Invesco

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10 January 2025

Shareholder circular:
Invesco Real Return (EUR) Bond 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 Real Return (EUR) Bond Fund (a sub-fund of Invesco Funds)
into Invesco Global Flexible Bond 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 have the meanings attributed to them in the prospectus of Invesco Funds (the "Prospectus").

What this circular includes:

Dear Shareholder,

We are writing to you as a Shareholder in Invesco Real Return (EUR) Bond 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 Real Return (EUR) Bond Fund (the "Merging Fund"),

  Into:

- Invesco Global Flexible Bond Fund (the "Receiving Fund"),

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

A. Terms of the proposed merger

It has been resolved to proceed with a merger pursuant to article 24 of the Articles of the SICAV and to article 1 (20) a) of the Luxembourg Law of 17 December 2010 relating to collective investment undertakings, as amended from time to time (the "2010 Law"). This involves the transfer of all of the assets and liabilities of the Merging Fund to the Receiving Fund. As a result, Shareholders of the Merging Fund who continue to hold Shares in the Merging Fund on the Effective Date (as defined below) will receive Shares in the Receiving Fund in exchange for their Shares in the Merging Fund. Upon completion of the merger, the Merging Fund shall be dissolved without liquidation on the Effective Date and, consequently, the Merging Fund will cease to exist and its Shares will be cancelled with effect from the Effective Date.

A 1. Background to and rationale for the proposed merger

Invesco Funds is registered with the "Registre de Commerce et des Sociétés" of Luxembourg under Number B34457 and qualifies as an open-ended "société d'investissement à capital variable". Invesco Funds is organised as an umbrella UCITS fund with segregated liability between sub-funds pursuant to the 2010 Law.

The Merging Fund was approved by the CSSF and launched on 6 November 2000 as a sub-fund of Invesco Funds. The Receiving Fund was approved by the CSSF and launched on 15 December 2015 as a sub-fund of Invesco Funds.

The Directors have resolved to merge the Merging Fund with the Receiving Fund as the Directors believe that the Receiving Fund represents a better positioned product with higher growth potential. The Merging Fund has failed to achieve scale since its strategy repositioning in 2017 and there is no expectation that the Merging Fund will be able to achieve additional meaningful flows in future. Although management fees are higher on the Receiving Fund (see Appendix for full comparison), the Directors believe that the significantly stronger risk/ return profile on the Receiving Fund justifies the higher fees and the fee structure is aligned with similar strategies in the SICAV.

A 2. The expected impact of the proposed merger

In light of the rationale provided above, it is expected that the proposed merger will bring benefits to Shareholders of the Merging Fund should they remain invested in the Receiving Fund over the long term.

In addition to the information below, Appendix 1 to this circular sets out details of the key differences and similarities between the Merging Fund and the Receiving Fund that will be of interest and importance to you.

The Directors recommend that **you consider Appendix 1 carefully**.

For the avoidance of doubt, the investment policy is different for the Merging Fund and Receiving Fund (although both the Merging Fund and the Receiving Fund have a global fixed income strategy). There are a few other differences as further detailed in the Appendix 1 below (e.g. the base currency, the profile of typical investor, expected level of leverage, the benchmark used for comparison purposes). However, the Management Company, the Investment Manager, the key service providers (such as the Depositary, the Administration Agent and the Auditors), types and naming conventions of Share class and the operational features (such as Business Days, Dealing Cut-off Point, Settlement Date, NAV calculation, distribution policy and Reports) are the same for the Merging Fund and the Receiving Fund.

Further details of the comparison of the Share classes in the Merging Fund to the corresponding Share classes in the Receiving Fund are also set out in the table below and more fully in Appendix 1.

Upon completion of the proposed merger on the Effective Date, Shareholders in the Merging Fund who continue to hold Shares in the Merging Fund on that date will become Shareholders in the relevant Share class of the Receiving Fund with equivalent features. They will hold such Shares on the same terms and conditions as all existing Shareholders of the Receiving Fund in such Share class of the Receiving Fund.

Shareholders' rights
Both the Merging Fund and the Receiving Fund are sub-funds of Invesco Funds, and as such the Shareholders' rights are the same and will remain unchanged.

