PRODUCT KEY FACTS

Invesco India Bond Fund

A sub-fund of Invesco Funds (SICAV)

FOR THE ATTENTION OF HONG KONG INVESTORS

Issuer: Invesco Hong Kong Limited

29 April 2022

This statement provides you with key information about this product.
This statement is a part of the Hong Kong Offering Document.
You should not invest in this product based on this statement alone.

Quick Facts

Fund Manager/ Management Company:	Invesco Management S.A.	
Investment Manager(s):	Invesco Hong Kong Limited, located in Hong Kong. (Internal delegation)	
Base Currency:	US Dollar	
Custodian (Depositary):	The Bank of New York Mellon SA/NV, Luxembourg Branch	
Dealing Frequency :	Daily	
Financial Year End:	The last day of February	
Ongoing charges over a year:	Class A (EUR hedged) annual distribution – gross income – EUR	1.59%*
	Class A accumulation – HKD	1.59%*
	Class A accumulation – USD	1.59%*
	Class A monthly distribution – gross income – USD	1.59%*
	Class A monthly distribution-1 – USD	1.59%*
	Class C accumulation – USD	1.04%*

* The ongoing charges figure is calculated based on annualised expenses for the period ending 31 August 2021 divided by the average net assets over the same period. This figure may vary from year to year. It excludes portfolio transaction costs.

Dividend Policy:

Accumulation (Dividends, if any, will be re-invested into the Fund)
Gross Income distribution (Dividends, if any, will be paid to investors)#
Monthly Distribution-1 (Dividends, if any, will be paid to investors monthly. The SICAV may, at its discretion, pay (a) a portion of dividends out of gross income, (b) a portion of dividends out of capital, and (c) with respect to hedged Monthly Distribution-1 Share classes (if applicable), the interest rate differential between the currency in which the share class is denominated and the base currency of the Fund. The Fund may pay dividends out of capital and/or effectively out of capital and may reduce the net asset value per share of this share class immediately after the monthly distribution date)

The SICAV may at its discretion pay dividend out of gross income while paying all or part of the share class' fees and expenses out of the capital of the share class, resulting in an increase in distributable income for the payment of dividends by the share class and therefore, the share class may effectively pay dividend out of capital and may reduce the net asset value per share of this share class immediately after the relevant distribution date.

Minimum Investment/ Minimum Subscription Amount:

Share class	A	C
Initial (in any of the dealing currencies listed in the Application Form)	USD1,500 EUR1,000 GBP1,000 HKD10,000 JPY120,000 AUD1,500 CAD1,500 NZD2,000	USD1,000,000 EUR800,000 GBP600,000 HKD8,000,000 JPY80,000,000 AUD1,000,000 CAD1,000,000 NZD1,200,000
Additional	-	-

What is this product?

Invesco India Bond Fund (the "Fund") is a fund constituted in the form of a mutual fund. It is domiciled in Luxembourg and its home regulator is the CSSF, Luxembourg supervisory authority.

Objectives and Investment Strategy

The objective of the Fund is to generate income and long-term capital appreciation by investing primarily (at least 70% of the net asset value of the Fund) in a flexible allocation of Indian debt securities and Indian money-market instruments (which may be issued in or outside India by Indian companies as defined below).

The Investment Manager will seek to achieve the investment objective by investing in a combination of the following:

- debt securities issued/guaranteed by the Indian government, local authorities/public authorities;
- investment grade debt securities (as rated by internationally recognised credit rating agencies) and non-investment grade debt securities (including unrated debt securities) issued/guaranteed by Indian companies; and/or
- Indian money-market instruments issued by Indian companies.

Indian companies shall mean: (i) companies having their registered office in India, (ii) companies established or located elsewhere but carrying out their business activities predominantly in India or (iii) holding companies the interests of which are predominantly invested in equity of companies having their registered office in India.

Up to 30% of net asset value of the Fund may be invested in aggregate in cash and cash equivalents, money-market instruments and/or debt securities not meeting the above requirements of issuers worldwide and denominated in any currency.

