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**Invesco Funds**

2-4 Rue Eugène Ruppert, L-2453 Luxembourg  
Luxembourg

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

9 October 2023

## Shareholder circular

### Invesco Global Targeted Returns Select Fund (the “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.**

Unless otherwise defined, all capitalised terms used herein bear the same meaning as defined in the prospectus 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 and the Management Company accept responsibility accordingly.

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Invesco Funds is regulated by the  
Commission de Surveillance du Secteur Financier  
Directors: Peter Carroll, Timothy Caverly, Andrea Mornato,  
Rene Marston, Fergal Dempsey and Bernhard Langer

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Incorporated in Luxembourg No B-34457  
VAT No. LU21722969

**Dear Shareholder,**

We are writing to you as a Shareholder in the Fund about the intention to liquidate the Fund on 30 October 2023 ("the Effective Date") for the reasons further described below.

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## **A. Background to and rationale for the proposed liquidation**

The Fund launched on 21 November 2015. An assessment of the commerciality, product fit and future demand of the "Global Targeted Return" franchise was carried out at Invesco. Invesco have considered the strategic direction taking a forward-looking view of the product potential and it is believed that the Fund will unlikely raise significant assets due to the lack of client demand for targeted return strategies.

The assets under management of the Fund (EUR 60.75 million as of 30 August 2023) have significantly declined reflecting the shift in client appetite and a reaction to the disappointing return profile over a number of years, despite performance improving over the past year. In light of this and a concentrated client base, the Directors have decided to liquidate the Fund considering they do not expect to raise subscriptions in the near future.

According to article 24 of the articles of incorporation of the SICAV (the "Articles"), the Directors have decided to compulsorily redeem all Shares of the class(es) of the sub-fund as a matter of economic rationalization.

Therefore, in accordance with the Articles, and the applicable provisions of the Prospectus, the Directors have resolved that it is in the best interests of Shareholders to close the Fund subscriptions, redemptions and switches and place the Fund into liquidation and to proceed with the compulsory redemption of all Shares in the Fund on the Effective Date.

To ensure a fair treatment of all Shareholders, the Fund has been priced at bid on a permanent basis with effect from 27 September 2023 and will be priced as is until the Effective Date. This is achieved by applying the swing pricing mechanism as described under Section 6.2 (Calculation of assets and liabilities) of the Prospectus, which provides that a non-threshold-based approach may be utilised in order to protect existing investors against any adverse cumulative impact whereby the swing pricing mechanism would be applied over a period of time even though the daily threshold may not be exceeded every single day. Moving the pricing basis to bid ensured that any Shareholder redeeming prior to 3<sup>rd</sup> October received a price which was representative of the costs that incurred in their sell down and the remaining shareholders were not impacted.

In addition, the Investment Manager will begin selling investments from 12 October 2023 to ensure that the Fund is fully invested in cash as at the Effective Date. As a result, it is possible that the Fund will not be compliant with its investment policy as well as the UCITS diversification limits in advance of the Effective Date.

As a result, no management fee will be charged to the Fund from 12 October 2023.

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## **B. Closure to any dealings of the Fund**

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

As a result of likely significant redemptions being placed and in order to protect the best interest of all Shareholders, the Directors have decided to close the Fund to redemptions and switches as of the 3<sup>rd</sup> October 2023 in accordance with the Articles and Prospectus provisions. As such, kindly note that from 3<sup>rd</sup> October 2023 until the Effective Date, redemptions and switches in the Fund have ceased, this action has been taken in order to allow the liquidation process to be completed efficiently and to preserve the best interest of the Shareholders.

It should be noted that from 27 September 2023, the Fund closed to further subscriptions as it is intended to be liquidated.

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

If you are in any doubt as to the implications of this event on your individual tax position, please consult your professional advisers.

No action is required to be taken on the Effective Date by Shareholders. Please refer to Section C below for details. The liquidation of the Fund will be binding on all the Shareholders invested in the Fund.

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## **C. Liquidation process and payment of proceeds**

Upon liquidation of the Fund, the Shares of the Fund will be redeemed at NAV per Share (taking into account actual realisation prices of investments and transactions costs of liquidating the portfolios), calculated to six (6) decimal places at the Valuation Point on the Effective Date. As the Fund will be fully in cash as at the Effective Date (with the exception of the blocked Russian assets as more fully described below) the pricing basis is not relevant as the bid/mid and offer prices will all be the same.

Please note that calculating the NAV to six (6) decimal places differs from the standard number of decimal places used to price the Fund on a daily basis as disclosed in the Prospectus and the Website of the Management Company. This is being done to ensure that, on the Effective date, the result of the calculation constitutes the closest possible approximation of the true market value of the assets of the Fund, so that the amount returned to Shareholders is representative, insofar as is possible, of the value Shareholders are entitled to.

Redemption proceeds will normally be paid to Shareholders within ten (10) Business Days following the Effective Date provided that all necessary payment instructions have been received in writing and that all necessary identification documentation have been provided.

