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**Invesco Funds**  
**SICAV**  
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L-2453 Luxembourg  
Luxembourg

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**Amendments/updates to the prospectus and Appendix A, and additionally for Hong Kong investors, to the Hong Kong Supplement and the Product Key Fact Statements of Invesco Funds (the "SICAV"), principally relate to the following changes:**

- 1. clarification of the investment objective and policy for several sub-funds with regards to investments in distressed securities and/or contingent convertibles,**
- 2. clarification of the investment objective and policy for the Invesco Balanced-Risk Allocation Fund\*, the Invesco Balanced-Risk Select Fund\*, the Invesco Global Markets Strategy Fund\*, the Invesco Global Investment Grade Corporate Bond Fund\* and the Invesco Euro Short Term Bond Fund\*,**
- 3. appointment of an investment sub-manager for the Invesco Euro Reserve Fund and the Invesco USD Reserve Fund,**
- 4. change of investment manager and appointment of an investment sub-manager for the Invesco Global Smaller Companies Equity Fund,**
- 5. clarification of the investment objective and policy and appointment of an investment sub-manager for the Invesco Global Income Real Estate Securities Fund,**
- 6. clarification of the investment objective and policy for the Invesco Euro Bond Fund\*,**
- 7. change and clarification of the investment objective and policy for the Invesco Emerging Market Corporate Bond Fund and change of the method used to calculate the global exposure,**
- 8. change of the investment objective and policy and change of name for the Invesco Emerging Market Quantitative Equity Fund\*,**
- 9. clarification of the investment objective and policy for the Invesco Active Multi-Sector Credit Fund\*,**
- 10. clarification of the investment objective and policy for the Invesco Asia Infrastructure Fund,**
- 11. clarification of the investment objective and policy for the Invesco Emerging Local Currencies Debt Fund,**
- 12. shortening of the distribution cycle for quarterly, semi-annual and annual distribution share classes,**
- 13. restructure of Section 8 (Risk Warnings),**
- 14. restructure of Section 11 (Taxation),**
- 15. update of the board of Directors,**
- 16. miscellaneous/general amendments and amendments to the Hong Kong Supplement (for Hong Kong investors only).**

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\* This Fund is not authorised by the Securities and Futures Commission ("SFC") and therefore is not available for sale to the public in Hong Kong.

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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

**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. Unless otherwise specified, all capitalised terms used herein bear the same meaning as defined in the prospectus of the SICAV, Appendix A and the Hong Kong Supplement (for Hong Kong investors only) (together the "Prospectus").**

**This letter is sent to you as a shareholder in a sub-fund of Invesco Funds (a "Shareholder"). It is important and requires your immediate attention. If you are in any doubt as to the action to be taken, you should immediately consult your stockbroker, bank manager, legal or other professional adviser for independent professional financial advice. If you have sold or otherwise transferred your holding in a sub-fund of Invesco Funds (each a "Fund" and collectively the "Funds"), please send this letter to the stockbroker, bank manager or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.**

**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 (as defined hereafter), redeem your shares in a sub-fund of Invesco Funds without any redemption charges. Redemptions will be carried out in accordance with the terms of the Prospectus.**

8 May 2017

Dear Shareholder,

We are writing to you as a Shareholder in a sub-fund of the SICAV, in relation to the amendments/updates to the Prospectus which are summarised below.

Unless otherwise stated herein, these amendments to the Prospectus will come into effect on 8 June 2017 (the “Effective Date”) or such later date as the Directors may at their absolute discretion decide, in the event of which, such other date will be communicated to Shareholders in advance.

The Prospectus will be amended to reflect the following updates:

**1. Clarification of the investment objective and policy for several sub-funds with regards to investments in distressed securities and/or contingent convertibles**

The investment objective and policy of the Funds listed below will be clarified with regards to the investments that can be made in securities which are either in default or deemed to be at high risk of default as determined by the SICAV (“Distressed Securities”) and/or contingent convertibles. The risks associated with such investment will be highlighted in Section 8 (Risk Warnings). The table below provides the details that will be added in the investment objective and policy for each of the relevant Funds.

This clarification will have no impact on the way the Funds listed below are currently managed nor result in any change to the risk profile of the sub-funds.

Name of the Fund	The Fund may invest up to 5% of its NAV in Distressed Securities	The Fund may invest up to 10% of its NAV in Distressed Securities	The Fund may invest up to 15% of its NAV in Distressed Securities	The Fund may invest up to 20% of its NAV in Distressed Securities	The Fund may invest up to 5% of its NAV in contingent convertibles	The Fund may invest up to 10% of its NAV in contingent convertibles	The Fund may invest up to 20% of its NAV in contingent convertibles	The Fund may invest extensively# in contingent convertibles
Invesco Euro Bond Fund*	X						X	
Invesco UK Investment Grade Bond Fund							X	
Invesco Global Investment Grade Corporate Bond Fund*							X	
Invesco Euro Short Term Bond Fund*						X		
Invesco Euro Corporate Bond Fund		X					X	
Invesco Global Bond Fund*		X					X	
Invesco Global Unconstrained Bond Fund*				X				X
Invesco Global Total Return (EUR) Bond Fund*			X					X
Invesco Pan European High Income Fund				X				X**

\* This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.

