
Invesco Funds

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Luxembourg

www.invesco.com

2nd September 2024

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”) 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 (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 Invesco Belt and Road Debt Fund (the “Fund”) in relation to some changes included in the Addendum to be dated 14 October 2024 to the Prospectus dated 15 July 2024 (the “Effective Date”).

If any of the below mentioned updates do not suit your investment requirements, you are advised that you may, at any time redeem your shares in the Fund without any redemption charges. Redemptions will be carried out in accordance with the terms of the Prospectus. In addition to the ability to redeem free of charge as disclosed above, you may also avail of a switch out provided such requests are received at any time prior to 14 October 2024, 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. Change of the Investment objective and policy and change of name of the Invesco Belt and Road Debt Fund (the “Fund”)

From the Effective Date, the Directors propose to expand the current Investment policy of the Fund as follows:

Current investment objective and policy and use of financial derivative instruments	New investment objective and policy and use of financial derivative instruments as of 14 October 2024
<p>The Fund aims to achieve long-term total returns, integrating a thematic approach.</p> <p>The Fund focuses on the “Belt and Road Initiative” which aims to better connect China, Asia, Europe and Africa and their adjacent seas (the “Belt and Road Region”), through the development of the Silk Road Economic Belt and 21st-Century Maritime Silk Road for closer economic co-operation.</p> <p>The Fund seeks to achieve its objective by investing primarily in debt of emerging market issuers (including debt issued by emerging market sovereigns) and non-government debt of developed market issuers, which in the view of the Investment Manager could directly or indirectly benefit from the Belt and Road Initiative.</p> <p>Debt securities will include but are not limited to debt issued by government, local public authorities, quasi-sovereigns, supranational bodies, public international bodies and corporations. The Fund will allocate to investment grade, non-investment grade and/or unrated debt securities.</p> <p>The Investment Manager will review each investment on its own merits and how it is aligned with and expected to benefit from China’s Belt and Road initiative. The Investment Manager will assess how the countries and companies exposed to the Belt and Road Region with their respective economies, resources and businesses will cooperate and mutually complement each other in different areas or sectors.</p>	<p>The Fund aims to achieve long-term total returns through exposure to issuers expected to benefit from increases in global connectivity, regional partnerships and / or domestic growth in the Asian, European and African regions.</p> <p>The Fund seeks to achieve its objective by investing primarily in debt of emerging market issuers (including debt issued by emerging market sovereigns) and non-government debt of developed market issuers, which, in the view of the Investment Manager, could directly or indirectly benefit from governmental strategic initiatives aiming to promote global connectivity, regional partnerships and / or domestic growth in the Asian, European and African regions.</p> <p>Debt securities will include but are not limited to debt issued by government, local public authorities, quasi-sovereigns, supranational bodies, public international bodies and corporations. The Fund will allocate to investment grade, non-investment grade and/or unrated debt securities.</p> <p>The Investment Manager will review each investment on its own merits and how it is aligned with, and expected to benefit from increases in global connectivity, regional partnerships and / or domestic growth in the aforementioned regions. The Investment Manager will assess how issuers and their respective economies, resources and businesses will cooperate and mutually complement each other in different areas or sectors.</p> <p>Up to 30% of the NAV of the Fund may be invested in Money Market Instruments, equity or other Transferable Securities not meeting the above requirements.</p>

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Equities and equity related instruments may be held up to a maximum of 10% of the NAV of the Fund.

The Fund will not invest in contingent convertibles. Up to 20% of the NAV may be exposed to local emerging market currencies.

The Fund may access China onshore bonds in the CIBM via Bond Connect for less than 20% of its NAV.

The Fund may invest up to 10% of its NAV in securities which are either in default or deemed to be at high risk of default as determined by the SICAV ("Distressed Securities").

The Fund's use of derivatives may include but is not limited to derivatives on credit, rates, equities and currencies and can be used to achieve both long and short positions. Such derivatives may include (but are not limited to) credit default swaps, total return swaps, interest rate swaps, currency forwards, futures and options.

For the purposes of the Fund, emerging markets is also intended to include Hong Kong and Singapore, in addition to the definition provided in Appendix A under "General information in relation to the Funds".

For more information on the Fund's ESG criteria, please refer to Appendix B of the Prospectus where the Fund's pre-contractual information pursuant to Article 8 of SFDR is available.

The Belt and Road Initiative

According to the Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road jointly issued by the National Development and Reform Commission, Ministry of Foreign Affairs, and Ministry of Commerce of the PRC government, the Belt and Road Initiative is a systematic initiative and significant development strategy launched by the Chinese government to promote the land and sea connectivity along Asia, Europe, Middle-East, and Africa and their adjacent seas (i.e. the Belt and Road Region) to establish and strengthen economic partnerships and cooperation along these regions for win-win cooperation that promotes common development and prosperity. The Belt and Road Region runs through the continents of Asia, Europe and Africa connecting the vibrant East Asia economic circle at one end and developed European economic circle at the other, and encompassing countries with huge potential for economic development. The Silk Road Economic Belt focuses on bringing together China, Central Asia, Russia and Europe (the Baltic); linking

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The Fund may invest up to 20% of its NAV in contingent convertibles.

