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**Invesco Funds****SICAV**

2-4 rue Eugene Ruppert  
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Luxembourg

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[www.invesco.com](http://www.invesco.com)

16 August 2018

## Shareholder circular

**This circular is important and requires your immediate attention. If you are in any doubt as to the action you should take you should seek advice from your professional adviser/consultant.**

Unless otherwise defined, all capitalised terms used herein bear the same meaning as defined in the prospectus of the SICAV and Appendix A (together the "Prospectus").

### **You have transferred all of your Shares in a sub-fund of Invesco Funds?**

- For Shareholders in Italy and Germany: Please be aware that you do not have to take any action if you have transferred all of your Shares.
- For all other markets: Please pass this circular to the transferee or to the stockbroker, bank or other agent through whom the transfer was effected for transmission to the transferee as soon as possible.

### **About the information in this circular:**

The directors of Invesco Funds (the "Directors") and the Management Company are the persons responsible for the information contained in this letter. To the best of the knowledge and belief of the Directors and the Management Company (having taken all reasonable care to ensure that such is the case), the information contained in this letter is, at the date hereof, in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors and the Management Company accept responsibility accordingly.

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Invesco Funds is regulated by the  
Commission de Surveillance du Secteur  
Financier

Directors: Peter Carroll (Irish), Douglas  
Sharp (Canadian), Timothy Caverly  
(American), Graeme Proudfoot (British) and  
Bernhard Langer (German)

Incorporated in Luxembourg No B-34457  
VAT No. LU21722969

16 August 2018

**Dear Shareholder,**

We are writing to you as a Shareholder of the Invesco Funds due to several amendments, as further described below, to be included in the prospectus of the SICAV as from the 8 October 2018 (the "Effective Date"), unless otherwise stated herein.

If any of the below mentioned amendments do not suit your investment requirements, you are advised that you may, at any time prior to the Effective Date, redeem your shares in the Funds without any redemption charges. Redemptions will be carried out in accordance with the terms of the Prospectus.

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## **A. General amendments**

We have taken the decision to simplify the structure of the Invesco Cross-Border Product Range of funds domiciled in Ireland and Luxembourg. As a result, it is intended to bring a number of our UCITS funds together under the Luxembourg SICAV. This is being achieved through a sequence of mergers of our Ireland-domiciled funds into the Luxembourg SICAV which will be concluded on the Effective Date. We believe the planned changes will improve the client experience. This will be achieved by reducing the number of umbrellas, thereby increasing visibility of the sub-funds and creating efficiencies for clients in their interaction with Invesco.

Invesco Global Asset Management DAC was originally appointed as the Global Distributor to provide one point of contact for the Invesco Cross-Border Product Range of funds domiciled in Ireland and Luxembourg. As all applicable sub-funds will be within the SICAV following the mergers, the Management Company is more relevant as the Distributor. The Management Company will be supported by the various Invesco Sub-Distributors, in line with the Global Distributor structure.

As a consequence, it is intended that Invesco Global Asset Management DAC shall enter into an assignment agreement with the SICAV. This agreement will expressly transfer the benefit of all such representations, warranties, undertakings and relevant anti-money laundering information to the SICAV. For reference purposes only, a sample Invesco Funds Application Form can be accessed on the Website of the Management Company and this will come into effect from 08 October 2018. In addition, the bank account names related to payments to/from Invesco for subscriptions/redemptions will change from Invesco Global Asset Management DAC to the SICAV.

As a result of the changes explained above, the Prospectus will be updated to remove all references to the Global Distributor and will be replaced by either the SICAV or the Management Company, where appropriate.

These changes will have no impact on how the sub-funds of the SICAV are being managed, nor alter their risk profile.

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## **B. Update to the communication of Monthly Distribution-1 distribution rate changes**

From the Effective Date, a change will be added to the Prospectus in relation to how Shareholders are informed of changes to the fixed distribution rate on the Monthly Distribution-1 Share classes.

The disclosure is being updated to note that information will be made available on the Website of the Management Company and on [www.invesco.com.hk](http://www.invesco.com.hk) (for Hong Kong Shareholders) at least one month in advance.



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### **C. Change to method of calculation of the global exposure of Invesco Asian Bond Fund (the "Asian Bond Fund")**

From the Effective Date, the methodology used to calculate the global exposure will be amended from relative to absolute Value at Risk (VaR) approach. The absolute VaR approach is more appropriate due to the investments of the Asian Bond Fund.

The change will not materially impact how the Asian Bond Fund is being managed, nor alter its risk profile.

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### **D. Change of the Investment objective and policy of Invesco Euro Short Term Bond Fund (the "Euro Short Term Bond Fund")**

From 31 October 2018, the investment objective and policy of the Euro Short Term Bond Fund will change in order to introduce flexibility to the duration band. The change is being made to allow the Investment Manager to use duration shorter than one year depending on market conditions. In future, the average portfolio duration of the Euro Short Term Bond Fund will not exceed three years.

The change will not materially impact how the Euro Short Term Bond Fund is being managed, nor alter its risk profile.