# The term “extensively” used above shall mean more than 20% of the NAV of the relevant Fund.

\*\*The investment objective and policy of the Invesco Pan European High Income Fund will be clarified to state that this Fund may invest up to 30% of its NAV in contingent convertibles.

Name of the Fund	The Fund may invest up to 5% of its NAV in Distressed Securities	The Fund may invest up to 10% of its NAV in Distressed Securities	The Fund may invest up to 15% of its NAV in Distressed Securities	The Fund may invest up to 20% of its NAV in Distressed Securities	The Fund may invest up to 5% of its NAV in contingent convertibles	The Fund may invest up to 10% of its NAV in contingent convertibles	The Fund may invest up to 20% of its NAV in contingent convertibles	The Fund may invest extensively* in contingent convertibles
Invesco Global Income Fund*			X					X
Invesco Active Multi-Sector Credit Fund*		X				X		
Invesco Emerging Local Currencies Debt Fund				X				
Invesco Emerging Market Corporate Bond Fund				X		X		
Invesco US High Yield Bond Fund				X		X		
Invesco Asian Bond Fund							X	
Invesco Renminbi Fixed Income Fund*							X	
Invesco India Bond Fund							X	
Invesco Asia Balanced Fund							X	
Invesco Global Income Real Estate Securities Fund	X							
Invesco Global Targeted Returns Fund*	X				X			
Invesco Global Targeted Returns Select Fund*					X			

**2. For Shareholders of the Invesco Balanced-Risk Allocation Fund\*, the Invesco Balanced-Risk Select Fund\*, the Invesco Global Markets Strategy Fund\*, the Invesco Global Investment Grade Corporate Bond Fund\* and the Invesco Euro Short Term Bond Fund\* (the "Relevant Funds") only - clarification of the investment objective and policy**

The investment objective and policy of the Relevant Funds will be clarified to specify that the Relevant Funds will not hold debt securities with a credit rating of below B- by Standard and Poor's rating agency, or equivalent (or in the case of unrated debt securities, determined to be of an equivalent rating) and that they will not hold securitised debt securities, such as asset backed securities, rated below investment grade.

This clarification will have no impact on the way the Relevant Funds are currently managed.

**3. For Shareholders of the Invesco Euro Reserve Fund and the Invesco USD Reserve Fund (the "Reserve Funds") only - appointment of an investment sub-manager**

Invesco Asset Management Limited, in its capacity as investment manager of the Reserve Funds will appoint Invesco Advisers, Inc. as discretionary investment sub-manager of the Reserve Funds in order to use its expertise. This change is being made to allow the Reserve Funds to utilise the expertise that exists across the wider Invesco business while maintaining continuity with the existing management team.

\* This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.

# The term "extensively" used above shall mean more than 20% of the NAV of the relevant Fund.

This appointment will have no adverse impact on the operation and manner in which the Reserve Funds are being managed and does not materially prejudice existing rights or interests of Shareholders. This appointment will not result in any change in fees or charges payable by the Reserve Funds or its Shareholders and all relevant costs and/or expenses incurred in connection with the aforesaid appointment will be borne by the Management Company. The investment sub-manager will be subject to the same level of management oversight and risk management oversight that is applicable across all investment managers and investment sub-managers responsible for managing Funds under the SICAV and will remain subject to the on-going supervision and regular monitoring of the Management Company. This appointment has no impact on the investment objective and policy, the risk profile and dealing arrangement of the Reserve Funds.

For the avoidance of doubt, Invesco Advisers, Inc. is currently acting as investment manager of other Funds that are authorised by the CSSF and the SFC.

**4. For Shareholders of the Invesco Global Smaller Companies Equity Fund (the "Global Smaller Companies Equity Fund") only - change of investment manager and appointment of an investment sub-manager**

- a) The named investment manager will change from Invesco Asset Management Limited to Invesco Advisers, Inc.
- b) Invesco Asset Management Limited will be appointed to act as a discretionary investment sub-manager.

These changes are being made to allow the Global Smaller Companies Equity Fund to utilise the expertise that exists across the wider Invesco business while maintaining continuity with the existing management team. The appointment of Invesco Advisers, Inc. as investment manager and Invesco Asset Management Limited as discretionary investment sub-manager will have no adverse impact on the way the Global Smaller Companies Equity Fund is managed nor result in an increase of any fees or charges payable by the Global Smaller Companies Equity Fund or its Shareholders.

