YF Life 萬通保險

This notice contains important information that requires your immediate attention. Should you have any queries, you are recommended to seek independent professional advice.

The following change(s) in investment choice(s) relate(s) to the "Global Series" and "Premier-Choice Series" plans. The "Global Series" includes Global InvestPlan and Global InvestPlus. The "Premier-Choice Series" includes Premier-Choice ULife InvestPlan, Premier-Choice Flexi, Premier-Choice Flexi Plus, Premier-Choice InvestPlan and Premier-Choice PLUS InvestPlan.

1. <u>Management Fee for Connected Underlying Investment Schemes for the Underlying Funds of the Investment Choices</u>

- *BNP Paribas Funds Brazil Equity (BPBEU)*
- *BNP Paribas Funds China Equity (BPHCU)*
- *BNP Paribas Funds Consumer Innovators (BPCIU)*
- *BNP Paribas Funds Emerging Bond Opportunities (BPEMU)*
- *BNP Paribas Funds Energy Transition (BPWEU)*
- *BNP Paribas Funds Global Convertible (BPWCU)*
- *BNP Paribas Funds Russia Equity (BPREU)*
- *BNP Paribas Funds US Short Duration Bond (BPUBU)*
- *YF Life BNP Paribas Funds Global Inflation-Linked Bond (BPIBU)*

As advised by the board of directors of BNP Paribas Funds, to standardize the fee structure of products offered by BNP Paribas, there will be a change to management fee for connected underlying investment schemes of the underlying funds of the investment choices above with effect from 6 January 2020.

It is currently disclosed in the Hong Kong Offering Document that the underlying funds would not incur any management fee when the underlying funds invest in units or shares of connected underlying investment schemes which are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding (the "Connected Schemes").

With effect from 6 January 6 2020, the underlying funds would start to incur such indirect management fee of the Connected Schemes managed by the same management company or its affiliates and investors may therefore be exposed to fee doubling. The ongoing charges of the underlying funds may be increased but the impact would not be material. The underlying funds would continue not to incur any subscription or redemption fees for the units or shares of the Connected Schemes.

Nevertheless, the underlying funds may not invest in any underlying schemes which have a management fee exceeding 3% per annum.

There would be no change in other fees level or costs in managing the underlying funds. In addition, the management company would bear the costs or expenses incurred in connection with the change. The change would not materially change the features and overall risk profile of the underlying funds. There would be no change in the operations or the manner in which the underlying funds are being managed. There would be no change in the investment objective or policies of the underlying funds as a result of the change. Further, the change would not materially prejudice the existing investors' interest.

2. <u>Clarification of the Investment Policy of the Underlying Funds of the Investment Choices</u>

- *Barings Developed and Emerging Markets High Yield Bond Fund (BAHYU)*
- *Barings Global Bond Fund (BAIBU)*

As advised by the directors of Baring International Fund Managers (Ireland) Limited, the Hong Kong Offering Documents of the underlying funds of the investment choices above have been updated to clarify that the underlying funds may invest less than 30% of their net asset value in debt instruments with loss-absorption features ("LAP") (e.g. Additional Tier 1 (AT1), Tier 2, Tier 3, external LAC debt instruments and certain similar debt instruments issued by a holding company of a financial institution which exhibit LAP features) out of which no more than 10% of the underlying fund's assets may be invested in AT1 securities. LAP is intended to capture debt instruments with features of contingent write-down or contingent conversion to ordinary shares on the occurrence of (a) when a financial institution is near or at the point of non-viability or (b) when the capital ratio of a financial institution falls to meet a specified level.

Additional risk disclosures on investing in instruments with loss-absorption features is included in the Hong Kong Offering Documents.

3. <u>Amendment of the Investment Policy of the Underlying Fund of the Investment Choice</u>

- *HSBC Asian Bond Fund Class "AC" (HSABU)*

As advised by HSBC Investment Funds (Hong Kong) Limited, the investment policy of the underlying fund of the investment choice above have been amended to provide that the underlying fund may invest less than 30% of its net asset value in debt instruments with loss-absorption features (e.g. contingent convertible securities).

With effect from 31 January 2020, the investment policy of the underlying fund will be amended so that it may invest in financial derivative instruments (including embedded financial derivatives) for investment and hedging purposes, subject to the applicable investment restrictions.

You may refer to the section entitled “Derivatives risk” in the revised Explanatory Memorandum of the underlying fund for details of the risks in relation to financial derivative instruments.

Save and except as set out above, there will be no other change in the operation and/or manner in which the underlying fund is being managed and there will be no other impact on the features and risk profile of the underling fund. There will be no increase to the fee level / cost in managing the underlying fund (such as current and maximum trustee and management fees). The changes will not materially prejudice the investors’ interests.

4. **<u>Enhancement of Disclosure on the Investment Policy of the Underlying Funds of the Investment Choices</u>**
   - *AB FCP I - American Income Portfolio Class "A2" (ACAIU)*
   - *AB FCP I - Global High Yield Portfolio Class "A2" (ACGHU)*
   - *AB SICAV I - India Growth Portfolio Class "AX" (ACILU)*
   - *AB SICAV I - International Health Care Portfolio "A" (ACIHU)*

As advised by AllianceBernstein, subject to the primary investment strategy of each of the underlying funds of the investment choices above, the disclosures on the investment policies of the underlying funds have been updated to reflect that each underlying fund may invest less than 30% of their respective net assets in debt instruments with loss-absorption features as defined by the SFC, including, but not limited to, contingent convertible securities.

Save for the changes mentioned above, the investment objective, investment strategy, and risk profile of the underlying funds will not change and there will be no change to the operation and/or manner in which the underlying funds are being managed. There will be no material change to the risks applicable to the underlying funds. Further, there will be no change to the fee level / cost in managing the underlying funds and the changes will not prejudice the interests of the underlying funds’ existing investors.

5. **<u>Clarification to the Investment Objective and Policy of the Underlying Fund of the Investment Choice</u>**
   - *Invesco Asia Balanced Fund A (Acc) (INABU)*

As advised by the directors of Invesco Funds, in order to comply with regulatory requirements in Luxembourg, it has been clarified with effect from 20 December 2019 for the underlying fund of the investment choice above that up to 10% of the net asset value of the underlying fund may be exposed to China A shares listed on the Shanghai or Shenzhen Stock Exchanges, via Stock Connect.

The clarification has no impact on the way the underlying fund below is being managed nor on its risk profile. There will be no change in the fee level or cost in managing the underlying fund. All costs incurred in connection with the change will be borne by the management company.

6. **<u>Change of the Investment Objective and Policy of the Underlying Funds of the Investment Choices</u>**
   - *Invesco Asia Consumer Demand Fund A (Acc) (INCDU)*
   - *Invesco Asia Opportunities Equity Fund A (Acc) (INAOU)*

With effect from 16 January 2020, the investment objective and policy of the underlying funds of the investment choices above will be updated to increase the limit applicable to the investment in China A shares via Stock Connect from 10% to 20%, which is aligned with the greater prominence that China A shares are taking in global indices.

It is not intended that this change will materially impact the risk profile of the underlying funds or the interests of existing investors. There will be no change in the fee level or cost in the underlying funds and all costs incurred in connection with the change will be borne by the management company.

You should refer to the relevant offering documents and the notice to shareholders of the underlying fund(s) of the above investment choice(s), which are made available by YF Life Insurance International Ltd. upon request, or visit our website (www.yflife.com) to carefully read the details of the relevant documents in relation to the above change(s).

If you have selected the above investment choice(s) under your insurance policy and if for any reason you wish to change to other investment choice(s), you may switch your investment choice(s) to other available investment choice(s) provided by your policy. Currently, no switching charge and bid-offer spread apply to the investment choices. For details, please refer to Investment Choice Brochure or contact YF Life Insurance International Ltd. - Customer Service Hotline at (852) 2533 5555 (Hong Kong)/ (853) 2832 2622 (Macau).

BNP PARIBAS FUNDS

Luxembourg SICAV – UCITS category (the "Company")
Registered office: 10 rue Edward Steichen, L-2540 Luxembourg
Luxembourg Trade and Companies Register n° B 33.363

Notice to shareholders

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

Dear Shareholders,

To standardize the fee structure of products offered by BNP Paribas, we hereby inform you the following change which will be effective on January 6, 2020 (Order Trade Date) and will be incorporated in the next version of the Hong Kong Offering Document.

Management fee for connected underlying investment schemes

BNP Paribas Funds Aqua	BNP Paribas Funds Europe Small Cap
BNP Paribas Funds Asia ex-Japan Bond	BNP Paribas Funds Global Convertible
BNP Paribas Funds Asia ex-Japan Equity	BNP Paribas Funds Global Environment
BNP Paribas Funds Brazil Equity	BNP Paribas Funds Global High Yield Bond
BNP Paribas Funds China Equity	BNP Paribas Funds Global Inflation-Linked Bond
BNP Paribas Funds Consumer Innovators	BNP Paribas Funds Global Low Vol Equity
BNP Paribas Funds Disruptive Technology	BNP Paribas Funds Global Real Estate Securities
BNP Paribas Funds Emerging Bond Opportunities	BNP Paribas Funds Green Tigers
BNP Paribas Funds Emerging Equity	BNP Paribas Funds Health Care Innovators
BNP Paribas Funds Emerging Multi-Asset Income	BNP Paribas Funds India Equity
BNP Paribas Funds Energy Transition	BNP Paribas Funds Latin America Equity
BNP Paribas Funds Euro Equity	BNP Paribas Funds Local Emerging Bond
BNP Paribas Funds Euro Mid Cap	BNP Paribas Funds Pacific Real Estate Securities
BNP Paribas Funds Europe Dividend	BNP Paribas Funds Russia Equity
BNP Paribas Funds Europe Emerging Equity	BNP Paribas Funds US Growth
BNP Paribas Funds Europe Equity	BNP Paribas Funds US Mid Cap
BNP Paribas Funds Europe Growth	BNP Paribas Funds US Short Duration Bond

It is currently disclosed in the Hong Kong Offering Document that the sub-funds above (collectively, the "Sub-funds") would not incur any management fee when the Sub-funds invest in units or shares of connected underlying investment schemes which are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding (the "Connected Schemes").

With effect from January 6, 2020, the Sub-funds would start to incur such indirect management fee of the Connected Schemes managed by the same management company or its affiliates and shareholders may therefore be exposed to fee doubling. The ongoing charges of the Sub-funds may be increased but the impact would not be material. The Sub-funds would continue not to incur any subscription or redemption fees for the units or shares of the Connected Schemes.

Nevertheless, the Sub-funds may not invest in any underlying schemes which have a management fee exceeding 3% per annum.

There would be no change in other fees level or costs in managing the Sub-funds. In addition, the Management Company would bear the costs or expenses incurred in connection with the change. The change would not materially change the features and overall risk profile of the Sub-funds. There would be no change in the operations or the manner in which the Sub-funds are being managed. There would be no change in the investment objective or policies of the Sub-funds as a result of the change. Further, the change would not materially prejudice the existing investors' rights of interest.

