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**Invesco Funds**  
**SICAV**

2-4 rue Eugene Ruppert  
L-2453 Luxembourg  
Luxembourg

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

15 March 2018

Shareholder circular:  
Invesco Asia Opportunities Equity Fund

**IMPORTANT: 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.**

Proposed Merger of  
Invesco Asia Infrastructure Fund  
(a sub-fund of Invesco Funds)

into Invesco Asia Opportunities Equity Fund  
(a sub-fund of Invesco Funds)

**Have you transferred all of your Shares in Invesco Asia Opportunities Equity Fund, a sub-fund of Invesco Funds?**

- For Shareholders in Italy: 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 of Invesco Funds are the persons responsible for the accuracy of the information contained in this letter. To the best of the knowledge and belief of the Directors and the management company of Invesco Funds (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 accept responsibility accordingly.

Unless otherwise defined in this circular, capitalised terms shall bear the same meaning as those used in the prospectus (including the Hong Kong supplement) for Invesco Funds (the "prospectus").

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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

**Dear Shareholder,**

We are writing to you as a Shareholder in Invesco Asia Opportunities Equity Fund (the "Receiving Fund"), a sub-fund of Invesco Funds (hereinafter referred to as "Invesco Funds" or the "SICAV").

In this circular, you will find explanations about our proposal to merge:

- Invesco Asia Infrastructure Fund (the "Merging Fund"),
- with Invesco Asia Opportunities Equity Fund (the "Receiving Fund"),

both sub-funds of the SICAV authorised by the Commission de Surveillance du Secteur Financier (the "CSSF").

The effective date of the proposed merger is 6 July 2018, or such later date as may be determined by the Directors which may be up to four (4) weeks later, subject to the prior approval of such later date by the CSSF and immediate notification of same to the Shareholders in writing (the "Effective Date"). In the event that the Directors approve a later Effective Date, they may also make such consequential adjustments to the other elements in the timetable of the merger as they consider appropriate.

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## **A. Terms of the proposed merger**

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### **A 1. Background to and rationale for the proposed merger**

Invesco Funds is registered with the Luxembourg "Registre de Commerce et des Sociétés" under number B34457 and qualifies as a "société d'investissement à capital variable". Invesco Funds is organised as an UCITS umbrella fund with segregated liability between sub-funds pursuant to Part I of the Luxembourg Law of 17 December 2010 relating to collective investment undertakings, as amended from time to time (the "2010 Law").

The Merging Fund is invested primarily in the Asian Infrastructure sector while the Receiving Fund has a more diversified investment remit to the broader Asian equity market. It is envisaged but not guaranteed that Shareholders of the Merging Fund should be able to benefit from the broader market opportunities of the Receiving Fund and a better risk adjusted return due to the diversification benefits of gaining exposure to other sectors than just Asia Infrastructure. In addition, a larger pool of assets in the Receiving Fund post-merger should help to reduce the on-going charges of the Receiving Fund over time.

The Merging Fund's assets under management amounted to USD 632,294,759.80 as at 31 January 2018 and those of the Receiving Fund amounted to USD 159,795,329.50 as at 31 January 2018.

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### **A 2. The investment objective and policy and risk profile of the Receiving Fund**

The investment objective and policy will remain unchanged. The same applies to the risk profile of the Receiving Fund.

No change to the Prospectus, the Key Investor Information Document ("KIID") (or for Shareholders in Hong Kong, the Product Key Facts Statement ("KFSes")) of the Receiving Fund is required to be made in relation to the merger.

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### **A 3. Impact on the portfolio and performance of the Receiving Fund**

The proposed merger will have no significant impact on the composition of the portfolio. The realignment of the assets of the Merging Fund will be completed in advance of the proposed merger. A realignment of the portfolio of the Receiving Fund before or after the proposed merger will therefore not be required.



The Directors also believe that this proposed merger should not entail a dilution in performance of the Receiving Fund.

