



## **Invesco plans to simplify the structure of its cross-border UCITS fund range**

**This guide is for information purposes only and is intended for existing and potential investors as well as their advisors and distributors only; and only for distributors which qualify as professional investors in Hong Kong and specific Qualified Institutions/ Sophisticated investors in Taiwan. Please do not redistribute.**

**No action is currently required from existing investors.**



Invesco intends to simplify the structure of its cross-border UCITS fund range. The plan is to bring many of our UCITS funds sold on a cross-border basis together under a single umbrella structure. Invesco's Ireland-domiciled UCITS funds would therefore be merged into our existing Luxembourg SICAV.

The planned changes are expected to benefit Invesco's investors and business partners due to the increased visibility and ease of access to our range of equity, theme, reserve, bond, mixed and feeder UCITS funds that can be achieved through the single structure approach.

Invesco's Short-Term Investments Company (Global Series) Plc (Money Market Funds) and PowerShares ETFs ranges will continue to be domiciled in Ireland.

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### **What is this guide about?**

With this guide we want to provide a broad overview of our plans for the initiative, specifically:

- A** the current and planned future structure of Invesco's cross-border fund range
- B** how the future structure is planned to be implemented
- C** the anticipated benefits of the planned future structure
- D** other potential changes for investors

This guide is for information purposes only. We will provide further details as we progress with the implementation of this initiative. At this stage, no action is required and your investments will continue to be managed as set out in the current prospectuses.

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**What is being planned?**

Subject to relevant regulatory and shareholder approval, we plan to merge 21 funds into our Luxembourg SICAV. More details are provided on the following pages.

We are currently preparing the shareholder mailings which, subject to relevant regulatory approval, will be sent to all shareholders. These mailings will inform them of the impact on the funds they are invested in. The mailings are scheduled to be sent out in Q2 2018 and will include all the relevant information and forms, including the exact proposed effective date for each merger.

The implementation of each individual fund merger will require a shareholder vote in favour of the proposals. The shareholder mailings will include all details on how we plan to implement the simplification of the structure.

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## The current and planned future structure of Invesco's cross-border UCITS fund range

- **Current setup - multiple umbrellas:**  
Invesco's cross-border UCITS funds are currently structured across a number of individual umbrellas.
- **Planned future setup - one umbrella:**  
Invesco's cross-border UCITS funds would be consolidated within one umbrella<sup>1</sup>.

### Current setup - multiple umbrellas

#### Ireland-domiciled

- 7 umbrellas: 21 funds<sup>2</sup>
  - Invesco Funds Series (6 funds)
  - Invesco Funds Series 1-5 (14 funds)
  - Invesco Funds Series 6 (1 fund)

#### Luxembourg-domiciled

- 1 umbrella: 75 funds<sup>2</sup>
  - Invesco Funds SICAV



### Planned future setup - one umbrella

#### Luxembourg-domiciled

- 1 umbrella: 92 funds<sup>3</sup>
  - Invesco Funds SICAV

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1 Excluding Short-Term Investments Company (Global Series) Plc and PowerShares ETFs ranges.  
 2 Information as at 31 December 2017. Not all funds are registered in all jurisdictions.  
 3 This is the expected number of funds that will be in our Luxembourg SICAV post the structural simplification, i.e. if the mergers are implemented as planned (providing there are no other fund launches or terminations prior to this).

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## How do we plan to implement the future structure?

We plan to implement the new structure by means of mergers into either specifically launched funds in our Luxembourg SICAV (shell funds), or where appropriate, funds that already exist within our Luxembourg SICAV.

### ■ **Timeline:**

Transfer 21 funds currently domiciled in Ireland to Luxembourg. This would take place in H2 2018.

### ■ **Implementation:**

- Mergers into shell funds specifically launched in our Luxembourg SICAV for the new structure.
- Mergers into suitable existing funds in our Luxembourg SICAV.

## Implementing the changes

### Ireland-domiciled

- 21 funds
  - 17 mergers into shell funds
  - 4 mergers into existing funds

### Luxembourg-domiciled

- 1 umbrella: 92 funds
  - Invesco Funds SICAV



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## Benefits of the future structure

We expect a number of benefits as a result of the proposed simplified structure:

■ **Enhanced visibility:**

The future one-umbrella structure would result in a higher visibility of the funds available in the cross-border fund range versus the current eight-umbrella structure to the benefit of investors and business partners.

■ **Easier access:**

The future one-umbrella structure would be beneficial to investors and business partners with limited administrative resources allowing for easier access to all funds in the cross-border fund range.

■ **Higher operational efficiency:**

Lastly, the proposed single umbrella structure is expected to result in higher operational efficiency for investors and business partners.



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### **Will the planned future structure have any other impacts on investors invested in Invesco's Ireland-domiciled mutual funds?**

In general, the impact on investors will be limited:

- The new funds (shell funds), which will be specifically launched in our Luxembourg SICAV for fund mergers, will have similar investment objectives, policies, processes and risk profiles as the Ireland-domiciled merging funds. In addition, there will be no increases in the ongoing charges as a result of the fund mergers.
- Some changes to the objective, policy and investment process may occur in the case of mergers of Ireland-domiciled funds into suitable existing funds in our Luxembourg SICAV. We will explain these changes in detail in the upcoming shareholder mailings.
- Invesco will bear all incidental costs for the fund mergers. The only costs to be borne by some shareholders will be the re-balance cost for the fund mergers into suitable existing funds up to a maximum of 5 bps of the NAV of the funds. Details will be outlined in the upcoming shareholder mailings.

If a fund merger is approved, and if shareholders have not chosen to redeem, they will automatically take part in that merger.

For further information about Invesco's fund merger plans please contact your local office representative.

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## Important information

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Data as at 31 December 2017, unless otherwise stated.

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