



Invesco Funds**SICAV**

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12 December 2017

Shareholder circular: Invesco Pan European High Income Fund & Invesco Euro Corporate Bond Fund

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 the SICAV and Appendix A (together the "Prospectus").

You have transferred all of your Shares in Invesco Pan European High Income Fund and/or Invesco Euro Corporate Bond Fund, both sub-funds of Invesco Funds?

- For Shareholders in Italy: Please be aware that you do not have to take any action if you have transferred all of your Shares.
- For all other markets: Please pass this circular to the transferee or to the stockbroker, bank or other agent through whom the transfer was effected for transmission to the transferee as soon as possible.

About the information in this circular:

The directors of Invesco Funds (the "Directors") and the Management Company are the persons responsible for the information contained in this letter. To the best of the knowledge and belief of the Directors and the Management Company (having taken all reasonable care to ensure that such is the case), the information contained in this letter is, at the date hereof, in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors and the Management Company accept responsibility accordingly.

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

Directors: Peter Carroll (Irish), Douglas
Sharp (Canadian), Timothy Caverly
(American), Graeme Proudfoot (British) and
Bernhard Langer (German)

Incorporated in Luxembourg No B-34457
VAT No. LU21722969

12 December 2017

Dear Shareholder,

We are writing to you as a Shareholder of the Invesco Pan European High Income Fund and/or Invesco Euro Corporate Bond Fund (together the "Funds") in relation to some updates to Appendix A of the prospectus of the SICAV.

We would like to inform you that the Investment Objective and Policy of both Funds will be amended, as from 8 March 2018 (the "Effective Date"). It is proposed to allow the Funds to use derivatives for investment purposes and to make slight adjustments to their Investment Objective and Policy to allow for greater flexibility in the implementation of the investment strategies. It is also intended to align the language and format with the other existing sub-funds of the SICAV.

A. Terms of amendments

Invesco Pan European High Income Fund (the "Pan European High Income Fund")

As from the Effective Date, the Investment Objective and Policy of the Pan European High Income Fund will be amended.

It will be clarified that the Pan European High Income Fund aims to achieve a high level of income together with long-term capital growth by investing primarily in European debt and equity securities.

The definition of European securities will be changed to include securities issued by European governments and any debt denominated in a European currency. Therefore, the Pan European High Income Fund will be able to invest in government debt securities as part of the 70% primary allocation.

In addition, from the Effective Date, the requirement for the Pan European High Income Fund to invest more than 50% of its NAV in European debt securities will be amended to at least 50% of its NAV in debt securities (i.e. European or non-European). For the avoidance of doubt, the Pan European High Income Fund will continue to invest at least 70% of its NAV in European securities (debt and equity securities).

In addition, in order to provide greater flexibility in the implementation of the investment strategy, it is proposed to extend the use of derivatives and allow the Pan European High Income Fund to use derivatives for investment purposes. To this end, the Sections "Use of financial derivative instruments" and "Expected level of leverage" in the Appendix A of the prospectus will be changed as follows from the Effective Date:

"Use of financial derivative instruments

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%.

Expected level of leverage

The level of leverage under normal market circumstances is expected to amount to 60% of the NAV of the Fund. Such level might be exceeded or might be subject to change in the future"

In addition, the risk table in Section 8 of the prospectus will be updated accordingly (the risk related to "investing in financial derivative instruments for investment purposes" will apply from the Effective Date).



The above changes are not intended to materially impact the way the Pan European High Income Fund is being managed or its risk profile. Any cost and/or expenses incurred in connection with the above changes will be borne by the Management Company.

Invesco Euro Corporate Bond Fund (“the Euro Corporate Bond Fund”)

As from the Effective Date, the Investment Objective and Policy of the Euro Corporate Bond Fund will be amended. The proposed changes will allow the Euro Corporate Bond Fund to remain a strategy with a focus on investment grade, but also providing flexibility in the Euro Corporate Bond Fund’s ability to retain cash and access other opportunities.