Investment objective and policy and related risks
Both the Merging Fund and the Receiving Fund have a global fixed income strategy and are categorised as article 8 products under the Sustainable Finance Disclosure Regulation (SFDR) as they both promote environmental and social characteristics in their management processes. While the Merging Fund invests in inflation-linked bonds and other inflation-linked debt instruments, the Receiving Fund has a flexible allocation to debt securities globally.

Both the Merging Fund and the Receiving Fund are currently managed by Invesco Asset Management Limited. The Receiving Fund is also managed by Invesco Advisers, Inc. as Investment Sub-Manager.

The overall risk profile of the Merging Fund and the Receiving Fund are almost the same. The Summary Risk Indicator (SRI) disclosed in the Key Information Documents ("KIDs") are currently 2 for the Merging Fund and 3 for the Receiving Fund (on a scale of 1-7).

The relevant or material risk factors applicable to the Merging Fund and to the Receiving Fund are as highlighted in the table of risks below. The table below does not purport to provide a complete explanation of all the risks associated with investment in the Merging Fund and the Receiving Fund, however all relevant or material risks are disclosed and Shareholders are advised to refer to the Prospectus for further details of such risk factors.

	Liquidity Risk	Currency Exchange Risk	Portfolio Turnover Risk	Volatility Risk	Equities Risk	Risks associated to quantitative models	Private and Unlisted Equity Risk	Investing in Small Companies	Sector Concentration Risk	Holdings Concentration Risk	Country Concentration Risk	Credit Risk	Interest Rate Risk	Investing in High Yield Bonds/Non-investment Grade Bonds	Investing in Perpetual Bonds	Distressed Securities Risk	Contingent Convertibles Risk	Convertible Bonds Risk	ABS/MBS Risk	Financial Derivative Instruments for Investment Purposes Risk	Dynamic Asset Allocation Risk	Commodities Risk	Emerging Markets Risk	Investment in Russia	Investment in Indian Debt Market Risk	Stock Connect Risks	Bond Connect Risks	QFI Risks	ESG Investment Risk
Invesco Real Return (EUR) Bond Fund	x			x						x		x	x	x	x	x	x		X	x									x
Invesco Global Flexible Bond Fund	x			x								x	x	x		x	x		x	x	x		x				x		x

Portfolio rebalancing exercise

The Investment Manager will ensure that the portfolio of investments of the Merging Fund transferred at the Effective Date are compatible with the investment objective and policy of the Receiving Fund. To this end, a portfolio rebalancing exercise will take place within two (2) weeks before the Effective Date, with the exception of positions which are not freely transferable from the Merging Fund (i.e. the positions cannot be moved between the Merging Fund and the Receiving Fund due to local market restrictions) as further described below.

Within two weeks before the Effective Date, the Merging Fund will sell down all assets that are not intended to be transferred and purchase assets aligned to the portfolio of the Receiving Fund in relevant markets where free of payment transfer (i.e. a transfer of assets without a corresponding transfer of funds) is possible. Where free of payment transfer is not possible or the Merging Fund is required to purchase positions which would not be freely transferable to the Receiving Fund (i.e. the positions cannot be moved between the Merging Fund and the Receiving Fund due to local market restrictions), then cash in-lieu of assets will be transferred on the Effective Date and the associated purchases will be completed in the Receiving Fund as soon as is practical after the Effective Date. A provision for the reasonably estimated costs of such purchases (of approximately 0.01% of the NAV of the Merging Fund) will be made within the Merging Fund on the Effective Date and this will be transferred to the Receiving Fund when the associated costs are incurred.

The total costs associated with any rebalancing of the underlying investments of the portfolio (primarily dealing and transaction costs) undertaken within two weeks before the Effective Date as part of such rebalancing exercise, coupled with costs which will be accrued on the Merging Fund on the Effective Date and subsequently transferred to the Receiving Fund are reasonably estimated at 30 basis points ("bps") of the Merging Fund's NAV as at the rebalancing date, and shall be borne by the Merging Fund up to a maximum of 40 bps of the Merging Fund's NAV as at the rebalancing date (rebalancing costs above this maximum will be borne by the Management Company), as it is believed that the proposed merger will provide investors with a fund with improved positioning, higher opportunities to achieve growth over the long term and benefits accruing from increased economies of scale.