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#### **A 4. Expected impact of the proposed merger on the Shareholders of the Receiving Fund**

Once the proposed merger is completed, Shareholders in the Receiving Fund will continue to hold the same Shares in the Receiving Fund as before. There will be no change in the rights attaching to such Shares. The implementation of the proposed merger will not affect the fee structure of the Receiving Fund. **The costs of the proposed merger will be borne by Invesco Management SA, the Management Company.**

It has been resolved to proceed with a merger pursuant to the article 1, item 20, a) of the 2010 Law. This involves the transfer of all of the assets and liabilities of the Merging Fund to the Receiving Fund. Shareholders of the Merging Fund who continue to hold Shares in the Merging Fund on the Effective Date will receive Shares in the Receiving Fund in exchange for their Shares in the Merging Fund. The Merging Fund will cease to exist once the merger is completed.

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#### **A 5. Shareholder Rights**

No vote of the shareholders in the Receiving Fund is required in order to carry out this merger.

The effects of the proposed merger do not suit your requirements? Please be aware that you may as usual redeem your Shares in the Receiving Fund **without any redemption charges**. Redemptions will be carried out in accordance with the terms of the prospectus of the SICAV (the "Prospectus").

Please note that a redemption/switch would amount to a disposal of your interests in the Receiving Fund and may have tax consequences.

The merger will be binding on all the Shareholders who have not exercised their right to redeem/switch above.

You are in any doubt as to your individual tax position? In this case, you should consult your professional advisers.

**The rights of the Shareholders remain otherwise unchanged.**

For the avoidance of doubt, kindly note that there will be no suspension of dealings in the Receiving Fund to complete the proposed merger.

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#### **A 6. Fees and expenses**

The implementation of the proposed merger will not affect the fee structure of the existing Share class in the Receiving Fund.

As indicated in the table below, the on-going charges figures of the Merging Fund are currently slightly lower than those of the Receiving Fund. The on-going charges figures of the Receiving Fund will be reduced and capped to ensure that there is no increase for Shareholders of the Merging fund<sup>1</sup>.

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<sup>1</sup> *The on-going charges figures of the Receiving Fund will be monitored for a period of 18 months to ensure it does not exceed that of the Merging Fund at the point of merger (where this occurs, the Management Company will cover any additional costs during this period). However, as some expenses are variable and can be influenced by events including but not limited to the fund size, exchange rate movements, regulatory changes and other economic variables, there is no guarantee that the on-going charges figures will not increase after this period. The on-going charges figures will be updated in the Key Investor Information Documents ("KIIDs") (or for Shareholders in Hong Kong, the Product Key Facts Statement ("KFSes")) in accordance with the applicable regulation.*

In addition, it is hoped that the increased size of the assets under management of the Receiving Fund that results from the proposed merger will help reduce costs further over time.

<b>Merging Fund Share classes</b>	<b>Merging Fund On-going Charges</b>	<b>Corresponding Share classes in the Receiving Fund</b>	<b>Receiving Fund On-going Charges</b>
A - USD (accumulation)	2.02%*	A - USD (accumulation)	2.05%*
A - AUD hedged (monthly distribution-1)	2.02%*	A - AUD hedged (monthly distribution-1) <sup>+</sup>	2.05%**
A - CHF hedged (accumulation) <sup>++</sup>	2.02%*	A - CHF hedged (accumulation) <sup>++</sup>	2.05%**
A - EUR hedged (accumulation)	2.02%*	A - EUR hedged (accumulation) <sup>+</sup>	2.05%**
A - NZD hedged (monthly distribution-1)	2.02%*	A - NZD hedged (monthly distribution-1) <sup>+</sup>	2.05%**
A - USD (semi-annual distribution)	2.02%*	A - USD (semi-annual distribution) <sup>+</sup>	2.05%**
C - EUR hedged (accumulation)	1.42%*	C - EUR hedged (accumulation) <sup>+</sup>	1.45%**
C - USD (accumulation)	1.42%*	C - USD (accumulation)	1.45%*
E - EUR (accumulation) <sup>++</sup>	2.77%*	E - EUR (accumulation) <sup>++</sup>	2.80%*
R - USD (accumulation) <sup>++</sup>	2.72%*	R - USD (accumulation) <sup>++</sup>	2.75%*
Z - EUR (accumulation) <sup>++</sup>	1.17%**	Z - EUR (accumulation) <sup>++</sup>	1.20%**
Z - USD (accumulation) <sup>++</sup>	1.17%**	Z - USD (accumulation) <sup>++</sup>	1.20%**
Z - USD (annual distribution) <sup>++</sup>	1.17%**	Z - USD (annual distribution) <sup>++</sup>	1.20%**
Z - EUR hedged (accumulation) <sup>++</sup>	1.17%**	Z - EUR hedged (accumulation) <sup>++</sup>	1.20%**

\* The ongoing charges figure is based on annualised expenses for the period ending August 2017.