Hong Kong shareholders who do not accept the change mentioned above may ask the redemption of their shares according to the relevant procedures as disclosed in the Hong Kong Offering Document free of charge from the date of this notice until 6pm Hong Kong time on January 3, 2020.

The Hong Kong Offering Document will be updated to reflect the change above. The current Hong Kong Offering Document of BNP Paribas Funds is available for inspection free of charge at the office of the Hong Kong Representative[1], during normal business hours on any Hong Kong business day; and on the website at http://www.bnpparibas-am.hk [2]. The updated Hong Kong Offering Document will be available later.

The Board of Directors of BNP Paribas Funds accepts responsibility for the accuracy of the contents of this notice.

Hong Kong shareholders may contact BNP PARIBAS ASSET MANAGEMENT Asia Limited, the Hong Kong Representative of BNP Paribas Funds, at (852) 2533 0088 for questions.

December 6, 2019
The Board of Directors

[1] The registered office of the Hong Kong Representative is located at 17/F Lincoln House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.
[2] This website has not been reviewed by the Securities and Futures Commission of Hong Kong.

IMPORTANT: This notice (the "**Notice**") is sent to you as a unitholder of Barings Global Umbrella Fund. It is important and requires your immediate attention. If you have any questions about the content of this notice or are in any doubt as to the action to be taken, you should seek independent professional advice and immediately consult your stockbroker, bank manager, solicitor or attorney or other professional advisor. If you sold or otherwise transferred your holding in Barings Global Umbrella Fund, please send this Notice to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This Notice has not been reviewed by the Central Bank of Ireland (the "Central Bank") and the Securities and Futures Commission ("SFC") and it is possible that changes thereto may be necessary to meet the requirements of the Central Bank and the SFC. The directors (the "Directors") of Baring International Fund Managers (Ireland) Limited (the "Manager"), the manager of Barings Global Umbrella Fund, are of the opinion that there is nothing contained in this Notice nor in the proposals detailed herein that conflicts with the guidance issued by and regulations of the Central Bank and the SFC.

The Directors have taken all reasonable care to ensure that, as at the date of this Notice, the information contained in this Notice is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept full responsibility for the accuracy of the information contained in this Notice.

Unless otherwise indicated, all capitalised terms in this Notice shall have the same meaning as described in the Prospectus dated 28 December 2018, Hong Kong Covering Document dated December 2019 and Product Key Facts Statements of the relevant funds of Barings Global Umbrella Fund dated December 2019 (collectively the "**Hong Kong Offering Documents**").

BARING INTERNATIONAL FUND MANAGERS (IRELAND) LIMITED
Registered Office
70 Sir John Rogerson's Quay
Dublin 2
Ireland

9 December 2019

Dear Unitholder

Barings Global Umbrella Fund (the "**Unit Trust**")

- Barings Global Umbrella Fund - Barings Eastern Europe Fund
- Barings Global Umbrella Fund - Barings Global Leaders Fund
- Barings Global Umbrella Fund - Barings Global Resources Fund
- Barings Global Umbrella Fund - Barings Developed and Emerging Markets High Yield Bond Fund

(each a "Fund", collectively the "Funds")

We are writing to you as a Unitholder to notify you of certain updates that are relevant to the Unit Trust and the Funds and to certain updates to the Hong Kong Offering Documents.

1. Amendments to reflect requirements under the Revised Code on Unit Trusts and Mutual Funds

<u>(A) Background</u>

The Unit Trust and the Funds are authorised by the SFC and hence are subject to the applicable requirements under the Code on Unit Trusts and Mutual Funds ("**Code**") issued by the SFC. The Code has been revised.

<u>(B) Changes pursuant to the revised Code</u>

The following key updates ("**UT Code Updates**") have been made to the Hong Kong Offering Documents to reflect applicable requirements under the revised Code:

(a) Enhancement of disclosures on net derivative exposure

The Hong Kong Covering Document and the Product Key Facts Statements of the Funds have been amended to include disclosures on the expected maximum net derivative exposure arising from derivative investments. The net derivative exposure of the Funds is calculated in accordance with the Code and the requirements and guidance issued by the SFC, which may be updated from time to time. In calculating the net derivative exposure, derivatives acquired for investment purposes that would generate incremental leverage at the portfolio level of the relevant Fund are converted into their equivalent positions in their underlying assets.

The net derivative exposure of each of the Funds may be up to 50% of its Net Asset Value provided that such limit may be exceeded in such circumstances as permitted under the Code, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time.

(b) Unclaimed proceeds and monies

The Hong Kong Offering Documents have been updated to clarify that any unclaimed proceeds or monies which cannot be distributed to investors following a termination will be transferred to and held in the Umbrella Cash Account from the date of termination of a Fund. Any such unclaimed termination proceeds of a Fund held in the Umbrella Cash Account may be paid into court at the expiration of 12 months, or if unable, impractical or the Manager otherwise determines it to be inappropriate to do so (for whatever reason), may be paid to charity at the expiration of 3 years from the date of Fund termination, subject to the right of Depositary to deduct therefrom any expense that it may incur in making such payment. During such period as unclaimed termination proceeds are held in the Umbrella Cash Account, Unitholders who are entitled to the relevant part of the unclaimed termination proceeds may make a claim to the Manager or the Administrator for payment of their entitlement and will be paid upon provision of all required information and/or documents as required by the Manager and/or the Administrator. Please also refer to the section headed “Handling of Unclaimed Redemption Proceeds” in the Hong Kong Covering Document and the sections headed “Umbrella Cash Accounts” and “Duration of the Unit Trust” in the Prospectus.

(c) Other amendments

The Hong Kong Offering Documents have also been revised to incorporate other amendments and enhancement of disclosures to reflect the requirements of the revised Code, the key updates include the following:

(i) amendments to further clarify that the Manager, the Investment Manager(s) or any person acting on behalf of the Funds or the Manager or Investment Manager(s) may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme;

(ii) enhancements of disclosure regarding liquidity risk management;

(iii) enhancements of risk disclosures where appropriate, e.g. depositary risk, risk associated with investment in debt instruments with loss-absorption features; and

(iv) other miscellaneous and enhancements of disclosure.

Please refer to the revised Hong Kong Offering Documents for further details of the UT Code Updates and other updates.

2. Investments in instruments with loss-absorption features

The Hong Kong Offering Documents have been updated to clarify that the Barings Developed and Emerging Markets High Yield Bond Fund (**“Relevant Fund”**) may invest less than 30% of its Net Asset Value in debt instruments with loss-absorption features (“LAP”) (e.g. Additional Tier 1 (AT1), Tier 2, Tier 3, external LAC debt instruments and certain similar debt instruments issued by a holding company of a financial institution which exhibit LAP features) out of which no more than 10% of the Relevant Fund’s assets may be invested in AT1 securities. LAP is intended to capture debt instruments with features of contingent write-down or contingent conversion to ordinary shares on the occurrence of (a) when a financial institution is near or at the point of non-viability or (b) when the capital ratio of a financial institution falls to meet a specified level.

Additional risk disclosures on investing in instruments with loss-absorption features is included in the Hong Kong Offering Documents.

3. Revised Trust Deed

The Trust Deed was revised by a third supplemental trust deed dated 18 July 2018 (the "**Third Supplemental Deed**") to reflect the requirements under the General Data Protection Regulation (Regulation (EU) 2016/679). Inadvertently, the jurisdiction clause of the Third Supplemental Deed provided that the parties to the Third Supplemental Deed are subject to the exclusive jurisdiction of the Irish courts. Such an exclusivity provision was not intended and the Manager and the Depositary agree to submit to the non-exclusive jurisdiction of the Irish courts for the purpose of the Third Supplemental Deed. In addition, the Manager and the Depositary have entered into a fourth supplemental trust deed to rectify the jurisdiction clause of the Third Supplemental Deed. From the effective date of the fourth supplemental trust deed, the jurisdiction clause of the Third Supplemental Deed will no longer provide that the parties to such deed are subject to the exclusive jurisdiction of the Irish courts (i.e. an action relating to the Third Supplemental Deed may be brought to the courts of Hong Kong.). The revised Trust Deed (as amended by the supplemental trust deeds from time to time) may be obtained or inspected free of charge at the office of the Hong Kong Representative at the address listed below.

4. Other miscellaneous updates

The Hong Kong Offering Documents have also been revised to incorporate other amendments and enhancement of disclosures which include the following:

(i) the appointment of Alan Behen and Paul Smyth as new directors of the Manager (these appointments were effective on 4 February 2019 and 19 March 2019 respectively); and

(ii) other miscellaneous and enhancements of disclosure.

The Hong Kong Offering Documents have been updated to reflect the changes set out in this Notice. A copy of these documents is available from the Hong Kong Representative at the address listed below and will also be available from www.barings.com[1].

Should you have any questions relating to the matters dealt with in this Notice, please contact Baring Asset Management (Asia) Limited, the Hong Kong Representative, by telephone on (852) 2841 1411, by e-mail at Hk.wealth.retail@barings.com, or by letter at the following address: 35th Floor, Gloucester Tower, 15 Queen's Road Central, Hong Kong. Alternatively you may wish to speak to your financial adviser.

Director
For and on behalf of
BARING INTERNATIONAL FUND MANAGERS (IRELAND) LIMITED

[1] Please note that the website has not been authorised by the SFC and may contain information relating to funds which are not authorised in Hong Kong and information which is not targeted to Hong Kong investors.

BARINGS

IMPORTANT: This notice (the "**Notice**") is sent to you as a unitholder of Barings International Umbrella Fund (the "**Unit Trust**"). It is important and requires your immediate attention. If you have any questions about the content of this Notice or are in any doubt as to the action to be taken, you should seek independent professional advice and immediately consult your stockbroker, bank manager, solicitor or attorney or other professional advisor. If you have sold or otherwise transferred your holding in the Unit Trust, please send this Notice to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This Notice has not been reviewed by the Central Bank of Ireland (the "Central Bank") or by the Securities and Futures Commission (the "SFC"). As such, it is possible that changes thereto may be necessary to meet the requirements of the Central Bank and the SFC. The directors (the "Directors") of Baring International Fund Managers (Ireland) Limited (the "Manager"), the manager of the Unit Trust, are of the opinion that there is nothing contained in this Notice nor in the proposals detailed herein that conflicts with the guidance issued by and regulations of the Central Bank and the SFC.

The Directors have taken all reasonable care to ensure that, as at the date of this Notice, the information contained in this Notice is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept full responsibility for the accuracy of the information contained in this Notice.

Unless otherwise indicated, all capitalised terms in this Notice shall have the same meaning as described in the prospectus for the Unit Trust dated 16 August 2019, the Hong Kong Covering Document dated December 2019 and the Product Key Facts Statements of the relevant funds of Barings International Umbrella Fund dated December 2019 (collectively the "**Hong Kong Offering Documents**").

