



29 June 2020

Shareholder circular

Invesco Funds

Société d'Investissement à Capital Variable
Registered Office:
Vertigo Building- Polaris
2-4, rue Eugène Ruppert
L-2453 Luxembourg
R.C.S. Luxembourg B34 457

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.

Unless otherwise defined, all capitalised terms used herein bear the same meaning as defined in the prospectus (including the Supplement – Additional Information for Hong Kong Investors ("Hong Kong Supplement")) of Invesco Funds (the "SICAV") and Appendix A (together the "Prospectus").

About the information in this circular:

The directors of the SICAV (the "Directors") and the management company of the SICAV (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 accept responsibility accordingly.

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

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

Incorporated in Luxembourg No B-34457
VAT No. LU21722969

Dear Shareholder,

We are writing to you as a Shareholder of the Invesco Funds due to several amendments, as further described below, to be included in the Prospectus as of 2 July 2020 (the "Effective Date") unless otherwise stated below. All costs incurred in connection with the proposed changes below will be borne by the Management Company.

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

A. Change of name, clarification of the investment objective and policy and reduction of management fees of the Invesco Global Health Care Fund

From 29 July 2020, the Invesco Global Health Care Fund will be renamed Invesco Global Health Care Innovation Fund in order to better reflect the thematic investment approach. In order to be in line with the new fund's name, it will be clarified in the investment objective and policy that the Invesco Global Health Care Fund seeks to invest in innovative healthcare companies throughout the world and that the Investment Manager classifies companies as innovative based on criteria such as their products, services, processes, business models, management, use of technology or approach to serving health care needs.

In addition, from 29 July 2020, the management fee (expressed as a percentage per annum of the average NAV of the relevant class of Shares) of the Invesco Global Health Care Fund will be reduced as follows:

Share class	Existing Management Fee	New Management Fee
A*	2.00%	1.50%
B*	2.00%	1.50%
C*	1.50%	1.00%
E	2.50%	2.25%
J	2.00%	1.50%
P/ PI	1.00%	0.75%
R	2.00%	1.50%
S	1.00%	0.75%
T	1.00%	0.75%
Z	1.00%	0.75%

For the avoidance of doubt, there is no change to the management fee in respect of "I" Share classes, as they do not bear any management fee.

For the list of Share classes in the Invesco Global Health Care Fund currently offered to the Hong Kong public, please refer to the Prospectus and its Product Key Facts Statement.

The above modifications will not change the way the Invesco Global Health Care Fund is managed nor will it result in any change to the risk profile of the Invesco Global Health Care Fund.

* These share classes are currently offered to the Hong Kong public: Class A annual distribution – USD, Class B annual distribution – USD, and Class C annual distribution – USD.

B. Change of the investment objective and policy of the Invesco Emerging Market Structured Equity Fund[†]

From 29 July 2020, the investment objective and policy of the Invesco Emerging Market Structured Equity Fund will be amended in order to increase the possibility to be exposed to China A shares via shares listed on the Shanghai or Shenzhen Stock Exchanges through Stock Connect from up to 10% to up to 25% of its NAV.

This change will have no material impact on the risk profile of the Invesco Emerging Market Structured Equity Fund.

C. Change of the investment objective and policy and the relevant risks applicable, as well as change of name of the Invesco Asian Bond Fund

From 29 July 2020, the investment policy of the Invesco Asian Bond Fund will be enhanced to allow the Invesco Asian Bond Fund to access China onshore bonds in the CIBM via Bond Connect for less than 20% of its NAV. In addition, the investment objective and policy of the Invesco Asian Bond Fund will be updated in order to allow the Invesco Asian Bond Fund to invest up to 10% of its NAV in Distressed Securities.

As a result of the changes, Bond Connect risks and Distressed Securities risk will also be applicable to the Invesco Asian Bond Fund and highlighted in the risk matrix disclosed in Section 8 (Risks Warnings) of the prospectus.

Otherwise, the changes have no material impact on the way the Invesco Asian Bond Fund is managed nor on its risk profile.

