



08 March 2021

## Shareholder circular

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### Invesco Funds

Société d'Investissement à Capital Variable  
Registered Office:  
Vertigo Building- Polaris  
2-4, rue Eugène Ruppert  
L-2453 Luxembourg  
R.C.S. Luxembourg B34 457

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**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.**

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

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

The directors of the SICAV (the "Directors") and the management company of the SICAV 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 the SICAV (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.

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

Directors: Anne-Marie King, Rene Marston, Peter Carroll, Timothy Caverly, Fergal Dempsey and Bernhard Langer

Incorporated in Luxembourg No B-34457  
VAT No. LU21722969

**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 dated 10 March 2021. If any of the below mentioned amendments do not suit your investment requirements, you are advised that you may, at any time redeem your shares in the Funds without any redemption charges. Redemptions will be carried out in accordance with the terms of the Prospectus.

Unless otherwise stated below, all costs associated with the proposed below changes will be borne by the Management Company.

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## **A. Change of Registrar and Transfer Agent**

After a period of detailed consultation and provider analysis, the management company of the SICAV, with the approval of the Directors, have decided to appoint Bank of New York Mellon SA/NV, Luxembourg Branch ("BNYM") in replacement of International Financial Data Services (Luxembourg) S.A. ("IFDS"), in order to align our operating model with BNYM, who already acts as Depository and Administration Agent for the SICAV.

For the avoidance of doubt, as part of this transition, Data Processing Agent services will also be migrated from International Financial Data Services (Ireland) Limited to BNYM. The change of Registrar and Transfer Agent will be effective as of 03 May 2021.

This change will have no material impact on how the Funds are being managed, nor on their fee structure.

You do not need to take any action at this time, we will write to you again to outline the changes to the administration of your account in full, for example, your new account number and information on how to contact BNYM.

Ancillary to the above change, from 03 May 2021 the 3rd paragraph of the definition of "Settlement Date" will be updated by adding the wording underlined below to reflect the operational practice:

"If on such third Business Day, banks are not open for business in the country of the currency of settlement or the country of the share class currency, then the Settlement Date will be on the next Business Day on which those banks in that country are open".

By way of example, if a Shareholder investing in a share class denominated in USD redeems in Euro, and US banks are not open on the third Business Day following acceptance of the dealing application, the Settlement Date will be on the next Business Day on which the US banks are open (even if the EU banks are open on the third Business Day following acceptance of the dealing application).

For the avoidance of doubt, similar change will be added to the definition of "Settlement Date" for Invesco China A-Share Quality Core Equity Fund, Invesco China A-Share Quant Equity Fund and Invesco China Health Care Equity Fund for which the Settlement date shall be on the second Business Day after the date of acceptance of the application.

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## **B. Update to the means of communication for notices to Shareholders**

Section 10.4 (Notices to Shareholders) will be updated in order to provide that where possible and as the case may be, Shareholders will be notified via electronic means (such as the Invesco Local Website, the Website of the Management Company (<https://www.invescomanagementcompany.lu/lux-manco/shareholder-notices.html>) or/and via email).

Kindly note that such change to the means of communication will apply as from 08 April 2021.

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## **C. Use of securities lending transactions**

From 08 April 2021, the Funds may use securities lending transactions. The expected proportion of the NAV of Funds subject to securities lending will be 20%. Under normal circumstances, the maximum proportion of the NAV of the Funds subject to securities lending will be either 29% or 50% as stated in Appendix A of the Prospectus.

The "Securities Lending and Repurchase/Reverse Repurchase Transactions Risk" may therefore apply to the Funds from 08 April 2021.

Unless otherwise stated in Appendix A of the Prospectus, 90% of the revenues arising from securities lending will be returned to the Fund and the remainder (being 10% of the revenues, representing the attendant direct and indirect operational costs and fees of the securities lending agent) will be retained by the securities lending agent.

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## **D. Change to the features of the Monthly Distribution-1 Shares for Fixed Maturity Funds only**

From 08 April 2021, some amendments will be included in Section 4.4.2.3 (Monthly Distribution-1 Shares) in order to include additional features applicable to the Fixed Maturity Funds only.

At the beginning of the Fixed Maturity Fund's life a stable distribution rate will be set, which, unless determined otherwise by the SICAV will continue to be paid up to the Fixed Maturity Fund's maturity. In addition, this stable distribution rate may be enhanced each month where there are receipts from bond maturities or where bonds are called. This additional distribution feature will result in Shareholders receiving their initial capital back throughout the lifetime of the Fixed Maturity Fund and they will not get the full amount of their initial capital upon the Fixed Maturity Fund's maturity.

Where this additional distribution applies, it will be explicitly disclosed in the relevant KIID.

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## **E. Changes to the Invesco Energy Fund**

It is proposed to proceed with various changes to the Invesco Energy Fund as of 08 April 2021 as further described below.