BARING INTERNATIONAL FUND MANAGERS (IRELAND) LIMITED
Registered Office
70 Sir John Rogerson's Quay
Dublin 2
Ireland

9 December 2019

Dear Unitholder,

Barings International Umbrella Fund (the "Unit Trust")

- **Barings International Umbrella Fund - Barings Global Bond Fund (the "Fund")**

We are writing to you as a Unitholder to notify you of certain updates that are relevant to the Unit Trust and the Fund and of certain updates to the Hong Kong Offering Documents.

1. Investments in instruments with loss-absorption features

The Hong Kong Offering Documents have been updated to clarify that the Fund may invest less than 30% of its Net Asset Value in debt instruments with loss-absorption features ("LAP") (e.g. Additional Tier 1 (AT1), Tier 2, Tier 3, external LAC debt instruments and certain similar debt instruments issued by a holding company of a financial institution which exhibit LAP features) out of which no more than 10% of the Fund's assets may be invested in AT1 securities. LAP is intended to capture debt instruments with features of contingent write-down or contingent conversion to ordinary shares on the occurrence of (a) when a financial institution is near or at the point of non-viability or (b) when the capital ratio of a financial institution falls to meet a specified level.

Additional risk disclosures on investing in instruments with loss-absorption features is included in the Hong Kong Offering Documents.

2. Other amendments

The Hong Kong Offering Documents have also been revised to incorporate other amendments and enhancement of disclosures. The key updates include the following:

(i) enhancements of disclosure on net derivative exposure;

(ii) enhancements of disclosure regarding liquidity risk management;

(iii) enhancements of risk disclosures where appropriate, e.g. depositary risk; and

(iv) other miscellaneous, administrative, clarification and enhancements of disclosure.

The Hong Kong Offering Documents have been updated to reflect the changes set out in this Notice. A copy of these documents is available from the Hong Kong Representative at the address listed below and will also be available from www.barings.com[1].

Should you have any questions relating to the matters dealt with in this Notice, please contact Baring Asset Management (Asia) Limited, the Hong Kong Representative, by telephone on (852) 2841 1411, by e-mail at Hk.wealth.retail@barings.com, or by letter at the following address: 35th Floor, Gloucester Tower, 15 Queen's Road Central, Hong Kong. Alternatively you may wish to speak to your financial adviser.

Yours faithfully

Director
For and on behalf of
BARING INTERNATIONAL FUND MANAGERS (IRELAND) LIMITED

[1] Please note that the website has not been authorised by the SFC and may contain information relating to funds which are not authorised in Hong Kong and information which is not targeted to Hong Kong investors.

HSBC

11 December 2019

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF IN DOUBT, PLEASE SEEK PROFESSIONAL ADVICE.

Dear Unitholder,

HSBC Investment Funds Trust (the "Fund")

- **HSBC Asian Bond Fund**
- **HSBC China Momentum Fund**
- **HSBC China Growth Fund**
- **HSBC Asian High Yield Bond Fund**
  (each a "Sub-Fund", collectively, the "Sub-Funds")

We, as the Manager of the Fund and the Sub-Funds, would like to inform you of the following changes.

Terms otherwise not defined in this letter will have the same meaning as those defined in the current Explanatory Memorandum of the Fund.

1. Amendments to reflect requirements under the revised Code on Unit Trusts and Mutual Funds

Background

The Fund and the Sub-Funds are subject to the Code on Unit Trusts and Mutual Funds ("Code") issued by the Securities and Futures Commission in Hong Kong ("SFC"). The Code has been revised. The Trust Deed has been amended by way of a deed of amendment and substitution ("Deed of Amendment and Substitution") and the Explanatory Memorandum and/or the Product Key Facts Statements of the Sub-Funds have been revised to reflect the requirements under the revised Code.

Changes pursuant to the revised Code

The following key changes have been made to the Trust Deed, the Explanatory Memorandum and/or the Product Key Facts Statements of the Sub-Funds (where applicable) to reflect the requirements under the revised Code, with immediate effect.

1. Trustee and Manager - additional obligations of the Trustee and the Manager under Chapters 4 and 5 respectively of the revised Code.

2. Investment Restrictions: Core Requirements - amendments to the core requirements of the investment limitations and prohibitions under Chapter 7 of the revised Code, including but not limited to amendments in relation to the following: spread of investments, commodities, restrictions on making loans, limitations on borrowing, financial derivative instruments and collateral, etc.

   A summary of the key revised investment restrictions/requirements pursuant to the revised Code are set out in Annexure A enclosed with this letter.

The net derivative exposure of each Sub-Fund may be up to 50% of each Sub-Fund's latest available net asset value. The net derivative exposure is calculated in accordance with the Code and the requirements and guidance issued by the SFC which may be updated from time to time. In calculating the net derivative exposure, derivatives acquired for investment purposes that would generate incremental leverage at the portfolio level of a Sub-Fund are converted into their equivalent positions in their underlying assets.

3. Other Amendments - other amendments and enhancement of disclosures to reflect the requirements of the revised Code including the following:

   (a) enhanced disclosures relating to the collateral policy of the Sub-Funds;

   (b) amendments to reflect the requirements under the revised Code on transactions with connected persons and soft dollars arrangements; and

   (c) enhanced disclosures on arrangements in handling unclaimed proceeds of Unitholders where a Sub-Fund is terminated.

In addition, the investment policies of HSBC Asian Bond Fund and HSBC Asian High Yield Bond Fund have been amended to provide that each Sub-Fund may invest less than 30% of its net asset value in debt instruments with loss-absorption features (e.g. contingent convertible securities).

From 31 January 2020 ("Effective Date"), the redemption gate mechanisms applicable to the Sub-Funds will be changed in light of the Revised Code. Currently, the Manager may, with the approval of the Trustee, limit the number of Units of each Sub-Fund redeemed on any Dealing Day to 10% of the total number of Units of that Sub-Fund in issue. From the Effective Date, such redemption gate may be imposed by reference to the total net asset value of the relevant Sub-Fund instead of by reference to the total number of Units of the relevant Sub-Fund.

Please refer to the revised Explanatory Memorandum and the Deed of Amendment and Substitution for further details.

2. Unit consolidation in respect of "Payout" Classes

From the Effective Date, the Manager may, with the consent of the Trustee, decide to effect a consolidation of Units of Payout Classes. This means that a certain number of Units of Payout Classes are combined to equal a single Unit with equivalent value. A consolidation may be effected in the event that the Issue Price/Redemption Price of the relevant Unit is lower than 50% of its initial Issue Price in its Class Currency, where the Manager considers that a consolidation is in the interests of Unitholders of the relevant Sub-Fund.

Certain "Payout" Classes of Units may pay out of capital over a prolonged or indefinite period. Paying-out of capital represents a withdrawal of investors' initial investment. This may result in a substantial erosion in the net asset value per Unit of the "Payout" Class (and hence the Issue Price/Redemption Price) over the long term. As the net asset value per Unit reduces, the proportional significance of rounding errors during its calculation increases. Significant rounding errors result in "Payout" Classes experiencing increased price volatility and inaccuracy which results in unfair treatment between Unitholders. A consolidation of Units seeks to minimize the effect of rounding errors.

Unit consolidation will cause a reduction in the number of Units an investor holds and Unitholders will have less votes when conducting resolutions on a poll.

A consolidation of Units is intended to apply only to "Payout" Class Units to be launched. **Accordingly, existing Units held by Unitholders as of the date of this letter will not be subject to consolidation**.

3. Possibility for investors to cancel the realisation requests not effected as a result of redemption gate

Currently, if the Manager, with the approval of the Trustee, limits the number of Units in any Sub-Fund realised on any Dealing Day to 10% pursuant to its power provided in the Trust Deed, the part of the realisation requests not effected on the relevant Dealing Day will be deferred to the next Dealing Day.

From the Effective Date, it will be provided that investors may cancel any part of the realisation requests not effected on the relevant Dealing Day, which will otherwise be deferred to the next Dealing Day.

It is in the interest of the investors to provide an additional flexibility to cancel realisation requests not effected as a result of imposing a redemption gate.

4. Investment in China A-shares by HSBC China Growth Fund

Currently, HSBC China Growth Fund may invest up to 30% of its net asset value in China A-shares through equity linked instruments ("**ELN**") and up to 30% of its net asset value in China A-shares through the Stock Connects. The Sub-Fund's maximum total investment in China A-shares including all types of investments is 30% of its net asset value.

With effect from Effective Date, the investment policy of HSBC China Growth Fund will be amended so that the Sub-Fund may invest up to 70% of its net asset value in China A-shares through the Stock Connects, while the exposure to China A-shares through ELN will remain at 30% of the net asset value. The Sub-Fund's maximum total investment in China A-shares through all types of investments will be increased to 70% of its net asset value. The rationale of the above changes is to provide the Manager with the flexibility to capture the potential presented by China A-shares.

As a result of the above changes, HSBC China Growth Fund will be subject, to a greater extent, to risks associated with investment in Mainland China market and the Stock Connects and will also be subject to risks associated with ELN.

Investing in the securities markets in Mainland China is subject to the risks of investing in emerging markets generally and the risks specific to the Mainland China market in particular.

The relevant rules and regulations on Stock Connects are subject to change. The Stock Connects are subject to quota limitations. Where a suspension in the trading through the programme is effected, the Sub-Fund's ability to invest in China A-shares or access Mainland China market through the programme will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective could be negatively affected.

Investment in ELN can be illiquid and the Sub-Fund relies upon the counterparty to quote a price. The Sub-Fund is exposed to credit risk that the issuer may not settle a transaction due to credit or liquidity problem, thus causing the Sub-Fund to suffer loss. The value of the ELN may be affected by changes in exchange rates between the denominating currency of the underlying shares and the ELN.

For further details of the risks associated with investment in Mainland China market, the Stock Connects and ELN, please refer to the Explanatory Memorandum.

5. Change of investment policy of the Sub-Funds in relation to use of financial derivative instruments

From the Effective Date, the investment policy of the Sub-Funds will be amended so that they may invest in financial derivative instruments (including embedded financial derivatives) for investment and hedging purposes, subject to the applicable investment restrictions.

You may refer to the section entitled "Derivatives risk" in the revised Explanatory Memorandum for details of the risks in relation to financial derivative instruments.

Other amendments to the investment policy of HSBC China Growth Fund

From the Effective Date, the investment policy of HSBC China Growth Fund will be amended such that the Sub-Fund will invest at least 70% of its *total net asset value* (instead of *non-cash assets* currently) in A-, B- and H shares, shares of red-chip companies, shares of companies deriving a preponderant part of their income and/or assets from Mainland China and securities linked to such shares.