At no time will the Fund invest more than 30% of net asset value of the Fund in money-market instruments. The Fund will not invest in equity securities.

The Fund may invest in debt instruments with loss-absorption features ("LAP"), including contingent convertible debt securities and debt instruments meeting the qualifying criteria to be Additional Tier 1 Capital or Tier 2 Capital under the Banking (Capital) Rules and debt instruments issued under an equivalent regime of non-Hong Kong jurisdictions, in addition to senior non-preferred debt with a bail-in flag on Bloomberg or any other debt security with a bail-in flag, as classified by Bloomberg. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s). The Fund's expected maximum investments in LAP will be up to 20% of its net asset value. The Fund may invest up to 10% of its net asset value in contingent convertibles.

As at the date of the Prospectus, Indian sovereign debt is rated (as rated by internationally recognised credit rating agencies) as investment grade. If all of these agencies classify Indian debt as non-investment grade, the Fund will not invest more than two thirds of net asset value of the Fund in debt securities issued and/or guaranteed by the Indian government ("Indian Sovereign Debt Securities").

The Fund will invest in domestic Indian securities through registering itself as a foreign portfolio investor ("FPI") with the Securities and Exchange Board of India ("SEBI") under the SEBI (FPI) Regulations, 2019, as amended, replaced or re-enacted from time to time ("FPI Regulations"). In the event the Fund is unable to access domestic Indian securities through the FPI regime, for whatever reasons (including but not limited to the FPI status being revoked or there being insufficient available limit regarding investments in Indian debt instruments by FPIs), the Investment Manager will allocate the assets of the Fund to Indian securities listed on exchanges outside of India.

The Investment Manager may invest up to 10% of net asset value of the Fund in asset backed securities/mortgage backed securities.

The Fund may invest up to 100% of its net asset value in debt securities which are unrated (debt securities which are not rated by any international rating agency such as Moody's, Standard & Poor's and Fitch) or rated below investment grade (below investment grade is defined as credit rating that is below BBB- from Standard & Poor's and Fitch, or below Baa3 from Moody's or an equivalent rating from an internationally recognized rating agency).

The Fund may use financial derivative instruments (including but not limited to futures, forwards, non-deliverable forwards, swaps and complex options structures) for hedging and efficient portfolio management purposes. Such financial derivative instruments may also incorporate derivatives on derivatives (i.e. forward dated swaps, swap options). However, financial derivative instruments will not be extensively used for investment purposes (i.e. entering into financial derivative instruments to achieve the investment objectives).

The Fund will engage in securities lending, however, the proportion lent out at any time will be dependent on dynamics including, but not limited to, ensuring a reasonable rate of return for the lending Fund and borrowing demand in the market. As a result of such requirements, it is possible that no securities are lent out at certain times. The expected proportion of the net asset value of the Fund subject to securities lending is 20%. Under normal circumstances, the maximum proportion of the net asset value of the Fund subject to securities lending is 29%.

Use of derivatives / investment in derivatives

The Fund's net derivative exposure[1] may be up to 50% of the Fund's net asset value.

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risks factors.

- **General investment risk** - There can be no assurance that the Fund will achieve its investment objective. The instruments invested by the Fund may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal.
- **Currency exchange risk**
  - The Fund's assets may be invested in securities denominated in currencies other than the base currency of the Fund. Also, a class of shares may be designated in a currency other than the base currency of the Fund. The net asset value of the Fund may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
  - For the hedged share classes, there is no guarantee that the exposure of the currency in which the shares are denominated can be fully hedged at all times against the base currency of the Fund or the currency or currencies in which the assets of the Fund are denominated. Investors should also note that the successful implementation of the strategy may substantially reduce the benefit to shareholders in the relevant class of shares as a result of decreases in the value of the share class currency against the base currency of the Fund. In the event that investors request payment of

[1] Please refer to the offering document for details regarding the calculation methodology of net derivative exposure.

redemption proceeds in a currency other than the currency in which the shares are denominated, the exposure of that currency to the currency in which the shares are denominated will not be hedged.