## E1. Change of the investment objective and policy

The Directors have decided to reposition the Invesco Energy Fund from a fundamentally managed energy fund to an energy transition fund that will provide exposure to companies in the area of clean energy, energy transition and efficiency, using a quantitative approach.

In particular, the repositioned strategy will invest in equities of companies which contribute positively to a transition to alternative energies and more efficient and sustainable energy usage across the economy.

The re-positioned Invesco Energy Fund will continue to target long term capital growth, benefiting from a new quantitative investment methodology. In the context of thematic investments, it is believed the proposed changes will meet clients' expectation with regards to responsible investments and should enhance the long-term risk-return profile and growth opportunities of the Invesco Energy Fund.

The investment objective and policy of the Invesco Energy Fund will be amended as further described below:

<b>Current investment objective and policy and use of financial derivative instruments</b>	<b>New investment objective and policy and use of financial derivative instruments as of 08 April 2021</b>
<p>The Fund aims to provide long-term capital growth by investing primarily in a global portfolio of energy stocks, which include major oil companies, energy services, natural gas infrastructure companies and oil and gas exploration and production companies, as well as companies developing alternative energy sources.</p> <p>The Fund focuses on reasonably priced companies with above-average production volume growth and earnings, cash flow and asset value growth.</p> <p>Up to 30% of the NAV of the Fund may be invested in aggregate in cash and cash equivalents, Money Market Instruments, equity and equity related instruments issued by companies or other entities not meeting the above requirement or debt securities (including convertible debt) of issuers worldwide.</p> <p>The Fund may enter into financial derivative instruments for efficient portfolio management and hedging purposes only.</p>	<p>The Fund aims to achieve long-term capital growth.</p> <p>The Fund integrates a thematic and an environmental, social and governance (ESG) approach with a particular focus on environmental criteria.</p> <p>The Fund seeks to achieve its objective by investing primarily in equity and equity related securities of companies globally which contribute positively to a transition to alternative energies (energy transition) and more efficient and sustainable energy usage across the economy.</p> <p>Companies are identified via a sophisticated Natural Language Process (NLP) technique based on a proprietary aggregated thematic score which assesses the company's exposure to key themes pertaining to energy transition based on unstructured news data.</p> <p>The stock selection follows a highly structured and clearly defined investment process. A universe of key themes and underlying keywords addressing innovation and shifts related to energy transition is identified using NLP algorithms on multiple data sources. Within each theme, companies are then identified and selected on the basis of their relevance on defined news universes. NLP algorithms (as more fully described in the Fund's ESG policy) will be used to screen companies on key areas covering:</p> <ul style="list-style-type: none"> <li>▪ Clean energy themes: Focus on the production and supply of clean energy including but not limited to renewable energy sources such as wind, solar, green hydrogen or tide. This includes companies providing the technology and the supply for clean energy production, sustainable energy storage as well as clean energy utilities and energy companies.</li> <li>▪ Energy transition &amp; efficiency themes: The Fund additionally focuses on energy usage and efficiency management. This includes areas such as low carbon technologies, green infrastructure and green mobility sources.</li> </ul>

	<p>After the NLP process, further ESG filters are applied to ensure that a company is not only positively exposed to transition themes in the news, but also fulfils an internally defined ESG criteria, thus excluding companies through screening(as outlined below and more fully described in the Fund’s ESG policy). The ESG criteria are applied and reviewed on an ongoing basis by the Investment Manager. These binding criteria are integrated as part of the quantitative investment process for stock selection and portfolio construction.</p> <p>Screening will be employed to exclude securities issued by issuers which derive or generate a pre-determined level of revenue or turnover from activities such as (but not limited to) fossil fuel industries, activities related to coal or nuclear power, extraction of tar sands and oil shale, fracking or arctic drilling activities, production of restricted chemicals, activities endangering biodiversity, activities generating pollution, manufacturing or sale of conventional weapons, production and distribution of tobacco, or involved in controversies related to the prevention and management of pollution or controversies in the field of protecting water resources or controversies in the field of community involvement. All issuers considered for investment will be screened for compliance with, and excluded if they do not meet, UN global compact principles. The current exclusion criteria may be updated from time to time.</p> <p>Finally, the portfolio will be constructed using a proprietary score together with a third party indicator that measures a company’s ability to transition to a lower carbon economy, so that the final allocation will reflect an overweighting on companies with higher scores and an underweighting on those with lower scores.</p> <p>Up to 30% of the NAV of the Fund may be invested in aggregate in cash, cash equivalents, Money Market Instruments and other Transferable Securities, which will also meet the Fund’s ESG criteria.</p> <p>For more information on the Fund’s ESG policy, criteria and potential investments in sustainable activities, please refer to the Website of the Management Company</p> <p>The Fund may enter into financial derivative instruments for efficient portfolio management and hedging purposes only.</p> <p>The financial derivative instruments used for purposes other than hedging will also meet the Fund’s ESG criteria.</p>
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As a result of the above changes, the “Holdings Concentration Risk” and “Sector Concentration Risk” will no longer be considered as relevant risks to the Invesco Energy Fund post-repositioning. In addition, the “ESG Investment Risk” will be considered as a relevant risk to the Invesco Energy Fund post-repositioning. The risk matrix disclosed in Section 8 (Risks Warnings) of the Prospectus will be updated accordingly as of 08 April 2021.