The basis of this cost estimate is consistent with the methodology utilised by the SICAV in order to mitigate the effect of dilution, as further described under the sub-section named "swing pricing mechanism" in Section 6.2 of the Prospectus. The cost estimate will reflect an approximation of the cost of purchasing or selling the underlying assets of the Merging Fund due to dealing charges, taxes and any bid/offer spread between the buying and selling prices of the underlying assets, and may include anticipated fiscal charges.

As of 17 December 2024, approximately 5% of the portfolio was not freely transferable and therefore it is expected that approximately 5% of the NAV of the Merging Fund will be in cash on the Effective Date. The corresponding purchases of the positions which are not freely transferrable, will only take place as soon as is practicable after the Effective Date, in the Receiving Fund.

In addition, it should be noted that during the rebalance period and in the two weeks leading up to the Effective Date that the Merging Fund may deviate from, and hence not be in compliance with its investment objective and policy. This is due to the fact that the overlap between the Merging Fund and Receiving Fund is small, which will result in a higher turnover and a different client experience than would otherwise be achieved if the portfolio rebalance exercise did not take place.

To the extent that the rebalancing costs are borne by the Merging Fund, Shareholders who remain in the Merging Fund during the rebalancing period will be subject to the rebalancing costs.

Please refer to Appendix 1 for detailed disclosure of the investment objective and policy of the Merging Fund and Receiving Fund.

Fees and expenses of the Share classes of the Merging Fund and corresponding Share classes of the Receiving Fund

The table below summarises the management fees, distribution fees, service agent fees and depositary charges disclosed in the Prospectus as well as the latest ongoing costs figures disclosed in the current KIDs for the Merging Fund and the corresponding Share classes in the Receiving Fund.

Merging Fund						Receiving Fund					
Share class	Manage-ment Fee	Annual Distri-bution Fee	Max Service Agent Fee	Max Depositary Charge	Ongoing costs (Management fees and other administrative or operating costs)	Share class	Manage-ment Fee	Annual Distri-bution Fee	Max Service Agent Fee	Max Depositary Charge	Ongoing Costs (Management fees and other administrative or operating costs)
A - accumulation	0.75%	N/A	0.27%	0.0075%	1.05%	A (EUR Hedged) - accumulation	1.00%	N/A	0.27%	0.0075%	1.30%
C - accumulation	0.50%	N/A	0.10%	0.0075%	0.75%	C (EUR Hedged) – accumulation	0.60%	N/A	0.20%	0.0075%	0.85%
E – accumulation	0.90%	N/A	0.27%	0.0075%	1.20%	E (EUR Hedged) - accumulation	1.40%	N/A	0.27%	0.0075%	1.70%
R – accumulation	0.75%	0,70	0.27%	0.0075%	1.50%	R (EUR Hedged) – accumulation	1.00%	0,70%	0.27%	0.0075%	2.00%
Z (GBP Hedged) – accumulation	0.38%	N/A	0.10%	0.0075%	0.63%	Z (GBP Hedged) – accumulation	0.50%	N/A	0.20%	0.0075%	0.75%
Z - accumulation	0.38%	N/A	0.10%	0.0075%	0.63%	Z (EUR Hedged) accumulation	0.50%	N/A	0.20%	0.0075%	0.75%

While the above ongoing costs are not capped, a discretionary cap on multiple components of the total costs is maintained. This discretionary cap may positively impact the performance of the Share Class.

A 3. Valuation of assets and liabilities, calculation of the exchange ratio and exchange of Shares

As a result of the proposed merger, on the Effective Date, the Merging Fund will contribute all of its assets and liabilities, including any accrued income and liabilities to the Receiving Fund. Therefore, Shareholders, who continue to hold Shares in the Merging Fund on the Effective Date, will receive corresponding Shares in the Receiving Fund.

The Merging Fund's assets under management amounted to EUR 23,16 million as at 31 July 2024 and those of the Receiving Fund amounted to USD 56,47 million as at 31 July 2024.

The number of corresponding Shares in the Receiving Fund to be issued to each Shareholder of the Merging Fund who continues to hold Shares in the Merging Fund on the Effective Date will be calculated using an "exchange ratio" on the Effective Date. The "exchange ratio" is the factor expressing how many Shares will be issued in the corresponding Share class of the Receiving Fund for one Share in a Share class of the Merging Fund and will be calculated to six (6) decimal places, utilizing the price of the respective Share class of the Merging Fund divided by the price of the respective Share class of the Receiving Fund to calculate such ratio.