For consistency with other sub-funds of the SICAV, two previous references will be replaced:

- “Two thirds” will be replaced by “primarily” (defined as 70% of the NAV of the Euro Corporate Bond Fund).
- Up to “one third” will be replaced by “30%”.

We have taken the opportunity to simplify the messaging and change the primary investment universe to debt securities denominated in Euro issued by corporate issuers.

We have also removed reference to the fact that the Euro Corporate Bond Fund will invest primarily in investment grade debt. However, to ensure that the focus remains within the investment grade sector, the Euro Corporate Bond Fund will continue to be restricted from investing no more than 30% of its NAV in non-investment grade debt.

In addition, in order to provide greater flexibility in the implementation of the investment strategy, it is proposed to extend the use of derivatives and allow the Euro Corporate Bond Fund to use financial derivative instruments for investment purposes. To this end, the Section “Use of “financial derivatives instruments” in the Appendix A of the prospectus will be changed as follows from the Effective Date:

“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%.”

In addition, the risk table in Section 8 of the prospectus will be updated accordingly (the risks related to “investing in financial derivative instruments for investment purposes” and “volatility risk” will apply from the Effective Date).

The above changes are not intended to materially impact the way the Euro Corporate Bond Fund is being managed or its risk profile. Any cost and/or expenses incurred in connection with the above changes will be borne by the Management Company.

Do any of the above mentioned amendments to the Funds not suit your investment requirements? In this case, you may at any time prior to the Effective Date:

- Redeem your Shares in the Funds without any redemption charges. Redemptions will be carried out in accordance with the terms of the prospectus of the SICAV.
- Avail of a free switch out of the relevant Share class into another sub-fund in the Invesco Cross-Border Product Range of funds domiciled in Ireland and Luxembourg. Please be aware that this is subject to the minimum investment amounts and eligibility requirements set out in the relevant fund prospectus and authorisation of the particular fund for sale in your jurisdiction.

B. Availability of documents and additional information

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.): <http://www.invescomanagementcompany.lu>.

Do you have any queries in relation to the above? Or would like information on other products in the Invesco range of funds that are authorised for sale in your jurisdiction? Please contact your local Invesco office.

You may contact

- Invesco Asset Management Deutschland GmbH at (+49) 69 29807 0,
- Invesco Asset Management Österreich- Zweigniederlassung der Invesco Asset Management Deutschland GmbH at (+43) 1 316 2000,
- Invesco Global Asset Management DAC at (+353) 1 439 8000,
- Invesco Asset Management Asia Limited at (+852) 3191 8282,
- Invesco Asset Management S.A. Sucursal en España at (+34) 91 781 3020,
- Invesco International Limited Jersey at +44 1534 607600,
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- Invesco Asset Management S.A. Sede Secundaria,
- Invesco Asset Management (Schweiz) AG at (+41) 44 287 9000,
- Invesco Asset Management SA Dutch Branch at (+31) 205 61 62 61,
- Invesco Asset Management S.A (France) Swedish Filial at (+46) 8 463 11 06
- or Invesco Global Investment Funds Limited at (+44) 0 1491 417 000.

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 the UK:** For the purpose of the United Kingdom Financial Services and Markets Act, 2000 (the "FSMA"), this letter has been issued by Invesco Global Investment Funds Limited which is authorised and regulated by the Financial Conduct Authority, on behalf of Invesco Global Asset Management DAC, the Global Distributor of the SICAV. For the purposes of United Kingdom law, the SICAV is a recognised scheme under section 264 of the FSMA. All or most of the protections provided by the United Kingdom regulatory system, for the protection of private clients, do not apply to offshore funds, compensation under the United Kingdom's Financial Services Compensation Scheme will not be available and United Kingdom cancellation rights do not apply.
- **For Shareholders in Germany:** If you are acting as a distributor for German clients, please be advised you are 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.



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 purple ink, appearing to be "A. D.", is written over a faint, light purple circular watermark.

By order of the Board of Directors

Acknowledged by Invesco Management S.A.