Effect of changes set out above

Save and except as set out above, there will be no other change in the operation and/or manner in which the Sub-Funds are being managed and there will be no other impact on the features and risk profile of the Fund and the Sub-Funds. There will be no increase to the fee level / cost in managing the Sub-Funds (such as current and maximum trustee and management fees). The changes will not materially prejudice the Unitholders' rights or interests.

The fees and expenses incurred in connection with the changes in this letter will be borne by the relevant Sub-Funds, in particular (i) the fees and expenses in connection with the changes set out in sections 2 and 3 above (including the costs of preparing the Deed of Amendment and Substitution, the costs of preparing and printing the revised offering documents as well as the legal fees in relation to the foregoing) are estimated to be approximately HKD80,000 and will be borne by each Sub-Fund equally and (ii) the fees and expenses in connection with the changes set out in section 4 above (including the costs of preparing and printing the revised offering documents as well as the legal fees in relation to the foregoing) are estimated to be approximately HKD 120,000 and will be borne by HSBC China Growth Fund.

If, as a consequence of the changes set out in sections 1, 2, 3 and 5, you wish to redeem your holding in the Sub-Funds, you may do so free of charge* in accordance with the procedures stated in the revised Explanatory Memorandum.

For investors in HSBC China Growth Fund, if, as a consequence of the changes set out in section 4, you wish to redeem or switch your holding in HSBC China Growth Fund into any other Sub-Funds of the Fund which are authorized by the SFC for sale to the public in Hong Kong, you may do so free of charge* during the waiver period between date of this notice and the dealing day before the Effective Date. For details of other Sub-Funds of the Fund, please refer to the Explanatory Memorandum. SFC authorisation is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of a fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

The Deed of Amendment and Substitution, the revised Explanatory Memorandum and Product Key Facts Statements of the Sub-Funds containing the above-mentioned amendments will be available for inspection, free of charge, at the registered office of the Manager stated below. If you have any questions, please direct them to your financial adviser or usual HSBC contact or alternatively you should contact the Manager at Level 22, HSBC Main Building, 1 Queen's Road Central, Hong Kong (telephone number: (852) 2284 1229).

The directors of the Manager accept full responsibility for the accuracy of the information contained in this letter as at the date of the mailing.

The Manager
HSBC Investment Funds (Hong Kong) Limited

* Please note that some distributors, payment agents, correspondent banks or intermediaries might charge switching and/or transaction fees or expenses at their own discretion.

ANNEXURE A

SUMMARY OF KEY REVISED INVESTMENT RESTRICTIONS

The key amendments to the investment restrictions are as follows:

(a) the aggregate value of a Sub-Fund's investments in, or exposure to, any single entity (other than Government and other public securities) through the following may not exceed 10% of its latest available net asset value:

  (i) investments in securities issued by that entity;

  (ii) exposure to that entity through underlying assets of financial derivative instruments; and

  (iii) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.

(b) subject to the requirements under the revised Code, the aggregate value of a Sub-Fund's investments in, or exposure to, entities within the same group (i.e. generally, entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognized accounting standards) through the following may not exceed 20% of its latest available net asset value:

  (i) investments in securities issued by those entities;

  (ii) exposure to those entities through underlying assets of financial derivative instruments; and

  (iii) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments.

(c) the value of a Sub-Fund's cash deposits made with the same entity or entities within the same group may not exceed 20% of its latest available net asset value provided that the 20% limit may be exceeded in certain circumstances specified in the revised Code.

(d) a Sub-Fund may not invest in physical commodities unless otherwise approved by the SFC.

(e) subject to the requirements under the revised Code, a Sub-Fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. For the avoidance of doubt, reverse repurchase transactions in compliance with the requirements under the revised Code are not subject to the limitations in this paragraph.

(f) the maximum borrowing of each of HSBC China Growth Fund and HSBC China Momentum Fund has been reduced to 10% of its latest available Net Asset Value. For the avoidance of doubt, securities lending transactions and repurchase transactions in compliance with the requirements under the revised Code are not subject to the limitations in this paragraph.

(g) a Sub-Fund may acquire financial derivative instruments for hedging purposes.

(h) a Sub-Fund may also acquire financial derivative instruments for non-hedging purposes in accordance with its investment objective and policy subject to the limit that such Sub-Fund's net exposure relating to these financial derivative instruments ("**net derivative exposure**") does not exceed 50% of its latest available Net Asset Value.

  Net derivative exposure shall be calculated in accordance with the Code and the requirements and guidance issued by the SFC which may be updated from time to time. For the avoidance of doubt, financial derivative instruments acquired for hedging purposes will not be counted towards the 50% limit so long as there is no residual derivative exposure arising from such hedging arrangement.

(i) to limit the exposure to each counterparty, a Sub-Fund may receive collateral from such counterparty, provided that the collateral complies with the requirements in the revised Code.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

AllianceBernstein (Luxembourg) S.à r.l.
Société à responsabilité limitée
2-4, rue Eugène Ruppert
L-2453 Luxembourg
R.C.S. Luxembourg B 34 405

Acting in its own name but on behalf of

AB FCP I
Fonds Commun de Placement
R.C.S. Luxembourg: K217

Notice to Shareholders of

AB FCP I – American Income Portfolio
AB FCP I – Asia Ex-Japan Equity Portfolio
AB FCP I – China Opportunity Portfolio
AB FCP I – Dynamic Diversified Portfolio
AB FCP I – Emerging Markets Debt Portfolio
AB FCP I – Emerging Markets Growth Portfolio
AB FCP I – European Income Portfolio
AB FCP I – Global Equity Blend Portfolio
AB FCP I – Global High Yield Portfolio
AB FCP I – Global Value Portfolio
AB FCP I – Japan Strategic Value Portfolio
AB FCP I – Mortgage Income Portfolio
AB FCP I – Short Duration Bond Portfolio
AB FCP I – Sustainable US Thematic Portfolio
(each a "Portfolio", collectively, the "Portfolios")

13 December 2019

Dear Valued Shareholders:

The board of managers (the "**Board**") of AllianceBernstein (Luxembourg) S.à r.l., which acts as management company of AB FCP I (the "**Fund**"), a mutual investment fund (*fonds commun de placement*) organized under the laws of the Grand Duchy of Luxembourg, would like to inform you of certain changes to the Portfolios.

Capitalised terms used herein shall bear the same meaning as capitalised terms used in the prospectus dated August 2019 (the "**Prospectus**") (as amended from time to time).

I. Investment Management Delegation Arrangement of Asia Ex-Japan Equity Portfolio and China Opportunity Portfolio (each a "Relevant Portfolio", and collectively the "Relevant Portfolios")

(i) The Investment Management Delegation Arrangement

As disclosed in the Prospectus, AllianceBernstein L.P. (the "**Investment Manager**") may utilize the services of investment and other personnel of its direct and indirect subsidiaries (i.e. any company within the AB Group) ("**Connected Entities**") for purposes of providing services to the Fund and may execute, transact and otherwise carry out its functions, duties and obligations with or through any Connected Entities (the "**Prospectus Disclosure**"). Pursuant to the foregoing, AllianceBernstein Hong Kong Limited ("**ABHK**") has been carrying out investment management and portfolio management functions of the Relevant Portfolios on behalf of the Investment Manager.

Following a recent review, the Board, in consultation with the Investment Manager and ABHK, evaluated and analyzed the foregoing arrangement between the Investment Manager and ABHK and it was determined that, under Hong Kong regulatory requirements, the above arrangement would be deemed a delegation of certain investment management functions (including investment discretion) from the Investment Manager to ABHK. Accordingly, under Hong Kong regulatory requirements, ABHK acts as an investment delegate of the Relevant Portfolios.

The investment management functions performed by ABHK consist of making investment decisions and placing trade orders on behalf of the Relevant Portfolios. However, while ABHK may make investment decisions, numerous other aspects of the investment management function of the Relevant Portfolios have not been delegated to ABHK including, *inter alia*, compliance monitoring and oversight, trade execution, risk management, and cash management.

(ii) Chronology

Since 16 November 2004, ABHK has been licensed by the Securities and Futures Commission (the "**SFC**") in Hong Kong to carry out Type 9 (asset management) regulated activities and since then, ABHK has been able to meet the eligibility requirements relating to a management company of SFC-authorized funds set out under Chapter 5 of the Code on Unit Trusts and Mutual Funds ("**UT Code**"). In order to enable the Investment Manager to utilize the services and personnel of ABHK, on 1 January 2010, the Investment Manager and ABHK entered into a service agreement, which was renewed from time to time and is still effective.

China Opportunity Portfolio was authorized by the SFC[1] in Hong Kong on 21 December 2006 and ABHK began acting as its investment delegate under Hong Kong regulatory requirements from 1 February 2014. However, the Prospectus Disclosure was added to the Prospectus on 24 October 2014 (which was after the authorization of the Relevant Portfolio and the appointment of ABHK as the investment delegate of the Relevant Portfolio). Nevertheless, it was not specifically disclosed in the Additional Information for Hong Kong Investors of the Fund (the "**AIHKI**") and the Product Key Facts Statement (the "**KFS**") of the Relevant Portfolio that ABHK acts as an investment delegate of the Relevant Portfolio, resulting in inadequate disclosure in the Hong Kong offering documents ("**HKOD**") of the Fund (and hence an inadvertent non-compliance with the disclosure requirement under C3(c) of Appendix C of the UT Code). Also, the seeking of SFC's prior approval, and the giving of prior notice to investors, were inadvertently omitted before ABHK began acting as an investment delegate, resulting in non-compliance with 11.1(b) and 11.1A of the UT Code.

Asia Ex-Japan Equity Portfolio, on the other hand, was authorized by the SFC[1] in Hong Kong on 25 January 2010 and ABHK has been acting as the investment delegate under Hong Kong regulatory requirements since its authorization. Similar to the case of China Opportunity Portfolio, although the Prospectus Disclosure was in place, it was added after the authorization of the Relevant Portfolio and the appointment of ABHK as the investment delegate of the Relevant Portfolio. It was not specifically disclosed in the AIHKI and the KFS of the Relevant Portfolio that ABHK acts as an investment delegate of the Relevant Portfolio, resulting in inadequate disclosure in the HKOD (and hence an inadvertent non-compliance with the disclosure requirement under C3(c) of Appendix C of the UT Code).

The SFC's approval has now been obtained and the AIHKI and the KFS of the Relevant Portfolios will be updated to reflect the delegation of investment management functions by the Investment Manager to ABHK.

[1] SFC authorization is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of the fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

(iii) Rationale for the Investment Management Delegation Arrangement

The Investment Manager, as part of the larger AllianceBernstein group, leverages its global presence by utilizing resources of various group entities to ensure high quality management of the Relevant Portfolios. In connection with the Investment Manager's leverage of group resources, the Investment Manager has delegated investment management functions to ABHK, under Hong Kong regulatory requirements, in order to assist the Investment Manager with the investment management of the Relevant Portfolios and thereby provide the best possible service to the Relevant Portfolios' shareholders.