The costs associated with any rebalancing of the underlying investments of the portfolio are reasonably estimated at 15 bps. These costs will be borne by the Invesco Energy Fund, as it is believed that the repositioning will provide investors with a fund with improved risk-adjusted profile, significantly improved pricing and higher opportunities to grow over the long term, thus benefitting from economies of scale.

Shareholders should note that while a significant portion of the rebalancing exercise will be completed on the effective date, due to the size of the Fund certain trades may take a number of Business Days to complete. The entire exercise is expected to take up to 5 Business Days. As a result, the re-positioned Invesco Energy Fund might not comply entirely with its new investment objective and policy up to 14 April 2021. While it is expected that the entire process can be completed within 5 Business Days, it is possible that certain unforeseen events, such as market liquidity may make this not possible, it is expected that any proportion not completed within 5 Business Days will be immaterial.

## **E2. Change of name of the Invesco Energy Fund**

From 08 April 2021, please note that the Invesco Energy Fund will be renamed the **Invesco Energy Transition Fund** in order to reflect the updated investment objective and policy.

## **E3. Reduction of the management fee**

From 08 April 2021, the management fee of the Invesco Energy Fund will be reduced as follows.

<b>Share class</b>	<b>Existing Management Fee</b>	<b>New Management Fee</b>
A	1.50%	1.00%
B	1.50%	1.00%
C	1.00%	0.60%
E	2.00%	1.50%
J	1.50%	1.00%
P/ PI	0.75%	0.50%
R	1.50%	1.00%
S	0.75%	0.50%
T	0.75%	0.50%
Z	0.75%	0.50%

For the avoidance of doubt, there is no change to the management fee in respect of "I" Share classes, as they do not bear any management fee.

## **E4. Change to method of calculation of the global exposure of Invesco Energy Fund**

From 08 April 2021, the methodology used to calculate the global exposure will be amended from relative Value at Risk (VaR) to commitment approach. Following the assessment on the complexity of the Invesco Energy Fund's investment strategy and its potential exposure to derivative instruments, it is considered that the commitment approach is suitable to adequately capture the market risk of the Invesco Energy Fund.

## **E5. Change to Investment Manager**

From 08 April 2021, the Investment Manager will become Invesco Asset Management Deutschland GmbH (to replace Invesco Advisers, Inc.). Invesco Asset Management Deutschland GmbH has a strong expertise on quantitative strategies.

### **Do any of the above amendments not suit your investment requirements?**

In addition to the ability to redeem free of charge as disclosed above, you may also avail of a switch out of the Invesco Energy Fund, provided such requests are received at any time prior to 08 April 2021, into another Fund in the SICAV (subject to minimum investment amounts as set out in the Prospectus and authorisation of the particular Fund for sale in your relevant jurisdiction). The switch will be carried out in accordance with the terms of the

Prospectus, but no switching fee will be imposed on any such switch. Before taking any decision to invest in another Fund, you must first refer to the Prospectus and the risks involved in relation to the same.

For the avoidance of doubt, in the case of redemption of "B" Shares, the Contingent Deferred Sales Charge ("CDSC") will, if applicable, be waived. Such waiver of CDSC applies to redemption of "B" Shares.

## F. Changes to the Invesco Pan European Structured Equity Fund

It is proposed to proceed with various changes to the Invesco Pan European Structured Equity Fund as of 08 April 2021 as further described below.

### F1. Change of the investment objective and policy

The Directors have decided to change the investment objective and policy of the Invesco Pan European Structured Equity Fund to a fund with an ESG-focus.

It is believed that the repositioning of the Invesco Pan European Structured Equity Fund will meet market standards in terms of ESG factors.

The investment objective and policy of the Invesco Pan European Structured Equity Fund will be amended as further described below:

