

# PRODUCT KEY FACTS

## Invesco Asia Asset Allocation Fund

A sub-fund of Invesco Funds (SICAV)

FOR THE ATTENTION OF HONG KONG INVESTORS

Issuer: Invesco Hong Kong Limited

30 April 2024

*This statement provides you with key information about this product.  
This statement is a part of the Hong Kong Offering Document.  
You should not invest in this product based on this statement alone.*

### Quick Facts

<b>Fund Manager/ Management Company:</b>	Invesco Management S.A.	
<b>Investment Manager(s):</b>	Invesco Hong Kong Limited, located in Hong Kong. (Internal delegation)	
<b>Base Currency:</b>	US Dollar	
<b>Custodian (Depositary):</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch	
<b>Dealing Frequency :</b>	Daily	
<b>Financial Year End:</b>	The last day of February	
<b>Ongoing charges over a year:</b>	Class A (NZD hedged) monthly distribution-1 – NZD	1.70%*
	Class A (CAD hedged) monthly distribution-1 – CAD	1.70%*
	Class A (AUD hedged) monthly distribution-1 – AUD	1.70%*
	Class A monthly distribution – HKD	1.70%*
	Class A monthly distribution-1 – HKD	1.70%*
	Class A monthly distribution-1 – USD	1.70%*
	Class A monthly distribution – USD	1.70%*
	Class A quarterly distribution – HKD	1.70%*
	Class A (EUR hedged) accumulation – EUR	1.70%*
	Class A accumulation – USD	1.70%*
	Class A quarterly distribution – USD	1.70%*
	Class C (EUR hedged) accumulation – EUR	1.15%*
	Class C accumulation – USD	1.15%*

\* The ongoing charges figure is calculated based on annualised expenses for the period ending 31 August 2023 divided by the average net assets over the same period. This figure may vary from year to year. It excludes portfolio transaction costs.

**Dividend Policy:** Net Income distribution (Dividends, if any, will be paid to investors)

Accumulation (Dividends, if any, will be re-invested into the Fund)

Monthly Distribution-1 (Dividends, if any, will be paid to investors monthly. The SICAV may, at its discretion, pay (a) a portion of dividends out of gross income, (b) a portion of dividends out of capital, and (c) with respect to hedged Monthly Distribution-1 Share classes (if applicable), the interest rate differential between the currency in which the share class is denominated and the base currency of the Fund. The Fund may pay dividends out of capital and/or effectively out of capital and may reduce the net asset value per share of this share class immediately after the monthly distribution date)

# Invesco Asia Asset Allocation Fund

## Minimum Investment/ Minimum Subscription Amount:

Share class	A	C
<b>Initial (in any of the dealing currencies listed in the Application Form)</b>	USD1,500	USD1,000,000
	EUR1,000	EUR800,000
	GBP1,000	GBP600,000
	HKD10,000	HKD8,000,000
	JPY120,000	JPY80,000,000
	AUD1,500	AUD1,000,000
	CAD1,500	CAD1,000,000
	NZD2,000	NZD1,200,000
<b>Additional</b>	-	-

## What is this product?

Invesco Asia Asset Allocation Fund (the "Fund") is a fund constituted in the form of a mutual fund. It is domiciled in Luxembourg and its home regulator is the CSSF, Luxembourg supervisory authority.

## Objectives and Investment Strategy

The primary objective of the Fund is to generate income and long term capital appreciation from investment in Asia-Pacific equities and debt securities (excluding Japan).

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.

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.

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.

Up to 30% of the net asset value of the Fund may be invested in aggregate in money market instruments, equity, equity related and debt securities issued by companies or other entities not meeting the above requirements.

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.

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.

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.

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).

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 short term debt securities, other money market instruments as well as other transferable securities.

The Fund may invest up to 10% of its net asset value in securities which are either in default or deemed to be at high risk of default as determined by the SICAV.

For more information on the Fund's environmental, social, and governance (ESG) criteria, please refer to Appendix B of the Prospectus where the Fund's pre-contractual information pursuant to Article 8 of SFDR<sup>1</sup> is available.

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.

The 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 net asset value of the Fund subject to securities lending is 20%. Under normal circumstances, the maximum proportion of the net asset value of the Fund subject to securities lending is 29%.

## Use of derivatives / investment in derivatives

The Fund's net derivative exposure<sup>2</sup> may be up to 50% of the Fund's net asset value.