- **Volatility risk** - Investors should note that volatility in the Fund's investment portfolio may result in large fluctuations in the net asset value of the Fund which may adversely affect the net asset value per share of the Fund and investors may as a result suffer losses.
- **Credit risk**
  - Investment in bonds, debt or other fixed income securities (including corporate and sovereign bonds) are subject to the risk that issuers do not make payments on interest and principal of such securities. An issuer suffering from an adverse change in its financial condition could lower the quality of a security leading to greater price volatility on that security.
  - Securities which were investment grade at the time of acquisition may be downgraded. The risk of any such downgrading will vary over time. The Fund's investment policy does not specifically require the Fund to sell such securities if they should fall below investment grade. Besides, the Investment Manager and/or Investment Sub-Manager (if applicable) may not be able to dispose of the debt instruments that are being downgraded. Investments in below investment grade securities carry a higher risk of default and therefore may adversely impact the Fund and/or the interests of investors.
- **Risk of investing in high yield bonds/non-investment grade bonds and un-rated bonds** - The Fund may invest in high yield bonds/ non-investment grade bonds and un-rated bonds which involve substantial risk. High yield bonds/ non-investment grade bonds and un-rated bonds are regarded as being predominantly speculative as to the issuer's ability to make payments of principal and interest. Issuers of high yield bonds/ non-investment grade bonds and un-rated bonds may be highly leveraged, subject to lower liquidity and higher volatility and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield bonds/ non-investment grade bonds and un-rated bonds issued by such entity. High yield bonds/ non-investment grade bonds and un-rated bonds are generally subject to greater loss of principal and interest than high-rated bonds. As such, this may adversely impact the Fund and/or the interests of investors.
- **Interest rate risk** - The bonds or fixed income securities that the Fund invests in may fall in value if the interest rates change and this will adversely impact the net asset value of the Fund. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.
- **Liquidity risk** - The Fund may be adversely affected by a decrease in market liquidity for the securities in which it invests where some of the Fund's securities may become illiquid and the Fund may experience difficulties in selling securities at a fair price within a timely manner. This could impact the Fund's ability to meet redemption requests on demand.
- **Credit rating risk** - Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- **Concentration risk**
  - As the Fund will invest primarily in Indian debt securities, such concentration may exhibit a higher than usual degree of risk and the Fund may be subject to above average volatility. The diversification benefits that would ordinarily accrue from investment in a fund having a more diverse portfolio of investments, may not apply to this Fund.
  - The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event and natural disaster affecting the Indian market.
- **Emerging markets risk** - The Fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets such as, liquidity risk, currency risks/ control, political and economic uncertainties, policy, legal or regulatory event affecting the relevant markets and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.
- **Risk of Investing in India**

  (i) Risks relating to FPI Registration

- The FPI status of the Fund may be revoked by SEBI under other circumstances, such as non-compliance of any conditions subject to which FPI status has had been granted to the Fund under the FPI Regulations, contravention by the Fund of any applicable rules, regulations, directions, circulars, etc issued by SEBI or the Reserve Bank of India ("RBI") from time to time, Luxembourg not remaining an eligible jurisdiction under the FPI Regulations for making investments into India under the FPI regime, change in applicable laws, rules, regulations in India governing investments by FPIs, etc. The revocation of the registration of the Fund would adversely impact the Fund given it will no longer be able to invest in Indian domestic debt securities and will not be able to achieve its objectives and investment strategies.
- In the event the Fund is not granted registration as a FPI, or its registration as a FPI is cancelled for any reason whatsoever, this would adversely impact the ability of the Fund to make further investments, or to hold and dispose of existing investment in Indian securities. The Fund will be required to liquidate all holdings in Indian securities acquired by the Fund as a FPI. Such liquidation may have to be undertaken at a substantial discount and the Fund may suffer significant/substantial losses.
- Further, in the event that the country in which the Fund is incorporated does not remain an eligible jurisdiction under the FPI Regulations for making investments into India, the loss of such recognition could adversely impact the ability of the Fund to make further investments in Indian securities until such time such country regains its eligible jurisdiction status.