In addition, the Invesco Asian Bond Fund will be renamed the Invesco Asian Flexible Bond Fund from 29 July 2020 in order to better reflect the unconstrained nature of the Fund.

There is no change to the fee level or cost in managing the Fund, and such changes do not materially prejudice the rights or interests of the existing Shareholders.

D. Change of the investment objective and policy of the Invesco PRC Equity Fund

From 29 July 2020, the investment objective and policy of the Invesco PRC Equity Fund will be amended in order to increase the possibility to be exposed to China A shares via shares listed on the Shanghai or Shenzhen Stock Exchanges through Stock Connect from up to 20% to up to 40% of its NAV. As a result of this change, the Invesco PRC Equity Fund may invest up to 50% of its NAV in China A shares and China B shares (including exposure through Stock Connect, participation notes, equity linked notes or similar access products or arrangements) and may invest up to 40% of its NAV in shares listed on the ChiNext Board or the Small and Medium Enterprise Board of the Shenzhen Stock Exchange. This increase of flexibility should allow the investment manager to access the full set of opportunities that exist across the Chinese market and generate alpha.

In addition and as of the Effective Date, it will be clarified that the Invesco PRC Equity Fund does not invest in UCITS and/or other UCIs with the exception of money market funds for liquidity management up to a maximum of 10% of the NAV of Invesco PRC Equity Fund.

[†] This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.

As a result of the change relating to the increase in exposure to China A shares via Stock Connect and consequential changes in the exposure to China A shares and China B shares and in the exposure to shares listed on the ChiNext Board or the Small and Medium Enterprise Board of the Shenzhen Stock Exchange, there will be a corresponding increase in the level of risks relating to Stock Connect, Small and Medium Enterprise Board and/or ChiNext market, RMB currency and conversion and PRC tax.

The above changes will not materially prejudice the rights or interests of existing investors and except as mentioned above, there is no change to the risk profile of and the fee level or cost in managing the Invesco PRC Equity Fund following the implementation of the above changes.

E. Clarification of the investment policy of the Invesco China Focus Equity Fund, Invesco Asia Opportunities Equity Fund and Invesco Greater China Equity Fund

As of the Effective Date, it will be clarified that each of the Invesco China Focus Equity Fund, Invesco Asia Opportunities Equity Fund and the Invesco Greater China Equity Fund will not invest in UCITS and/or other UCIs (including Exchange Traded Funds) with the exception of money market funds for liquidity management up to a maximum of 10% of the NAV of each Fund.

The above change will not have any adverse impact on the interests of existing investors and there is no change to the risk profile of the Invesco China Focus Equity Fund, Invesco Asia Opportunities Equity Fund or the Invesco Greater China Equity Fund.

F. Repositioning of the Invesco Asia Balanced Fund

F.1 – Change of investment objective and policy and use of derivatives of the Invesco Asia Balanced Fund

From 14 August 2020, the investment objective and policy of the Invesco Asia Balanced Fund will be changed with a view to reduce downward risks and volatility, stabilize risk-adjusted returns and optimize income delivery by introducing the use of a risk management overlay, and under exceptional circumstances (e.g. market crash or major crisis), the Invesco Asia Balanced Fund may be positioned defensively with up to 100% of its NAV in cash, cash equivalent, short term debt securities, other Money Market Instruments as well as other Transferable Securities, which are expected to have a low correlation to traditional equity and debt indices.

As a result of the above changes and notably the use of risk management overlay, the Invesco Asia Balanced Fund will use derivative instruments not extensively for investment purposes as well as for efficient portfolio management and hedging purposes. Such investment will however be restricted to 40% of the NAV of the Invesco Asia Balanced Fund, as measured by the commitment approach.

The Invesco Asia Balanced Fund's use of derivatives may include active financial derivative positions on interest rates, equities and currencies and may be used to achieve both long and short positions, which overall will not result in the Invesco Asia Balanced Fund being directionally short or short any asset class. In addition, the Invesco Asia Balanced Fund will not have uncovered short positions, in line with appropriate UCITS regulatory requirements.