The cancellation of all existing Shares of the Merging Fund and the issue of the corresponding Shares of the Receiving Fund will be performed on the basis of the unrounded NAV of the respective Share classes of the Merging Fund and the Receiving Fund at the Valuation Point on the Effective Date. Please note that the NAV per Share of the Merging Fund and the Receiving Fund on the Effective Date will not necessarily be the same. While the overall value of their holding will be almost identical before and after the Effective Date (any difference being negligible and due to rounding), Shareholders of the Merging Fund who continue to hold Shares in the Merging Fund on the Effective Date may receive a different number of Shares in the Receiving Fund than they had previously held in the Merging Fund.

Please note that in the event the exchange ratio is rounded down, then Shareholders of the Merging Fund will receive Shares with a value that is fractionally less than the value transitioned with Shareholders of the Receiving Fund gaining proportionally. In the event the exchange ratio is rounded up, then Shareholders of the Merging Fund will receive Shares with a value that is fractionally more than the value transitioned with Shareholders of the Receiving Fund losing proportionally.

In case the application of the relevant exchange ratio does not lead to the issuance of full Shares, the Shareholders of the Merging Fund who continue to hold Shares in the Merging Fund on the Effective Date will receive fractions of Shares, up to three (3) decimal points, within the corresponding Share class of the Receiving Fund, in accordance with the provisions of the Prospectus.

Shareholders subscribing for Shares in the Receiving Fund after the Effective Date and who subscribe for a number of Shares in their application (as opposed to a monetary amount) should note that, due to the difference in NAV per Share between the Merging Fund and the Receiving Fund, the total subscription price payable for such Shares in the Receiving Fund may differ from that which would have been payable in respect of a subscription in the Merging Fund.

On the Effective Date, the valuation of the Merging Fund and the Receiving Fund and, thereafter all future valuations of the Receiving Fund, will be carried out in accordance with the valuation principles as set out in the Prospectus and the Articles of Invesco Funds. For the avoidance of doubt, there is effectively no difference between the valuation principles of the Merging Fund and the Receiving Fund and no impact on Shareholders who continue to hold Shares in the Merging Fund on the Effective Date arising from the adoption of valuation principles applicable to the Receiving Fund.

If you have not redeemed/switched your Shares in the Merging Fund prior to the Effective Date, the Registrar and Transfer Agent will issue you a written confirmation after the Effective Date with details of the exchange ratio applied, as well as the number of Shares you received in the corresponding Share class of the Receiving Fund as of the Effective Date as a result of the merger.

No initial charge will be payable on the issue of Shares in the Receiving Fund as part of this proposed merger.

A 4. Proposed Effective Date of the merger

It is expected that the proposed merger will take effect on 21 February 2025, 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 who continue to hold Shares in the Merging Fund 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.

Please read Appendix 2 to this circular carefully as it sets out a timeline for the merger proposal.

A 5. Rules relating to the transfer of assets and liabilities and treatment of the Merging Fund

As of the Effective Date, the assets and liabilities of the Merging Fund will be transferred to the Receiving Fund and all Shareholders who continue to hold Shares of the Merging Fund at that time, will be entitled to receive Shares in the Receiving Fund in exchange.

As a result, any liabilities accrued that are expected to be paid by the Merging Fund from the Effective Date will pass to the Receiving Fund and will be paid by the Receiving Fund. As the accruals of liabilities are made on a daily basis and are reflected in the daily NAV, such accruals will have no impact on the NAV of the Merging Fund or the Receiving Fund on the Effective Date. All invoices presented before the Effective Date will be paid by the Merging Fund. Based on the best estimate of the Management Company, it is expected that any under/over provision, if applicable, will be immaterial relative to the NAV of the Receiving Fund and will have no material impact on Shareholders who continue to hold Shares in the Merging Fund on the Effective Date.

In addition, from the Effective Date, any exceptional items (e.g. withholding tax reclaims, class actions, etc.) resulting in a payment being made to the Merging Fund will automatically be transferred to the Receiving Fund.

Details of the relevant Share class(es) in the Receiving Fund which you will receive if you elect not to redeem/switch prior to the proposed merger are set out in Appendix 1 to this circular. As mentioned in Section A2, the intention is to merge the Shareholders in the Merging Fund into the relevant Share class of the Receiving Fund with equivalent features.

