor Class; the Derivative Plaintiffs on behalf of themselves and derivatively on behalf of the Invesco/AIM Funds; and the Invesco/AIM Funds Defendants (each defined below). Capitalized terms used in this Stipulation shall have the meanings as set forth below under “Definitions.”

WHEREAS:

A. The Actions seek damages and other relief arising from alleged market-timing, late-trading, short-term and excessive trading in the Invesco/AIM Funds;

B. The Actions were transferred for pretrial proceedings to the District Court. Plaintiffs, on behalf of the Investor Class and the Invesco/AIM Funds, filed their respective Complaints in the Actions. The District Court denied in part and granted in part the motions to dismiss the Class Complaint and Derivative Complaint. On November 3, 2005, the District Court dismissed all claims in the Class Complaint against the Invesco/AIM Funds (defined below). The Invesco/AIM Funds Trustees (defined below) were not named as defendants in the Class Complaint. On November 3, 2005, the Court also dismissed the Derivative Complaint except a claim under Section 36(b) of the Investment Company Act of 1940 against certain

defendants. The Invesco/AIM Funds Trustees were dismissed in their entirety from the Derivative Complaint.

C. Plaintiffs' Counsel conducted an extensive investigation relating to the claims and the underlying events and transactions alleged in their respective Complaints. The Invesco/AIM Advisor Defendants produced hundreds of thousands of pages of documents, comprehensive trading data, and other information in response to the requests of Plaintiffs' Counsel;

D. Plaintiffs, by their counsel, engaged in discussions and arm's-length negotiations with counsel for the Invesco/AIM Funds Defendants to secure a compromise and settlement of the Actions and all claims asserted therein;

E. Based upon their investigation, Plaintiffs and their counsel have concluded that the terms and conditions of this Settlement are fair, reasonable and adequate to the Investor Class and the Invesco/AIM Funds, and in its best interests, and, subject to the approval of the District Court, have agreed to settle the claims raised in the Actions as against the Invesco/AIM Funds Defendants pursuant to the terms and provisions of this Stipulation; and

F. The Invesco/AIM Funds Defendants have denied and continue to deny that they have committed any act or omission giving rise to any liability and/or violation of law, and state that they are entering into this Settlement only to eliminate the burden, expense and uncertainty of further litigation or appeal. The Parties agree that neither this Settlement nor any of its terms shall constitute an admission or finding of wrongful conduct, acts or omissions by any of the Invesco/AIM Funds Defendants. The Parties also agree that this Stipulation shall not be construed or deemed to be a concession by any Plaintiff of any infirmity in the claims asserted in the Actions, or an admission concerning the existence or scope of damages on behalf of any Party.

IT IS HEREBY STIPULATED AND AGREED, subject to approval of the District Court pursuant to Rule 23 of the Federal Rules of Civil Procedure, as follows:

DEFINITIONS

1. As used in this Stipulation, the following terms shall have the meanings set forth below:

- (a) "Actions" means the Investor Class Action and the Derivative Action.
- (b) "Bar Order" means the bar order referred to in paragraph 6 below.
- (c) "Claims Administrator" means the firm(s) that shall implement the Notice program and administer the Settlements, as proposed by Plaintiffs' Counsel and approved by the Court.
- (d) "Complaints" means the Class Complaint and Derivative Complaint.
- (e) "Consent Order" means the administrative order entered by the SEC against IFG and others, dated October 8, 2004, in Administrative Proceeding No. 3-11701.
- (f) "Corporate Defendants" means the Invesco/AIM Advisor Corporate Defendants, the Invesco/AIM Funds, the Invesco/AIM Funds Trusts, and each Other Defendant that is not a natural person.
- (g) "Costs of Administration" means the costs and expenses incurred in connection with the administration of the Settlements.
- (h) "Costs of Notice" means the costs and expenses incurred in connection with providing Notice of the Settlement, as authorized by the Court (whether by direct mail, publication, internet or otherwise).
- (i) "Court" or "District Court" means the United States District Court for the District of Maryland.

(j) “Defendants” means the Invesco/AIM Funds Defendants, the Invesco/AIM Advisor Defendants, and all Other Defendants.

(k) “Derivative Action” means the action in which the Derivative Complaint was filed.

(l) “Derivative Complaint” means the Consolidated Amended Fund Derivative Complaint captioned *Karlin v. Amvescap PLC, et al.*, Civil Action No. 04-cv-00819, filed September 30, 2004 in MDL 1586 (docket number 210 in 04-md-15864).

(m) “Derivative Lead Counsel” means the law firm of Wolf Haldenstein Adler Freeman & Herz LLP.

(n) “Derivative Plaintiffs” means Silvana G. Della Camera, Edward Casey, Tina Casey, L. Scott Karlin, Gerson Smith, Cynthia Puleo, Zachary Alan Starr, and Amy Sugin.

(o) “Effective Date” shall have the meaning set forth in paragraph 17 below.

(p) “ERISA Class Lead Plaintiff” means Miriam Calderon.

(q) “ERISA Plan Fiduciary Defendants” means Jeffrey G. Callahan, Robert F. McCullough and Gordon Nebeker.

(r) “Final,” when referring to an order or judgment, means (i) that the time for appeal or appellate review of such order or judgment has expired; or (ii) if there has been an appeal, (a) that said appeal has been decided without causing a material change in the order or judgment; or (b) that such order or judgment has been upheld on appeal and is no longer subject to appellate review by further appeal or writ of certiorari.