These appointments will not result in any change in fees or charges payable by the Global Smaller Companies Equity Fund or its Shareholders and all relevant costs and/or expenses incurred in connection with the aforesaid appointment will be borne by the Management Company. In addition, this appointment of a new investment manager and discretionary investment sub-manager does not materially prejudice existing rights or interests of Shareholders. The investment manager and investment sub-manager will be subject to the same level of management oversight and risk management oversight that is applicable across all investment managers and investment sub-managers responsible for managing Funds under the SICAV and will remain subject to the on-going supervision and regular monitoring of the Management Company. These appointments have no impact on the investment objective and policy, the risk profile and dealing arrangement of the Global Smaller Companies Equity Fund.

For the avoidance of doubt, Invesco Advisers, Inc. is currently acting as investment manager of other Funds that are authorised by the CSSF and the SFC.

**5. For Shareholders of the Invesco Global Income Real Estate Securities Fund (the "Global Income Real Estate Securities Fund") only - clarification of the investment objective and policy and appointment of an investment sub-manager**

The investment objective and policy of the Global Income Real Estate Securities Fund will be clarified with regard to the investment that may be made in asset-backed securities/mortgage-backed securities

(ABS and MBS) by adding a specific reference to such instruments in accordance with the requirements of the CSSF. The risks associated with such investments will be highlighted in Section 8 (Risk Warnings). The Global Income Real Estate Securities Fund may invest up to 70% of its NAV in ABS and MBS. ABS/MBS may include Commercial Mortgage Backed Securities (CMBS) and other ABS related to the real estate sector.

The investment objective and policy of the Global Income Real Estate Securities Fund will also be clarified to state that less than 30% of the NAV of the Global Income Real Estate Securities Fund may be invested in debt securities which are unrated and/or whose credit rating is below investment grade.

These clarifications reflect existing practice and will have no adverse impact on the way the Global Income Real Estate Securities Fund is currently managed nor result in any change to the risk profile of the Global Income Real Estate Securities Fund.

In addition, Invesco Advisers, Inc. in its capacity as investment manager of the Global Income Real Estate Securities Fund will appoint Invesco Asset Management Limited as discretionary investment sub-manager. This change is being made to allow the Global Income Real Estate Securities Fund to utilise the expertise that exists across the wider Invesco business while maintaining continuity with the existing management team. This appointment will have no adverse impact on the operation and manner in which the Global Income Real Estate Securities Fund is being managed and does not materially prejudice existing rights or interests of Shareholders.

This appointment will not result in any change in fees or charges payable by the Global Income Real Estate Securities Fund or its Shareholders and all relevant costs and/or expenses incurred in connection with the aforesaid appointment will be borne by the Management Company. The investment sub-manager will be subject to the same level of management oversight and risk management oversight that is applicable across all investment managers and investment sub-managers responsible for managing Funds under the SICAV and will remain subject to the on-going supervision and regular monitoring of the Management Company. This appointment has no impact on the investment objective and policy, the risk profile and dealing arrangement of the Global Income Real Estate Securities Fund.

For the avoidance of doubt, Invesco Asset Management Limited is currently acting as investment manager of other Funds that are authorised by the CSSF and the SFC.

**6. For Shareholders of the Invesco Euro Bond Fund\* (the "Euro Bond Fund") only - clarification of the investment objective and policy**

The investment objective and policy of the Euro Bond Fund will be clarified with regard to the investment that may be made in asset-backed securities/mortgage-backed securities (ABS and MBS). The risks associated with such investments will be highlighted in Section 8 (Risk Warnings).

This clarification will have no impact on the way the Euro Bond Fund is currently managed.

**7. For Shareholders of the Invesco Emerging Market Corporate Bond Fund (the "Emerging Market Corporate Bond Fund") only- change and clarification of the investment objective and policy and change of the method used to calculate the global exposure**

To align the Emerging Market Corporate Bond Fund to its broader investment universe, the investment objective and policy of the Emerging Market Corporate Bond Fund will be changed to include Hong Kong and Singapore in the list of emerging markets which the investment manager has defined for the purposes of the investment objective and policy.

The definition of emerging markets included in the investment objective and policy of the Emerging Market Corporate Bond Fund will read:

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“For the purposes of the Fund, the investment manager has defined the emerging markets as all markets in the countries in the world other than (i) those members of the European Union that the investment manager regards as developed countries, (ii) United States of America, (iii) Canada, (iv) Japan, (v) Australia, (vi) New Zealand, (vii) Norway and (viii) Switzerland.”

The change will not result in any change to the risk profile of the Emerging Market Corporate Bond Fund.

In addition, the investment objective and policy of the Emerging Market Corporate Bond Fund will be clarified to state that the Emerging Market Corporate Bond Fund may invest up to 20% of its NAV in asset-backed securities (ABS).

This clarification reflects existing practice and will not result in any change to the risk profile of the Emerging Market Corporate Bond Fund.

Finally, the methodology used to calculate global exposure will be amended from relative to absolute Value at Risk (VaR) approach. The absolute VaR approach is more appropriate due to the asset allocation of the Emerging Market Corporate Bond Fund.