Through this delegation arrangement, the Investment Manager provides benefits to the Relevant Portfolios, and the shareholders therein by utilizing, including, *inter alia*, the local and regional expertise of employees of ABHK as well as optimized trading and portfolio management outside New York business hours.

(iv) Remedial Measures

As mentioned above, the AIHKI and the KFS of the Relevant Portfolios will be amended to reflect such investment management delegation arrangement and the role of ABHK in the investment management of the Relevant Portfolios.

In addition, to prevent recurrence of similar incidents, AB Group has enhanced its internal controls such that ABHK will be responsible for monitoring whether new and departing investment personnel carry out investment management / portfolio management functions for any sub-funds of the Fund. If this is found to be the case, ABHK will ensure that the relevant regulatory requirements (including the requirements to seek the SFC's prior approval and to provide prior notification to Hong Kong shareholders) would be complied with and that the HKOD would be amended to reflect the appropriate investment delegation as part of that investment personnel's onboarding or departure. An internal control review with an aim to further enhance procedures for compliance with the applicable regulatory requirements by SFC-authorized funds will also be conducted by an external independent auditor.

(v) Implication of Changes

Save for the investment management delegation arrangement mentioned above, there will not be any changes to the operation and/or manner in which the Relevant Portfolios are being managed, and there will be no change to the risks applicable to the Relevant Portfolios. The fee level / cost in managing the Relevant Portfolios will remain unchanged. The arrangement described above will not materially prejudice the rights or interests of the Relevant Portfolios' existing shareholders. There would not have been any financial loss suffered by shareholders as a result of the non-compliance by the Relevant Portfolios.

Expenses associated with this notification and the updates to the HKOD of the Fund (including the costs of preparing and printing the revised HKOD as well as legal fees in relation to the foregoing), amounted to approximately US$30,000, will be borne by and shared equally between the Relevant Portfolios.

II. <u>Other Changes to the HKOD</u>

(i) Enhancement of disclosures on investments in debt instruments with loss-absorption features

Subject to the primary investment strategy of each Portfolio, the disclosures on the investment policies of the Portfolios have been updated to reflect that each Portfolio may invest less than 30% of their respective net assets in debt instruments with loss-absorption features as defined by the SFC, including, but not limited to, contingent convertible securities.

(ii) Enhancement of investment policies for compliance with environmental, social and governance ("ESG") requirements

Pursuant to the SFC's circular to management companies of SFC-authorized unit trusts and mutual funds – Green or ESG funds issued on 11 April 2019, the disclosures on the investment policy of the Sustainable US Thematic Portfolio have been enhanced to increase transparency and visibility of the ESG investment processes adopted by the Investment Manager to investors. In particular, the Portfolio's investment policy has been updated to reflect the investment selection process and ESG criteria or policies adopted by the Investment Manager, and the Portfolio's exclusion policy. There are also enhancement of the disclosures on the risks relating to ESG investment.

Please refer to Appendix I for the key differences between the old and the enhanced investment policy of the Portfolio.

(iii) Enhancement of investment policy to invest in China A-shares

The investment policy of the Emerging Markets Growth Portfolio has been updated to reflect that the Portfolio may invest up to 10% of its net assets in or have exposure to China A-shares listed on the Shenzhen Stock Exchange or Shanghai Stock Exchange.

III. Implication of Changes

Save for the changes mentioned in Part I and Part II above, the investment objective, investment strategy, and risk profile of the Portfolios will not change and there will be no change to the operation and/or manner in which the Portfolios are being managed. There will be no change to the risks applicable to the Portfolios. Further, there will be no change to the fee level / cost in managing the Portfolios and the changes will not prejudice the rights or interests of the Portfolios' existing shareholders.

IV. Availability of Documents

The offering documents of the Fund have been amended to reflect the changes mentioned above. Copies of the revised Prospectus and the AIHKI, as well as the KFSof the Portfolios, may be obtained upon request, free of charge, by contacting your financial adviser, AllianceBernstein Investor Services service center or AllianceBernstein Hong Kong Limited under "Contact information" below.

V. Contact Information

How to get more information. If you have questions about the contemplated changes, please contact your financial adviser or a client service analyst at an AllianceBernstein Investor Services service center:

Europe/Middle East +800 2263 8637 or +352 46 39 36 151 (9:00 a.m. to 6:00 p.m. CET).
Asia-Pacific +800 2263 8637 or +65 62 30 2600 (9:00 a.m. to 6:00 p.m. SGT).
Americas +800 2263 8637 or +800 947 2898 or +1 212 823 7061 (8:30 a.m. to 5:00 p.m. US EST).

Alternatively, please contact AllianceBernstein Hong Kong Limited (as the Hong Kong Representative of the Fund) at 39th Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong, or at +852 2918 7888.

The Board accepts responsibility for the accuracy of the contents of this letter.

Yours sincerely,

The Board of Managers of
AllianceBernstein (Luxembourg) S.à r.l.

Appendix I

Comparison between the current and new investment policies of AB FCP I – Sustainable US Thematic Portfolio

	Existing	New
Investment Objective	The investment objective of the Portfolio is to achieve long-term capital appreciation by investing in a universe of US companies in multiple industries that are positively exposed to environmentally- or socially-oriented sustainable investment themes derived from the UN Sustainable Development Goals (“**UNSDGs**”).	The investment objective of the Portfolio is to achieve long-term capital appreciation by investing in a universe of US companies in multiple industries that are positively exposed to environmentally- or socially-oriented sustainable investment themes derived from the UN Sustainable Development Goals (“**UNSDGs**”).
Investment Policies	The Portfolio invests primarily in US stocks that may benefit from long-term trends. The Portfolio expects that under normal circumstances, at least 80% of its net assets will be invested in equity or equity-related securities of issuers located within the US that the Investment Manager believes are positively exposed to sustainable investment themes. The Investment Manager uses a combination of "top-down" and "bottom-up" investment processes with the goal of identifying the most attractive securities, fitting into sustainable investment themes. The Investment Manager will identify sustainable investment themes that are broadly consistent with achieving the UNSDGs. Examples of these themes include, but are not limited to, Health, Climate, and Empowerment. Such sustainable themes are expected to change over time based on the Investment Manager’s research. In addition to this “top-down” thematic approach, the Investment Manager will also use a “bottom-up” analysis of individual companies. This “bottom-up” approach is a company by company analysis that focuses on assessing a company’s exposure to environmental, social and corporate governance (“**ESG factors**”) as well as prospective earnings growth, valuation and quality of company management.	The Portfolio invests primarily in US stocks that may benefit from long-term trends. The Portfolio expects that under normal circumstances, at least 80% of its net assets will be invested in equity or equity-related securities of issuers located within the US that the Investment Manager believes are positively exposed to sustainable investment themes. The Investment Manager uses a combination of "top-down" and "bottom-up" investment processes with the goal of identifying the most attractive securities, fitting into sustainable investment themes. The Investment Manager will identify sustainable investment themes that are broadly consistent with achieving the UNSDGs. Examples of these themes include, but are not limited to, Health, Climate, and Empowerment. Such sustainable themes are expected to change over time based on the Investment Manager’s research. Companies with revenue or earnings significantly contributed (directly or indirectly) from weapons, coal, alcohol, tobacco, pornography and gambling are excluded from the Portfolio’s investments. In addition to this “top-down” thematic approach, the Investment Manager will also use a “bottom-up” analysis of individual companies. This “bottom-up” approach is a company by company analysis that focuses on assessing a company’s exposure to environmental, social and corporate governance (“**ESG ~~factors~~**”) as well as prospective earnings growth, valuation and quality of company management. The Investment Manager emphasizes company specific positive selection criteria over broad-based negative screens in assessing a company’s exposure to ESG factors. The Portfolio typically invests in companies which generate at least 50% of their revenues from products and services that the Investment Manager believes are aligned with the sustainable investment themes under UNSDGs. As part of its strategy to integrate ESG investment considerations, the Investment

	Existing	New
	The Portfolio may, at times, invest in shares of exchange-traded funds qualified as UCITS or eligible UCI. The Portfolio is entitled to use financial derivative instruments for hedging, risk management, efficient portfolio management and investment purposes. These financial derivative instruments may include, but are not limited to, options, futures, forwards, swaps and currency transactions.	Manager employs a proprietary toolkit which involves ESG materiality mapping and scoring for individual companies and factors ESG considerations into the Investment Manager's assessment of the individual companies. As part of the proprietary toolkit, the Investment Manager (i) utilizes third-party research as part of its investment due diligence process on these companies (i.e. such as tracking the carbon footprint of the Portfolio) and (ii) conducts proprietary research, including monitoring the social and labour practices of all companies the Portfolio invests for satisfaction of ESG factors. The Portfolio may, at times, invest in shares of exchange-traded funds qualified as UCITS or eligible UCI. The Portfolio is entitled to use financial derivative instruments for hedging, risk management, efficient portfolio management and investment purposes. These financial derivative instruments may include, but are not limited to, options, futures, forwards, swaps and currency transactions.

IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice.

AB SICAV I
Société d'Investissement à Capital Variable
2-4, rue Eugène Ruppert
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Notice to the Shareholders of

AB SICAV I – All Market Income Portfolio
AB SICAV I – American Growth Portfolio
AB SICAV I – Asia Income Opportunities Portfolio
AB SICAV I – Asia Pacific Local Currency Debt Portfolio
AB SICAV I – Concentrated Global Equity Portfolio
AB SICAV I – Concentrated US Equity Portfolio
AB SICAV I – Emerging Market Corporate Debt Portfolio
AB SICAV I – Emerging Market Local Currency Debt Portfolio
AB SICAV I – Emerging Markets Low Volatility Equity Portfolio
AB SICAV I - Emerging Markets Multi-Asset Portfolio
AB SICAV I – Euro High Yield Portfolio
AB SICAV I – European Equity Portfolio
AB SICAV I – Eurozone Equity Portfolio
AB SICAV I – Global Core Equity Portfolio
AB SICAV I – Global Dynamic Bond Portfolio
AB SICAV I – Global Plus Fixed Income Portfolio
AB SICAV I – Global Real Estate Securities Portfolio
AB SICAV I – India Growth Portfolio
AB SICAV I – International Health Care Portfolio
AB SICAV I – International Technology Portfolio
AB SICAV I – Low Volatility Equity Portfolio
AB SICAV I – Low Volatility Total Return Equity Portfolio
AB SICAV I – RMB Income Plus Portfolio
AB SICAV I – Select US Equity Portfolio
AB SICAV I – Short Duration High Yield Portfolio
AB SICAV I – Sustainable Global Thematic Portfolio
AB SICAV I – US High Yield Portfolio
AB SICAV I – US Small and Mid-Cap Portfolio
(each a "Portfolio", collectively, the "Portfolios")

13 December 2019

Dear Valued Shareholders:

The purpose of this letter is to inform you that the board of directors (the "**Board**") of AB SICAV I (the "**Fund**"), an investment company (*société d'investissement à capital variable*) organized under the laws of the Grand Duchy of Luxembourg, has approved the changes described below for the Portfolios.