(s) “Final Settlement Hearing” means the hearing set by the Court under Rule 23(e)(1)(c) of the Federal Rules of Civil Procedure to determine whether the proposed

Settlements embodied by this Stipulation (and potentially other settlements in the MDL or in the Invesco/AIM Sub-Track) are fair, reasonable and adequate, and whether the Court should enter the Order and Final Judgment.

(t) “IDC” means the independent distribution consultant retained by IFG and approved by the SEC to formulate a distribution plan and to distribute the payment made by IFG to the SEC pursuant to the Consent Order.

(u) “IFG” means Invesco Funds Group, Inc.

(v) “Individual Defendants” means the AIM/Invesco Advisor Individual Defendants, the AIM/Invesco Funds Individual Defendants, and each Other Defendant that is a natural person.

(w) “Invesco/AIM Advisor Corporate Defendants” means A I M Advisors, Inc., A I M Distributors, Inc., A I M Investment Services, Inc., A I M Investments, Inc., A I M Management Group, Inc., AMVESCAP National Trust Company, AMVESCAP PLC, AMVESCAP Retirement, Inc., AVZ, Inc., Fund Management Company, INVESCO PLC, Invesco Asset Management Limited, Invesco Distributors, Inc., IFG, Invesco Global Asset Management (N.A.), Invesco Holding Company Limited, Invesco Institutional (N.A.), Inc., and Invesco National Trust Company.

(x) “Invesco/AIM Advisor Defendants” means the Invesco/AIM Advisor Corporate Defendants, the Invesco/AIM Advisor Individual Defendants, and the ERISA Plan Fiduciary Defendants.

(y) “Invesco/AIM Advisor Defendants Settlement” means the settlement contemplated by the Invesco/AIM Advisor Defendants Stipulation.

(z) “Invesco/AIM Advisor Defendants Stipulation” means the Stipulation and Agreement of Settlement among Investor Class Lead Plaintiff, Derivative Plaintiffs, ERISA Class Lead Plaintiff, and the Invesco/AIM Advisor Defendants.

(aa) “Invesco/AIM Advisor Individual Defendants” means Michael K. Brugman, Raymond R. Cunningham, Thomas Kolbe, Michael Legoski, Timothy Miller, Mark Williamson, Ronald L. Grooms and William J. Galvin, Jr.

(bb) “Invesco/AIM Fund Shareholders” means the shareholders of the Invesco/AIM Funds.

(cc) “Invesco/AIM Funds” means each of the mutual funds set forth on Schedule A attached hereto.

(dd) “Invesco/AIM Funds Defendants” means the Invesco/AIM Funds and Invesco/AIM Funds Trusts.

(ee) “Invesco/AIM Funds Defendants’ Counsel” means the law firm of Paul, Hastings, Janofsky & Walker LLP.

(ff) “Invesco/AIM Funds Individual Defendants” means Fred A. Deering, Dr. Victor L. Andrews, Bob R. Baker, Lawrence H. Budner, James T. Bunch, Gerald J. Lewis, John W. McIntyre, Dr. Larry Soll, Robert H. Graham, Frank S. Bayley, Bruce L. Crockett, Albert R. Dowden, Edward K. Dunn, Jr., Jack M. Fields, Carl Frischling, Prema Mathai-Davis, Lewis F. Pennock, Ruth H. Quigley, Louis S. Sklar, and Owen Daly II.

(gg) “Invesco/AIM Funds Released Parties” means (a) the Invesco/AIM Funds and Invesco/AIM Funds Trusts, and their parent entities, associates, affiliates or subsidiaries, and each and all of their respective past or present officers, directors,

associates, agents, representatives, employees, attorneys, financial or investment advisors, advisors, consultants, accountants, investment bankers, commercial bankers, trustees, insurers, co-insurers and re-insurers, general or limited partners or partnerships, limited liability companies, members, predecessors, successors and assigns; and (b) the Invesco/AIM Funds Trustees and any and all of their respective families, and any and all of their respective past or present attorneys, counselors, financial or investment advisors, consultants, accountants, agents, trustees, heirs, executors, personal or legal representatives, estates, or administrators; and (c) the successors, heirs and assigns of the foregoing.

(hh) “Invesco/AIM Funds Trustees” or “Trustees” means the Invesco/AIM Funds Individual Defendants and any other independent trustees of the Invesco/AIM Funds at any point during the period July 30, 1999 through the Effective Date.

(ii) “Invesco/AIM Funds Trusts” means AIM Advisor Funds, Inc., AIM Bond Funds, Inc., AIM Combination Stock and Bond Funds, Inc., AIM Counselor Series Funds, Inc., AIM Counselor Series Trust, AIM Equity Funds, Inc., AIM Funds Group, Inc., AIM Growth Series, Inc., AIM International Funds, Inc., AIM International Mutual Funds, Inc., AIM Investment Funds, Inc., AIM Investment Securities Funds, Inc., AIM Manager Series Funds, Inc., AIM Money Market Funds, Inc., AIM Mutual Funds, Inc., AIM Sector Funds, Inc., AIM Series Trust, AIM Tax-Exempt Funds, Inc., AIM Stock Funds, Inc., AIM Treasurer’s Series Trust, INVESCO Bond Funds, Inc., INVESCO Capital Appreciation Funds, Inc., INVESCO Combination Stock & Bond Funds, Inc., INVESCO Counselor Series Funds, Inc., INVESCO Emerging Opportunity Funds, Inc., INVESCO Equity Funds, Inc., INVESCO Growth Fund, Inc., INVESCO Growth Funds,