Please note that the Fund has exposure to Russian assets; said assets are under international sanctions and are currently valued at zero in the NAV. As at 15 February 2022, such assets were valued at 0.04% of the NAV

of the Fund. The value of such assets were marked down to zero on 2 March 2022. Due to ongoing sanctions, it is likely that it will not be possible to liquidate the aforementioned Russian assets on or before the Effective Date. Until such assets become removed from sanctions, they will continue to be held in the Fund's account with the Depositary, and any Depositary charges in relation to such assets incurred after the Effective Date will be deducted from the sale proceeds of such assets. Such Depositary charges are expected to be minimal as the Depositary's fee is expected to be zero while such Russian assets remain valued at zero. To the extent such securities become removed from sanctions and available for sale in the future then such assets will be sold and the proceeds after the deduction of any taxes or transactions costs and Depositary charges (if any) will be distributed to the Shareholders of the Fund as at the Effective Date. Please note that where such proceeds are not enough to cover the relevant costs, no distribution will be made. The Management Company will monitor the market conditions on the Russian assets, and arrange for the subsequent disposal of such assets and distribution of proceeds (if any). It is expected that such proceeds will be distributed in a single payment after the sale of the Russian assets and deduction of costs as described above, and a notification to the relevant Shareholders will accompany such distribution. Such assets will continue to be valued at zero up to the Effective Date unless such assets become eligible to be sold prior to the Effective Date. To the extent such Russian assets become removed from sanctions and available for sale prior to the Effective Date, such assets will be sold by the Investment Manager in the normal course of liquidation of the Fund.

Due to market liquidity, corporate actions or other aspects outside the control of the Investment Manager, it is possible that certain investments or receivables owed to the Fund may not be realised in cash by the Effective Date. Such items may be excluded from the NAV on the Effective Date and paid as soon as practicable to Shareholders pro-rata, based on their weighted holdings in the fund on the Effective Date, which is not expected to be material.

Proceeds which may not be distributed to their beneficiaries upon the implementation of the liquidation will be deposited in escrow with the Caisse de Consignation as soon as possible upon liquidation on behalf of the persons entitled thereto. Amounts not claimed from escrow within thirty (30) years would be liable to be forfeited in accordance with the provisions of Luxembourg law.

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## **D. Costs and tax implication**

The transactions costs associated with the selling down of the portfolio will be borne by the Fund. Any additional cost associated with the liquidation (such as legal, regulatory and administrative costs) will be borne by the Management Company and it should be noted that a discretionary cap on the ongoing charge of the Fund was put in place on 27 September 2023, which will continue in place up to the Effective Date.

Further, the Fund does not have any unamortised preliminary expenses as the date of this circular.

The Management Company is not responsible for individual client tax considerations. If you are in any doubt as to the tax implications of the proposed liquidation, please consult your local financial or tax advisor.

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## **E. Availability of documents and additional information**

### **Do you require additional information?**

The Prospectus, its Appendix A, the Articles and the updated Key Information Documents are available free of charge at the registered office of the SICAV. These are also available from the website of the Management Company of the SICAV (Invesco Management S.A.): <http://www.invescomanagementcompany.lu>.

**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 your local Invesco office.

### **You may contact**

- Germany: Invesco Asset Management Deutschland GmbH at (+49) 69 29807 0,
- Austria: Invesco Asset Management Österreich- Zweigniederlassung der Invesco Asset Management Deutschland GmbH at (+43) 1 316 2000,
- Ireland: Invesco Investment Management Limited at (+353) 1 439 8000,
- Hong Kong: Invesco Asset Management Asia Limited at (+852) 3191 8282,
- Spain: Invesco Management S.A. Sucursal en España at (+34) 91 781 3020,
- Belgium: Invesco Management S.A. (Luxembourg) Belgian Branch at (+32) 2 641 01 81,
- France: Invesco Management S.A., Succursale en France at (+33) 1 56 62 43 77,
- Italy: Invesco Management S.A. Succursale Italia, at (+39) 02 88074.1,
- Switzerland: Invesco Asset Management (Schweiz) AG at (+41) 44 287 9000,
- Netherlands: Invesco Management S.A. Dutch Branch at (+31) 208 00 61 82,
- Sweden: Invesco Management S.A (Luxembourg) Swedish Filial at (+46) 850541376,
- United Kingdom: Invesco Global Investment Funds Limited at (+44) 0 1491 417 000.

**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.**

**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](mailto:durablemediainvoice@invesco.com) or per phone under +352 27 17 40 84.

**For Shareholders in Switzerland:** The Prospectus, the Key Information Documents and the Articles, as well as the annual and interim reports of the Invesco Funds may be obtained free of charge from the Swiss representative. Invesco Asset Management (Switzerland) Ltd., Talacker 34, 8001 Zurich, is the Swiss representative and the swiss paying agent is BNP PARIBAS, Paris, Zurich Branch, Selnaustrasse 16, 8002 Zurich

**For Shareholders in United Kingdom (UK):** The Key Investor Information Documents (KIIDs) are available on the local UK website in accordance with the UK requirements.

A copy of this letter is available in various languages. For further information, please contact the Investor Services Team, Dublin on (+353) 1 439 8100 (option 2) or your local Invesco office.

Thank you for taking the time to read this communication.

Yours faithfully,

**By order of the Board of Directors**

Peter Carroll

A handwritten signature in dark ink, appearing to read 'P. Carroll', is positioned below the printed name.

Acknowledged by Invesco Management S.A.