Capitalised terms used herein shall bear the same meaning as capitalised terms used in the prospectus dated September 2019 (the “**Prospectus**”) (as amended from time to time).

I. Investment Management Delegation Arrangement of Asia Income Opportunities Portfolio, Asia Pacific Local Currency Debt Portfolio, Emerging Markets Local Currency Debt Portfolio and Emerging Markets Low Volatility Equity Portfolio (each a “Relevant Portfolio”, and collectively the “Relevant Portfolios”)

(i) The Investment Management Delegation Arrangement

As disclosed in the Prospectus, AllianceBernstein L.P. (the “**Investment Manager**”) may utilize the services of investment and other personnel of its direct and indirect subsidiaries (i.e. any company within the AB Group) (“**Connected Entities**”) for purposes of providing services to the Fund and may execute, transact and otherwise carry out its functions, duties and obligations with or through any Connected Entities (the “**Prospectus Disclosure**”). Pursuant to the foregoing, AllianceBernstein Hong Kong Limited (“**ABHK**”) has been carrying out investment management and portfolio management functions of the Relevant Portfolios on behalf of the Investment Manager.

Following a recent review, the Board, in consultation with the Investment Manager and ABHK, evaluated and analyzed the foregoing arrangement between the Investment Manager and ABHK and it was determined that, under Hong Kong regulatory requirements, the above arrangement would be deemed a delegation of certain investment management functions (including investment discretion) from the Investment Manager to ABHK. Accordingly, under Hong Kong regulatory requirements, ABHK acts as an investment delegate of the Relevant Portfolios.

The investment management functions performed by ABHK consist of making investment decisions and placing trade orders on behalf of the Relevant Portfolios. However, while ABHK may make investment decisions, numerous other aspects of the investment management function of the Relevant Portfolios have not been delegated to ABHK including, *inter alia*, compliance monitoring and oversight, trade execution, risk management, and cash management.

(ii) Chronology

Since 16 November 2004, ABHK has been licensed by the Securities and Futures Commission (the “**SFC**”) in Hong Kong to carry out Type 9 (asset management) regulated activities and since then, ABHK has been able to meet the eligibility requirements relating to a management company of SFC-authorized funds set out under Chapter 5 of the Code on Unit Trusts and Mutual Funds (“**UT Code**”). In order to enable the Investment Manager to utilize the services and personnel of ABHK, on 1 January 2010, the Investment Manager and ABHK entered into a service agreement, which was renewed from time to time and is still effective.

Both Asia Pacific Local Currency Debt Portfolio and Emerging Market Local Currency Debt Portfolio (collectively, the “**LCD Portfolios**”) were authorized by the SFC[1] in Hong Kong on 28 February 2013, and ABHK began acting as their investment delegate under Hong Kong regulatory requirements since their authorization. However, the Prospectus Disclosure was added to the Prospectus on 29 October 2014 (which was after the authorization of the LCD Portfolios and the appointment of ABHK as the investment delegate of the LCD Portfolios). Nevertheless, it was not specifically disclosed in the Additional Information for Hong Kong Investors of the Fund (the “**AIHKI**”) and the Product Key Facts Statements (the “**KFS**”) of the LCD Portfolios that ABHK acts as an investment delegate of the LCD Portfolios, resulting in inadequate disclosure in the Hong Kong offering documents (“**HKOD**”) of the Fund (and hence an inadvertent non-compliance with the disclosure requirement under C3(c) of Appendix C of the UT Code).

Emerging Markets Low Volatility Equity Portfolio and Asia Income Opportunities Portfolio, on the other

[1] SFC authorization is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of the fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

hand, were authorized by the SFC[1] in Hong Kong on 18 November 2014 and 7 September 2017, respectively and ABHK has been acting as the investment delegate of each Relevant Portfolio under Hong Kong regulatory requirements since the Relevant Portfolios' respective authorization. Similar to the LCD Portfolios, although the Prospectus Disclosure was in place since the Relevant Portfolios' authorization on 18 November 2014 and 7 September 2017, respectively, it was not specifically disclosed in the AIHKI and the KFS of the Relevant Portfolios that ABHK acts as an investment delegate of the Relevant Portfolios, resulting in inadequate disclosure in the HKOD (and hence an inadvertent non-compliance with the disclosure requirement under C3(c) of Appendix C of the UT Code).

The SFC's approval has now been obtained and the AIHKI and the KFS of the Relevant Portfolios will be updated to reflect the delegation of investment management functions by the Investment Manager to ABHK.

(iii) Rationale for the Investment Management Delegation Arrangement

The Investment Manager, as part of the larger AllianceBernstein group, leverages its global presence by utilizing resources of various group entities to ensure high quality management of the Relevant Portfolios. In connection with the Investment Manager's leverage of group resources, the Investment Manager has delegated investment management functions to ABHK, under Hong Kong regulatory requirements, in order to assist the Investment Manager with the investment management of the Relevant Portfolios and thereby provide the best possible service to the Relevant Portfolios' shareholders.

Through this delegation arrangement, the Investment Manager provides benefits to the Relevant Portfolios, and the shareholders therein by utilizing, including, *inter alia*, the local and regional expertise of employees of ABHK as well as optimized trading and portfolio management outside New York business hours.

(iv) Remedial Measures

As mentioned above, the AIHKI and the KFS of the Relevant Portfolios will be amended to reflect such investment management delegation arrangement and the role of ABHK in the investment management of the Relevant Portfolios.

In addition, to prevent recurrence of similar incidents, AB Group has enhanced its internal controls such that ABHK will be responsible for monitoring whether new and departing investment personnel carry out investment management / portfolio management functions for any sub-funds of the Fund. If this is found to be the case, ABHK will ensure that the relevant regulatory requirements (including the requirements to seek the SFC's prior approval and to provide prior notification to Hong Kong shareholders) would be complied with and that the HKOD would be amended to reflect the appropriate investment delegation as part of that investment personnel's onboarding or departure. An internal control review with an aim to further enhance procedures for compliance with the applicable regulatory requirements by SFC-authorized funds will also be conducted by an external independent auditor.

(v) Implication of Changes

Save for the investment management delegation arrangement mentioned above, there will not be any changes to the operation and/or manner in which the Relevant Portfolios are being managed, and there will be no change to the risks applicable to the Relevant Portfolios. The fee level / cost in managing the Relevant Portfolios will remain unchanged. The arrangement described above will not materially prejudice the rights or interests of the Relevant Portfolios' existing shareholders. There would not have been any financial loss suffered by shareholders as a result of the non-compliance by the Relevant Portfolios.

Expenses associated with this notification and the updates to the HKOD of the Fund (including the costs of preparing and printing the revised HKOD as well as legal fees in relation to the foregoing), amounted to approximately US$40,000, will be borne by and shared equally between the Relevant Portfolios.

II. Other Changes to the HKOD

(i) Enhancement of disclosures on investments in debt instruments with loss-absorption features

For the RMB Income Plus Portfolio, its investment in hybrid fixed income securities with equity-like features has been amended from "up to 20% of its net assets" to "less than 30% of its net assets".

For all other Portfolios, subject to the primary investment strategy of each Portfolio, the disclosures on the investment policies of the Portfolios have been updated to reflect that each Portfolios may invest less than 30% of their respective net assets in debt instruments with loss-absorption features as defined by the SFC, including, but not limited to, contingent convertible securities.

(ii) Enhancement of disclosures on investment policy regarding environmental, social and governance ("ESG") factors

Pursuant to the SFC's circular to management companies of SFC-authorized unit trusts and mutual funds – Green or ESG funds issued on 11 April 2019, the disclosures on the investment policy of the Sustainable Global Thematic Portfolio have been enhanced to increase transparency and visibility of the ESG investment processes adopted by the Investment Manager. In particular, the Portfolio's investment policy has been updated to reflect the investment selection process and the ESG criteria and policies adopted by the Investment Manager and the Portfolio's exclusion policy. There are also enhancement of the disclosures on the risks relating to ESG investment.

Please refer to Appendix I for the key differences between the old and the enhanced investment policy of the Portfolio.

(iii) Changes to investment policies of certain Portfolios

The following changes have been made to the investment policies of the relevant Portfolios:

a) Investments in real estate investment trusts ("REITs")

The investment policy of the US Small and Mid-Cap Portfolio is updated to reflect that its investment in equity securities of US companies may include investment in REITs.

b) Investments in RMB-denominated fixed income securities via the China Interbank Bond Market ("CIBM")

The investment policy of the Asia Income Opportunities Portfolio is updated to reflect that the Portfolio may invest up to 5% of its net assets in onshore RMB-denominated fixed income securities issued both inside and outside mainland China through the CIBM via the Foreign Access Regime or the Bond Connect (or via other channels as the market develops).

c) Investments in China A-shares

The investment policy of the All Market Income Portfolio is updated to reflect that the Portfolio may invest up to 10% of its net assets in or have exposure to China A-shares listed on the Shenzhen Stock Exchange or Shanghai Stock Exchange.

III. Implication of changes

Save for the changes mentioned in Part I and Part II above, the investment objective, investment strategy, and risk profile of the Portfolios will not change and there will be no change to the operation and/or manner in which the Portfolios are being managed. There will be no material change or increase in the overall risk profiles of the Portfolios. Further, there will be no change to the fee level / cost in managing the Portfolios and the changes will not prejudice the rights or interests of the Portfolios' existing shareholders.

IV. Availability of documents

The offering documents of the Fund have been amended to reflect the changes mentioned above. Copies of the Prospectus and the AIHKI, as well as the KFS of the Portfolios, may be obtained upon request, free of charge, by contacting your financial adviser, AllianceBernstein Investor Services service center or AllianceBernstein Hong Kong Limited under "Contact information" below.

V. Contact information

How to get more information. If you have questions about the contemplated changes, please contact your financial adviser or a client service analyst at an AllianceBernstein Investor Services service center:

Europe/Middle East +800 2263 8637 or +352 46 39 36 151 (9:00 a.m. to 6:00 p.m. CET).
Asia-Pacific +800 2263 8637 or +65 62 30 2600 (9:00 a.m. to 6:00 p.m. SGT).
Americas +800 2263 8637 or +800 947 2898 or +1 212 823 7061 (8:30 a.m. to 5:00 p.m. US EST).

Alternatively, please contact AllianceBernstein Hong Kong Limited (as the Hong Kong Representative of the Fund) of 39th Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong, or at +852 2918 7888.

The Board accepts responsibility for the accuracy of the contents of this letter.