(ii) FPI Indian Investment Limits

- Currently, investment in Indian domestic debt securities by FPI is subject to a monetary limit, which may be amended from time to time. The Fund may therefore be able to invest in domestic debt securities only when the FPI limit is available. The availability of the FPI investment limit can be unpredictable and as result, the Fund may, at times, have substantial exposure to non-Indian Rupee denominated investments outside of India.
- Further, the RBI and the SEBI may from time to time place additional restrictions on investment in government debt securities and corporate debt securities. Such restrictions may for example restrict the investment universe available to the Investment Manager which could hinder the team's ability to achieve the Fund's objective.

(iii) India Tax Risks

- All FPIs will be subject to withholding tax on interest income. As of the date of the Prospectus, withholding tax on interest income under the domestic tax law of India will generally be at rates varying from 5% as increased by applicable surcharge and education cess to 20% as increased by applicable surcharge and education cess, depending on the nature of debt instrument. In case of income arising to the FPI by way of capital gains on transfer of securities, no withholding tax shall apply and the FPI would need to pay the capital gain tax directly to the Indian tax authorities. As of the date of the Prospectus, the capital gain tax ("CGT") rates vary from 10% to 30% (as increased by applicable surcharge and education cess) depending upon various factors including the period of holding of securities. These tax rates may be subject to change from time to time. Full provisions (including on realised and unrealised gains) for both withholding tax on interest income and CGT will be made accordingly for the account of the Fund. As the Fund is established as a Luxembourg SICAV, no treaty benefits will accrue to the Fund. There is no assurance that the existing tax laws and regulations will not be revised or amended in the future with retrospective effect. Any changes to tax laws and regulations may lead to under-accrual or over-accrual for withholding tax on interest income and CGT which may reduce the income from, and/or value of, the investments of the Fund and there may be subsequent adjustments to the net asset value of the Fund. Currently, FPIs are considered as FIIs for the purposes of India tax laws and are subject to the same tax treatment as FIIs.

(iv) Risk of investment in Indian debt market

- In the event of an inactive secondary market , the Fund may need to hold the debt securities until their maturity date. If sizeable redemption requests are received, the Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Fund may suffer losses in trading such securities.

- Risk of investing in Indian Sovereign Debt Securities

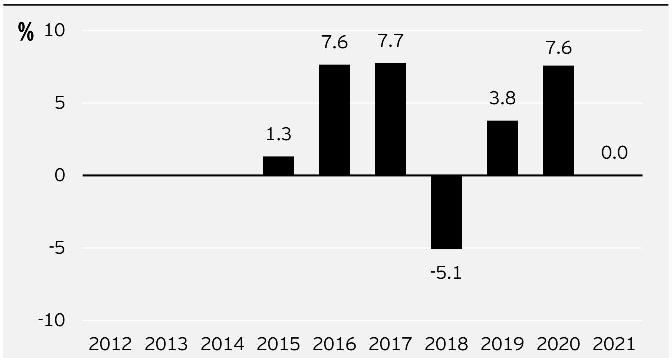
  The Fund may invest in Indian Sovereign Debt Securities. Such securities generally:

- carry a greater risk of default than higher rated debt securities.
- tend to be more volatile than higher rated debt securities, so that adverse economic events may have a greater impact on the prices of Indian Sovereign Debt Securities than on higher rated debt securities.
- tend to be more susceptible to specific sovereign issuer's (e.g. India) economic, market, political and regulatory developments, such as an economic recession that may adversely affect a sovereign issuer's financial condition and/or the sovereign issuer's ability to service its debt obligations and/or the market value of such high yield debt securities issued by such sovereign issuer region (i.e. in this case, India).

All the above features of Indian Sovereign Debt Securities may adversely impact the Fund and/or the interests of investors.