This change has no impact on how the Emerging Market Corporate Bond Fund is currently managed or on its risk profile. In addition, there is no impact on the fee level/cost in managing the Emerging Market Corporate Bond Fund.

**8. For Shareholders of the Invesco Emerging Market Quantitative Equity Fund\* (the “Emerging Market Quantitative Equity Fund”) only - change of the investment objective and policy and change of name**

Invesco Group continually ensures that the Invesco funds meet investor needs and achieve the best outcome for Shareholders. The current investment policy of the Emerging Market Quantitative Equity Fund is constrained with the reference benchmark MSCI Emerging markets index, and to be able to respond to the structural shifts in the emerging markets, exploit opportunities and manage volatility, the Directors believe that it is in the best interest of the Shareholders to adopt a more unconstrained investment approach.

To this end, the following sentence will be removed from the current investment policy: “Beta, industry and country allocation as well as style exposures relative to the benchmark are minimised to focus on the stock specific excess returns that are delivered by the stock selection process”.

In addition, the Emerging Market Quantitative Equity Fund will be renamed the Invesco Emerging Market Structured Equity Fund\* to be more in line with the new investment policy.

A rebalancing of the portfolio will be required as part of this change. Any costs associated with such rebalancing of the portfolio will be borne by the Emerging Market Quantitative Equity Fund.

**9. For Shareholders of the Invesco Active Multi-Sector Credit Fund\* (the “Active Multi-Sector Credit Fund”) only - clarification of the investment objective and policy**

The investment objective and policy of the Active Multi-Sector Credit Fund will be clarified with regard to the investment that may be made in asset-backed securities/mortgage-backed securities (ABS and MBS). The risks associated with such investments will be highlighted in Section 8 (Risk Warnings).

This clarification will have no impact on the way the Active Multi-Sector Credit Fund is currently managed.

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**10. For Shareholders of the Invesco Asia Infrastructure Fund (the “Asia Infrastructure Fund”) only - clarification of the investment objective and policy**

The investment objective and policy of the Asia Infrastructure Fund will be clarified to state that less than 30% of the Asia Infrastructure Fund’s NAV may be invested in debt securities.

This clarification reflects existing practice and will have no impact on the way the Asia Infrastructure Fund is currently managed nor result in any change to the risk profile of the Asia Infrastructure Fund.

**11. For Shareholders of the Invesco Emerging Local Currencies Debt Fund (the “Emerging Local Currencies Debt Fund”) only - clarification of the investment objective and policy**

The investment objective and policy of the Emerging Local Currencies Debt Fund will be clarified to state that the Emerging Local Currencies Debt Fund may invest up to 20% of its NAV in asset-backed securities (ABS).

This clarification reflects existing practice and will have no impact on the way the Emerging Local Currencies Debt Fund is currently managed nor result in any change to the risk profile of the Emerging Local Currencies Debt Fund.

**12. Shortening of the distribution cycle for quarterly, semi-annual and annual distribution Share classes only**

From the distribution in February 2018, the annual distribution cycle will be shortened; the payments will be made on the 11<sup>th</sup> of the month following the distribution date (instead of the 21<sup>st</sup> of that month). If such day is not a Business Day, payments will be made on the next Business Day.

From the distributions in August 2017, the semi-annual distribution cycle will be shortened; the payments will be made on the 11<sup>th</sup> of the month following the distribution date (instead of the 21<sup>st</sup> of that month). If such day is not a Business Day, payments will be made on the next Business Day.

From the distributions in August 2017, the quarterly distribution cycle will be shortened; the payments will be made on the 11<sup>th</sup> of the month following the distribution date (instead of the 21<sup>st</sup> of that month). If such day is not a Business Day, payments will be made on the next Business Day.

These changes will apply to all the Funds of the SICAV that have share classes offering annual, semi-annual or quarterly distributions, as appropriate.

**13. Restructure of Section 8 (Risk Warnings)**

In order to clarify the risks that may apply to the sub-funds, Section 8 (Risk Warnings) has been restructured into two parts:

- One part relates to the risks linked to the investments. In that part, a chart has been included in order to address the main identified risks at the date of the Prospectus that may apply to each Fund. Please kindly note that it does not purport to provide a complete explanation of all the risks associated with acquiring and holding Shares in the relevant Fund, however all key risks are disclosed and Shareholders are advised to refer to Section 8 of the Prospectus in full for more detailed explanations of such risks so as to make an informed judgment of the risks associated with such an investment. The risks not indicated for a particular Fund may, however, still apply to some extent to that Fund at various times, and not every risk applicable to an investment in a Fund may be shown. Notwithstanding the risks displayed in the chart, each Fund will continue to comply at all times with the Investment Restrictions detailed in Section 7 (including the Additional Restrictions in Section 7.5) as well as with the further restrictions in Appendix A of the Prospectus.