Yours sincerely,

The board of directors of AB SICAV I

Appendix I

Comparison between the old and the enhanced investment policy of AB SICAV I – Sustainable Global Thematic Portfolio

	Old version	Enhanced version
Investment Objective	The investment objective of the Portfolio is to achieve long-term growth of capital by investing in a global universe of companies in multiple industries that are positively exposed to environmentally- or socially-oriented sustainable investment themes.	The investment objective of the Portfolio is to achieve long-term growth of capital by investing in a global universe of companies in multiple industries that are positively exposed to environmentally- or socially-oriented sustainable investment themes derived from the UN Sustainable Development Goals ("**UNSDGs**").
Investment Policies	The Portfolio may invest in a global universe of companies from both developed and emerging market countries. The Portfolio expects that under normal circumstances, at least 80% of its net assets will be invested in equity or equity-related securities of issuers located throughout the world that the Investment Manager believes are positively exposed to sustainable investment themes. The Investment Manager employs a combination of "top-down" and "bottom-up" investment processes with the goal of identifying the most attractive securities worldwide, fitting into sustainable investment themes. The Investment Manager identifies sustainable investment themes that are broadly consistent with achieving the United Nations Sustainable Development Goals. Examples of these themes include, but are not limited to, Health, Climate, and Empowerment. Such sustainable themes are expected to change over time based on the Investment Manager's research. In addition to this "top-down" thematic approach, the Investment Manager will also use a "bottom-up" analysis of individual companies. This "bottom-up" approach is a company by company analysis that focuses on assessing a company's exposure to environmental, social and corporate governance ("**ESG factors**") as well as prospective earnings growth, valuation and quality of company management.	The Portfolio may invest in a global universe of companies from both developed and emerging market countries. The Portfolio expects that under normal circumstances, at least 80% of its net assets will be invested in equity or equity-related securities of issuers located throughout the world that the Investment Manager believes are positively exposed to sustainable investment themes. The Investment Manager employs a combination of "top-down" and "bottom-up" investment processes with the goal of identifying the most attractive securities worldwide, fitting into sustainable investment themes. The Investment Manager identifies sustainable investment themes that are broadly consistent with achieving the ~~United Nations Sustainable Development Goals~~UNSDGs. Examples of these themes include, but are not limited to, Health, Climate, and Empowerment. Such sustainable themes are expected to change over time based on the Investment Manager's research. Companies with revenue or earnings significantly contributed (directly or indirectly) from weapons, coal, alcohol, tobacco, pornography and gambling are excluded from the Portfolio's investments. In addition to this "top-down" thematic approach, the Investment Manager will also use a "bottom-up" analysis of individual companies. This "bottom-up" approach is a company by company analysis that focuses on assessing a company's exposure to environmental, social and corporate governance ("**ESG ~~factors~~**") as well as prospective earnings growth, valuation and quality of company management. The Investment Manager emphasizes company specific positive selection criteria over broad-based negative screens in assessing a company's exposure to ESG factors. The Portfolio typically invests in companies which generate at least 50% of their revenue from products and services that the Investment Manager believes are aligned with the sustainable investment themes under UNSDGs.

	Old version	Enhanced version
		As part of its strategy to integrate ESG investment considerations, the Investment Manager employs a proprietary toolkit which involves ESG materiality mapping and scoring for individual companies and factors for ESG considerations into the Investment Manager's assessment of the individual companies. As part of the proprietary toolkit, the Investment Manager (i) utilizes third-party research as part of its investment due diligence process on these companies (i.e. such as tracking the carbon footprint of the Portfolio) and (ii) conducts proprietary research, including monitoring the social and labour practices of all companies the Portfolio invests for satisfaction of ESG factors.
	The Investment Manager considers a large universe of mid- to large-capitalization companies in any industry or sector. In addition to investing in well-known, established companies, the Portfolio may invest in new, smaller or less-seasoned companies. Under normal circumstances, the Portfolio invests significantly (at least 40%) in securities of non-U.S. companies. In addition, under normal market conditions, the Portfolio expects to invest in equity securities of companies in at least three countries.	The Investment Manager considers a large universe of mid- to large-capitalization companies in any industry or sector. In addition to investing in well-known, established companies, the Portfolio may invest in new, smaller or less-seasoned companies. Under normal circumstances, the Portfolio invests significantly (at least 40%) in securities of non-U.S. companies. In addition, under normal market conditions, the Portfolio expects to invest in equity securities of companies in at least three countries.
	The Portfolio may, at times, invest in shares of exchange-traded funds ("**ETFs**") qualified as UCITS or eligible UCI. The Investment Manager may employ a currency overlay strategy, which means that the Investment Manager may use currency derivatives to increase or decrease the currency exposure of the Portfolio's securities in order to manage currency risk or improve upon the return potential of the Portfolio, in relation to the Portfolio's base currency. The Portfolio is entitled to use financial derivative instruments and efficient portfolio management techniques for hedging, risk management and efficient portfolio management purposes. Efficient portfolio management and hedging techniques may include exchange-traded and "over the counter" (OTC) financial derivative instruments, including equity linked securities (e.g., participation notes), swaps, options, futures and currency transactions.	The Portfolio may, at times, invest in shares of exchange-traded funds ("**ETFs**") qualified as UCITS or eligible UCI. The Investment Manager may employ a currency overlay strategy, which means that the Investment Manager may use currency derivatives to increase or decrease the currency exposure of the Portfolio's securities in order to manage currency risk or improve upon the return potential of the Portfolio, in relation to the Portfolio's base currency. The Portfolio is entitled to use financial derivative instruments and efficient portfolio management techniques for hedging, risk management and efficient portfolio management purposes. Efficient portfolio management and hedging techniques may include exchange-traded and "over the counter" (OTC) financial derivative instruments, including equity linked securities (e.g., participation notes), swaps, options, futures and currency transactions.

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

16 December 2019

Shareholder circular

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 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 the SICAV (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 of the SICAV accept responsibility accordingly.

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

Directors: Peter Carroll (Irish), Anne-Marie King (Irish), Rene Marston (British), 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 of the SICAV as of 20 December 2019 (the "Effective Date") unless otherwise stated below.

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.

In addition, if the changes to the Invesco Global High Income Fund and/or the Invesco UK Investment Grade Bond Fund, as further described below do not suit your investment requirements, you may also avail of a switch out of the Invesco Global High Income Fund and/or the Invesco UK Investment Grade Bond Fund 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), provided such requests are received at any time prior to 5pm on 24 January 2020. The switch will be carried out in accordance with the normal terms of the Prospectus for switches, 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.

For the avoidance of doubt, in respect of the Invesco Global High Income Fund, in the case of redemption of "B" Shares, the contingent deferred sales charge ("CDSC") will, if applicable, be waived. Such waiver of CDSC applies to redemption of "B" Shares from the date of this shareholder mailing until 27 January 2020. Redemptions will be carried out in accordance with the terms of the Prospectus.

A. General amendments

A1. Change to the reinvestment of distributions process

From the Effective Date, the Directors have decided to change Section 4.4.4 (Reinvestment of distributions) in order to lower the minimum threshold for dividends payments (from USD 50 to USD 0) where some platforms cannot support the reinvestment process. Additional discretion is also provided for other clients to receive distributions below USD 50 at the discretion of the SICAV.

This change will not amount to a material change/increase the overall risk profile/have a material adverse impact on holders' rights or interests. As a result of this change there will be no change in the fee level or cost in managing the Funds. All costs incurred in connection with the change will be borne by the Management Company.

A2. Clarification of the investment objective and policy for several Funds

From the Effective Date and in order to comply with regulatory requirements in Luxembourg, it has been clarified for the following Funds that up to 10% of the NAV of the relevant Fund may be exposed to China A shares listed on the Shanghai or Shenzhen Stock Exchanges, via Stock Connect.

The clarification has no impact on the way the Funds below are being managed nor on their risk profile. There will be no change in the fee level or cost in managing the Funds. All costs incurred in connection with the change will be borne by the Management Company.

* 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.

- Invesco Emerging Markets Equity Fund
- Invesco Emerging Market Structured Equity Fund†
- Invesco ASEAN Equity Fund
- Invesco Asian Focus Equity Fund†
- Invesco Asia Balanced Fund
- Invesco Global Opportunities Fund†
- Invesco Global Small Cap Equity Fund
- Invesco Asian Equity Fund
- Invesco Pacific Equity Fund

B. Change of the investment objective and policy of the Invesco Global High Income Fund

From 27 January 2020, the investment objective and policy of the Invesco Global High Income Fund will change in order to re-position the Fund from a pure fundamental driven approach to a blended fundamental and systematic quant-based approach with the aim of delivering a higher ratio of return to risk than the use of a single strategy. The relevant paragraph that is subject to change is extracted below:

Extract from the current investment objective and policy	**Extract from the new investment objective and policy as of 27 January 2020**
The Fund seeks to achieve its objective by investing primarily (at least 70% of the net asset value of the Fund) in high yield debt securities issued globally and debt securities from issuers in emerging market countries, which may be listed or traded elsewhere. Debt securities will include but are not limited to debt securities issued by governments, local authorities, public authorities, quasi-sovereigns, supranational bodies, public international bodies as well as corporates and convertibles.	The Fund seeks to achieve its objective by investing primarily (at least 70% of the net asset value of the Fund) in global non-investment grade debt securities, most of which are issued by corporate issuers. Debt securities will include but are not limited to debt securities issued by governments, local authorities, public authorities, quasi-sovereigns, supranational bodies, public international bodies as well as corporates and convertibles, and unrated debt securities. The Investment Manager will apply a combination of fundamental and systematic, quant-based approach to invest in the universe. The Investment Manager will gain exposure to actively selected debt securities based on fundamental credit research, complementing the fund's allocation with systematic exposure to global debt securities (including emerging markets), using a range of factors (including quality, value, carry, liquidity) together with an assessment of risk to evaluate the relative attractiveness of an instrument. The Investment Manager expects the combination of fundamental and systematic strategies to deliver a higher ratio of return to risk than the use of a single strategy.

In addition, with effect from 27 January 2020, the reference benchmark used to measure the global exposure of the Invesco Global High Income Fund will change from Bloomberg Barclays Global High Yield Index to Bloomberg Barclays Global High Yield Corporate Index, which is more representative for the Invesco Global High Income Fund from a risk perspective.

As the proposed changes should benefit the Shareholders over the longer term, the transaction costs associated with any portfolio re-balance (which are expected to be approximately 0.50% of the Invesco Global High Income Fund's

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

net asset value) will be borne by the Invesco Global High Income Fund. However, any other costs incurred in connection with the proposed changes will be borne by the Management Company.

The proposed changes will not have a material impact on the risks applicable to the Invesco Global High Income Fund. There will be no change to the operation and/or manner in which the Invesco Global High Income Fund is being managed, except as described above. There will be no change in the fee level or cost in managing the Invesco Global High Income Fund, and the proposed changes will not materially prejudice the rights or interests of existing investors.