- **Exchange Control Risks**
  - Rupee is currently not a freely convertible currency and is subject to foreign exchange control policies imposed by the Indian Government. Any unfavourable movements in the Rupee exchange rates as a result of exchange control or control of currency conversion may lead to price depreciation of the Fund's assets, which may adversely affect the net asset value of the Fund.
  - The foreign exchange control policies imposed by the Indian Government are subject to change, and may have an adverse impact on the Fund and its investors.
- **Risk of investing in financial derivative instruments ("FDI") for efficient portfolio management and hedging purposes** - Investments of the Fund may be composed of FDI used for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments. Risks associated with FDI include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a FDI can result in a loss significantly greater than the amount invested in the FDI by the Fund. Exposure to FDI may lead to a high risk of significant loss by the Fund.
- **Risks associated with payment of dividends and/or fees and expenses out of capital** - Payment of dividends out of capital and/or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the net asset value per share in respect of such share class after the monthly distribution date.
- **Contingent convertibles risk**
  - Contingent convertible bonds are a type of debt security, issued by a financial institution that may be converted into equity or could be forced to suffer a write down of principal upon the occurrence of a pre-determined trigger event. The trigger event is ordinarily linked to the financial position of the issuer. In stressed market conditions, the liquidity profile of the issuer can deteriorate significantly and a significant discount may be required in order to sell the contingent convertible bonds.
  - Contingent convertible bonds can carry higher risk than investment in traditional debt instruments/ convertibles and in certain cases equities since coupon payments may be discretionary and can be cancelled at any time for any reason.
  - Contingent convertible bonds can also be exposed to several other risks, including but not limited to trigger level risk, capital structure inversion risk, call extension risk, unknown/uncertainty risk and valuation risk.

How has the Fund performed?



- The Fund Manager views Class A accumulation - USD (the "Share Class"), being the focus share class of the Fund available to the public of Hong Kong, as the most appropriate representative share class.
- Fund launch date: 23 April 2014.
- Share Class launch date: 23 April 2014.
- The base currency of the Fund is USD.
- Past performance of the Share Class is calculated in USD.
- Performance is calculated after deduction of ongoing charges and is inclusive of gross income reinvested. Any entry/exit charges shown are excluded from the calculation.
- Past performance is not a guide to future performance.
- Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Share Class increased or decreased in value during the calendar year being shown.
- Where no past performance is shown, there was insufficient data available in that year to provide performance.

Is there any guarantee?

The Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund.

Fee	What you pay
Subscription fee/ Initial charge	Class A: Not exceeding 5.00% of the gross investment amount. Class C: Not exceeding 5.00% of the gross investment amount.
Switching fee	Up to 1.00% of the value of the shares being switched.
Redemption fee	N/A

Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the Fund's value)
Management fee*	Class A: 1.25% Class C: 0.75%
Custodian fee/ Depositary charge	Up to 0.0075%
Performance fee	N/A
Administration fee	N/A

Distribution fee	Class A: N/A Class C: N/A
Service agents fee	Class A: Up to 0.27% Class C: Up to 0.20%

*The fees can be increased subject to the prior approval of the Securities and Futures Commission ("SFC") and by giving not less than three months' prior notice to the investors.

Other fees

You may have to pay other fees when dealing in the shares of the Fund.

Additional Information

- The compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Hong Kong Sub-Distributor and Representative on request and at www.invesco.com/hk. This website has not been reviewed by the SFC.
- You generally buy and redeem shares at the Fund's next-determined net asset value after the Hong Kong Sub-Distributor and Representative receives your request in good order on or before 5:00pm, Hong Kong time, being the Fund's dealing cut-off time. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal cut-off time (which may be earlier than the Fund's dealing cut-off time).
- The net asset value of the Fund is calculated each "Business Day" as defined in the Prospectus and the price of shares is published each Hong Kong business day (i.e. a day on which banks in Hong Kong are open for normal banking business) at www.invesco.com/hk. This website has not been reviewed by the SFC.
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors at www.invesco.com/hk. This website has not been reviewed by the SFC.
- Investors may obtain other information of this product at www.invesco.com/hk. This website has not been reviewed by the SFC.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.