Inc., INVESCO Income Funds, Inc., INVESCO Industrial Income Fund, Inc., INVESCO International Funds, Inc., INVESCO Multiple Asset Funds, Inc., INVESCO Mutual Funds, Inc., INVESCO Sector Funds, Inc., INVESCO Specialty Funds, Inc., INVESCO Stock Funds, Inc., INVESCO Strategic Portfolios, Inc., INVESCO Sector Funds, Inc., INVESCO Tax-Free Income Funds, Inc., and INVESCO Value Trust Funds, Inc.

(jj) “Invesco/AIM Sub-Track” or “this Sub-Track” means the sub-track in this MDL which includes the Investor Class Action and the Derivative Action.

(kk) “Investor Class” means every Person who, during the Investor Class Period, purchased, owned or held shares in any of the Invesco/AIM Funds. Excluded from the Investor Class are: (i) the Defendants; (ii) members of the immediate family (i.e., parents, current or former spouses, siblings, and children) of each of the Individual Defendants; and (iii) the officers, directors, parents, subsidiaries, and affiliates of the Corporate Defendants; and (iv) the legal representatives, agents, heirs, predecessors, successors and assigns of any of the foregoing excluded parties. Also excluded from the Investor Class are any Persons who timely and validly exclude themselves by filing a request for exclusion from the Investor Class.

(ll) “Investor Class Action” means the action in which the Investor Class Complaint was filed.

(mm) “Investor Class Complaint” means the Consolidated Amended Class Action Complaint captioned *Lepera v. Invesco/AIM Funds Group, Inc., et al.*, Civil Action No. 04-cv-00814-JFM, filed September 30, 2004 in MDL 1586 (docket number 213 in 04-md-15864).

(nn) “Investor Class Lead Counsel” means the law firm of Bernstein Litowitz Berger & Grossmann LLP.

(oo) “Investor Class Lead Plaintiff” means the City of Chicago Deferred Compensation Plan.

(pp) “Investor Class Member” means a Person who is a member of the Investor Class.

(qq) “Investor Class Period” means the period between and including July 30, 1999 and November 24, 2003.

(rr) “MDL” means MDL Proceeding No. 1586 in the United States District Court for the District of Maryland.

(ss) “Notice” means notice of the Settlements as authorized by the Court, whether by direct mail, publication, internet or otherwise.

(tt) “Notice Forms” means the forms of notice to be agreed upon by the Parties and consistent with the terms of this Stipulation, which shall include a “summary notice,” “long form notice,” and “publication notice” as described in paragraph 15 below.

(uu) “Operating Invesco/AIM Advisor Defendants” means A I M Advisors, A I M Distributors, Inc., AIM Investment Services, Inc., A I M Management Group Inc. and Fund Management Company.

(vv) “Order and Final Judgment” means the order and final judgment of dismissal with prejudice of the Actions, in a form to be agreed upon by the Parties and submitted to the Court and that shall be consistent with the terms of this Stipulation, and

that shall, among other things, approve this Settlement, enter the Bar Order, and release and discharge the Released Claims and Released Invesco/AIM Funds Claims.

(ww) “Other Defendants” means any and all defendants in the Invesco/AIM Sub-Track other than the Invesco/AIM Advisor Defendants and the Invesco/AIM Funds Defendants.

(xx) “Parties” means the Investor Class Lead Plaintiff, Derivative Plaintiffs, and Invesco/AIM Funds Defendants.

(yy) “Person” means a natural person or any legal entity (including, without limitation, individuals, corporations, employee pension or other benefit or ERISA plans, and trusts).

(zz) “Plaintiffs” means the Investor Class Lead Plaintiff and Derivative Plaintiffs.

(aaa) “Plaintiffs’ Counsel” means Investor Class Lead Counsel and Derivative Lead Counsel.

(bbb) “Plaintiff Released Parties” means Plaintiffs and all Investor Class Members and any of their respective attorneys, counsel, agents, successors, heirs and assigns.

(ccc) “Plan of Allocation” shall have the meaning set forth in paragraph 12 below.

(ddd) “Preliminary Approval Order” means an order of the District Court that preliminarily approves this Settlement and sets forth the means by which notice of this Settlement shall be provided, in a form to be agreed upon by the Parties and to be submitted to the Court, and that shall be consistent with the terms of this Stipulation.

(eee) “PSLRA” means the Private Securities Litigation Reform Act of 1995.

