
Invesco Funds

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Luxembourg

www.invesco.com

20 January 2025

Shareholder circular

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”), Appendix A and Appendix B (together the “Prospectus”).

About the information in this circular:

The directors of the SICAV (the “Directors”) and the management company of the SICAV (the “Management Company”) 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 (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.

Dear Shareholder,

We are writing to you as a Shareholder of the SICAV due to several amendments, as further described below, to be included in the Prospectus dated 20 January 2025 (the “Effective Date”). Unless otherwise stated below, the amendments will take effect on the Effective Date.

If any of the below mentioned amendments does 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 below proposed changes will be borne by the Management Company.

A. Updates included in light of the “ESMA Guidelines on funds’ names using ESG or sustainability-related terms”

From 24 March 2025, in light of the “ESMA guidelines on funds’ names using ESG or sustainability-related terms” (the “ESMA Guidelines”, the below Funds will be updated as follows:

A.1- Funds with an investment strategy supporting ESG-transition

The following Funds will be renamed to reflect better the transition nature of the investment strategy. In addition, the Funds will apply the exclusion criteria of the Climate Transition Benchmark (“CTB”) in line with the ESMA Guidelines:

Current name	New name as from 24 March 2025
Invesco Sustainable Eurozone Equity Fund	Invesco Transition Eurozone Equity Fund
Invesco Sustainable Global Income Fund	Invesco Transition Global Income Fund

Kindly note that, while the Invesco Net Zero Global Investment Grade Corporate Bond Fund will not be renamed as the term “Net Zero” already implies a transition strategy, the Invesco Net Zero Global Investment Grade Corporate Bond Fund will also apply the exclusions criteria of the CTB.

It is expected that the portfolio rebalancing required to align with the exclusions criteria of the CTB will be limited, and any associated costs will be immaterial.

A.2- Changes of the ESG features for the Invesco Responsible Global Real Asset Fund, the Invesco Sustainable Global High Income Fund and the Invesco Sustainable Multi-Sector Credit Fund (the “Relevant Funds”)

The ESG framework of the Relevant Funds has been reviewed in light of the ESMA Guidelines and the Directors decided to change the ESG framework of the Relevant Funds and rename them as follows:

Current name	New name as from 24 March 2025
Invesco Responsible Global Real Assets Fund	Invesco Global Real Assets Fund
Invesco Sustainable Global High Income Fund	Invesco Global High Yield Fund
Invesco Sustainable Multi-Sector Credit Fund	Invesco Multi-Sector Credit Fund

From 24 March 2025, the Relevant Funds will follow an ESG-based exclusions only framework based on the following factors, which may be updated from time to time:

- Level of involvement in coal extraction and production;
- Level of involvement in unconventional oil and gas such as arctic oil and gas exploration extraction, oil sands extraction and shale energy extraction;
- Level of involvement in tobacco production and tobacco related products;
- Level of involvement with the production of recreational cannabis.
- Companies involved in the manufacture or sales of nuclear weapons or components of nuclear weapons to countries that have not signed the Nuclear Non-Proliferation Treaty. In addition, companies will be excluded if they are assessed as being in violation of any of the UN Global Compact’s principles.



- For the renamed Invesco Multi-Sector Credit Fund and the Invesco Global High Yield Fund: Sovereign issuers rated E (on a scale of A-E) by the investment managers qualitative assessment.

The current ESG characteristics will not be retained. For the avoidance of doubt, there will no longer be a commitment to invest a minimum percentage of the NAV in “sustainable investments” under the meaning of SFDR.

The pre-contractual disclosures in Appendix B of the Prospectus and the sustainability-related disclosures document of the Funds will be updated accordingly.

The sustainability-related disclosures are available on www.invesco.eu. Please select your country and your investor type, you will then be able to access the Funds’ product pages or the literature section on legal document sites where the sustainability-related disclosures document will be available, including the summary of the environmental and/or social characteristics or the sustainable investment objective that the Funds promote in your local language.

