



Invesco Funds**SICAV**

2-4 rue Eugene Ruppert

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Luxembourg

www.invesco.com

10 January 2020

Shareholder circular: Invesco Emerging Markets Local Debt Fund

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.

Proposed Merger of
Invesco Emerging Local Currencies Debt Fund (a sub-fund of Invesco Funds)
into Invesco Emerging Markets Local Debt Fund (a sub-fund of Invesco Funds)

About the information in this circular:

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

Unless otherwise defined in this circular, capitalised terms shall bear the same meaning as those used in the prospectus for Invesco Funds (the "Prospectus").

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

Directors: Peter Carroll (Irish), Anne Marie
King (Irish), Timothy Caverly (American),
Rene Marston (British) and
Bernhard Langer (German)

Incorporated in Luxembourg No B-34457
VAT No. LU21722969

Dear Shareholder,

We are writing to you as a Shareholder in Invesco Emerging Markets Local Debt Fund (the "Receiving Fund"), a sub-fund of Invesco Funds (hereinafter referred to as "Invesco Funds" or the "SICAV").

In this circular, you will find explanations about our proposal to merge:

- Invesco Emerging Local Currencies Debt Fund (the "Merging Fund"),
- into Invesco Emerging Markets Local Debt Fund (the "Receiving Fund"),

both sub-funds of the SICAV are authorised by the Commission de Surveillance du Secteur Financier (the "CSSF").

The effective date of the proposed merger is 21 February 2020, or a later date as may be determined by the Directors which may be up to four (4) weeks later, subject to the prior approval of a later date by the CSSF and immediate notification of same to the Shareholders in writing (the "Effective Date"). In the event that the Directors approve a later Effective Date, they may also make such consequential adjustments to the other elements in the timetable of the merger as they consider appropriate.

A. Terms of the proposed merger

A 1. Background to and rationale for the proposed merger

Invesco Funds is registered with the Luxembourg "Registre de Commerce et des Sociétés" under number B34457 and qualifies as a "société d'investissement à capital variable". Invesco Funds is organised as an UCITS umbrella fund with segregated liability between sub-funds pursuant to the Luxembourg Law of 17 December 2010 relating to collective investment undertakings, as amended from time to time (the "2010 Law").

Following the acquisition of OppenheimerFunds by Invesco, the SICAV now has two very similar Funds in the range, with materially similar objectives and policies regarding investment in debt instruments denominated in currencies of emerging market countries. It is believed that the proposed merger will simplify the product line by combining two similar Funds with the Receiving Fund being best positioned for long term future growth potential. In addition, due to the lower fee levels of the Receiving Fund, clients will experience lower management fees and on-going charges immediately and into the future than would otherwise be experienced should the Merger not take place.

The Merging Fund's assets under management amounted to USD 293,720,000 as at 31 October 2019 and those of the Receiving Fund amounted to USD 145,910,000 as at 30 September 2019.

A 2. The investment objective and policy and risk profile of the Receiving Fund

The investment objective and policy will remain unchanged. The same applies to the risk profile of the Receiving Fund.



A 3. Impact on the portfolio and performance of the Receiving Fund

The proposed merger will have no significant impact on the composition of the portfolio. While not expected, any realignment of the assets of the Merging Fund will be completed in advance of the proposed merger. A realignment of the portfolio of the Receiving Fund before or after the proposed merger will not be required.

The Directors also believe that this proposed merger should not entail a dilution in performance of the Receiving Fund.

A 4. Expected impact of the proposed merger on the Shareholders of the Receiving Fund

Once the proposed merger is completed, Shareholders in the Receiving Fund will continue to hold the same Shares in the Receiving Fund as before. There will be no change in the rights attaching to such Shares. The implementation of the proposed merger will not affect the fee structure of the Receiving Fund. **The costs of the proposed merger will be borne by Invesco Management SA, the Management Company.**

It has been resolved to proceed with a merger pursuant to the article 1, item 20, a) of the 2010 Law. This involves the transfer of all of the assets and liabilities of the Merging Fund to the Receiving Fund. Shareholders of the Merging Fund who continue to hold Shares in the Merging Fund on the Effective Date will receive Shares in the Receiving Fund in exchange for their Shares in the Merging Fund. The Merging Fund will cease to exist once the merger is completed.