\*\* The ongoing charges figure is estimated based on expected total of charges.

## **B. Costs relating to the proposed merger**

**The Management Company will bear all costs and expenses incurred by the Receiving Fund resulting from or incidental to the implementation of the proposed merger.**

The Management Company will pay any foreign taxes and duties payable upon the absorption by the Receiving Fund of the property of the Merging Fund, as a result of the implementation of the proposed merger.

+ These share classes will be offered to the public in Hong Kong on the Effective Date.

++ These share classes are not offered to the public in Hong Kong.



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## C. Availability of documents and information to the Receiving Fund

Upon request, you may obtain **a copy of the conformity letter issued by the Depositary and the report of the approved statutory auditor of the Depositary free of charge at the registered office of the SICAV.**

**English-language versions of all the KIIDs<sup>2</sup> of the Receiving Fund** are available on the website of the Management Company ([www.invescomanagementcompany.lu](http://www.invescomanagementcompany.lu)\*) and where relevant, translations of the KIIDs<sup>2</sup> are available on the Invesco Local Websites, accessible through [www.invesco.com](http://www.invesco.com)\* from the date of this circular.

**All relevant KIIDs<sup>2</sup>** can also be requested from the registered office of the Management Company of Invesco Funds or from the Investor Services Team, IFDS Dublin on +353 1 439 8100 (option 2).

The Prospectus contains further information about the Receiving Fund. It is available on the website of the Management Company: [www.invescomanagementcompany.lu](http://www.invescomanagementcompany.lu)\*. As required by local laws, you will also find them on the Invesco Local Websites accessible through [www.invesco.com](http://www.invesco.com)\*.

Copies of the Articles, latest annual and semi-annual Reports and Prospectus of the SICAV are available free of charge upon request:

- from the Management Company at its registered office at 37A Avenue JF Kennedy, L-1855 Luxembourg, or
- from the SICAV at its registered office at Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg, during usual business hours.

The documents are also available on the website of the Management Company ([www.invescomanagementcompany.lu](http://www.invescomanagementcompany.lu)\*) and, as required by local laws, on the Invesco Local Websites accessible through [www.invesco.com](http://www.invesco.com)\*.

**Would you like to obtain any additional information in relation to the proposed merger?** Please do not hesitate to send your request to the registered office of the SICAV.

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<sup>2</sup> For Shareholders in Hong Kong, please refer to the relevant KFS of the Receiving Fund instead which is available the Hong Kong website [www.invesco.com.hk](http://www.invesco.com.hk) (this website has not been reviewed by the SFC).

\* These websites have not been reviewed by the SFC and may contain information of funds not authorised by the SFC.

## Further Information

- **For Shareholders in Hong Kong:** A copy of the Articles of the SICAV is available for inspection upon request at the office of Invesco Funds' Hong Kong Sub-Distributor and Representative, Invesco Asset Management Asia Limited, at 41/F Champion Tower, Three Garden Road, Central, Hong Kong. Soft copies of the Prospectus, KFS and the financial reports of the Company are available on the Hong Kong website [www.invesco.com.hk](http://www.invesco.com.hk)# while printed copies may be obtained free of charge from Invesco Asset Management Asia Limited at 41/F Champion Tower, Three Garden Road, Central Hong Kong. You may also contact Invesco Asset Management Asia Limited by telephone +852 3191 8282 should you require any assistance.
- **For Shareholders in Germany:** If you are acting as a distributor for German clients, please be advised you are required to forward this letter to your end clients by durable media.
- **For Shareholders in Switzerland:** The Prospectus, the Key Investor Information Documents, the Articles of the SICAV as well as the annual and interim reports of the SICAV 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.
- **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 Invesco Funds. For the purposes of United Kingdom law, the Invesco Asia Opportunities Equity Fund 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 Invesco Funds, compensation under the United Kingdom's Financial Services Compensation scheme will not be available and United Kingdom cancellation rights do not apply.

Yours sincerely



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Director  
for and on behalf of  
Invesco Funds

Acknowledged by

Invesco Management SA



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Director  
for and on behalf of  
Invesco Management SA

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# This website has not been reviewed by the SFC.

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