B. Other matters relating to the proposed merger

B 1. Right to subscribe for and/or redeem Shares or switch Shares

The implementation of the merger does not require the approval of the general meeting of Shareholders of the Merging Fund.

If the proposed merger does not suit your requirements, you have the opportunity at any time up to and including 1 pm (CET time) on 14 February 2025:

- to redeem your Shares, which will be carried out in accordance with the terms of the Prospectus without any redemption charges, or

- to avail of a free switch* out of the relevant Share class into another Fund of Invesco Funds (subject to the minimum investment amounts and eligibility requirements set out in the Prospectus and authorisation of the particular fund for sale in your jurisdiction). For more information, please do not hesitate to contact the Investor Services Team, on +353 1 439 8100 (option 2), your local agent or your local Invesco office.

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

Please note that the redemption will amount to a disposal of your interests in the Merging Fund and may have tax consequences.

If you are in any doubt as to your individual tax position, you should consult your professional advisers.

From 1:00 pm (CET time) on 14 February 2025 to 21 February 2025, both dates inclusive, any dealings (including transfers) in the Merging Fund will be suspended so as to allow the merger process to be completed efficiently.

It should also be noted that as from 18 December 2024, the Fund was closed to new investors in light of the fact that the Fund was intended to be merged. However, existing Shareholders have been and will be able to continue to subscribe, redeem or switch out from the share class of the Fund they are invested in, in accordance with the provisions disclosed in the Prospectus, up to 14 February 2025 as described above.

Once the proposed merger has been completed and you become a Shareholder in the Receiving Fund, you can redeem your Shares in the Receiving Fund, subject to the usual procedures set out in the Prospectus.

No action is required to be taken on the Effective Date by Shareholders who agree to the merger and wish to receive Shares of the Receiving Fund in exchange for their Shares in the Merging Fund as a result of the merger.

The merger will be binding on all the Shareholders of the Merging Fund who have not exercised their right to redeem/switch above within the timeframe set out above.

B 2. Costs

There are no unamortised preliminary expenses in relation to the Merging Fund and the Receiving Fund.

The Management Company will bear the costs associated with the preparation and implementation of the proposed merger including all legal, advisory and administration costs.

Please refer to section A2 above for the treatment of costs arising from the rebalancing of the portfolio of investments held by the Merging Fund.

The Management Company is not responsible for individual client tax considerations and you should read section B3 below or consult your professional adviser if you are in any doubt as to the impact of the proposed merger.

B 3. Tax

Shareholders should inform themselves as to the tax implications of the proposed merger. The same applies to the ongoing tax status of the Receiving Fund under the laws of the countries of their nationality, residence, domicile or incorporation.

C. Availability of documents and information about the Receiving Fund

English-language versions of all the KIDs of the Receiving Fund are available free of charge upon request from the registered office of the Management Company or on the website of the Management Company (www.invescomanagementcompany.lu) and where relevant, translations of the KIDs will be available on the Invesco Local Websites, accessible through www.invesco.com. You are advised to read the relevant KIDs so you can make an informed decision about whether to invest.

All relevant KIDs can also be requested from **the Investor Services Team**, 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.

In addition, please note that the 2010 Law requires the Depositary of the SICAV to verify certain matters relating to the proposed merger and the independent auditors of the SICAV to validate matters relating to the valuation of the assets and liabilities, the calculation method of the exchange ratio and the actual exchange ratio which are described above. You have the right to obtain a copy of the conformity letter issued by the Depositary and the report prepared by the independent auditor of the SICAV, free of charge, and it can be obtained in the same manner and at the place described in the paragraph above.

D. Further Information

You would 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**, contact the **Investor Services Team**, on +353 1 439 8100 (option 2), or **your local agent or your local Invesco office**.

- **For Shareholders in Germany**: If you are acting as a distributor/institution keeping the securities deposit accounts for shareholders in Germany please be advised you are required to forward this letter to your end clients by durable media. In this case please send the invoice for the reimbursement of costs in English and stating the VAT no. LU24557524 to: Durable Media Department, Invesco Management SA, 37A Avenue JF Kennedy, L-1855 Luxembourg. Please use the BVI format. Further invoicing information can be obtained under durablemediainvoice@invesco.com or per phone under +352 27 17 40 84.

- **For Shareholders in Switzerland**: The Prospectus, the Key Information Documents (KID), 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 Paris, Zurich branch, Selnaustrasse 16, 8002 Zurich, is the Swiss paying agent.