As a result of the use of derivative instruments not extensively for investment purposes, the Invesco Asia Balanced Fund may be subject to additional volatility and leveraged risk, which may result in significant fluctuations of the NAV of the Invesco Asia Balanced Fund and/or extreme losses where the Investment Manager is not successful in predicting market movements. On the other hand, the introduction of a risk management overlay as described above is intended to improve the risk/return profile of the Invesco Asia Balanced Fund and should in general reduce the risk

profile over the long term. Additionally, the Invesco Asia Balanced Fund may also be subject to risks of implementing active financial derivative instrument positions not correlated with the underlying assets of the Fund.

Disclosures to this effect, as well as disclosures regarding the extent of the use of derivatives and the net derivative exposure of the Fund (which may be up to 50% of the Fund's NAV), will be reflected in the Hong Kong Supplement and Product Key Facts Statement to fulfill local Hong Kong regulatory requirements.

For your ease of reference please refer to the comparison table at the Annex I to this letter which shows the existing investment objective and policy of the Invesco Asia Balanced Fund as outlined in the Product Key Facts Statement versus how it will appear in the new version.

F.2 – Change of the name of the Invesco Asia Balanced Fund

In order to better reflect the updated investment objective and policy, from 14 August 2020, the Invesco Asia Balanced Fund will be renamed Invesco Asia Asset Allocation Fund.

F.3 – Change of the method of calculation of the global exposure of the Invesco Asia Balanced Fund

From 14 August 2020, the methodology used to calculate the global exposure will be amended from relative Value at Risk (VaR) to commitment approach. Following the assessment on the complexity of the Invesco Asia Balanced Fund's investment strategy and its potential exposure to derivative instruments, it is considered that the commitment approach is suitable to adequately capture the market risk of the Invesco Asia Balanced Fund.

The above changes will not materially prejudice the rights or interests of existing investors. Although there is change to the operation and/or manner in which the Invesco Asia Balanced Fund is being managed, there is no change in the fee level or cost in managing the Invesco Asia Balanced Fund following the implementation of the above changes.

Do any of the above amendments not suit your investment requirements?

In addition to the ability to redeem free of charge as disclosed above, you may also avail of a switch out of the Invesco Asia Balanced Fund, provided such requests are received at any time prior to 14 August 2020, into another Fund in the SICAV (subject to minimum investment amounts as set out in the Prospectus and authorisation of the particular Fund for sale in your relevant jurisdiction). The switch will be carried out in accordance with the terms of the Prospectus, 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 and the risks involved in relation to the same.

G. Clarification of the investment objective and change of the investment policy of the Invesco Euro Ultra-Short Term Debt Fund and Invesco USD Ultra-Short Term Debt Fund (the "Ultra-Short Term Debt Funds")

From 29 July 2020, the investment objective and policy of the Ultra-Short Term Debt Funds will be updated in order to (i) remove the reference to money market rates from the investment objective as further described below, (ii) allow the use of derivative instruments not extensively for investment purposes and (iii) change the average portfolio duration from a maximum of 12 months to a maximum of 18 months. Further, it will be specifically clarified that the Ultra-Short Term Debt Funds are not money market funds.

[‡] Although we will not impose any charges in respect of your switching instructions, your bank, distributor or financial adviser may charge you switching and/or transaction fees. You are advised to contact your bank, distributor or financial adviser should you have any questions in this regard.

It is proposed that each of the Ultra-Short Term Debt Funds will have the below investment objective:

"The Fund seeks to achieve a positive gross return through a conservative allocation (low duration and high credit quality) to rates and credit as more fully described below. Due to the prevailing interest rate environment or other factors, it is possible that this may not be achieved."

The reason for the removal of references to money market rates from the investment objective is to clarify that the Ultra-Short Term Debt Funds are not money market funds. There will be no change to the investment universe and the operation of the Ultra-Short Term Debt Funds as a result of such clarification.