<b>Current investment objective and policy and use of financial derivative instruments</b>	<b>New investment objective and policy and use of financial derivative instruments as of 08 April 2021</b>
<p>The objective of the Fund is to achieve long-term capital appreciation by investing at least two thirds of the NAV of the Fund in a diversified portfolio of equities of companies with their registered office in a European country or exercising their business activities predominantly in European countries which are listed on recognised European stock exchanges.</p> <p>The stock selection follows a highly structured and clearly defined investment process. Quantitative indicators that are available for each stock in the investment universe are analysed and used by the Investment Manager to evaluate the relative attractiveness of each stock. The portfolio is constructed using an optimisation process that takes into account the calculated expected returns of each stock as well as risk control parameters.</p> <p>Up to one third of the NAV of the Fund may be invested in aggregate in cash and cash equivalents, Money Market Instruments or equity and equity related instruments issued by companies or other entities not meeting the above requirement.</p> <p>The Fund may enter into financial derivative instruments for efficient portfolio management and hedging purposes only.</p>	<p>The Fund aims to achieve long-term capital growth.</p> <p>The Fund seeks to achieve its objective by investing primarily in a diversified portfolio of equities or equity-related securities of companies:</p> <ul style="list-style-type: none"> <li>- with their registered office in a European country or exercising their business activities predominantly in European countries which are listed on recognised European stock exchanges, and</li> <li>- which meet the Fund's environmental, social and governance (ESG) criteria with a particular focus on environmental issues.</li> </ul> <p>The stock selection follows a highly structured and clearly defined investment process. Quantitative indicators that are available for each stock in the investment universe are analysed and used by the Investment Manager to evaluate the relative attractiveness of each stock. The portfolio is constructed using an optimisation process that takes into account the calculated expected returns of each stock as well as risk control parameters.</p> <p>The Fund's ESG criteria will be based on a set of screening thresholds (as outlined below and more fully described in the Fund's ESG policy), determined by the Investment Manager from time to time, which will be reviewed and applied on an ongoing basis and</p>

	<p>integrated as part of the quantitative investment process for stock selection and portfolio construction.</p> <p>The Investment Manager will also use positive screening based on an integrated-best-in-class approach to identify issuers, which in the view of the Investment Manager meet sufficient practice and standards in terms of transition to a lower carbon economy for inclusion in the Fund’s universe, as measured by their ratings relative to their peers using a third party score (as more fully described in the Fund’s ESG policy).</p> <p>Screening will also be employed to exclude securities issued by issuers which derive or generate a pre-determined level of revenue or turnover from activities such as (but not limited to) fossil fuel industries, activities related to coal or nuclear power, extraction of tar sands and oil shale, fracking or arctic drilling activities, production of restricted chemicals, activities endangering biodiversity, activities generating pollution, manufacturing or sale of conventional weapons or production and distribution of tobacco. All issuers considered for investment will be screened for compliance with, and excluded if they do not meet, UN global compact principles. The current exclusion criteria may be updated from time to time.</p> <p>As a result of all of the above ESG criteria for screening, it is expected that the size of the investment universe of the Fund will be reduced by about 30% to 40% in terms of number of issuers.</p> <p>Up to 30% of the NAV of the Fund may be invested in aggregate in cash and cash equivalents, Money Market Instruments and other Transferable Securities, which will also meet the Fund’s ESG criteria.</p> <p>For more information on the Fund’s ESG policy, criteria and potential investments in sustainable activities, please refer to the Website of the Management Company.</p> <p>The Fund may enter into financial derivative instruments for efficient portfolio management and hedging purposes only.</p> <p>The financial derivative instruments used for purposes other than hedging will also meet the Fund’s ESG criteria.</p>
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As a result of the above changes, the “ESG Investment Risk” will be considered as a relevant risk to the Invesco Pan European Structured Equity Fund post-repositioning. The risk matrix disclosed in Section 8 (Risks Warnings) of the Prospectus will be updated accordingly as of 08 April 2021.

The costs associated with any rebalancing of the underlying investments of the portfolio are reasonably estimated at 10 bps. These costs will be borne by the Invesco Pan European Structured Equity Fund, as it is believed that the repositioning will provide investors with a fund with improved risk-adjusted profile, significantly improved pricing and higher opportunities to grow over the long term, thus benefitting from economies of scale.

Shareholders should note that while a significant portion of the rebalancing exercise will be completed on the effective date, due to the size of the Fund certain trades may take a number of Business Days to complete. The



entire exercise is expected to take up to 5 Business Days. As a result, the re-positioned Invesco Pan European Structured Equity Fund might not comply entirely with its new investment objective and policy up to 14 April 2021. While it is expected that the entire process can be completed within 5 Business Days, it is possible that certain unforeseen events, such as market liquidity may make this not possible, it is expected that any proportion not completed within 5 Business Days will be immaterial.

## **F2. Change of name of the Invesco Pan European Structured Equity Fund**

From 08 April 2021, please note that the Invesco Pan European Structured Equity Fund will be renamed the **Invesco Sustainable Pan European Structured Equity Fund** in order to reflect the updated investment objective and policy.

### **Do any of the above amendments not suit your investment requirements?**

In addition to the ability to redeem free of charge as disclosed above, you may also avail of a switch out of the Invesco Pan European Structured Equity Fund, provided such requests are received at any time prior to 08 April 2021, into another Fund in the SICAV (subject to minimum investment amounts as set out in the Prospectus and authorisation of the particular Fund for sale in your relevant jurisdiction). The switch will be carried out in accordance with the terms of the Prospectus, but no switching fee will be imposed on any such switch. Before taking any decision to invest in another Fund, you must first refer to the Prospectus and the risks involved in relation to the same.

