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**Invesco Funds**

Société d'Investissement à Capital Variable  
Registered Office:  
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2-4, rue Eugène Ruppert  
L-2453 Luxembourg  
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**This letter is sent to you as a shareholder in the sub-fund named Invesco Absolute Return Bond Fund (the "Fund"), a sub-fund of Invesco Funds, SICAV (a "Shareholder"). It is important and requires your immediate attention. If you are in any doubt as to the action to be taken, you should immediately consult your stockbroker, bank manager, legal or other professional adviser. If you have sold or otherwise transferred your holding in the sub-fund of Invesco Funds, SICAV (the "Fund"), please send this letter to the stockbroker, bank manager or other agent through whom the sale was effected for transmission to the purchaser or transferee.**

**The directors of Invesco Funds, SICAV (the "Directors"), are the persons responsible for the information contained in this letter. To the best of the knowledge and belief of the Directors (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: Cormac O'Sullivan (Irish), John Rowland (British), Leslie Schmidt (American), Brian Collins (Irish) and Karen Dunn Kelley (American), Douglas J. Sharp (Canadian)

Incorporated in Luxembourg No B-34457  
VAT No. LU21722969

18 August 2014

Dear Shareholder,

We are writing to you as a Shareholder in **Invesco Absolute Return Bond Fund** (the “**Fund**”), a sub-fund of Invesco Funds, SICAV (the “**SICAV**”), in relation to the amendments to the Appendix A of the prospectus of the SICAV.

The amendments will be effective from **18<sup>th</sup> September 2014 (the “Effective Date”)**, or such later date as the Directors may at their absolute discretion decide, in the event of which, such other date will be communicated to Shareholders in advance.

If any of the below mentioned amendments do not suit your investment requirements, you are advised that you may, at any time prior to the Effective Date, redeem your shares in the Fund without any redemption charges. Redemptions will be carried out in accordance with the terms of the prospectus of Invesco Funds, SICAV.

Furthermore, Shareholders may also avail of a switch out of the Fund, provided such requests are received at any time up until the Effective Date, into another sub-fund in the SICAV or another fund in the Invesco range of funds in Dublin and Luxembourg (subject to minimum investment amounts as set out in the relevant fund prospectus and authorization of the particular fund for sale in your relevant jurisdiction). The switch will be carried out in accordance with the normal terms enjoyed by Shareholders in the Fund for switches, 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 of the relevant Invesco fund and the risks involved in relation to the same.

Please note that the amendments below will have no impact on the fee structure of the Fund.

## **1. Change of the Investment Objective and Policy and the profile of the typical investor**

### **a- Change of the Investment Objective and Policy**

Invesco continually monitor the range of Invesco Funds to ensure that they continue to meet investor needs and achieve the best outcome for Shareholders. The Fund (A-share class) achieved as of 30th June 2014, a net performance of 2.70% over 1 year, 2.85% over 3 years and 5.02% over 5 years\*. This is significantly below its stated target in the current investment objective to achieve a gross return of 2.6% p.a. above 3 months EURIBOR, which has resulted in the inability of the Fund to grow its assets and a current fund size of just above €10m as of 30<sup>th</sup> June 2014.

The Directors believe that it is in the best interests of existing Shareholders to make significant changes to the Fund’s investment remit. The changes will involve a move to a multi-sector credit approach, which is envisaged to improve the risk/return profile over the medium to longer term. This should allow the Fund to grow and thereby reduce costs. The change may result in an increase of the risk profile over the short term. In addition, as a result of risk analysis completed, the Synthetic Risk Reward Indicator (SRRI) disclosed in the Key Investor Information Document (KIID) will change from a level of 3 to 4 (on a scale from 1-7).

In consequence, from the Effective Date, the new Investment Objective and Policy will be changed to clarify the remit of the Fund and will be disclosed as follows:

“The Fund aims to provide a total return over a full market cycle.