(fff) “Released Claims” means any and all claims, demands, rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, matters and issues of any kind or nature whatsoever, whether known or unknown (including “Unknown Claims” as defined below), contingent or absolute, suspected or unsuspected, disclosed or undisclosed, hidden or concealed, accrued or unaccrued, matured or unmatured, that have been, could have been, or in the future can or might be asserted in the Complaints or in the Actions, or in any court, tribunal or proceeding (including but not limited to, any claims arising under federal or state law relating to alleged fraud, breach of any duty, negligence, violations of state or federal securities laws, or otherwise) by or on behalf of the Plaintiffs or the Investor Class Members, whether individual, class, derivative, representative, legal, equitable or any other type or in any other capacity, against the Invesco/AIM Funds Released Parties (whether or not any such Invesco/AIM Funds Released Party was named, served with process or appeared in the Investor Class Action or the Derivative Action), which have arisen, could have arisen, arise now or hereafter arise out of, or relate in any manner to the allegations, facts, events, transactions, matters, acts, occurrences, statements, representations, misrepresentations, omissions, or any other matter, thing or cause whatsoever, or any series thereof, embraced, involved or set forth in, or referred to or otherwise related, directly or indirectly, in any way to, the Actions or the subject matter of the Actions, and which concern, relate to or arise out of in any respect, directly or indirectly, short-term trading, excessive-trading, market timing and late-trading during the Investor Class Period.

(ggg) “Released Invesco/AIM Funds Claims” means any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether known or unknown (including “Unknown Claims” as defined below), whether suspected or unsuspected, whether accrued or unaccrued, that have been, could have been or might be asserted in the Actions or in any other forum by the Invesco/AIM Funds Released Parties against any of the Plaintiff Released Parties, which concern, relate to or arise out of in any respect, directly or indirectly, the institution, prosecution or settlement of the Actions (except for claims to enforce this Settlement), provided, however, that such term shall not apply with respect to any Plaintiff Released Party that is an “affiliated person” of any Invesco/AIM Fund pursuant to Sections 2 and 17 the 1940 Act.

(hhh) “SEC” means the United States Securities and Exchange Commission.

(iii) “Settlement” means the settlement contemplated by this Stipulation.

(jjj) “Settlements” means this Settlement, the Invesco/AIM Advisor Defendants Settlement, and any other settlement(s) reached in this Sub-Track.

(kkk) “Stipulation” shall have the meaning set forth in the introductory paragraph.

(lll) “Unknown Claims” means any and all Released Claims which any Plaintiff or Class Member does not know or suspect to exist in his, her or its favor at the time of the release of such claims, and any Released Invesco/AIM Funds Claims which any of the Invesco/AIM Funds Released Parties does not know or suspect to exist in his, her or its favor at the time of the release of such claims, which if known by him, her or it might have affected his, her or its decision(s) with respect to this Settlement. With

respect to any and all Released Claims and Released Invesco/AIM Funds Claims, the Parties stipulate and agree that upon the Effective Date, the Plaintiffs and the other Invesco/AIM Funds Defendants shall expressly waive, and each Class Member and each of the Invesco/AIM Funds Released Parties shall with respect to such claims be deemed to have waived, and by operation of the Judgments in the Actions shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

The Parties acknowledge, and the Investor Class Members and the other Invesco/AIM Funds Released Parties by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims and Released Invesco/AIM Funds Claims was a material and separately bargained for element of this Settlement.

(mmm)“1940 Act” means the Investment Company Act of 1940, as amended, and the releases, regulations and SEC interpretations promulgated thereunder.

SETTLEMENT CONSIDERATION

2. The consideration for this Settlement includes (a) the dismissal and mutual release of claims provided for in paragraph 4 below; (b) the mutual release of claims provided for in paragraph 5 below occasioned by Investor Class Lead Plaintiff and Derivative Plaintiffs successful resolution of claims against Other Defendants in this Sub-Track concerning alleged

improper trading in the Invesco/AIM Funds during the Investor Class Period; and (c) the Parties' respective covenants herein regarding the stay of litigation, the certification of a settlement class, and the notice program as described more fully below. The Parties hereby acknowledge the sufficiency of the consideration.

DISMISSAL AND RELEASES

3. This Settlement shall finally and fully dismiss the Actions as against the Invesco/AIM Funds Defendants, Invesco/AIM Funds Individual Defendants, and Invesco/AIM Trustees, and shall finally and fully dispose of any and all Released Claims and Released Invesco/AIM Funds Claims, all as set forth in further detail below.

4. Upon the Effective Date:

(a) all claims brought by Investor Class Lead Plaintiff (on behalf of itself and all other Investor Class Members) and Derivative Plaintiffs (on behalf of themselves and derivatively on behalf of the Invesco/AIM Funds) against the Invesco/AIM Funds Released Parties in the Actions are to be dismissed with prejudice;

(b) Class Plaintiff and all Investor Class Members, on behalf of themselves, their heirs, executors, administrators, successors and assigns, and Derivative Plaintiffs, on behalf of themselves, their heirs, executors, administrators, successors and assigns, and derivatively on behalf of the Invesco/AIM Funds, shall be deemed to have released and forever discharged the Released Claims, and shall forever be enjoined from prosecuting the Released Claims, against the Invesco/AIM Funds Released Parties; and

(c) the Invesco/AIM Funds Released Parties shall be deemed to have released and forever discharged the Released Invesco/AIM Funds Claims, and shall forever be enjoined from prosecuting the Released Invesco/AIM Funds Claims, against the Plaintiff Released Parties.