While the changes outlined above will enhance the investment universe available to the Investment Manager, it is not expected that the changes will result in material changes to the construct of the Funds immediately following the change and the Investment Manager will rather adapt the portfolio over time as opportunities arise. It is expected that the rebalancing costs will be immaterial.

In addition to the ability to redeem free of charge as disclosed above, you may also avail of a switch out of the Relevant Funds, provided such requests are received at any time prior to 24 March 2025, 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.

A.3- Other minor updates to the Invesco Sustainable China Bond Fund and the Invesco Environmental Climate Opportunities Bond Fund to comply with the ESMA Guidelines

Effective from 24 March 2025, The Invesco Sustainable China Bond Fund and the Invesco Environmental Climate Opportunities Bond Fund will comply with the ESMA Guidelines in order to retain their current sustainable-related names.

As such, the Invesco Sustainable China Bond Fund will increase its asset allocation to 80% minimum aligned with its environmental and social characteristics with a minimum of 50% of sustainable investments.

The Environmental Climate Opportunities Bond Fund will also increase its asset allocation to 80% minimum aligned with its environmental and social characteristics.

Both the Invesco Sustainable China Bond Fund and Invesco Environmental Climate Opportunities Bond Fund will apply the exclusion criteria of the Paris-Aligned Benchmark (“PAB”) in line with the ESMA Guidelines.

The pre-contractual disclosures in Appendix B of the Prospectus and the sustainability-related disclosures document of the Invesco Sustainable China Bond Fund and the Invesco Environmental Climate Opportunities Bond Fund will be updated accordingly.

The sustainability-related disclosures are available on www.invesco.eu. Please select your country and your investor type, you will then be able to access the Funds’ product pages or the literature section on legal document sites where the sustainability-related disclosures document will be available, including the summary of the environmental and/or social characteristics or the sustainable investment objective that the Funds promote in your local language.

It is not expected that the above updates will result in material changes in the way the Invesco Sustainable China Bond Fund and Invesco Environmental Climate Opportunities Bond Fund are being managed.

B. Funds with a quantitative strategy: change of ESG data provider and change of names

As a reaction to Moody’s corporate decision to close their ESG data service, the following Funds will transition to MSCI’s data with regards to ESG. The change of data provider is not intended to have any impact on the implementation of the strategy of the sub-funds, however, there could be an increased turnover in the month in which the change is made, which could result in higher transaction fees. This is driven by the fact that different data providers

may have different views on specific issuers. However, the costs associated with the transition is expected to be immaterial and will be borne by the respective sub-fund.

- Invesco Sustainable Allocation Fund,
- Invesco Sustainable Pan European Structured Equity Fund,
- Invesco Sustainable Global Structured Equity Fund,
- Invesco Energy Transition Fund,
- Invesco Social Progress Fund.

The above Funds will also apply the exclusion criteria of the Paris-Aligned Benchmark (“PAB”) in line with the ESMA Guidelines.

Finally, the following Funds will be renamed as follows to reflect better the current investment strategy that they pursue and/or better describe their investment processes:

Current name	New name as from 24 March 2025
Invesco Sustainable Global Structured Equity Fund	Invesco Sustainable Global Systematic Equity Fund
Invesco Sustainable Pan European Structured Equity Fund	Invesco Sustainable Pan European Systematic Equity Fund
Invesco Energy Transition Fund	Invesco Energy Transition Enablement Fund

All the above changes will be effective on 24 March 2025.

The Investment Manager conducts a monthly rebalancing process of the funds under its portfolio management, staggering the rebalancing of the different Funds throughout the month. This approach ensures liquidity is maintained and avoid trading all portfolios on a single day. As a result, it is possible that the above Funds are not fully aligned with the compliance requirements of MSCI for up to 30 days from the effective date. Any positions not in compliance after 30 days are likely to be as a result of a liquidity issue or other corporate action and will be resolved as soon as practicable.