- **For Shareholders in Italy**: Redemptions requests will be carried out in accordance with the terms of the Prospectus. Shareholders will be able to redeem without any redemption charges other than the intermediation fee applied by the relevant paying agents in Italy, as disclosed in the Annex to the Italian application form in force and available on the website www.invesco.it.

- **For Shareholders in United Kingdom (UK)**: Please refer to the Key Investor Information Documents (KIIDs) of the Merging Fund and Receiving Fund which are available on the local UK website in accordance with the UK requirements.

Thank you for taking the time to read this communication.

Yours sincerely
Peter Carroll

Director
for and on behalf of
Invesco Funds

Acknowledged by
Peter Carroll

Director
for and on behalf of
Invesco Management S.A

Appendix 1

Key differences and similarities between the Merging Fund and the Receiving Fund

Capitalised terms used in this Appendix to describe the Merging Fund and Receiving Fund shall have the meanings attributed to them in the Prospectus.

This table provides details of the key differences and similarities between the Merging Fund and the Receiving Fund that will be of interest and importance to you. Full details of the Merging Fund and the Receiving Fund are set out in the Prospectus. For the avoidance of doubt, the investment policy is different for the Merging Fund and Receiving Fund (although both the Merging Fund and the Receiving Fund have a global fixed income strategy). There are a few other differences as further detailed in the Appendix 1 below (e.g. the base currency, the profile of typical investor, the expected level of leverage, the benchmark used for comparison purposes). However, the Management Company, the Investment Manager, the key service providers (such as the Depositary, the Administration Agent and the Auditors), types and naming conventions of Share class, the operational features (such as Business Days, Dealing Cut-off Point, Settlement Date, NAV calculation, distribution policy and Reports) are the same for the Merging Fund and the Receiving Fund.

	The Merging Fund	**The Receiving Fund**
Name of sub-fund	Invesco Real Return (EUR) Bond Fund	Invesco Global Flexible Bond Fund
Base currency	EUR	USD
Share classes and ISIN codes	A - accumulation (LU0119747243) C -accumulation (LU0119747839) E - accumulation (LU0119749538) R - accumulation (LU0607521415) Z (GBP Hedged) - accumulation (LU1981114736) Z - accumulation (LU1814059298)	A (EUR Hedged) - accumulation (LU1332269585) C (EUR Hedged) - accumulation (LU2903430978) E (EUR Hedged) – accumulation (LU2903431190) R (EUR Hedged) - accumulation (LU1332270328) Z (GBP Hedged) - accumulation (LU2305834553) Z (EUR Hedged) – accumulation (LU2903431273)
Investment Manager	Invesco Asset Management Limited	Invesco Asset Management Limited
Investment Sub-Manager	N/A	Invesco Advisers, Inc.
Investment objective and policy and use of financial derivative instruments	The Fund aims to achieve a real return in EUR (i.e., a return above inflation) over a market cycle.	The Fund aims to maximize total return over a market cycle. The Fund seeks to achieve its objective by investing primarily in a portfolio of debt securities, denominated in any currency. The

	The Merging Fund	The Receiving Fund
	The Fund seeks to achieve its objective by gaining exposure to at least 50% of its NAV in inflation-linked bonds and other inflation-linked debt instruments, issued globally. In addition, to achieve the Fund's investment objective or for liquidity management purposes, up to 50% of the NAV of the Fund may be invested in aggregate in other debt securities issued by governments, supranational bodies, local authorities, national public bodies, corporate debt, convertibles, securitised debt (such as MBS and ABS), eligible loans as well as Money Market Instruments. The investment in debt securities may be investment grade, non-investment grade as well as unrated debt securities. Securitised debt may include Commercial Mortgage Backed Securities (CMBS) and Residential Mortgage Backed Securities (RMBS) including Collateralised Mortgage Obligations (CMOs) and Collateralised Loan Obligations (CLOs). Exposure to MBS can be taken through agency (issued by governmentsponsored enterprises such as Fannie Mae, Freddie Mac or Ginnie Mae) or non-agency (traditionally issued by an investment bank). Furthermore, exposure to ABS/MBS can be made through senior and junior tranches. 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. Investments in convertibles and bonds with warrants attached may in aggregate not exceed 25% of the Fund's NAV.	Investment Manager will employ a multi-sector flexible approach, which encompasses exposure to rates, credit and currencies. The investment process followed by the Investment Manager is flexible in nature and therefore, depending on the market environment, the Fund may allocate opportunistically across fixed income sectors. Debt securities may include investment-grade as well as non-investment grade, other securitised debt (such as ABS and MBS) and unrated debt securities, which, may be issued by governments, quasi-sovereign entities or corporations. Securitised debt may include Commercial Mortgage Backed Securities (CMBS) and Residential Mortgage Backed Securities (RMBS) including Collateralised Mortgage Obligations (CMOs). Exposure to eligible loans will generally be taken via investment in Collateralised Loan Obligations (CLOs), Collective Investment Schemes (CIS) and Floating Rate Notes (FRNs) as well as swaps and other derivatives on UCITS eligible loan indices. Up to 30% of the NAV of the Fund may be invested in Money Market Instruments, or other Transferable Securities not meeting the above requirements. The Fund may invest up to 10% of its NAV in contingent convertibles. Equities and equity related instruments may be invested up to a maximum of 15% of the NAV of the Fund. The Fund may invest up to 20% of its NAV in securities which are either in default or deemed to be at high risk of default as determined by the SICAV ("Distressed Securities").