## What are the key risks?

**Investment involves risks. Please refer to the Prospectus for details including the risks factors.**

- **General investment risk** - There can be no assurance that the Fund will achieve its investment objective. The instruments invested by the Fund may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. There is no guarantee of the repayment of principal.
- **Dynamic Asset Allocation Risk** - The Investment Manager has wide discretion to allocate dynamically within an asset class or between different asset classes. The allocation of investments between different asset classes or between segments of the same asset class may have a significant effect on the Fund's performance. The Fund could miss attractive investment opportunities by having underweight exposure in markets that subsequently experience significant returns and could lose value by being overweight in markets that subsequently experience significant declines. As a result, the relevance of the risks associated with investing in each asset class (or segment of the same asset class) will fluctuate over time. This may result in possible substantial and sudden changes to the Fund's risk profile. In addition, the periodic allocation or rebalancing of investments may incur greater transaction costs than a fund with static allocation strategy.
- **Currency exchange risk**
  - The Fund's assets may be invested in securities denominated in currencies other than the base currency of the Fund. Also, a class of shares may be designated in a currency other than the base currency of the Fund. The net asset value of the Fund may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
  - For the hedged share classes, there is no guarantee that the exposure of the currency in which the shares are denominated can be fully hedged at all times against the base currency of the Fund or the currency or currencies in which the assets of the Fund are denominated. Investors should also note that the successful implementation of the strategy may substantially reduce the benefit to shareholders in the relevant class of shares as a result of decreases in the value of the share class currency against the base currency of the Fund. In the event that investors request payment of

<sup>1</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

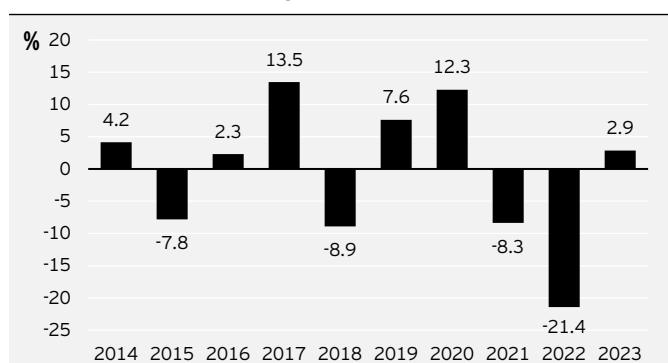
<sup>2</sup> Please refer to the offering document for details regarding the calculation methodology of net derivative exposure.

redemption proceeds in a currency other than the currency in which the shares are denominated, the exposure of that currency to the currency in which the shares are denominated will not be hedged.

- **Volatility risk** - Investors should note that volatility in the Fund's investment portfolio may result in large fluctuations in the net asset value of the Fund which may adversely affect the net asset value per share of the Fund and investors may as a result suffer losses.
- **Equities risk** - The value of, and income derived from, equity securities held may fall as well as rise and the Fund may not recoup the original amount invested in such securities. The prices of and the income generated by equity securities may decline in response to certain events, including the activities and results of the issuer, general political, economic and market conditions, regional or global economic instability and currency and interest rate fluctuations. Thus, this may adversely impact the Fund and/or the interests of investors.
- **Credit risk**
  - Investment in bonds, debt or other fixed income securities (including corporate and sovereign bonds) are subject to the risk that issuers do not make payments on interest and principal of such securities. An issuer suffering from an adverse change in its financial condition could lower the quality of a security leading to greater price volatility on that security.
  - Securities which were investment grade at the time of acquisition may be downgraded. The risk of any such downgrading will vary over time. The Fund's investment policy does not specifically require the Fund to sell such securities if they should fall below investment grade. Besides, the Investment Manager and/or Investment Sub-Manager (if applicable) may not be able to dispose of the debt instruments that are being downgraded. Investments in below investment grade securities carry a higher risk of default and therefore may adversely impact the Fund and/or the interests of investors.
- **Risk of investing in high yield bonds/non-investment grade bonds and un-rated bonds** - The Fund may invest in high yield bonds/ non-investment grade bonds and un-rated bonds which involve substantial risk. High yield bonds/ non-investment grade bonds and un-rated bonds are regarded as being predominantly speculative as to the issuer's ability to make payments of principal and interest. Issuers of high yield bonds/ non-investment grade bonds and un-rated bonds may be highly leveraged, subject to lower liquidity and higher volatility and may not have available to them more traditional methods of financing. An economic recession may adversely affect an issuer's financial condition and the market value of high yield bonds/ non-investment grade bonds and un-rated bonds issued by such entity. High yield bonds/ non-investment grade bonds and un-rated bonds are generally subject to greater loss of principal and interest than high-rated bonds. As such, this may adversely impact the Fund and/or the interests of investors.
- **Interest rate risk** - The bonds or fixed income securities that the Fund invests in may fall in value if the interest rates change and this will adversely impact the net asset value of the Fund. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes.
- **Liquidity risk** - The Fund may be adversely affected by a decrease in market liquidity for the securities in which it invests where some of the Fund's securities may become illiquid and the Fund may experience difficulties in selling securities at a fair price within a timely manner. This could impact the Fund's ability to meet redemption requests on demand.
- **Credit rating risk** - Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- **Concentration risk** - As the Fund will invest primarily in Asia-Pacific (excluding Japan) equities and debt securities, such concentration may exhibit a higher than usual degree of risk and the Fund may be subject to above average volatility. The diversification benefits that would ordinarily accrue from investment in a fund having a more diverse portfolio of investments, may not apply to this Fund.
- **Risk of investing in REITs**
  - The Fund does not invest directly in real estate and insofar as it directly invests in REITs, any dividend policy or dividend payout at the Fund level may not be representative of the dividend policy or dividend payout of the relevant underlying REIT. The relevant underlying REIT may not necessarily be authorised by the CSSF and/or the Securities and Futures Commission ("SFC") in Hong Kong.

