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**Invesco Funds  
SICAV**

2-4 rue Eugene Ruppert  
L-2453 Luxembourg  
Luxembourg

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[www.invesco.com](http://www.invesco.com)

13 July 2017

Dear Shareholder,

**Securities Financing Transaction Regulation**

Securities Financing Transaction Regulation ("SFTR") is the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions<sup>1</sup> and of reuse and amending Regulation (EU) No 648/2012. Due to the implementation of the SFTR with immediate effect, the Prospectus, Supplement-Additional Information for Hong Kong Investors and the relevant Product Key Facts Statements of Invesco Funds (the "SICAV") have been updated with enhanced disclosures, including:

- Definitions for "Securities Financing Transactions" and "SFTR";
- Clarification that efficient portfolio management techniques include Securities Financing Transactions, and OTC derivatives include total return swaps;
- Clarification of the nature, use and risk of total return swaps;
- Clarification that none of the sub-funds of the SICAV use Securities Financing Transactions;
- Clarification that while collateral must be obtained for each Securities Financing Transaction or OTC derivative (including total return swaps), there is no minimum remaining maturity requirement for any securities received as collateral and the SICAV may only accept cash as collateral for OTC derivatives (including total return swaps);
- Clarification as to how collateral in the form of securities will be valued;
- Clarification as to how the taking of collateral affect counterparty risk; and
- Clarification that, in respect of the Invesco Emerging Local Currencies Debt Fund and the Invesco Emerging Market Corporate Bond Fund, the expected proportion of the NAV of each of these sub-funds that is subject to total return swaps is 0%, and under normal circumstances, the maximum proportion of the NAV of each of these sub-funds that is subject to total return swaps is 10%, although it is provided in section 7 of the Prospectus that the maximum proportion is not a regulatory limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

The above disclosures will have no impact on the way the sub-funds of the SICAV are currently managed nor result in any change to the risk profile of the sub-funds. In addition, there is no impact on the fee level/cost in managing the sub-funds.

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<sup>1</sup> The term "securities financing transactions" refers to a repurchase/reverse repurchase transaction, securities lending and securities borrowing or a buy-sell back transaction or sell-buy back transaction.

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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


If you have any questions concerning the above, you may contact the Hong Kong Sub-Distributor and Representative, Invesco Asset Management Asia Limited on telephone number (+852) 3191 8282. Soft copies of the Prospectus, Product Key Facts Statements and financial reports of the SICAV are available on the Hong Kong website [www.invesco.com.hk](http://www.invesco.com.hk)<sup>2</sup>, while printed copies may be obtained free of charge from Invesco Asset Management Asia Limited registered at 41/F Champion Tower, Three Garden Road, Central Hong Kong.

Thank you for your continuing support. We are looking forward to helping you to achieve your investment ambitions.

Unless otherwise specified, all capitalised terms used herein bear the same meaning as defined in the Prospectus of the SICAV, Appendix A thereto and the Supplement-Additional Information for Hong Kong Investors.

The directors of the SICAV (the "Directors") and 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 and the Management Company accept responsibility accordingly.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'N. H.', written in a cursive style.

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**By order of the Board of Directors**

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<sup>2</sup> This website has not been reviewed by the SFC.