Although the Ultra-Short Term Debt Funds may use derivatives not extensively for investment purposes, such investment will be restricted to 40% of the NAV of the Ultra-Short Term Debt Funds, as measured by the commitment approach. Such use of derivatives may include active financial derivative positions on credit, interest rates and currencies which may be used to achieve both long and short positions, which overall will not result in the Ultra-Short Term Debt Funds being directionally short or short any asset class. In addition, the Ultra-Short Term Debt Funds will not have uncovered short positions, in line with appropriate UCITS regulatory requirements.

As a result of the use of derivative instruments not extensively for investment purposes, the Ultra-Short Term Debt Funds may be subject to additional leveraged risk, which may result in significant fluctuations of the NAV of the Ultra-Short Term Debt Funds and/or extreme losses where the Investment Manager is not successful in predicting market movements. Additionally, the Ultra-Short Term Debt Funds may also be subject to risks of implementing active financial derivative instrument positions not correlated with the underlying assets of the Funds.

Disclosures to this effect, as well as disclosures regarding the extent of the use of derivatives and the net derivative exposure of the Ultra-Short Term Debt Funds (which may be up to 50% of each Fund's NAV), will be reflected in the Hong Kong Supplement and Product Key Facts Statement to fulfill local Hong Kong regulatory requirements.

The above changes will not materially prejudice the rights or interests of existing investors, and will not materially impact the way the Ultra-Short Term Debt Funds are managed. The change of average portfolio duration from a maximum of 12 months to a maximum of 18 months could have an impact on the risk profile of the Ultra-Short Term Debt Funds due to increased sensitivity of the Ultra-Short Term Debt Funds to movement in interest rates when they take the flexibility to have average portfolio duration out to 18 months. There is no change in the fee level or cost in managing the Ultra-Short Term Debt Funds following the implementation of the above changes.

H. Clarification of the investment policy and change of the benchmark to measure the global exposure of the Invesco Pacific Equity Fund

From the Effective Date, the definition of "Asia Pacific region" within the investment policy of the Invesco Pacific Equity Fund will be amended by adding an explicit reference to India to better reflect the way the Invesco Pacific Equity Fund is being managed.

The investment management team of the Invesco Pacific Equity Fund has historically included investment in India as a part of its "Asia Pacific region" investment universe, which is expected to continue as a part of the long-term strategy. While the investment policy has always allowed this as part of the 30% other component we believe it is more transparent to include India in the definition of "Asia Pacific region" and hence the primary allocation as it is and has been a country that the team has invested in systematically for many years.

The Invesco Pacific Equity Fund uses the relative Value-at-Risk approach in order to measure its global exposure by reference to MSCI AC Pacific Index. From the Effective Date, the benchmark to measure the global exposure of the Invesco Pacific Equity Fund will change to MSCI AC Asia Pacific Index, which includes India and will therefore be aligned with the clarification of its investment policy.

The above modifications will not change the way the Invesco Pacific Equity Fund is managed nor will it result in any change to the risk profile of the Invesco Pacific Equity Fund. There will be no change in the fee level or cost in managing the Fund, and such changes do not materially prejudice the rights or interests of the existing Shareholders.

I. Clarification of the investment objective and policy of the Invesco Macro Allocation Strategy Fund[§]

From the Effective Date, the investment objective and policy of the Invesco Macro Allocation Strategy Fund will be amended to better reflect the current investment practice with regards to a strategy which will help shield the portfolio in an equity sell off environment.

Therefore, it will be clarified that the Invesco Macro Allocation Strategy Fund may gain exposure to equities either directly or through the use of financial derivative instruments, which may include a factor allocation strategy. Any short exposure will be taken via the use of financial derivative instruments.

The above modifications will not change the way the Invesco Macro Allocation Strategy Fund is managed nor will it result in any change to the risk profile of the Invesco Macro Allocation Strategy Fund.