Below the chart, each risk is explained in more detail. To that extent, please note that the SICAV has added some additional risks that may apply, such as a risk on distressed securities, a portfolio turnover risk and a risk on private and unlisted securities. In addition:

- The risk associated with "Investing in Sector Based/Concentrated Funds" has been renamed to "Sector-Based/Single Country and Concentrated Funds Risk" and the relevant disclosure has been enhanced.
- The risk associated with "Investing in High Yield Bonds" has been renamed to "Investment in High Yield Bonds/Non-investment Grade bonds" and the relevant disclosure has been clarified.
- A new "Currency Exchange Risk" has been included by rewording the existing disclosure under the heading "International Investing".
- The risks associated with "Investment in Russia and Ukraine", "Credit Risk", "Investment in China" and "Counterparty Risk" have been updated.
- The risk associated with "Contingent Convertibles and Convertibles Risk" has been added.
- The risk associated with "Market Suspension Risk" has been renamed to "Market and Fund Suspension Risk" and the relevant disclosure has been enhanced.
- The risks associated with "Investment in Indian debt market" and "Investment in China" have been updated to be in line with the up-to-date regulation applicable.
- The risk associated with "Custody Risk" has been updated and include the requirements of the Directive 2014/91/EU (the "UCITS V Directive").
- The risk associated with "Securities Lending and Repurchase/Reverse Repurchase transactions" has been updated by including additional disclosure on repurchase transactions and reverse repurchase transactions.
- A second part relates to risks associated with specific Share classes, such as Hedged Share classes, Portfolio Hedged Share classes, Fixed Distribution Share classes, Gross Income Share classes, etc.

#### **14. Restructure of Section 11 (Taxation)**

In order to clarify the tax aspects related to the Fund or the Shareholders, it has been decided to restructure Section 11 (Taxation).

One part will cover the Taxation in Luxembourg impacting the SICAV. There are no specific changes in relation to the Luxembourg taxation.

A second part named "Taxation in other Jurisdictions" will cover the financial transaction tax which was already covered under Section 11 (Taxation).

A third part has been added (Automatic Reporting and Exchange of Account Information) to cover FATCA provisions (which was previously disclosed under section 5.1.4 (Restrictions on Ownership of Shares)) and the Common Reporting Standard (CRS) and the Directive on administrative cooperation in the field of taxation (DAC Directive).

## 15. Update of the board of Directors

The details of the Directors have been updated in Section 9.2.1 (“the Directors”) as follows: Douglas J. Sharp, Peter Carroll, Bernhard Langer, Graeme Proudfoot and Timothy Caverly.

For the avoidance of doubt, Graeme Proudfoot has been appointed as Director and Bernhard Langer has been appointed as Director in replacement of Karen Dunn Kelley with effect from 13 October 2016.

## 16. Miscellaneous/General amendments

- Further to and in accordance with the Directive 2014/91/EU of the European Parliament and of the Council (the “UCITS V Directive”), the term “Custodian” has been replaced by the term “Depositary” in the Prospectus and additional information has been inserted regarding its duties and conflicts of interest that may arise, any delegation and sub-delegation, as the case may be, of safekeeping functions and conflicts of interest that may arise from such (sub-) delegation.
- The correspondence address for Shareholders queries has changed. The new address is:  
c/o International Financial Data Services (Ireland) Limited  
Bishop’s Square  
Redmond’s Hill,  
Dublin 2  
Ireland
- The registered office of the Global Distributor has changed. The new address is:  
Invesco Global Asset Management DAC  
Central Quay, Riverside IV, Sir John Rogerson’s Quay  
Dublin 2  
Ireland

Kindly note also that in compliance with Irish law, the Global Distributor, Invesco Global Asset Management Limited, has been converted to a Designated Activity Company (“DAC”) with effect from 12 May 2016 and the name of the Global Distributor has been changed to Invesco Global Asset Management DAC accordingly. There is no change in the corporate structure of the Global Distributor and no change to its shareholding.

- Section 1 (Important Information for US Persons) has been updated for clarification purposes.
- Section 2 (Definitions) has been updated.
- Section 4 (The SICAV and its Shares) has been renamed and the following updates reflected:
  - enhanced disclosure regarding the hedged classes of Shares;
  - the related notes below the table in Section 4.1 (Types of Shares) have been updated;
  - information about different Share classes has been updated;
  - Section 4.2 (Hedged Share Classes) and 4.2.1 (Portfolio Hedged Share Classes) have clarified that the costs and the resultant profit or loss on the hedged transaction will only be applied to the relevant class of Shares after deduction of all other fees and expenses, which in the case of the Management and Service Agent Fees are payable to the Management Company, which will be calculated and deducted from the non-hedged value of the relevant class of Shares;
  - Section 4.4.2.1 (Fixed distribution Shares) has been amended to clarify that the fixed yield will be re-set on at least a semi-annual basis (versus on at least an annual basis). This change will reflect better the existing practice;
  - in Section 4.3 (Charges to Investors), reference to swing pricing has been added for clarification purposes and to reflect existing practice, there is no change to existing dealing arrangements;
  - in Section 4.4.5 (renumbered Section 4.4.4) (Reinvestment of Distributions), for clarification purposes, the reference to the Japanese Yen has been removed as the currency is not relevant for the shareholding. This clarification reflects the existing practice.