	The Merging Fund	The Receiving Fund
	While it is not the intention of the Fund to invest in equity securities, it is possible that such securities may be held as a result of corporate action or other conversion. The Fund may invest up to 10% of its NAV in contingent convertibles. The Fund may invest up to 5% of its NAV in securities which are either in default or deemed to be at high risk of default as determined by the SICAV ("Distressed Securities"). The Fund's use of financial derivative instruments may include, but is not limited to, derivatives on credit, rates (including inflation) and currencies and can be used to achieve both long and short positions. Such derivatives may include, but are not limited to, credit default swaps, total return swaps, interest rate swaps, inflation swaps, currency forwards, TBA Mortgages, futures and options. Non-Euro investments are intended to be hedged back into Euro at the discretion of the Investment Manager **For more information on the Fund's ESG criteria, please refer to Appendix B of the Prospectus where the Fund's pre-contractual information pursuant to Article 8 of SFDR is available.** The Fund may enter into financial derivative instruments for efficient portfolio management, hedging purposes and for investment purposes (please refer to the "Investment Policy" above for further details on the use of derivatives for investment purposes).	The Fund may access China onshore bonds in the CIBM via Bond Connect for less than 10% of its NAV. The Fund's use of derivatives may include but is not limited to derivatives on credit, rates, currencies, equities and volatility and may be used to achieve both long and short positions. Depending on the market environment, the Fund may include relative value short term interest rate futures (less than 2 years) and swaps (fixed income instruments with a short duration (less than 2 years) and used for duration management. Where such transactions cannot be used for duration netting purposes, those transactions would normally be hedging (e.g. when the portfolio duration is above the target, such transactions will be used for duration netting purposes), and for investment purposes (e.g. when the portfolio duration is below the target or to achieve relative value strategies). **Please refer to the beginning of the Appendix A (Method used to calculate the global exposure of the Funds and expected level of leverage of the Funds) for more information on the potential high leverage of the Fund.** The derivatives listed above can be used for efficient portfolio management, hedging (such as currency forwards to hedge currency risks, interest rate futures and swaps for interest rate risks and credit default swaps for credit risk) or investment purposes based on the prevailing market conditions and the views of the Investment Manager. **For more information on the Fund's ESG criteria, please refer to Appendix B of the Prospectus where the Fund's pre-contractual information pursuant to Article 8 of SFDR is available.**