CROSS-CLAIM RELEASES

5. In connection with any settlement(s) with any Other Defendants, Investor Class Lead Plaintiff and Derivative Plaintiffs shall exercise reasonable efforts to obtain a cross-claim release from each such Other Defendant releasing the Invesco/AIM Funds Released Parties from any and all claims relating to the purchase, sale or retention of shares of any of the Invesco/AIM Funds during the Investor Class Period (or, with respect to any and all derivative claims, at any time), including any claims regarding or concerning, directly or indirectly, market-timing, late-trading or short-term or excessive trading. The Invesco/AIM Funds Defendants shall provide a reciprocal cross-claim release of like scope of any such settling Other Defendant, and, to the extent requested by any such settling Other Defendant, any one or more of such Other Defendant's Related Parties, that provides a cross-claim release to the Invesco/AIM Funds Released Parties. Each such cross-claim release ("Cross-Claim Release") shall be structured so that it becomes effective at such time as this Settlement and the settlement with the relevant Other Defendant(s) become effective, and such cross-claim releases may be held in escrow by Investor Class Lead Counsel until the relevant settlements become effective. In no event shall the effectiveness of this Settlement be contingent upon Investor Class Lead Plaintiff and Derivative Plaintiffs obtaining a Cross-Claim Release from any settling Other Defendant.

BAR ORDER

6. The Parties shall request that the Court, as part of the Order and Final Judgment, enter a final bar order that (a) will discharge, to the full extent provided for under the PSLRA, each of the Invesco/AIM Funds Released Parties from all claims for contribution by any Person arising out of the Actions, and (b) will discharge, to the full extent provided for by any applicable law (whether state, federal, local or statutory law or any other law, rule or regulation) all claims against any Invesco/AIM Funds Released Party by any Person for contribution or indemnification, however styled (and whether arising under state, federal, local, statutory or common law or any other law, rule or regulation) based upon, arising out of, relating to, or in connection with the Released Claims. To the full extent provided for by the PSLRA or other applicable law (whether state, federal, local, statutory or common law, or any other law, rule or regulation), the bar order will bar all claims for contribution or indemnification, however styled, based upon, arising out of, relating to, or in connection with the Released Claims or the Actions: (a) by any person against any Invesco/AIM Funds Released Party; and (b) by the Invesco/AIM Funds Released Parties against any Person, other than a Person whose liability to Plaintiffs or the Investor Class has been extinguished pursuant to this Settlement and the Order and Final Judgment, or any other settlement of the Invesco/AIM Funds Released Parties in the MDL.

STAY OF LITIGATION

7. Litigation against the Invesco/AIM Funds Released Parties with respect to the Released Claims shall be stayed, and the Parties shall seek an Order from the Court providing that neither Class Plaintiff nor any other Class Member, nor Derivative Plaintiffs (on behalf of any Invesco/AIM Funds), may commence, join or otherwise prosecute any Released Claim against any Invesco/AIM Funds Released Party in any other proceeding, pending approval of this

Settlement by the Court. Notwithstanding the foregoing, the Invesco/AIM Funds Released Parties shall remain subject to reasonable discovery requests from Plaintiffs in connection with ongoing litigation in the MDL against the Other Defendants.

CLASS CERTIFICATION

8. The Parties shall stipulate to the certification of the Investor Class, and approval of the Investor Class Lead Plaintiff as class representative, for settlement purposes only, and shall stipulate that the claims of putative Investor Class Members arising prior to July 30, 1999 have been extinguished by the applicable statutes of limitations. The Notice shall include a finding by the Court to that effect. If the Settlement does not become final and effective, Invesco/AIM Funds Defendants do not waive, and expressly retain and reserve, any and all rights to contest and challenge class certification on any and all grounds.

NOTICE PROGRAM

9. The Parties shall cooperate in good faith to formulate the most efficient and cost effective Notice program for the Investor Class that satisfies Rule 23 of the Federal Rules of Civil Procedure, the PSLRA and due process, and the most efficient and cost-effective Notice program with respect to the settlement of the Derivative Action that satisfies applicable rules and due process.

10. As set forth in paragraph 15 below, the Parties will propose reasonable efforts to provide Notice of the Settlements. The Parties shall use their reasonable efforts to minimize the Costs of Notice and Administration of the Settlements, and to cooperate with one another to facilitate the dissemination of the Notice Forms. These efforts shall include, to the extent feasible and requested by Plaintiffs, utilizing existing channels of communication with current shareholders of the Invesco/AIM Funds to provide notice of the Settlements, including, without

limitation, distributing Notice of the Settlements on a folded, one-page 11” x 17” sheet included in regular or periodic mailings to current shareholders (as determined for purposes of such regular mailings). In any event, the Invesco/AIM Funds Defendants and Invesco/AIM Funds Defendants’ Counsel shall not, absent good cause, impede Plaintiffs’ and Plaintiffs’ Counsel’s efforts to coordinate the Notice and Administration of all Settlements that have been or may be reached in this Sub-Track, as well as with the notice of one or more other settlements in the MDL.

11. The Invesco/AIM Funds Released Parties shall not bear any out-of-pocket Costs of Notice and Administration of the Settlements.

ADMINISTRATION AND DISTRIBUTION OF THE SETTLEMENT SUM

12. All payments from the settlement proceeds in this Sub-Track shall be determined by the Claims Administrator pursuant to a plan of allocation to be proposed by Plaintiffs’ Counsel (the “Plan of Allocation”), subject to the approval of the Court. Neither the Invesco/AIM Funds Released Parties nor their attorneys shall have any responsibility or liability whatsoever with the settlement fund, including, but not limited to, (i) the investment or distribution of the settlement fund; (ii) the Plan of Allocation or payments due to be made pursuant thereto; (iii) the determination, administration, or calculation of any claims; (iv), the payment or withholding of taxes or tax expenses; (v) or any losses incurred in connection with any of the foregoing. No Person shall have any claim of any kind against the Invesco/AIM Released Parties or their counsel with respect to the matters set forth in this paragraph. Any disputes among the Parties concerning the proposed plan of allocation shall be submitted to the Court for resolution.