- In Section 5 (Dealing Information), the dealing arrangement has been updated by adding information disclosure regarding the applications for subscription, switch, transfer or redemption in certain jurisdictions. Moreover, the disclosure has been enhanced to state that authorised agents, including but not limited to the bank(s) where the collection accounts are opened, are additional parties to reject applications or charge interest in the event of late payment. Please note that such update was made to reflect existing practice and there is no change to existing dealing arrangements.
- In Section 5.3.2 (renumbered Section 5.4.2) (Possible restrictions on redemptions), it has been clarified that if the SICAV applies the limitation of the redemptions on a particular business day, any deferred redemption requests will be treated pro-rata with other redemption requests on each subsequent dealing day without priority. This change was also subject to an amendment of the articles of incorporation of the SICAV which was approved by the Shareholders during a duly convened extraordinary general meeting of Shareholders and became effective on 30 September 2016. In addition, some provisions on the requests for redemption of Shares and the possibility for the SICAV to redeem the Shareholder's entire holding have been removed to reflect the existing practice.
- In Section 5.3.4 (renumbered Section 5.4.4) (Settlement of Redemptions), authorised agents, including but not limited to the bank(s) where the collection accounts are opened, have been included as entities involved in the redemption process.
- In Section 5.4.8 (renumbered Section 5.5.8) (Joint Shareholders), it has been clarified that, in the case of the death of any one of the joint Shareholders of Shares in a Fund(s), the right of the survivorship does not apply and the relevant documentation must be provided to the Global Distributor and/or Transfer Agent to determine the beneficial owner of Shares.
- Section 6.2 (Calculation of assets and liabilities) has been clarified to reflect existing practice with regard to the valuation of the securities listed on a recognised stock exchange or dealt on any other regulated market.
- Section 6.3 (Subscription and redemption prices) has been renamed (Dealing Prices) and has been reworded. It has also been clarified that, for the avoidance of doubt, there is no difference between the subscription and redemption price on each day and both are dealt at the net asset value per Share, which reflects the existing practice. In addition, it has been clarified that net asset value per Shares may be calculated up to four decimal places, which reflects the existing practice.
- In Section 7, it has been decided to move the investment restrictions for sub-funds authorised in certain countries, such as Taiwan, Hong Kong, Germany under a separate section, a Section 7.5 (Additional Restrictions). The investment restrictions for some funds registered in France and in Chile have also been added.
- In Section 7.1 V., further to a FAQ issued by the CSSF on 8 December 2015, it has been clarified that the limitation on investments in the same issuer should apply at the Fund level rather than at the SICAV level. This clarification has no impact on how the Funds are currently managed or on their risk profile.
- A new Section 9.2.4 (Conflicts of Interests) has been included to reflect *inter alia* the SICAV's discretion to pay rebate and commission to third parties.
- Further to the UCITS V Directive, a new Section 9.2.5 (Remuneration Policies) has been added to confirm that the Management Company is subject to a remuneration policy. Such remuneration policy is available on the website of the Management Company and can be obtained free of charge, at the registered office of the Management Company.

- In Section 9.2.5 (renumbered Section 9.2.7) (Service Providers), kindly note that under “Depository”, the disclosures with respect to the delegation of the safe-keeping to Bank of New York Mellon (Luxembourg) S.A has been removed as the Depository has stopped such delegation. This change has no impact on the Shareholders.
- In Section 9.2.7 (renumbered Section 9.2.9) (Soft Commissions), the information disclosure in relation to the cash commission rebate received by broker or dealer has been enhanced.
- In Section 9.3 (Service Agents’ Fees), it has been clarified that the remaining amount of the service agent fee (after deduction of payments) may be retained by the Management Company, in such capacity as it is in charge of appointing and overseeing key administrative service providers, and/or shared with affiliates of Invesco Group or such persons that the Management Company may determine at its discretion.
- In Section 9.3 (Other Expenses), the information disclosure about the formation expenses and unamortised expenses has been updated as these expenses are borne by the Management Company and not charged to the relevant Fund.
- In Section 10.3 (Other Documents available for inspection), the list of items which are available for inspection has been updated.
- The Specific Risks disclosed under each sub-fund in the Appendix A have been removed and a cross-reference to the chart disclosed in Section 8 (Risk Warnings) has been included at the beginning of the Appendix A.
- In Appendix A, Religare Invesco Asset Management Company Private Limited, which provides non-binding investment advice to the investment manager for Invesco India Bond Fund and Invesco India All-Cap Equity Fund\*, has been renamed Invesco Asset Management (India) Private Limited as this entity is now fully owned by the Invesco Group. This change does not prejudice the investors of the relevant Funds in any way.
- In Appendix A, the profile of typical investors of each Fund has been updated. In particular, the investment horizon has been modified to reflect the risk/reward profile of each Fund and the Shareholders’ tolerance for volatility has been reviewed. The numeric investment horizon has been replaced by descriptive measures (long term, medium and long term, medium term and short term) which is more in line with the industry practice.
- In Appendix A, for all the Funds the information disclosure in relation to the overall exposure of the Funds using commitment approach has been deleted. Such removal does not affect how the Funds measure their global exposure. In respect of the Invesco Emerging Local Currencies Debt Fund and the Invesco Emerging Market Corporate Bond Fund which may use derivatives extensively for investment purposes and are registered in both Hong Kong and Taiwan, specific regulatory requirements on the use of derivatives apply and are set out in the Prospectus (including the Hong Kong Supplement and the relevant Product Key Facts Statements where it is disclosed that the maximum level of leverage of these Funds under the commitment approach has been reduced from 100% of the net asset value to 40% of the net asset value for each of the above two Funds). The purpose of this change is to reflect the updated position on the use of derivatives to better reflect the actual maximum. The derivative strategies with respect to the Invesco Emerging Local Currencies Debt Fund and the Invesco Emerging Market Corporate Bond Fund have also been elaborated in the Product Key Facts Statements and Hong Kong Supplement to clarify that the long and short active financial derivative positions implemented by each of these two Funds may not be correlated with the underlying securities positions held by each of these two Funds (i.e. debt securities).