Up to 20% of the NAV of the Fund may be exposed to local emerging market currencies.

The Fund's exposure to non-investment grade debt will not exceed 60% of its NAV.

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For the purposes of the Fund, emerging markets is also intended to include Hong Kong and Singapore, in addition to the definition provided in Appendix A under "General information in relation to the Funds".

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China with the Persian Gulf and the Mediterranean Sea through Central Asia and West Asia; and connecting China with Southeast Asia, South Asia and the Indian Ocean.

The 21st-Century Maritime Silk Road is designed to go from China's coast to Europe through the South China Sea and the Indian Ocean in one route, and from China's coast through the South China Sea to the South Pacific in the other. The Belt and Road Initiative is an economic vision of the opening up of and cooperation among the countries along the Belt and Road Region. Countries along the Belt and Road Region have their own resource advantages with economies that are mutually complementary creating great potential and ample space for cooperation. Areas of cooperation as promoted by the Belt and Road Initiative include but are not limited to:

- Improving connectivity in infrastructure construction plans, technical standard systems in areas such as transportation, energy, communications, and information exchanges;
- Promoting investment and trade facilitation by removing the physical and policy barriers, enhancing customs cooperation, and by making innovations in forms of trade, and developing cross-border e-commerce and other modern business models;
- Deepening cooperation in agriculture, forestry, animal husbandry and fisheries, agricultural machinery manufacturing and farm produce processing, and promote cooperation in marine-product farming, deep-sea fishing, aquatic product processing, seawater desalination, marine biopharmacy, ocean engineering technology, environmental protection industries, marine tourism and other fields;
- Promoting ecological progress in the exploration, development and processing of resources, conventional energy sources, clean and renewable energy sources so as to create an integrated industrial chain of energy and resource cooperation;
- Promoting cooperation in emerging industries, establish R&D, production and marketing systems; and improve industrial supporting capacity and the overall competitiveness of regional industries; and
- Deepening financial cooperation, and make more efforts in building a currency stability system, investment and financing system and credit information system in Asia.

The Fund may enter into financial derivative instruments for efficient portfolio management, hedging purposes and for investment purposes (please refer to the "Investment Policy" above for further details on the use of derivatives for investment purposes).

The expected proportion of the NAV of the Fund subject to total return swaps is 0%. Under normal circumstances, the maximum proportion of the NAV of the Fund subject to total return swaps is 30%.



It is believed that the changes proposed above will better allow the Fund to take advantage of additional investment opportunities created by changes in the market environment. From the inception of the Fund, China, through its Belt and Road Initiative, was a key driver for overall emerging market growth through extensive capital/trade flows, investments, and construction projects whereas in more recent times, while the Belt and Road initiative remains important, emerging market growth is now driven more by country/regional specific initiatives, regional block partnerships and emerging market / developed market cooperation.

The costs associated with any rebalancing of the underlying investments of the portfolio are reasonably estimated at 6 basis points (“bps”). These costs will be borne by the Fund, as it is believed that the updated investment policy will result in opportunities to improve investment returns and will enhance the opportunity to grow assets under management and thus benefit from economies of scale and, by association, lower costs.

Shareholders should note that while the rebalancing exercise will commence on 30 September 2024, certain trades may take a number of Business Days to complete. The entire exercise is expected to be completed by the Effective Dates. While it is expected that the entire process can be completed within 5 Business Days, it is possible that certain unforeseen events, such as a lack of market liquidity may impact the said timeline, however it is expected that any proportion not completed within 5 Business Days will be immaterial.

It should be noted that as from 26 August 2024, the Fund was temporarily closed to new investors in light of the fact that the Fund was intended to be repositioned. However, existing Shareholders have been and will be able to continue to subscribe, redeem or switch out from the share class of the Fund they are in, in accordance with the provisions disclosed in the Prospectus. The Fund will re-open to new investors from the Effective Date.

As a result of the above changes, the “Contingent convertible bond Risk” will be considered as a relevant risk to the Fund post-repositioning. The risk matrix disclosed in Section 8 (Risks Warnings) of the Prospectus will be updated accordingly.

To align better with the above changes, the Invesco Belt and Road Debt Fund will change its name to **the Invesco Developing Initiatives Bond Fund** on the Effective Date.

Finally, the “Profile of Typical investor” will be updated to reflect the updated policy and will read as follows (underlined text will be added and strikethrough text will be removed):

“The Fund will appeal to investors who are seeking a return over the medium and long term via exposure to a portfolio of debt securities of emerging market and developed issuers, which are expected to benefit ~~from the “Belt and Road Initiative”~~ from increases in global connectivity, regional partnerships and / or domestic growth in the Asian, European and African regions and are willing to accept moderate volatility. Due to the exposure of the Fund to emerging markets, high yield debt securities as well as financial derivative instruments the volatility can at times be magnified.”

B. Availability of documents and additional information

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

Do you require additional information?

The Addendum to the Prospectus, the Prospectus and its Appendix A and Appendix B, as well as 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 Global Investment Funds Limited at (+44) 0 1491 417 000.

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

C. 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,

Peter Carroll



By order of the Board of Directors

Acknowledged by Invesco Management S.A.