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\* Source: © 2014 Morningstar Mid to mid, gross income re-invested to 30 June 2014.



The Fund seeks to achieve its objective through an active strategic and tactical asset allocation process to credit-related debt securities globally. Within the strategic and tactical allocation process, the Investment Adviser will gain exposure to actively selected debt securities based on fundamental credit research.

The strategic asset-allocation process applies a risk-balanced approach to each of the credit sectors with the tactical overlay allowing the Investment Adviser to shift these allocations to take advantage of different market environments.

Credit-related debt securities are intended to include emerging market debt, high-yield debt, investment-grade corporate debt and eligible loans. Depending on the market environment the Fund can allocate opportunistically to any other credit sector not mentioned above.

Debt securities may include investment-grade as well as non-investment grade and unrated debt securities, which, may be issued by governments or corporations. Exposure to eligible loans will generally be taken via investment in Collateralised Loan Obligations (CLOs), collective investment schemes, Floating Rate Notes (FRNs) as well as swaps and other derivatives on UCITS eligible loan indices.

The Fund may also invest in cash, cash equivalents, money market instruments, asset backed securities and any other transferable securities across the investment universe.

While it is not the intention of the Investment Adviser to invest in equity securities, it is possible that such securities may be held as a result of a corporate action or other conversions.

The Fund's use of financial derivative instruments may include but is not limited to derivatives on credit, rates and currencies and may be used to achieve both long and short positions.

Non-Euro denominated investments are intended to be hedged back into Euro at the discretion of the Investment Adviser."

**b- Change of the profile of the typical investor**

From the Effective Date, the Profile of the typical investor will be updated to reflect that the Fund will be suitable for investors who are seeking capital appreciation over a 3 to 5 year timeframe and are prepared to accept risk to their capital and higher volatility in the value of their investments.

**2. Change of the Investment Adviser**

From the Effective Date, Invesco Advisers, Inc. will be appointed as Investment Adviser of the Fund (replacing Invesco Asset Management Limited) and will assume full discretionary investment management functions vis-a-vis the Fund.

As Invesco Advisers, Inc. already manages similar multi-credit sector funds, Shareholders will benefit from the expertise of Invesco Advisers, Inc.

**3. Change of the name of the Fund**

From the Effective Date, the Fund will be renamed **Invesco Active Multi-Sector Credit Fund** to reflect the management process in place.

**Further Information**

The Prospectus is available free of charge at the registered office of the SICAV. It is also available from the website of the management company of the SICAV (Invesco Management S.A.):  
<http://www.invescomanagementcompany.lu>.

If 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, details of which are set out overleaf.

For Swiss Shareholders, the Prospectus, the Key Investor Information Documents, the articles of incorporation 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., Stockerstrasse 14, 8002 Zurich, is the Swiss representative and BNP Paribas Securities Services, Paris, Succursale de Zurich, Selnaustrasse 16, 8002 Zurich, is the Swiss paying agent.

Thank you for taking the time to read this communication.

Yours faithfully,



**By order of the Board of Directors**



### **General Information:**

**The value of investments and the income generated from investment can fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.**

### **Important Information for UK Shareholders**

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 Limited, 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.

### **Contact information**

For further queries, you may contact Invesco Asset Management Deutschland GmbH at (+49) 69 29807 0, Invesco Asset Management Österreich GmbH at (+43) 1 316 2000, Invesco Global Asset Management Limited 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, Invesco Asset Management S.A. Belgian Branch at (+32) 2 641 01 70, Invesco Asset Management S.A. at (+33) 1 56 62 43 00, 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.

### **Note:**

**This letter has been automatically generated in English. A copy of this letter is available in the following languages: Dutch, French, German, Greek, Italian, Spanish, Finnish and Norwegian. To request a copy, please contact the Investor Services Team, IFDS, Dublin on (+353) 1 439 8100 (option 2 for queries) or your local Invesco office.**