	The Merging Fund	The Receiving Fund
	The expected proportion of the NAV of the Fund subject to total return swaps is 0%. Under normal circumstances, the maximum proportion of the NAV of the Fund subject to total return swaps is 30%.	The Fund may enter into financial derivative instruments for efficient portfolio management, hedging purposes and for investment purposes (please refer to the "Investment Policy" above for further details on the use of derivatives for investment purposes). The expected proportion of the NAV of the Fund subject to total return swaps is 0%. Under normal circumstances, the maximum proportion of the NAV of the Fund subject to total return swaps is 30%.
SFDR classification	Article 8	Article 8
Profile of typical investor	The Fund may appeal to investors who are seeking a real return in EUR (a return above inflation), over the medium term via exposure to a portfolio of debt securities issued globally and are willing to accept moderate volatility. Due to the exposure of the Fund to financial derivative instruments the volatility can at times be magnified.	The Fund may appeal to investors who are seeking a return over the medium term via exposure to a portfolio of debt securities from issuers worldwide as well as active currency positions and are willing to accept at least moderate volatility. Due to the exposure of the Fund to high yield, emerging markets, as well as financial derivative instruments, the volatility can at times be magnified.
Methodology used to calculate the global exposure	Absolute VaR	Absolute VaR
Expected level of leverage	150%	900% The high leverage as disclosed above is mainly driven by relative value short term interest rate futures (less than 2 years) and swaps (fixed income instruments with a short duration and used for duration management). The short duration exposure combined with the low volatility of near-term interest rates leads to an extremely low volatility in those instruments and therefore requires large notional positions in order to achieve a meaningful exposure in those markets. Accordingly, high notional leverage is not necessarily representative of economic risk in each Fund.
Benchmark used for comparison purposes	Benchmark name: ICE BofA 1-10 Year Euro Inflation-Linked Government	Benchmark name: Bloomberg Global Aggregate Index USD-Hedged (Total Return)

	The Merging Fund	**The Receiving Fund**
	Index (Total Return) Benchmark usage: The Fund is actively managed and is not constrained by its benchmark, which is used **for comparison purposes.** However, as the benchmark is a suitable proxy for the investment strategy, it is likely that some of the issuers in the Fund's are also components of the benchmark. As an actively managed fund, this overlap will change and this statement may be updated from time to time. The Investment Manager has broad discretion over portfolio construction and therefore it is expected that over time the risk return characteristics of the Fund may diverge materially to the benchmark. For some Share classes, the benchmark may not be representative and another version of the benchmark may be used or no benchmark at all where a suitable comparator does not exist Such details are available for the relevant Share class on the following website: https://www.invesco.com/emea/en/priips.html.	Benchmark usage: The Fund is actively managed and is not constrained by its benchmark, which is used **for comparison purposes.** However, as the benchmark is a suitable proxy for the investment strategy, it is likely that the majority of the issuers in the Fund are also components of the benchmark. As an actively managed fund, this overlap will change and this statement may be updated from time to time. The Investment Manager has broad discretion over portfolio construction and therefore it is expected that over time the risk return characteristics of the Fund may diverge materially to the benchmark. For some Share classes, the benchmark may not be representative and another version of the benchmark may be used or no benchmark at all where a suitable comparator does not exist Such details are available for the relevant Share class on the following website: https://www.invesco.com/emea/en/priips.html.
Securities lending	This 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 NAV of the Fund subject to securities lending is 20%. Under normal circumstances, the maximum proportion of the NAV of the Fund subject to securities lending is 50%.	This 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 NAV of the Fund subject to securities lending is 20%. Under normal circumstances, the maximum proportion of the NAV of the Fund subject to securities lending is 50%.

Appendix 2

Timeline for the proposed merger

Key dates	
Event	**Date**
Shareholder circular issued to Shareholders	10 January 2025
Portfolio rebalancing*	from 7 February 2025 to 21 February 2025
The last dealing day in Shares of the Merging Fund (for receipt of subscription, redemption, switch or transfer requests)	14 February 2025**
Last valuation of the Merging Fund	21 February 2025
Effective Date	21 February 2025 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 relevant regulatory bodies and immediate notification of same to the Shareholders in writing. 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.
First day of dealing in Shares issued in the Receiving Fund pursuant to the proposed merger	24 February 2025
Written confirmation issued to Shareholders advising of exchange ratio and number of Shares in the Receiving Fund***	Before 21 days after the Effective Date

** Shareholders who remain in the Merging Fund during the rebalancing period will be subject to the rebalancing costs to the extent that the rebalancing costs are borne by the Merging Fund, and the Merging Fund shall bear rebalancing costs up to a maximum of 40 bps of the Merging Fund's NAV as at the rebalancing date.*

*** Different arrangements may be imposed by your bank, distributor or financial adviser. Please check with them to confirm the applicable arrangements.*

**** Shareholders who remain in the Merging Fund will be able to obtain information on your holding in the Receiving Fund after the Effective Date by the usual means (e.g. by checking your account balance or through your bank, distributor or financial adviser, who has the ability to check on your behalf) before you receive the written confirmation.*