For the avoidance of doubt, in the case of redemption of "B" Shares, the Contingent Deferred Sales Charge ("CDSC") will, if applicable, be waived. Such waiver of CDSC applies to redemption of "B" Shares.

## **G. Changes to Invesco Global Structured Equity Fund**

It is proposed to proceed with various changes to the Invesco Global Structured Equity Fund as of 08 April 2021 as further described below.

### **G1. Change of the investment objective and policy**

The Directors have decided to change the investment objective and policy of the Invesco Global Structured Equity Fund to a fund with an ESG-focus. In addition, as part of the repositioning, the strategy will be moved from a 100% USD portfolio hedging to an open currencies approach to be in line with the investment universe currency exposure.

It is believed that the repositioning of the Invesco Global Structured Equity Fund will meet market standards in terms of ESG factors.

The investment objective and policy of the Invesco Global Structured Equity Fund will be amended as further described below:

<b>Current investment objective and policy and use of financial derivative instruments</b>	<b>New investment objective and policy and use of financial derivative instruments as of 08 April 2021</b>
<p>The objective of the Fund is to achieve long-term capital growth by investing primarily in a diversified portfolio of equities or equity-related securities (excluding convertibles or bonds with warrants attached) of companies worldwide.</p> <p>In the selection of investments, the Investment Manager will follow a highly structured and clearly defined process. Quantitative indicators that are</p>	<p>The Fund aims to achieve long-term capital growth.</p> <p>The Fund seeks to achieve its objective by investing primarily in a diversified portfolio of equities or equity-related securities of companies worldwide which meet the Fund's environmental, social and governance (ESG) criteria with a particular focus on environmental issues.</p>

available for each stock in the investment universe are analysed and used by the Investment Manager to evaluate the relative attractiveness of each stock. The portfolio is constructed using an optimisation process that takes into account the calculated expected returns of each stock as well as risk control parameters.

Non base currency risk within the Fund may be hedged at the discretion of the Investment Manager. The Fund may also hold up to 30% of its NAV in cash and cash equivalents, Money Market Instruments or debt securities (including convertible bonds) of issuers worldwide denominated in any convertible currency.

The Fund may enter into financial derivative instruments for efficient portfolio management and hedging purposes only.

The stock selection follows a highly structured and clearly defined investment process. Quantitative indicators that are available for each stock in the investment universe are analysed and used by the Investment Manager to evaluate the relative attractiveness of each stock. The portfolio is constructed using an optimisation process that takes into account the calculated expected returns of each stock as well as risk control parameters.

The Fund's ESG criteria will be based on a set of screening thresholds (as outlined below and more fully described in the Fund's ESG policy) determined by the Investment Manager from time to time. These criteria will be reviewed and applied on an ongoing basis and integrated as part of the quantitative investment process for stock selection and portfolio construction.

The Investment Manager will also use positive screening based on an integrated-best-in-class approach to identify issuers, which in the view of the Investment Manager meet sufficient practice and standards in terms of transition to a lower carbon economy for inclusion in the Fund's universe, as measured by their ratings relative to their peers using a third party score (as more fully described in the Fund's ESG Policy).

Screening will also be employed to exclude securities issued by issuers which derive or generate a pre-determined level of revenue or turnover from activities such as (but not limited to) fossil fuel industries, activities related to coal or nuclear power, extraction of tar sands and oil shale, fracking or arctic drilling activities, production of restricted chemicals, activities endangering biodiversity, activities generating pollution, manufacturing or sale of conventional weapons or production and distribution of tobacco. All issuers considered for investment will be screened for compliance with, and excluded if they do not meet, UN global compact principles. The current exclusion criteria may be updated from time to time.

As a result of all of the above ESG criteria for screening, it is expected that the size of the investment universe of the Fund will be reduced by about 30% to 50% in terms of number of issuers.

Up to 30% of the NAV of the Fund may be invested in aggregate in cash and cash equivalents, Money Market Instruments and other Transferable Securities, which will also meet the Fund's ESG criteria.

For more information on the Fund's ESG policy, criteria and potential investments in sustainable activities, please refer to the Website of the Management Company.

The Fund may enter into financial derivative instruments for efficient portfolio management and hedging purposes only.

	The financial derivative instruments used for purposes other than hedging will also meet the Fund's ESG criteria.
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As a result of the above changes, the "ESG Investment Risk" and the "Currency Exchange Risk" will be considered as a relevant risk to the Invesco Global Structured Equity Fund post-repositioning. The risk matrix disclosed in Section 8 (Risks Warnings) of the Prospectus will be updated accordingly as of 08 April 2021.

The costs associated with any rebalancing of the underlying investments of the portfolio are reasonably estimated at 6 bps. These costs will be borne by the Invesco Global Structured Equity Fund, as it is believed that the repositioning will provide investors with a fund with improved risk-adjusted profile, significantly improved pricing and higher opportunities to grow over the long term, thus benefitting from economies of scale.