The pre-contractual disclosures in Appendix B of the Prospectus and the sustainability-related disclosures document of the Funds will be updated accordingly, where relevant.

The sustainability-related disclosures are available on www.invesco.eu. Please select your country and your investor type, you will then be able to access the Funds’ product pages or the literature section on legal document sites where the sustainability-related disclosures document will be available, including the summary of the environmental and/or social characteristics or the sustainable investment objective that the Funds promote in your local language.

C. Update of the Investment strategy of the Invesco Asian Flexible Bond Fund and change of benchmark used for performance comparison purposes

From 3 March 2025, the investment strategy of the Invesco Asian Flexible Bond Fund will be updated to remove the reference to the unconstrained nature of the investment strategy as this is no longer aligned with how the Investment Manager intends to manage the Invesco Asian Flexible Bond Fund. It should be noted that the Invesco Asian Flexible Bond Fund will not invest more than 40% if its NAV in high yield debt securities and unrated securities.

In addition, the benchmark used for comparison purposes will be changed from: 50% JP Morgan Asia Credit Investment Grade Index (Total Return) + 50% JP Morgan Asia Credit Non-Investment Grade Index (Total Return) to **JP Morgan Asia Credit Index (Total Return)**. The new benchmark will be more reflective of the investment universe of the Invesco Asian Flexible Bond Fund.

These updates will have no impact on the risk profile of the Invesco Asian Flexible Bond Fund.

D. Change of name for the Invesco Global Total Return (EUR) Bond Fund

From 24 March 2025, the Invesco Global Total Return (EUR) Bond Fund will be renamed **the Invesco Global Total Return Bond Fund** as there is no longer a commercial need to include the base currency in the fund's name.

This name change will have no impact on the investment strategy or investment process of the Invesco Global Total Return (EUR) Bond Fund.

E. Change of benchmark used to calculate the global exposure and for comparison purposes of the Invesco Net Zero Global Investment Grade Corporate Bond Fund and the Invesco Developed Small and Mid-Cap Equity Fund

From 3 March 2025, the benchmark used for comparison purposes and to calculate the global exposure of the Invesco Net Zero Global Investment Grade Bond Fund and the Invesco Developed Small and Mid-Cap Equity Fund will be amended as follows:

Sub-fund	Current benchmark	New benchmark
Invesco Net Zero Global Investment Grade Corporate Bond Fund	Bloomberg Global Aggregate Corporate Index USD Hedged (Total Return)	ICE Global Corporate Climate Transition Absolute Emissions Index USD Hedged (Total Return)
Invesco Developed Small and Mid-Cap Equity Fund	MSCI World Small Cap Index (Net Total Return)	MSCI World SMID Cap Index (Net Total Return)

The proposed new benchmark for Invesco Net Zero Global Investment Grade Corporate Bond Fund will help evidencing better the clean and measurable path to the net zero transition by using a climate-transition benchmark.

The proposed new benchmark for the Invesco Developed Small and Mid-Cap Equity Fund will better align with its core investment universe.

The above change has no impact on the investment process of the Invesco Net Zero Global Investment Grade Corporate Bond Fund and the Invesco Developed Small and Mid-Cap Equity Fund, nor on their risk profile.

While the change to the Invesco Developed Small and Mid-Cap Equity Fund is not expected to change the risk profile, it is recognised that the current investment strategy has more of a bias to small cap names. It is expected that the Investment Manager may undertake immaterial portfolio re-positioning to mid-cap names from small cap immediately post the change with additional portfolio re-positioning occurring over time to create a more blended investment strategy between small and mid-cap names. The associated costs to such re-positioning will be borne by the Invesco Developed Small and Mid-Cap Equity Fund.

F. Change of the pre-contractual disclosures of the Invesco India Equity Fund (Appendix B of the Prospectus)

From 20 February 2025, the exclusion on military (exclusion on companies which derive >10% revenue from military contracting overall) will be removed from the environmental and social characteristics of the Invesco India Equity Fund as this exclusion is limiting the investment opportunities in the military self-defence sector, which the Investment Manager and Directors believe is limiting the Fund's ability to generate alpha.