A 5. Shareholder Rights

No vote of the shareholders in the Receiving Fund is required in order to carry out this merger.

The effects of the proposed merger do not suit your requirements? Please be aware that you may as usual redeem your Shares in the Receiving Fund **without any redemption charges**. Redemptions will be carried out in accordance with the Prospectus.

Please note that a redemption/switch would amount to a disposal of your interests in the Receiving Fund and may have tax consequences.

The merger will be binding on all the Shareholders who have not exercised their right to redeem/switch their Shares.

You are in any doubt as to your individual tax position? In this case, you should consult your professional advisers.

The rights of the Shareholders remain otherwise unchanged.

For the avoidance of doubt, kindly note that there will be no suspension of dealings in the Receiving Fund to complete the proposed merger.

A 6. Fees and expenses

The implementation of the proposed merger will not affect the fee structure of the existing Share class in the Receiving Fund which will remain the same. In addition, it is hoped that the increased size of the assets under management of the Receiving Fund that results from the proposed merger will help reduce costs further over time.

B. Costs relating to the proposed merger

The Management Company will bear all costs and expenses incurred by the Receiving Fund resulting from or incidental to the implementation of the proposed merger.

The Management Company will pay any foreign taxes and duties payable upon the absorption by the Receiving Fund of the property of the Merging Fund, as a result of the implementation of the proposed merger.

C. Availability of documents and information to the Receiving Fund

Upon request, you may obtain **a copy of the conformity letter issued by the Depositary and the report of the approved statutory auditor of the Depositary free of charge at the registered office of the SICAV.**

English-language versions of all the KIIDs of the Receiving Fund are available on the website of the Management Company (www.invescomanagementcompany.lu) and where relevant, translations of the KIIDs are available on the Invesco Local Websites, accessible through www.invesco.com from the date of this circular.

All relevant KIIDs can also be requested from the registered office of the Management Company of Invesco Funds or from the Investor Services Team, IFDS Dublin on +353 1 439 8100 (option 2).

The Prospectus contains further information about the Receiving Fund. It is available on the website of the Management Company: www.invescomanagementcompany.lu. As required by local laws, you will also find them on the Invesco Local Websites accessible through www.invesco.com.

Copies of the Articles, latest annual and semi-annual Reports and Prospectus of the SICAV are available free of charge upon request:

- from the Management Company at its registered office at 37A Avenue JF Kennedy, L-1855 Luxembourg, or
- from the SICAV at its registered office at Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg, during usual business hours.

The documents are also available on the website of the Management Company (www.invescomanagementcompany.lu) and, as required by local laws, on the Invesco Local Websites accessible through www.invesco.com.

Would you like to obtain any additional information in relation to the proposed merger? Please do not hesitate to send your request to the registered office of the SICAV.



Further Information

- **For Shareholders in Germany:** If you are acting as a distributor for German clients, please be advised you are required to forward this letter to your end clients by durable media.
- **For Shareholders in Switzerland:** The Prospectus, the Key Investor Information Documents, the Articles of the SICAV as well as the annual and interim reports of the SICAV may be obtained free of charge from the Swiss representative. Invesco Asset Management (Switzerland) Ltd., Talacker 34, 8001 Zurich, is the Swiss representative and BNP Paribas Securities Services, Paris, Succursale de Zurich, Selnaustrasse 16, 8002 Zurich, is the Swiss paying agent.

Yours sincerely

A handwritten signature in blue ink, appearing to be "A. All", written in a cursive style.

Director
for and on behalf of
Invesco Funds

Acknowledged by

Invesco Management SA

A handwritten signature in blue ink, appearing to be "A. All", written in a cursive style.

Director
for and on behalf of
Invesco Management SA