Shareholders should note that while a significant portion of the rebalancing exercise will be completed on the effective date, due to the size of the Fund certain trades may take a number of Business Days to complete. The entire exercise is expected to take up to 5 Business Days. As a result, the re-positioned Invesco Global Structured Equity Fund might not comply entirely with its new investment objective and policy up to 14 April 2021. While it is expected that the entire process can be completed within 5 Business Days, it is possible that certain unforeseen events, such as market liquidity may make this not possible, it is expected that any proportion not completed within 5 Business Days will be immaterial.

## **G2. Change of name of the Invesco Global Structured Equity Fund**

From 08 April 2021, please note that the Invesco Global Structured Equity Fund will be renamed the **Invesco Sustainable Global Structured Equity Fund** in order to reflect the updated investment objective and policy.

### **Do any of the above amendments not suit your investment requirements?**

In addition to the ability to redeem free of charge as disclosed above, you may also avail of a switch out of the Invesco Global Structured Equity Fund, provided such requests are received at any time prior to 08 April 2021, into another Fund in the SICAV (subject to minimum investment amounts as set out in the Prospectus and authorisation of the particular Fund for sale in your relevant jurisdiction). The switch will be carried out in accordance with the terms of the Prospectus, but no switching fee will be imposed on any such switch. Before taking any decision to invest in another Fund, you must first refer to the Prospectus and the risks involved in relation to the same.

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## **H. Change of the Benchmark to calculate the global exposure for Invesco Asian Investment Grade Bond Fund**

From 08 April 2021, the benchmark used to calculate the global exposure of the Invesco Asian Investment Grade Bond Fund will change from 80% JPM JACI Investment Grade Index and 20% Bloomberg Barclays China Treasury and Policy Bank Total return Index (CNY) to **85% JPM JACI Investment Grade Index and 15% Bloomberg Barclays China Treasury and Policy Bank Total Return Index (CNY)**. Based on the investment objective and policy of the Invesco Asian Investment Grade Bond Fund, it is believed that reducing the exposure to the China onshore bond portion of the index will provide a better indicator to calculate the global exposure of the Invesco Asian Investment Grade Bond Fund using the relative VaR methodology due to the fact that the maximum exposure to the Chinese onshore debt market is only 20%. The new benchmark will also be used as a comparator for marketing purposes.

This change will have no impact on how the Invesco Asian Investment Grade Bond Fund is being managed nor will it materially impact its risk profile.

## I. Change to Invesco Global Real Estate Securities Fund

It is proposed to proceed with various changes to the Invesco Global Real Estate Securities Fund as of 08 April 2021 as further described below.

### I1. Change of the investment objective and policy

The Directors have decided to reposition the Invesco Global Real Estate Securities Fund to a global real assets strategy with an ESG approach. The Invesco Global Real Estate Securities Fund will apply a defined ESG framework to guide its active investments in primarily listed real estate and infrastructure but may also on an ancillary basis include natural resources and timber companies worldwide.

It is believed that the repositioning of the Invesco Global Real Estate Securities Fund may provide for greater growth potential for the Invesco Global Real Estate Securities Fund and by association lower fees over the longer term.

The investment objective and policy of the Invesco Global Real Estate Securities Fund will be amended as further described below:

<b>Current investment objective and policy and use of financial derivative instruments</b>	<b>New investment objective and policy and use of financial derivative instruments as of 08 April 2021</b>
<p>The Fund aims to achieve long-term capital growth together with income.</p> <p>The Fund seeks to achieve its objective by investing primarily in a diversified portfolio of global equity (including Real Estate Investment Trusts ("REITs")), preference shares and debt securities, issued by companies and other entities which derive their revenues from activities related to real estate.</p> <p>The Fund's exposure to US REITs will be primarily to US commercial real estate.</p> <p>Debt securities will have an underlying exposure to, or will be secured by mortgages or similar instruments and will have a credit rating of investment grade or higher as rated by Standard &amp; Poor's (S&amp;P) or equivalent.</p> <p>Up to 30% of the NAV of the Fund may be invested in equity or debt securities, which do not meet the above requirements but are issued by companies and other entities which have a substantial exposure to the real estate market or government debt securities with a credit rating of AAA as rated by S&amp;P or equivalent.</p> <p>Less than 30% of the NAV of the Fund may be invested in debt securities and no more than 10% of the NAV of the Fund may be invested in debt securities which are unrated and/or whose credit rating is below investment grade.</p> <p>Up to 20% of the NAV of the Fund may be invested in cash equivalents and Money Market Instruments.</p>	<p>The Fund aims to achieve long-term capital growth.</p> <p>The Fund seeks to achieve its objective by investing primarily in equities of listed real estate (including Real Estate Investment Trusts ("REITs")) and infrastructure companies, which meet the Fund's environmental, social and governance (ESG) criteria as further detailed below.</p> <p>The Fund will utilise a fundamental, bottom-up approach and will invest in companies that, in the opinion of the Investment Manager, are backed by tangible assets with values derived from high barriers to supply and increasing replacement costs. The Fund's ESG criteria will be reviewed and applied on an ongoing basis by the Investment Manager. This approach will include the following aspects:</p> <ol style="list-style-type: none"> <li>1. Screening will be employed to exclude securities issued by issuers which derive or generate a pre-determined level of revenue or turnover from activities such as (but not limited to) fossil fuel industries, activities related to thermal coal mining, extraction of tar sands and oil shale, fracking or arctic drilling activities, manufacturing or sale of conventional weapons, production and distribution of tobacco, or involvement in controversies related to endangering biodiversity, the prevention of accidental pollution and waste management, water resources or community involvement. All issuers considered for investment will be screened for compliance with, and excluded if they do not meet, UN global compact</li> </ol>