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\* This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.

- In Appendix A, the benchmark used to calculate the global exposure of the Invesco Pan European Small Cap Equity Fund, the Invesco Japanese Value Equity Fund and the Invesco Japanese Equity Advantage Fund have been updated further to the name change of such indices.
- In Appendix A, the benchmark used to calculate the global exposure of the Invesco Asian Bond Fund and the Invesco Asia Balanced Fund was changed on the 29<sup>th</sup> of April 2016 as a result of the transfer of activities from HSBC to Markit iBoxx. The reference benchmark of the Invesco Asian Bond Fund changed from HSBC Asia Local Bond Index to Markit iBoxx ALBI Index and the reference benchmark of the Invesco Asia Balanced Fund changed from 50% MSCI AC Asia Pacific ex Japan Index and 50% HSBC Asian Dollar Bond Index to 50% MSCI AC Asia Pacific ex Japan Index and 50% Markit iBoxx ADBI Index. For the avoidance of doubt, these changes have no impact on the way the Invesco Asia Balanced Fund and the Invesco Asian Bond Fund are currently managed and does not result in any change to their risk profile. In addition, there is no impact on the fee level/cost in managing the Invesco Asia Balanced Fund and the Invesco Asian Bond Fund.
- In Appendix A, the expected level of leverage has been updated for the following Funds further to analysis of the average level of leverage over a defined period of time: Invesco Global Equity Income Fund, Invesco Global Smaller Companies Equity Fund, Invesco Global Structured Equity Fund, Invesco US Structured Equity Fund, Invesco US Value Equity Fund, Invesco Pan European Small Cap Equity Fund, Invesco Pan European Structured Equity Fund, Invesco Global Leisure Fund, Invesco Asian Bond Fund, Invesco Emerging Local Currencies Debt Fund, Invesco Emerging Market Corporate Bond Fund, Invesco Euro Corporate Bond Fund, Invesco India Bond Fund, Invesco US High Yield Bond Fund, Invesco Asia Balanced Fund, Invesco Pan European High Income Fund, Invesco Active Multi-Sector Credit Fund\*, Invesco Global Total Return (EUR) Bond Fund\*, Invesco Euro Short Term Bond Fund\*, Invesco Global Conservative Fund\*, Invesco Global Absolute Return Fund\*, Invesco Balanced-Risk Allocation Fund\*, Invesco Balanced-Risk Select Fund\*, Invesco Global Bond Fund\*, Invesco Global Investment Grade Corporate Bond Fund\*, Invesco Global Income Fund\*, Invesco Euro Bond Fund\*, Invesco Euro Structured Equity Fund\*, Invesco Renminbi Fixed Income Fund\*, Invesco Strategic Income Fund\* and Invesco Unconstrained Bond Fund\*. Kindly note that, the expected level of leverage of the Invesco Strategic Income Fund\* and the Invesco Unconstrained Bond Fund\* have increased respectively, from 225% and 200% to 350%. For the avoidance of doubt, this update does not change the way the relevant Funds use the derivatives and does not change their risk profile.
- In the Appendix A, it has been clarified under the investment objective and policy that, the Invesco Asia Balanced Fund may invest up to 60% of its NAV in debt securities which are unrated and/or whose credit rating is below investment grade. For the avoidance of doubt, this update is a clarification of the existing investment objective and policy applicable to the Invesco Asia Balanced Fund and has no impact on how such Fund is currently managed or on its risk profile.
- In the Appendix A, it has been clarified under the investment objective and policy that, the Invesco UK Investment Grade Bond Fund may invest less than 30% of its NAV in debt securities which are unrated and/or whose credit rating is below investment grade. For the avoidance of doubt, this update is a clarification of the existing investment objective and policy applicable to the Invesco UK Investment Grade Bond Fund and has no impact on how such Fund is currently managed or on its risk profile.
- In the Appendix A, it has been clarified under the investment objective and policy that the Invesco USD Reserve Fund aims to provide maximum return with a high degree of security from a portfolio of short-dated fixed interest securities denominated in USD. For the avoidance of doubt, this update is a clarification of the existing investment objective and policy applicable to the Invesco USD Reserve Fund and has no impact on how such Fund is currently managed or on its risk profile.