J. Reduction of the Management fee of the "E" Share class for various Funds**

From the Effective Date, the management fee of the "E" Shares (expressed as a percentage per annum of the average NAV of "E" Share class) of the Funds listed below will be reduced in order to maximise the investment outcome for clients and competitiveness, as follows:

Fund	Existing Management Fee of the "E" Share	New Management Fee of the "E" Share
Invesco Global Real Estate Securities Fund	2.25%	1.95%
Invesco Continental European Equity Fund	2.25%	2.00%
Invesco Japanese Equity Core Fund	2.25%	2.00%
Invesco UK Equity Fund	2.25%	2.00%
Invesco US Value Equity Fund	2.25%	2.00%
Invesco Energy Fund	2.25%	2.00%
Invesco Global Equity Income Fund	2.25%	2.00%
Invesco US Equity Fund	2.25%	2.00%

[§]This Fund is not authorised by the SFC and therefore is not available for sale to the public in Hong Kong.

** The "E" Share class is not offered to the public in Hong Kong.

For the list of Share classes available in the Funds listed above currently offered to the Hong Kong public, please refer to the Prospectus and the Product Key Facts Statements of the relevant Funds.

K. Update to disclosures regarding swing pricing mechanism

The Board of Directors has taken the decision to update the disclosures regarding swing pricing mechanism as disclosed in Section 6.2 (Calculation of assets and liabilities) of the prospectus to allow the adjustment applicable to a specific Fund to exceed 2% of the original NAV per Share on a temporary basis under exceptional market conditions (such as high market volatility) (i) where it is believed that the price adjustment limit of 2% currently stated in the prospectus does not adequately reflect the disconnect between prices used in the NAV calculation and the dealing and other costs and (ii) where justified by the best interest of Shareholders. When this happens investors will be given prior notice on the Hong Kong website <http://www.invesco.com.hk>^{††}.

The update in the swing pricing disclosures does not amount to a material change to the SICAV or the Funds. There will be no material change or increase in the overall risk profile of the Funds following the changes, and the changes do not have a material adverse impact on the rights or interests of the existing Shareholders.

L. Change in relation to the CDSC for “B” Share classes

From the Effective Date, the prospectus will be amended to state the maximum rate of CDSC applicable to “B” Share classes, while the actual rate for the relevant Fund will be set out in the last audited annual report and accounts of the SICAV and on the Hong Kong website www.invesco.com.hk^{††} where it deviates from the maximum.

For the avoidance of doubt, there will be no change in the fee level or cost in managing the relevant Funds and such change does not prejudice the rights or interests of the existing Shareholders.

M. General Amendments

From the Effective Date, the following changes will also be made to the Prospectus and/or the relevant Product Key Facts Statements:

1. In Section 1 of the prospectus, “Important Information for Resident Indians / Non-resident Indians / Overseas Citizens of India” will be added to cover the selling restrictions applicable to Indian investors.
2. In Appendix A of the Prospectus under “Methods used to calculate the Global exposure of the Funds and expected level of leverage of the Funds”, it will be clarified that the expected level of leverage disclosed in the table in that section might be exceeded or subject to change in the future.
3. The Prospectus and/or the relevant Product Key Facts Statements will also be amended to reflect other miscellaneous and/or administrative changes.

^{††} This website has not been reviewed by the SFC.

N. Availability of documents and additional information

Do you require additional information?

The updated Prospectus and the updated Product Key Facts Statements will be available to Hong Kong investors on www.invesco.com.hk^{††} as of the Effective Date.

Do you have any queries in relation to the above? Or would you like information on other products in the Invesco range of funds that are authorised for sale in your jurisdiction? Please contact Invesco Hong Kong Limited at (+852) 3191 8282.

O. 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.

You may contact the SICAV's Hong Kong Sub-Distributor and Representative, Invesco Hong Kong 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^{††}, while printed copies may be obtained free of charge from Invesco Hong Kong Limited registered at 41/F Champion Tower, Three Garden Road, Central, Hong Kong.

Thank you for taking the time to read this communication.

Yours faithfully,



By order of the Board of Directors

Acknowledged by Invesco Management S.A.