The pre-contractual disclosures in Appendix B of the Prospectus and the sustainability-related disclosures document of the Invesco India Equity Fund will be updated accordingly.

The sustainability-related disclosures are available on www.invesco.eu. Please select your country and your investor type, you will then be able to access the Funds' product pages or the literature section on legal document sites where the sustainability-related disclosures document will be available, including the summary of the environmental and/or social characteristics that the Invesco India Equity Fund promotes in your local language.

G. Addition of Invesco Asset Management Singapore Ltd as Investment Sub-Manager for the Invesco Asian Equity Fund

From 28 February 2025, Invesco Asset Management Singapore Ltd. will be appointed as Investment Sub-Manager of the Invesco Asian Equity Fund.

This appointment is meant to facilitate the implementation of the investment process, where team members of the wider Investment Manager are located and will facilitate the ability of the team to recognise such members as named portfolio managers of the Fund.

There will be no change to the way the Invesco Asian Equity Fund is being managed.

H. Miscellaneous

The Prospectus will be updated with effect from the Effective Date to reflect other general and miscellaneous updates, which include (but are not limited to) the following:

- The Invesco Sterling Bond Fund and the Invesco Metaverse and AI Fund have been authorised in Hong Kong. As such, the Securities and Futures Commission (the "SFC") has requested several clarifications of the investment objective and policy of such sub-funds, which are being reflected in this Prospectus update.
- An update to the "Integration of Sustainability Risks" (Section 7.7 "ESG Risk Integration Process) has been included to reflect better the process applied, where relevant.
- The following sentence has been removed from the Invesco China New Perspective Equity Fund and Invesco Greater China Equity Fund: "*The fund will not invest in units of UCITS and/or other UCIs (including Exchange Traded Funds), with the exception of possible investment in money market funds for liquidity management purposes which will not exceed 10% of the NAV of the Fund.*". This limit was originally added to fulfill some requirements for marketing authorisation in Mexico, however it has been decided to not pursue such authorisation. Further, the investment strategy in relation to Invesco China New Perspective Equity Fund has been updated to reflect the merger of the Small and Medium Enterprise Board into the Main Board of the Shenzhen Stock Exchange."
- For the Invesco Pan European High Income Fund: from 20 February 2025, it will be clarified that the level of leverage measured using the commitment approach will not exceed 40% of the NAV of the Invesco Pan European High Income Fund in order to fulfil some regulatory requirements with the SFC in Hong Kong (Appendix A of the Prospectus (Methods used to calculate the Global exposure of the Funds and expected level of leverage of the Funds).
- For the Invesco Euro Corporate Bond Fund, it has been clarified that "*While it is not the intention of the Investment Manager to invest in equity securities, it is possible that such securities may be held as a result of a corporate action or other conversions.*"

I. 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 Appendix B and the Key Information Documents are available free of charge at the registered office of the SICAV. These are also available from the Website of the Management Company of the SICAV (Invesco Management S.A.).

If you have any queries on 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.

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 81,
- France: Invesco Management S.A., Succursale en France at (+33) 1 56 62 43 77,
- 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) 208 00 61 82,
- Sweden: Invesco Management S.A (Luxembourg) Swedish Filial at (+46) 850541376,
- United Kingdom: Invesco Asset Management Limited at (+44) 0 1491 417 000.

For direct clients please contact the Investor Services Team, Dublin on (+353) 1 4398100 (option 2).

J. 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 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 the Swiss paying agent is BNP PARIBAS, Paris, Zurich Branch, Selnaustrasse 16, 8002 Zurich

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.

For Shareholders in United Kingdom (UK): The Key Investor Information Documents (KIIDs) are available on the local UK website in accordance with the UK requirements.

A copy of this letter is available in various languages. For further information, please contact the Investor Services Team, 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,

By order of the Board of Directors

Acknowledged by Invesco Management S.A