APPROVAL OF THE SETTLEMENT

13. The Parties agree that they shall not present this Settlement to the Court for preliminary or final approval (including approval of the proposed Notice Forms and Notice program) until all of Plaintiffs' claims in the Invesco/AIM Sub-Track against non-dismissed defendants have been resolved, either through a proposed settlement agreement, trial or otherwise.

14. At the appropriate time for presentation of this Settlement to the Court in accordance with the preceding paragraph, Plaintiffs shall move the Court for preliminary approval of this Settlement and seek approval from the Court to provide Notice of the Settlement at such time and on such schedule as Plaintiffs' Counsel determine is most appropriate, taking into account, *inter alia*, the desirability of maximizing efficiencies that may result from (a) coordinating the settlement with the Invesco/AIM Advisor Defendants and settlements with Other Defendants in this Sub-Track and/or (b) coordinating settlements with other defendants reached in other sub-tracks in the MDL. The Invesco/AIM Advisor Defendants shall not oppose Plaintiffs' motion for preliminary approval.

15. The Parties hereto shall cooperate in drafting a proposed Preliminary Approval Order, containing (i) the usual and customary terms that would give preliminary Court-approval to this Settlement; (ii) authorize the issuance of Notice to the Class consistent with the requirements of Rule 23 of the Federal Rules of Civil Procedure, the PSLRA and due process; and (iii) issuance of Notice with respect to the settlement of the Derivative Action consistent with applicable rules and due process. In order to maximize efficiency and minimize costs, the Parties agree to cooperate in good faith to coordinate the drafting of the proposed Preliminary Approval Order and Notice Forms (which the Parties anticipate will be exhibits to the

Preliminary Approval Order) with counsel for any Other Defendants in this Sub-Track that have also settled with Plaintiffs. It is anticipated that all settling parties in this Sub-Track (including the Parties to this Settlement) will cooperate in drafting (i) a “long form notice” to be posted on a settlement website established for this Sub-Track and to be made available for mailing to shareholders upon request and that will set forth in detail the terms of all Settlements in this Sub-Track (including this Settlement) and that will include, among other things, the Plan of Allocation; (ii) a “summary notice” to be mailed to Investor Class Members only that will set forth in summary fashion the terms of all Settlements in this Sub-Track and refer shareholders to the settlement website and/or the 800 number(s) for more detailed information concerning the Settlements, including the long form notice, and that will be capable of being printed on a mailer consisting of a single, folded 11” x 17” sheet printed on both sides; and (iii) a “publication notice” that will refer shareholders to the settlement website and/or the 800 number(s), and which shall be published in various national and regional media in accordance with a plan of publication coordinated across multiple sub-tracks in the MDL in which settlements have been reached. The publication notice will serve as the primary form of notice for the settlement of the Derivative Action. The Parties agree to submit to the Court any disputes concerning the interpretation or application of this paragraph.

16. The Parties shall cooperate in drafting a proposed Order and Final Judgment, containing usual and customary terms that would provide for final Court-approval of this Settlement (and which may provide for final Court-approval of the Invesco/AIM Advisor Defendants Settlement and any other settlement(s) in this Sub-Track). The proposed Order and Final Judgment shall contain (i) a dismissal with prejudice of claims consistent with paragraph 4(a) above, (ii) release of claims provisions consistent with paragraphs 4(b) and 4(c) above,

and (iii) bar order provisions consistent with paragraph 6 above, and may contain provisions relating to any Cross-Claim Releases exchanged pursuant to paragraph 5 above.

EFFECTIVE DATE

17. The “Effective Date” of this Settlement means the first business day after the date by which all of the following shall have occurred:

(a) the Court has preliminarily approved this Settlement, consistent with the terms hereof, and entered the Preliminary Approval Order substantially in the form agreed to and submitted by the Parties pursuant to paragraph 15 above;

(b) the Court has certified the Investor Class for purposes of the Settlements only and has granted final approval to this Settlement, following Notice to the Investor Class and notice of the settlement of the Derivative Action, and a hearing as prescribed by Rule 23 of the Federal Rules of Civil Procedure;

(c) if the Bar Order is separate from the Order and Final Judgment, the Court has entered the Bar Order and the order entering the Bar Order has become Final; and

(d) the Court has entered the Order and Final Judgment, as described in paragraph 16 above, in a form substantially similar to that submitted by the Parties (or, in the event that the Court enters an order or judgment finally approving this Settlement in a form that is not substantially similar to that submitted by the Parties (“Alternative Judgment”), none of the Parties elect to terminate the Settlement within thirty (30) days of entry of the Alternative Judgment), and the Order and Final Judgment or the Alternative Judgment has become Final.

TERMINATION RIGHTS AND EFFECT OF TERMINATION

18. Within thirty (30) days of: (a) the Court's declining to enter the Preliminary Approval Order in any material respect; (b) the Court's refusal to approve this Stipulation or any material part of it; (c) the Court's declining to enter the Order and Final Judgment in any material respect; or (d) the date upon which the Order and Final Judgment is modified or reversed in any material respect by the Court of Appeals or the Supreme Court, Plaintiffs and the Invesco/AIM Funds Defendants shall have the right to terminate this Settlement by providing written notice to all other Parties of an election to do so. However, any judicial rulings with respect to Plaintiffs' Counsel's application for the Fee and Expense Award, or with respect to the Plan of Allocation, shall not be considered material to this Settlement and shall not be grounds for termination.