Annex I

Investment Objective and Policy of

Invesco Asia Balanced Fund (From 14 August 2020: Invesco Asia Asset Allocation Fund)

Until 13 August 2020	From 14 August 2020
<p>The primary objective of the Fund is to generate income from investment in Asia-Pacific equities and debt securities (excluding Japan). <u>The Fund will also aim to provide long-term capital appreciation.</u></p> <p>The Fund will invest primarily (at least 70% of net asset value of the Fund) in a diversified portfolio of equities and debt securities in the Asia-Pacific region (excluding Japan). <u>The allocation mix between equities and debt securities may vary according to the Investment Manager's discretion and market conditions.</u> Included in this category are listed real estate investment trusts ("REITs") in Asia-Pacific ex Japan.</p> <p>Up to 10% of the net asset value of the Fund may be exposed to China A shares listed on the Shanghai or Shenzhen Stock Exchanges, via Stock Connect.</p> <p>Up to 30% of the net asset value of the Fund may be invested in aggregate in cash and cash equivalents, money market instruments, equity, equity related and debt securities issued by companies or other entities not meeting the above requirements.</p> <p>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 40% of its net asset value. The Fund may invest up to 20% of its net asset value in contingent convertibles.</p> <p>The Fund will have a flexible approach to country allocation covering investments in the Asia-Pacific region including the Indian subcontinent and Australasia but excluding Japan.</p>	<p>The primary objective of the Fund is to generate income <u>and long term capital appreciation</u> from investment in Asia-Pacific equities and debt securities (excluding Japan).</p> <p>The Fund will invest primarily (at least 70% of net asset value of the Fund) in a diversified portfolio of equities and debt securities in the Asia-Pacific region (excluding Japan). Included in this category are listed real estate investment trusts ("REITs") in Asia-Pacific ex Japan. <u>The Investment Manager will employ a flexible asset allocation to debt securities and equities; which is based on a clearly defined investment process and risk overlay, intended to reduce downward risks and volatility.</u></p> <p>Up to 10% of the net asset value of the Fund may be exposed to China A shares listed on the Shanghai or Shenzhen Stock Exchanges, via Stock Connect.</p> <p>Up to 30% of the net asset value of the Fund may be invested in aggregate in cash and cash equivalents, money market instruments, equity, equity related and debt securities issued by companies or other entities not meeting the above requirements.</p> <p>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 40% of its net asset value. The Fund may invest up to 20% of its net asset value in contingent convertibles.</p> <p>The Fund will have a flexible approach to country allocation covering investments in the Asia-Pacific region including the Indian subcontinent and Australasia but excluding Japan.</p>

<p>Not more than 10% of the net asset value of the Fund may be invested in securities issued by or guaranteed by a country which is unrated and/or whose credit rating is below investment grade.</p> <p>The Fund may invest up to 60% 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) and/or whose credit rating is 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).</p> <p><u>The Fund may use derivatives (including but not limited to futures, forwards, non-deliverable forwards, swaps and complex options structures) for hedging and efficient portfolio management purposes. Such derivatives 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).</u></p>	<p>Not more than 10% of the net asset value of the Fund may be invested in securities issued by or guaranteed by a country which is unrated and/or whose credit rating is below investment grade.</p> <p>The Fund may invest up to 60% 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) and/or whose credit rating is 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).</p> <p><u>Under exceptional circumstances (e.g. market crash or major crisis) and as part of a risk overlay, the Fund may be positioned defensively with up to 100% of the net asset value in cash, cash equivalent, short term debt securities, other money market instruments as well as other transferable securities.</u></p> <p><u>The Fund may enter into financial derivative instruments for efficient portfolio management, hedging and not extensively for investment purposes. The Fund's use of derivatives may include active financial derivative positions on interest rates, equities and currencies which may be used to achieve both long and short positions, which overall will not result in the Fund being directionally short or short any asset class. In addition, the Fund will not have uncovered short positions, in line with appropriate UCITS regulatory requirements.</u></p>
<p>Use of derivatives / investment in derivatives</p> <p>The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.</p>	<p>Use of derivatives / investment in derivatives</p> <p>The Fund's net derivative exposure may be up to 50% of the Fund's net asset value.</p>