<p>The Fund may enter into financial derivative instruments for efficient portfolio management and hedging purposes only.</p>	<p>principles. The current exclusion criteria may be updated from time to time.</p> <p>2. The Investment Manager will also use positive screening to identify higher rated issuers, based on the Investment Manager's proprietary rating that uses internal and third party data, which in the view of the Investment Manager meet sufficient practice and standards in terms of ESG and sustainable development for inclusion in the Fund's universe (as more fully described in the Fund's ESG policy).</p> <p>Listed real estate securities and listed infrastructure companies are intended to include, but are not limited to companies focused on renewables, transportation, telecommunications, energy, and water.</p> <p>Up to 30% of the NAV of the Fund can have an opportunistic allocation towards other real assets that meet the Fund's ESG criteria such as natural resources and timber as well as debt securities of issuers linked to real assets.</p> <p>The Fund's exposure to cash, cash equivalents and Money Market Instruments, which are held on an ancillary basis within the above 30%, may not be wholly aligned with the Fund's specific ESG screening criteria.</p> <p>As a result of all of the above ESG criteria for screening, it is expected that the size of the investment universe of the Fund will be reduced by about 50% in terms of number of issuers.</p> <p>For more information on the Fund's ESG policy, criteria and potential investments in sustainable activities, please refer to the Website of the Management Company.</p> <p>The Fund may enter into financial derivative instruments for efficient portfolio management and hedging purposes only. Such derivatives may not be fully aligned with the Fund's ESG screening criteria.</p>
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As a result of the above changes, the "ESG Investment Risk" will be considered as a relevant risk to the Invesco Global Real Estate Securities Fund post-repositioning. The risk matrix disclosed in Section 8 (Risks Warnings) of the Prospectus will be updated accordingly as of 08 April 2021.

The costs associated with any rebalancing of the underlying investments of the portfolio are reasonably estimated at 15 bps. These costs will be borne by the Invesco Global Real Estate Securities Fund, as it is believed that the repositioning will provide investors with a fund with improved risk-adjusted profile, significantly improved pricing and higher opportunities to grow over the long term, thus benefitting from economies of scale.

Shareholders should note that while a significant portion of the rebalancing exercise will be completed on the effective date, due to the size of the Fund certain trades may take a number of Business Days to complete. The entire exercise is expected to take up to 5 Business Days. As a result, the re-positioned Invesco Global Real Estate Securities Fund might not comply entirely with its new investment objective and policy up to 14 April 2021. While it is expected that the entire process can be completed within 5 Business Days, it is possible that certain unforeseen

events, such as market liquidity may make this not possible, it is expected that any proportion not completed within 5 Business Days will be immaterial.

## **I2. Change of name of the Invesco Global Real Estate Securities Fund**

From 08 April 2021, please note that the Invesco Global Real Estate Securities Fund will be renamed the **Invesco Responsible Global Real Assets Fund** in order to reflect the updated investment objective and policy.

## **I3. Change of the benchmark to calculate the global exposure**

From 08 April 2021, in light of the updated investment objective and strategy, the benchmark used to calculate the global exposure of the Invesco Global Real Estate Securities Fund using the relative VaR methodology will change from FTSE EPRA/NAREIT Developed Index to S&P Real Assets Equity Index.

### **Do any of the above amendments not suit your investment requirements?**

In addition to the ability to redeem free of charge as disclosed above, you may also avail of a switch out of the Invesco Global Real Estate Securities Fund, provided such requests are received at any time prior to 08 April 2021, into another Fund in the SICAV (subject to minimum investment amounts as set out in the Prospectus and authorisation of the particular Fund for sale in your relevant jurisdiction). The switch will be carried out in accordance with the terms of the Prospectus, but no switching fee will be imposed on any such switch. Before taking any decision to invest in another Fund, you must first refer to the Prospectus and the risks involved in relation to the same.

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## **J. Changes to the Invesco Japanese Equity Value Discovery Fund**

It is proposed to proceed with some changes to the disclosures of the Invesco Japanese Equity Value Discovery Fund as of 08 April 2021 as further described below

### **J1. Changes of the investment objective and policy**

The Directors have proposed to enhance the current investment objective and policy of the Invesco Japanese Equity Value Discovery Fund, in particular to provide greater clarity on the ESG investment approach and characteristics of the Invesco Japanese Value Discovery Fund.