C. Changes in the investment objective and policy of the Invesco UK Investment Grade Bond Fund

From 27 January 2020, the investment objective and policy of the Invesco UK Investment Grade Bond Fund will change to allow the Fund to use derivative instruments non-extensively for investment purposes in addition to the use of derivative instruments for efficient portfolio management and hedging. The maximum level of leverage resulting from such investment will however be restricted to 40% of the NAV of the Fund, as measured by the commitment approach.

The expected proportion of the NAV of the Invesco UK Investment Grade Bond Fund subject to total return swaps will be 5%. Under normal market circumstances, the maximum proportion of the NAV subject to total return swaps will be 30%.

These changes are being made in order to provide the investment team with additional tools to manage the Invesco UK Investment Grade Bond Fund in a more optimal manner but are not intended to materially alter the Invesco UK Investment Grade Bond's risk profile and/or its asset allocation.

The Invesco UK Investment Grade Bond Fund's use of derivatives may include derivatives on credit, rates, currencies and volatility and may be used to achieve both long and short positions. In addition, the Invesco UK Investment Grade Bond Fund will not have uncovered short positions, in line with appropriate UCITS regulatory requirements. The Invesco UK Investment Grade Bond Fund may also use derivatives on equities, where the Investment Manager believes that such investment could reduce drawdowns. Please note that the long and short active financial derivative positions (including active currency/ interest rate/ credit/ volatility and equity positions) implemented by Invesco UK Investment Grade Bond Fund (from 27 January 2020) may not be correlated with the underlying securities positions held by this Fund (i.e. fixed income and money market securities).

As a result of the above changes, the Invesco UK Investment Grade Bond Fund may be subject to a higher level of risks of investing in financial derivative instruments which include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk, and may be exposed to additional leveraged risk, which may result in significant fluctuations of the NAV of the Fund and/or extreme losses where the Investment Manager is not successful in predicting market movements. Additionally, the Invesco UK Investment Grade Bond Fund may be subject to risks of implementing active financial derivative instrument positions not correlated with the underlying assets of the Fund and may suffer a significant or total loss even if there is no loss of the value of the underlying securities positions being fixed income and money market securities held by the Fund. This may lead to an increase in the risk profile 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 inserted into the Hong Kong Supplement and Product Key Facts Statement to fulfill local Hong Kong regulatory requirements.

In addition, Appendix A of the Prospectus will be amended to state that the expected proportion of the NAV of the Fund subject to total return swaps will be 5%. Under normal market circumstances, the maximum proportion of the NAV subject to total return swaps will be 30%, although it is provided in section 7 of the Prospectus that the maximum proportion is not a regulatory limit and the actual percentage may vary over time depending on factors including, but not limited to, market conditions.

The above changes will not materially impact the interests of existing investors or the operation and/or manner in which the Invesco UK Investment Grade Bond Fund is being managed, although there could be exceptional circumstances where market movements are not aligned with the investment teams' market views with respect to the derivative used, which could result in negative performance and/or increased volatility. In such exceptional circumstances the Investment Manager will take corrective action if in their absolute discretion they believe such action is in the best interest of the Shareholders.

There will be no change in the fee level/cost in managing the Invesco UK Investment Grade Bond Fund, and all costs and/or expenses incurred in connection with these changes, including legal and administrative costs, will be borne by Management Company.

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

D. Change of the investment objective and policy and the relevant risk applicable to the Invesco Global Investment Grade Corporate Bond Fund†

From 16 January 2020, the investment objective and policy of the Invesco Global Investment Grade Corporate Bond Fund will be updated in order to allow the Invesco Global Investment Grade Corporate Bond Fund to access China onshore bonds in the CIBM via Bond Connect for less than 10% of its NAV. The Bond Connect Risk will be applicable and highlighted in the risk matrix disclosed in Section 8 (Risks Warnings).

The change has no material impact on the way the Invesco Global Investment Grade Corporate Bond Fund is managed nor on its risk profile.

E. Change of the investment objective and policy of the Invesco PRC Equity Fund, the Invesco Greater China Equity Fund, the Invesco Asia Opportunities Equity Fund and the Invesco Asia Consumer Demand Fund (the "Funds")

From 16 January 2020, the investment objective and policy of the Funds will be updated to increase the limit applicable to the investment in China A shares via Stock Connect from 10% to 20%, which is aligned with the greater prominence that China A shares are taking in global indices.

It is not intended that this change will materially impact the risk profile of the Funds or the interests of existing investors. There will be no change in the fee level or cost in the Funds and all costs incurred in connection with the change will be borne by the Management Company.

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

F. Change of the benchmark to measure the global exposure of the Invesco US Value Equity Fund

The Invesco US Value Equity Fund uses the relative Value-at-Risk approach in order to measure its global exposure, by reference to the S&P 500 Index. From the Effective Date, the benchmark to measure the global exposure of the Invesco US Value Equity Fund will change to the S&P 500 Value Index. As the Invesco US Value Equity Fund aims to invest in stocks that are believed to be undervalued relative to the US stock market, the proposed benchmark is more appropriate as it incorporates a value factor in line with the Invesco US Value Equity Fund's management style.

The change of reference benchmark will not change the way the Invesco US Value Equity Fund is managed nor will it result in any change to the risk profile of the Invesco US Value Equity Fund. There will be no change in the fee level or cost in managing the Invesco US Value Equity Fund. All costs incurred in connection with the proposed changes (except for the transaction costs) will be borne by the Management Company.

G. Clarification and minor change to the investment objective and policy of the Invesco Developing Markets SRI Equity Fund†

From the Effective Date, the investment objective and policy of the Invesco Developing Markets SRI Equity Fund will be clarified as follows in order to be more aligned with the current investment strategy:

- companies deriving 30% or more of their income from thermal coal and/or fossil fuels are included in the SRI Exclusion List,
- the Invesco Developing Markets SRI Equity Fund may only invest in investment grade debt securities.

In addition, a minor change will be included in order to allow the Invesco Developing Markets SRI Equity Fund to invest in an affiliated money market fund, which on a look through basis is consistent with the Invesco Developing Markets SRI Equity Fund's SRI Exclusion List.

H. Update of the expected level of leverage of the Invesco Macro Allocation Strategy Fund†, the Invesco Global Moderate Allocation Fund† and the Invesco Global Income Fund† (the "Funds")

From the Effective Date, the expected level of leverage in respect of the Funds will be updated (i) from 350% to 450% for the Invesco Macro Allocation Strategy Fund, (ii) from 90% to 150% for the Invesco Global Income Fund and (iii) from 120% to 150% for the Invesco Global Moderate Allocation Fund but this does not result in any material change on how the Funds use the financial derivative instruments.

The above updates will not materially impact how the Funds are being managed, nor alter their risk profile.

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

I. Change of Hong Kong Sub-Distributor and Representative

From 16 January 2020, the Distributor and the SICAV will appoint Invesco Hong Kong Limited as the Hong Kong Sub-Distributor and Representative of the SICAV in place of Invesco Asset Management Asia Limited.

The change of Hong Kong Sub-Distributor and Representative is primarily to streamline distribution and other services provided in relation to the SICAV in Hong Kong.

There will be no change to the features and risks applicable to the Funds as a result of this change, nor will there be any change in the operation and/or manner in which the Funds are being managed. There will be no change in the fee level or cost in managing the Funds, and the change will not materially prejudice the interests of existing investors. All costs incurred in connection with this change will be borne by Invesco Hong Kong Limited.

J. Miscellaneous Updates

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

1. A new section headed "Methods used to calculate the Global exposure of the Funds and expected level of leverage of the Funds" is created in Appendix A to the Prospectus to consolidate disclosure in relation to level of leverage and exposure of the Funds.
2. Disclosure on the management and administration of the SICAV is updated to reflect the change of directors of the SICAV and the Management Company.
3. Updates to the disclosures in relation to investment in the Indian debt market to reflect updates to the FPI Regulations and the FPI registration upon which such investments by the Funds rely.
4. Enhancement of disclosures in the investment policy of Invesco Euro Ultra-Short Term Debt Fund and Invesco USD Ultra-Short Term Debt Fund to reflect that for such Funds, the portfolio duration is a measure of the weighted average duration of the individual debt securities of the portfolio.
5. Enhancement of disclosures for compliance with the disclosure requirements under the SFC's new Code on Unit Trusts and Mutual Funds, in relation to the following aspects:
    a. The Funds' usage of financial derivative instruments, including each Fund's net derivative exposure (as defined by the SFC).
    b. Disclosures reflecting that some of the Funds may invest in debt instruments with loss-absorption features as defined by the SFC, and the risks associated with such investments.
    c. The policy of the Invesco Group to obtain best execution on all transactions for all customers and to ensure transactions will only be executed with counterparties where the placing of orders will not operate against the best interests of customers.
    d. The handling of amounts that have not been claimed by any Shareholders at the close of liquidation of the SICAV or a Fund, namely such amounts will be deposited in escrow with the *Caisse de Consignation* as soon as possible upon liquidation on behalf of the persons entitled thereto, and amounts not claimed from escrow within 30 years would be liable to be forfeited in accordance with the provisions of Luxembourg law.
    e. The Management Company, or any person acting on behalf of a Fund or the Management Company does not obtain any rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme.
    f. The process and conduct (including applicable parameters and appropriate safeguards) to be adopted in the adjustment of the value of securities to their fair value are set by the Directors in consultation with the Depositary. The Management Company will conduct fair value adjustments in a manner in accordance with the principles and requirements as set out in applicable laws and regulations.

K. 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 Asset Management Asia Limited at (+852) 3191 8282.

L. 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 Asset Management Asia 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 Asset Management Asia 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.

‡ This website has not been reviewed by the SFC.

Annex

Invesco UK Investment Grade Bond Fund

Use of financial derivative instruments

Existing (Until 26 January 2020)	**Proposed (As of 27 January 2020)**
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). The Fund may, from time to time, sell interest rate futures in order to reduce participation in the bond markets or to produce gains for the Fund in falling bond markets. However, financial derivative instruments will not be extensively used for investment purposes (i.e. entering into financial derivative instruments to achieve the investment objectives).	The Fund may enter into financial derivatives instruments for efficient portfolio management, hedging purposes and not extensively for investment purposes. The Fund's use of derivatives may include derivatives on credit, rates, currencies and volatility and 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 may also use derivatives on equities, where the investment manager believes that such investment could reduce drawdowns. The long and short active financial derivative positions (including active currency/interest rate/credit/volatility and equity positions) implemented by the Fund may not be correlated with the underlying securities positions held by the Fund (i.e. fixed income and money market securities). The expected proportion of the net asset value of the Fund subject to total return swaps is 5%. Under normal circumstances, the maximum proportion of the net asset value of the Fund subject to total return swaps is 30%. The Fund’s net derivative exposure§ may be up to 50% of the Fund’s net asset value.

§ Please refer to the offering document for details regarding the calculation methodology of net derivative exposure.