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\* This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.

- For Shareholders in Hong Kong only, the Hong Kong Supplement and/or the relevant Product Key Facts Statements have been updated with additional disclosures:
  - a) In respect of the Invesco Emerging Local Currencies Debt Fund, the Invesco Emerging Market Corporate Bond Fund, the Invesco India Bond Fund, the Invesco US High Yield Bond Fund, the Invesco Asian Bond Fund and the Invesco Pan European High Income Fund, to clarify that each of these Funds may invest up to 100% of the relevant Fund's NAV in debt securities which are unrated and/or whose credit rating is below investment grade. A definition of term "unrated" has also been included in the Hong Kong Supplement for the sake of clarity. For the avoidance of doubt, this update is a clarification of the existing investment objective and policy applicable to the relevant Funds and has no impact on how such Funds are currently managed or on their risk profile.
  - b) In respect of the Invesco Japanese Equity Advantage Fund and the Invesco Japanese Value Equity Fund, to clarify that less than 30% of each of these Funds' NAV may be invested in debt securities convertible into common shares.
  - c) In respect of the Invesco Asia Consumer Demand Fund, the Invesco US Structured Equity Fund, the Invesco Asia Infrastructure Fund, the Invesco European Growth Equity Fund, the Invesco Asia Opportunities Equity Fund, the Invesco Emerging Europe Equity Fund, the Invesco Energy Fund, the Invesco Global Leisure Fund, the Invesco Global Structured Equity Fund, the Invesco India Equity Fund, the Invesco Nippon Small Mid Cap Equity Fund, the Invesco Pan European Equity Fund, the Invesco US Equity Fund, the Invesco Greater China Equity Fund and the Invesco Latin American Equity Fund, to clarify that less than 30% of each of these Funds' NAV may be invested in debt securities (including convertible debt/bonds).
  - d) In respect of the Invesco US Value Equity Fund, to clarify that less than 30% of its NAV may be invested in convertible debt securities, US Government securities and investment grade corporate debt securities.
  - e) In respect of the Invesco Emerging Market Corporate Bond Fund and the Invesco Emerging Local Currencies Debt Fund, to clarify that under exceptional circumstances (including but not limited to global market crisis) each of these Funds can, in the best interest of shareholders and on a temporary basis own up to 100% of its net assets in cash, money market instruments including up to 10% of net asset value in money market funds, and each of these Funds may also take active currency positions on all currencies worldwide through the use of derivatives.
  - f) To clarify that not more than 10% NAV of the Funds which primarily invest in equity securities may be invested in securities issued by or guaranteed by a country which is unrated.
  - g) To clarify that the SICAV does not currently intend to invest through Invesco's RQFII quota.
- Editorial updates, formatting and other miscellaneous updates and updates to non-SFC authorised Funds have also been reflected.

## Further Information

For non-Hong Kong Shareholders, the prospectus of the SICAV, its Appendix A and any updated Key Investor Information Document will be 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>\*\*.

If you have any queries in relation to the above, or would 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, details of which are set out overleaf.

Shareholders in Hong Kong may contact the SICAV's Hong Kong Sub-Distributor and Representative, Invesco Asset Management Asia Limited on telephone number (+852) 3191 8282. Soft copies of the Prospectus, Product Key Facts Statements and financial reports of the SICAV are available on the Hong Kong website [www.invesco.com.hk](http://www.invesco.com.hk)<sup>^</sup>, while printed copies may be obtained free of charge from Invesco Asset Management Asia Limited registered at 41/F Champion Tower, Three Garden Road, Central Hong Kong.

If you are acting as a distributor for German clients, please be advised you are not required to forward this letter to your end clients by durable media.

For Shareholders in Switzerland, the prospectus of the SICAV, its Appendix A, the Key Investor Information Documents, the articles of incorporation 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.

Thank you for taking the time to read this communication.

Yours faithfully,



**By order of the Board of Directors**



Acknowledged by Invesco Management S.A.

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\*\* This website has not been reviewed by the SFC and may contain information of funds not authorised by the SFC.

<sup>^</sup> This website has not been reviewed by the SFC.

**General Information:**

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

**Important Information for UK Shareholders**

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.

**Contact information**

For further queries, you may contact Invesco Asset Management Deutschland GmbH at (+49) 69 29807 0, Invesco Asset Management Österreich 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 Secondaria, 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.