As a result of the above clarifications, the "ESG Investment Risk" will be considered as a relevant risk to the Invesco Japanese Equity Value Discovery Fund. The risk matrix disclosed in Section 8 (Risks Warnings) of the Prospectus will be updated accordingly as of 08 April 2021.

The proposed clarifications will not result in any significant changes on the way the Invesco Japanese Equity Value Discovery Fund is being managed.

The updated investment objective and strategy is available on the Prospectus dated 10 March 2021.

### **J2. Change of name of the Invesco Japanese Equity Value Discovery Fund**

From 08 April 2021, please note that the Invesco Japanese Equity Value Discovery Fund will be renamed the **Invesco Responsible Japanese Equity Value Discovery Fund** in order to reflect the updated investment objective and policy.

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## **K. Change of name of Invesco Developing Markets SRI Equity Fund**

From 08 April 2021, please note that the Invesco Developing Markets SRI Equity Fund will be renamed the **Invesco Developing Markets Select Equity Fund** in order to reflect better its current investment objective and policy.

This change will have no impact on the way the Invesco Developing Markets SRI Equity Fund is being managed nor result in any material change to its risk profile.

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## **L. Change of the investment objective and policy and the relevant risks applicable of the Invesco Global Targeted Returns Fund, the Invesco Global Targeted Returns Select Fund, the Invesco Global Targeted Returns Plus Fund and the Invesco Global Unconstrained Bond Fund (the "Funds")**

From 8 April 2021, the investment objective and policy of the Funds will be enhanced in order to allow the Funds to access China onshore bonds in the CIBM via Bond Connect for less than 10% of their NAV.

As a result of the changes, Bond Connect risks will also be applicable to the Funds and highlighted in the risk matrix disclosed in Section 8 (Risks Warnings) of the Prospectus.

Otherwise, the changes will have no material impact on the way the Funds are managed nor on their risk profile.

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## **M. Inclusion of the use of total returns swaps for Invesco Belt and Road Debt Fund and Invesco Asian Flexible Bond Fund (the "Funds")**

From 08 April 2021, please note that the Funds will be allowed to use total returns swaps as it is believed that this will provide the investment team with additional tools to manage the portfolio. The expected proportion subject to total return swaps will be 10% of the Funds' NAV. Under normal circumstances, the maximum proportion of the NAV of the Funds subject to total return swaps will be 30%.

It is not anticipated that the above change will have any material impact on the risk profile of the Funds.

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

**For the list of Share classes available in each Fund, please refer to the Website of the Management Company (<http://invescomanagementcompany.lu>).**



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

The updated Prospectus, its Appendix A and the updated Key Investor Information Documents 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.) as of the Effective Date.

**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**

- Germany: Invesco Asset Management Deutschland GmbH at (+49) 69 29807 0,
- Austria: Invesco Asset Management Österreich- Zweigniederlassung der Invesco Asset Management Deutschland GmbH at (+43) 1 316 20-0,
- Ireland: Invesco Investment Management Limited at (+353) 1 439 8000,
- Hong Kong: Invesco Asset Management Asia Limited at (+852) 3191 8282,
- Spain: Invesco Management S.A. Sucursal en España at (+34) 91 781 3020,
- Belgium: Invesco Management S.A. (Luxembourg) Belgian Branch at (+32) 2 641 01 70,
- France: Invesco Management S.A., Succursale en France at (+33) 1 56 62 43 00,
- Italy: Invesco Management S.A. Succursale Italia, at (+39) 02 88074.1,
- Switzerland: Invesco Asset Management (Schweiz) AG at (+41) 44 287 9000,
- Netherlands: Invesco Management S.A. Dutch Branch at (+31) (0) 20 888 0216,
- Sweden: Invesco Management S.A (Luxembourg) Swedish Filial at (+46) 8 463 11 06,
- United Kingdom: Invesco Global Investment Funds Limited at (+44) 0 1491 417 000.

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## **O. 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 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.

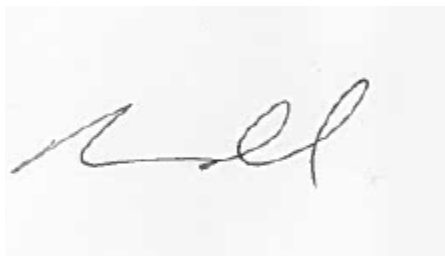
**For Shareholders in Italy:** Redemptions requests will be carried out in accordance with the terms of the Prospectus. Shareholders will be able to redeem without any redemption charges other than the intermediation fee applied by the relevant paying agents in Italy, as disclosed in the Annex to the Italian application form in force and available on the website [www.invesco.it](http://www.invesco.it).

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 black ink, appearing to be 'Nell', written on a light-colored background.

**By order of the Board of Directors**

Acknowledged by Invesco Management S.A.