19. Except as otherwise provided herein, in the event this Settlement is terminated pursuant to terms of this Stipulation, then:

(a) this Settlement shall be deemed null and void with respect to the Parties hereto, and shall have no further force and effect with respect to any of the Parties;

(b) the Parties hereto shall be deemed to have reverted to their respective status in the Actions as of the date that is a day prior to the date of the execution of this Stipulation and, except as otherwise expressly provided, the Parties shall proceed as if this Stipulation, and any related orders entered in connection with the contemplated settlement of the claims against the Invesco/AIM Funds Released Parties in this Sub-Track, had not been executed or entered; and

(c) this Stipulation (including any of the attachments hereto), the Notice Forms and forms of orders and judgments contemplated by this Stipulation, and any communications or negotiations with respect to this Stipulation, shall not be used or referred to in this Sub-Track by any of the parties to the Actions in this Sub-Track.

NO ADMISSION OF WRONGDOING

20. The Invesco/AIM Funds Defendants expressly deny, and the Parties agree that neither this Settlement nor any of its terms shall constitute an admission or finding of, any wrong doing, liability or damages. This Stipulation, whether or not consummated, and any proceedings taken pursuant to it:

(a) shall not be offered or received against the Invesco/AIM Funds Released Parties as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by the Invesco/AIM Funds Released Parties with respect to the truth of any fact alleged by any of the Plaintiffs or the validity of any claim that was or could have been asserted against Invesco/AIM Funds Released Parties in the Actions in this Sub-Track or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of the Invesco/AIM Funds Released Parties;

(b) shall not be offered or received against the Invesco/AIM Funds Released Parties as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by the Invesco/AIM Funds Released Parties, or against the Plaintiffs or any Investor Class Members as evidence of any infirmity in the claims of Plaintiffs or the Investor Class Members;

(c) shall not be offered or received against the Invesco/AIM Funds Released Parties, or against the Plaintiffs or any Investor Class Members, as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Invesco/AIM Funds Released Parties, in any other civil, criminal or administrative action or proceeding, in any forum, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; provided, however, that if this Stipulation is approved by the Court, the Invesco/AIM Funds Released Parties may refer to it to effectuate the protection from liability granted them hereunder;

(d) shall not be construed against the Invesco/AIM Funds Released Parties, or the Plaintiffs or any Investor Class Members, as an admission, concession, or presumption that the consideration for the settlement of the Actions given in this Sub-Track represents the amount which could be or would have been recovered after trial; and

(e) shall not be construed against the Plaintiffs or any Investor Class Members as an admission, concession, or presumption that any of their claims are without merit or that damages recoverable against the Invesco/AIM Funds Defendants in the Actions in this Sub-Track would not have exceeded the settlement proceeds recovered in this Sub-Track.

MISCELLANEOUS PROVISIONS

21. Schedule A hereto is hereby incorporated by reference as though fully set forth herein.

22. The Parties hereto agree to cooperate with one another in seeking Court approval of this Settlement and to use their best efforts to consummate this Settlement.

23. Each Party will exert every reasonable effort and will act reasonably and in good faith to agree upon and execute such other documentation as may be required in order to implement and obtain preliminary and Final approval by the Court of this Settlement. If the Parties are unable to agree upon the form of documentation necessary to effectuate this Settlement and to obtain preliminary and Final approval of this Settlement, the Parties agree that they will bring any unresolved disputes as to the form of documentation to the attention of the Court for resolution. No Party shall seek to evade its good faith obligations to seek approval and implementation of this Settlement by virtue of any rulings, orders, governmental report, the results of the settlement administration process, or other development, whether in the Actions or in any other action, or otherwise, that might hereinafter occur and might be deemed to alter the relative strengths of the Parties with respect to any claim or defense or their relative bargaining power with respect to negotiating a settlement, other than as permitted in this Stipulation.

24. The Parties, by their undersigned counsel, have arrived at this Stipulation as a result of arm's-length negotiations.

25. The Parties hereto intend for this Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by Plaintiffs or the Investor Class Members against the Invesco/AIM Funds Released Parties with respect to the Released Claims. Accordingly, Plaintiffs and the Invesco/AIM Funds Defendants agree not to assert in any forum that the litigation was brought by Plaintiffs or defended by the Invesco/AIM Funds Defendants in bad faith or without a reasonable basis. The Parties hereto shall not assert any claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the prosecution, defense,

or settlement of the Actions. The Parties agree that the settlement consideration and the other terms of the Settlement were negotiated at arm's-length in good faith by the Parties, and reflect a settlement that was reached voluntarily after consultation with experienced legal counsel.