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### **E. Update of the expected level of leverage of Invesco Emerging Local Currencies Debt Fund and Invesco Emerging Market Flexible Bond Fund (the "Funds")**

The expected level of leverage in respect of the Funds will be updated (i) from 90% to 200% for the Invesco Emerging Local Currencies Debt Fund and (ii) from 150% to 200% for the Invesco Emerging Market Flexible Bond Fund, but this does not result in any change on how the Funds use the financial derivative instruments.

The above updates will not materially impact how the Funds are being managed, nor alter their risk profile.

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### **F. Disclosure of the name of the Investment Managers and Investment Sub-Managers for each sub-fund**

Considering that the Investment Managers and Investment Sub-Managers, where relevant, appointed in respect of the sub-funds are part of the Invesco Group and are listed in Section 3 (Directory) of the Prospectus, it has been decided in respect of each sub-fund to remove from Appendix A of the Prospectus the reference to the name of the relevant Investment Manager(s) and Investment Sub-Manager(s), where relevant, and to disclose such information on the Website of the Management Company: [www.invescomanagementcompany.lu](http://www.invescomanagementcompany.lu).

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## **G. Clarification in respect of the investment restriction applicable to the sub-funds relating to investments in eligible UCIs or UCITS**

It has been clarified for all sub-funds in Appendix A of the Prospectus that for the purpose of achieving its investment objective, any sub-fund, unless otherwise provided, may invest up to a maximum of 10% of its NAV in eligible UCIs or UCITS as an alternative to direct investment, so long as those schemes are invested in accordance with the Fund's broader investment policy. For the avoidance of doubt, such investment may include investment in money market funds as a proxy for cash, cash equivalents, Money Market Instruments etc.

The above clarification will not materially impact how the sub-funds are being managed, nor alter their risk profile.

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## **H. Availability of documents and additional information**

### **Do you require additional information?**

The updated Prospectus, its Appendix A and the updated Key Investor Information Documents are available free of charge at the registered office of the SICAV. These will also be available from the website of the Management Company of the SICAV (Invesco Management S.A.): <http://www.invescomanagementcompany.lu>.

**Do you have any queries in relation to the above?** Or would you like information on other products in the Invesco range of funds that are authorised for sale in your jurisdiction? Please contact your local Invesco office.

### **You may contact**

- Invesco Asset Management Deutschland GmbH at (+49) 69 29807 0,
- Invesco Asset Management Österreich- Zweigniederlassung der Invesco Asset Management Deutschland GmbH at (+43) 1 316 2000,
- Invesco Global Asset Management DAC at (+353) 1 439 8000,
- Invesco Asset Management Asia Limited at (+852) 3191 8282,
- Invesco Asset Management S.A. Sucursal en España at (+34) 91 781 3020,
- Invesco International Limited Jersey at (+44) 1534 607600,
- Invesco Asset Management S.A. Belgian Branch at (+32) 2 641 01 70,
- Invesco Asset Management S.A. at (+33) 1 56 62 43 00,
- Invesco Asset Management S.A. Sede Secundaria,
- Invesco Asset Management (Schweiz) AG at (+41) 44 287 9000,
- Invesco Asset Management SA Dutch Branch at (+31) 205 61 62 61,
- Invesco Asset Management S.A (France) Swedish Filial at (+46) 8 463 11 06,
- or Invesco Global Investment Funds Limited at (+44) 0 1491 417 000.



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## I. Further information

**The value of investments and the income generated from investment can fluctuate (this may partly be the result of exchange rate fluctuations). Investors may not get back the full amount invested.**

- **For Shareholders in the UK:** For the purpose of the United Kingdom Financial Services and Markets Act, 2000 (the “**FSMA**”), this letter has been issued by Invesco Global Investment Funds Limited which is authorised and regulated by the Financial Conduct Authority, on behalf of Invesco Global Asset Management DAC, the Global Distributor of the SICAV. For the purposes of United Kingdom law, the SICAV is a recognised scheme under section 264 of the FSMA. All or most of the protections provided by the United Kingdom regulatory system, for the protection of private clients, do not apply to offshore funds, compensation under the United Kingdom’s Financial Services Compensation Scheme will not be available and United Kingdom cancellation rights do not apply.
- **For Shareholders in Germany:** If you are acting as a distributor for German clients, please be advised you are not required to forward this circular to your end clients by durable media.
- **For Shareholders in Switzerland:** The Prospectus, the Key Investor Information Documents and the Articles, as well as the annual and interim reports of the Invesco Funds may be obtained free of charge from the Swiss representative. Invesco Asset Management (Switzerland) Ltd., Talacker 34, 8001 Zurich, is the Swiss representative and BNP Paribas Securities Services, Paris, Succursale de Zurich, Selnaustrasse 16, 8002 Zurich, is the Swiss paying agent.

A copy of this letter is available in various languages. For further information, please contact the Investor Services Team, IFDS, Dublin on (+353) 1 439 8100 (option 2) or your local Invesco office.

Thank you for taking the time to read this communication.

Yours faithfully,

A handwritten signature in blue ink, appearing to be a stylized name, possibly "A. J. J.", written over a light blue horizontal line.

**By order of the Board of Directors**

Acknowledged by Invesco Management S.A.