- Please note that the Fund is authorised under the SFC's Code on Unit Trusts and Mutual Funds and not under the SFC's Code on Real Estate Investment Trusts. CSSF and/or SFC authorisation does not imply official approval or recommendation.
- **Emerging markets risk** - The Fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets such as, liquidity risk, currency risks/ control, political and economic uncertainties, policy, legal or regulatory event affecting the relevant markets and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.
- **Risks associated with investments in debt instruments with loss-absorption features (LAP)**
  - Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of a pre-defined trigger event(s) (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.
  - In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with LAP may also be exposed to liquidity, valuation and sector concentration risk.
  - The Fund may invest in contingent convertible debt securities, commonly known as CoCos, which are highly complex and are of high risk. Upon the occurrence of the trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.
  - The Fund may invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.
- **Risk of investing in financial derivative instruments ("FDI") for efficient portfolio management and hedging purposes and for investment purposes** - Investments of the Fund may be composed of FDI used for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments. Risks associated with FDI include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a FDI can result in a loss significantly greater than the amount invested in the FDI by the Fund. Exposure to FDI may lead to a high risk of significant loss by the Fund. As well as the risks identified above, the Fund may use derivatives for investment purposes and may be exposed to additional leveraged risk, which may result in significant fluctuations of the net asset value of the Fund and/or extreme losses where the Investment Manager is not successful in predicting market movements. This in turn may lead to an increase in the risk profile of the Fund.
- **Risks associated with payment of dividends and/or fees and expenses out of capital**
  - Payment of dividends out of capital and/or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the net asset value per share in respect of such share class after the monthly distribution date.
  - For Monthly Distribution-1 share classes that are currency hedged, the Fund may take into account the return driven by the interest rate differential between the currency in which the hedged Monthly Distribution-1 share class is denominated and the base currency of the Fund in determining the distribution to be paid. Investors should be aware that the uncertainty of relative interest rates which will have an impact on the return of the hedged Monthly Distribution-1 share class. The net asset value of the Monthly Distribution-1 hedged share class may fluctuate and may significantly differ from other share class due to the fluctuation of the interest rate differential between the currency in which the hedged Monthly Distribution-1 share class is denominated and the base currency of the Fund, and may result in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged share class. Investors in such share class may therefore be adversely affected.

## How has the Fund performed?



• The performance shown in the chart above prior to 14 August 2020 was based on an investment objective and policy that no longer applies, with certain changes being made to the Fund on 14 August 2020.

- The Fund Manager views Class A quarterly distribution - USD (the "Share Class"), being the focus share class of the Fund available to the public of Hong Kong, as the most appropriate representative share class.
- Fund launch date: 31 October 2008.
- Share Class launch date: 31 October 2008.
- The base currency of the Fund is USD.
- Past performance of the Share Class is calculated in USD.
- Performance is calculated after deduction of ongoing charges and is inclusive of gross income reinvested. Any entry/exit charges shown are excluded from the calculation.
- Past performance is not a guide to future performance.
- Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Share Class increased or decreased in value during the calendar year being shown.

## Is there any guarantee?

The Fund does not have any guarantees. You may not get back the full amount of money you invest.

## What are the fees and charges?

### Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund.

Fee	What you pay
Subscription fee/ Initial charge	Class A: Not exceeding 5.00% of the gross investment amount. Class C: Not exceeding 5.00% of the gross investment amount.
Switching fee	Up to 1.00% of the value of the shares being switched.
Redemption fee	N/A

# Invesco Asia Asset Allocation Fund

## Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the Fund's value)
Management fee*	Class A: 1.25% Class C: 0.80%
Custodian fee/ Depositary charge	Up to 0.0075%
Performance fee	N/A
Administration fee	N/A
Distribution fee	Class A: N/A Class C: N/A
Service agents fee	Class A: Up to 0.35% Class C: Up to 0.30%

\*The fees can be increased subject to the prior approval of the Securities and Futures Commission ("SFC") and by giving not less than three months' prior notice to the investors.

## Other fees

You may have to pay other fees when dealing in the shares of the Fund.

## Additional Information

- The compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Hong Kong Sub-Distributor and Representative on request and at [www.invesco.com/hk](http://www.invesco.com/hk). This website has not been reviewed by the SFC.
- You generally buy and redeem shares at the Fund's next-determined net asset value after the Hong Kong Sub-Distributor and Representative receives your request in good order on or before 5:00pm, Hong Kong time, being the Fund's dealing cut-off time. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal cut-off time (which may be earlier than the Fund's dealing cut-off time).
- The net asset value of the Fund is calculated each "Business Day" as defined in the Prospectus and the price of shares is published each Hong Kong business day (i.e. a day on which banks in Hong Kong are open for normal banking business) at [www.invesco.com/hk](http://www.invesco.com/hk). This website has not been reviewed by the SFC.
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors at [www.invesco.com/hk](http://www.invesco.com/hk). This website has not been reviewed by the SFC.
- Investors may obtain other information of this product at [www.invesco.com/hk](http://www.invesco.com/hk). This website has not been reviewed by the SFC.

## Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.