26. Until such date as this Stipulation is publicly filed, unless Invesco/AIM Funds Defendants' Counsel or Plaintiffs' Counsel concludes that disclosure is required by applicable law, regulation or order of a court or administrative body having competent jurisdiction over one or more of the Parties (including the filing of any "proposed settlement, compromise, or discontinuance" required by Section 33 of the 1940 Act), in which case notice of the required disclosure shall be provided to other Party as soon as possible and, in any event, no later than three (3) business days prior to the date of disclosure, the Parties shall not disclose the substance of any negotiations leading to this Stipulation, or any of their terms, without prior notice to and consent of Plaintiffs' Counsel and the Invesco/AIM Funds Defendants' Counsel. Plaintiffs' Counsel and the Invesco/AIM Funds Defendants' Counsel shall not unreasonably withhold consent to publication of the fact of the execution of this Stipulation.

27. The headings herein are used for the purpose of convenience only and are not meant to have legal effect. Whenever the words "include," "includes" or "including" are used herein, they shall be deemed to be followed by the words "without limitation."

28. The administration and consummation of this Settlement shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and expenses to Plaintiffs' Counsel and enforcing the terms of this Stipulation, and all Parties submit to the jurisdiction of the Court for such purposes.

29. This Stipulation, and all attachments hereto, reflect the entirety of the agreement among the Parties hereto concerning the settlement of the Actions with the Invesco/AIM Funds

Defendants, and no representations, warranties, or inducements have been made by any Party hereto concerning this Stipulation, or any of the attachments hereto, other than those contained and memorialized in such documents.

30. This Stipulation may be amended or modified only by a written instrument signed by, or on behalf of, all of the undersigned Parties or their successors in interest.

31. The construction, interpretation, operation, effect and validity of this Stipulation, and all documents necessary to effectuate this Settlement, shall be governed by the internal laws of the State of Maryland without regard to conflicts of laws, except to the extent that federal law requires that federal law governs.

32. Each Party shall bear its own costs and expenses in connection with the prosecution and settlement of this litigation; however, it is understood and agreed that Plaintiffs' Counsel will be applying for an award of attorneys' fees and reimbursement of litigation expenses from the settlement proceeds obtained in connection with other settlements in this Sub-Track. The Invesco/AIM Released Parties and their counsel shall have no responsibility for or liability whatsoever with respect to any payment to any Plaintiffs' Counsel from the settlement fund(s) obtained in connection with other settlements in this Sub-Track that may occur and/or any allocation of any fee awards amongst Plaintiffs' Counsel and/or others who may assert some claim thereto, and/or any fee and expense awards that the Court may make in this litigation.

33. This Stipulation shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations between the Parties and all Parties have contributed substantially and materially to the preparation of this Stipulation.

34. All counsel executing this Stipulation warrant and represent that they have the full authority to do so on behalf of the respective clients listed under their signatures below, and further represent and warrant that they have the authority to take appropriate action required or permitted to be taken pursuant to this Stipulation to effectuate its terms with respect to this Settlement.

35. Without further order of the Court, the Parties hereto may agree to reasonable extensions of time to carry out their obligations under this Stipulation.

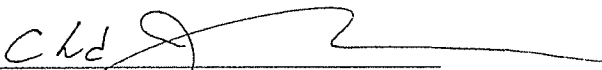
36. This Stipulation shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, successors and assigns, and upon any corporation or other entity into or with which any Party hereto may merge or consolidate, provided, however, that no assignment by any Party shall operate to relieve such Party of its obligations hereunder.

37. The waiver by one Party of any breach of this Stipulation by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

38. This Stipulation may be executed in one or more original, photocopied, electronically scanned or facsimile counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

Dated: January 15, 2010

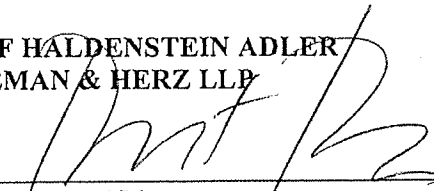
**BERNSTEIN LITOWITZ BERGER
& GROSSMANN LLP**

By: 

Chad Johnson
William C. Fredericks
Jerald Bien-Willner
1285 Avenue of the Americas
New York, NY 10019
Tel: (212) 554-1400

*Lead Counsel for the Investor Class Lead Plaintiff
and the Investor Class*

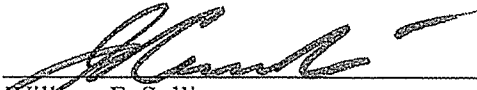
**WOLF HALDENSTEIN ADLER
FREEMAN & HERZ LLP**

By: 

Mark C. Rifkin
Demet Basar
270 Madison Ave.
New York, NY 10016
Tel: 212-545-4600

Lead Counsel for the Fund Derivative Plaintiffs

**PAUL, HASTINGS, JANOFSKY
& WALKER LLP**

By: 
William F. Sullivan
815 South Flower Street, 25th Floor
Los Angeles, CA 90071
Tel: (213) 683-6252

-and-

Jay C. Gandhi
**PAUL, HASTINGS, JANOFSKY
& WALKER LLP**
695 Town Center Dr., 17th Fl
Costa Mesa, CA 92626
Tel: (714) 668-6242

Counsel for the Invesco/AIM Funds Defendants

SCHEDULE A

INVESCO Dynamics Fund
INVESCO Telecom Fund
INVESCO Health Science Fund
INVESCO Technology Fund
INVESCO Small Company Growth Fund
INVESCO European Fund
INVESCO Growth Fund
INVESCO Financial Services Fund
INVESCO Energy Fund
INVESCO Leisure Fund
INVESCO Endeavor Fund
INVESCO Growth & Income Fund
INVESCO Real Estate Fund
INVESCO Core Equity Investment Fund