



**Invesco Asset Management (India) Pvt. Ltd.**

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### **NOTICE CUM ADDENDUM**

**Notice** is hereby given to all the investors / unit holders of Invesco India Gold Exchange Traded Fund, An open ended scheme tracking returns provided by investment in physical gold (**"the Scheme"**) of Invesco Mutual Fund (**"the Fund"**) that, pursuant to SEBI Circular vide reference no. SEBI/HO/IMD/DOF2/P/CIR/2022/69 dated May 23, 2022, the following changes are made in the Scheme Information Document (**"SID"**) of the Scheme:

#### **A. Changes under the heading F. Definitions under Section I. Introduction:**

1. The existing definition of Large Investor will be replaced with the following definition:

**Large investor:** Investor(s) who are eligible to invest in the Scheme and who will be subscribing to / redeeming the Units of the Scheme directly with the AMC for amount greater than Rs. 25 crores.

2. The following definition of Tracking Difference will be added:

**Tracking Difference:** The annualized difference of daily returns between physical gold and the NAV of the Scheme.

3. The existing definition of Authorised Participant will be deleted, and the following definition of Market Maker will be added:

**Market Maker:** Means member of the Stock Exchanges who is appointed by the AMC to provide continuous liquidity on the stock exchange platform and who can transact directly with the AMC only in multiples of creation unit size.

Accordingly, the reference to Authorised Participant in the SID of the Scheme wherever it appears will be replaced with the **'Market Maker'**.

4. The existing definition of Tracking Error will be replaced with the following definition:

**Tracking Error:** the annualized standard deviation of the difference in daily returns between the physical gold and the NAV of the Scheme.

#### **B. The existing provisions under the heading 'E. Investment Strategy' in the Section II. Information About the Scheme' with respect to Tracking Error will be deleted and will be replaced with the following provisions:**

The Tracking Error based on past one year rolling data shall not exceed 2%. In case the tracking error of the Scheme exceeds 2% due to unavoidable circumstances in the nature of force majeure which are beyond the control of the AMC, then the same will be brought to the notice of the Trustees with the corrective action by the AMC.

**C. Changes under the heading ‘C. Periodic Disclosure’ in ‘Section III. Units and Offer’:**

The existing para on Disclosures pursuant to SEBI circular dated November 24, 2021 will be deleted and will be replaced with the following disclosures:

**Disclosures pursuant to SEBI circular dated May 23, 2022**

- Indicative NAV (‘iNAV’) of the Scheme i.e. NAV per unit based on the current market value of the portfolio during the trading hours will be disclosed on continuous basis on Stock Exchanges where the Units of the Scheme are listed (currently the National Stock Exchange of India Limited (‘NSE’) and Bombay Stock Exchange Ltd. (‘BSE’)). The iNAV will be based on the latest available data for gold and may either be static or dynamic depending upon the availability of the underlying price.
- The Tracking Error based on the past one year rolling data will be disclosed on a daily basis on the website of the AMC and AMFI.
- The Tracking Difference shall be disclosed on the website of the AMC and AMFI on monthly basis for tenures 1 year, 3 year, 5 year, 10 year and since the date of allotment of units of the Scheme.

**D. Change in provisions for subscription / redemption directly with the AMC**

Market Maker can subscribe / redeem of Units of the Scheme directly with the AMC only in multiples of creation unit size. The AMCs shall facilitate in-kind creation and redemption of units of the Scheme by Market Maker on a best effort basis.

Further, subscription / redemption by the Large Investors directly with AMC will be allowed only for the amount greater than Rs. 25 Crores. It is clarified that, in case of subscription by the large investors, execution value of underlying physical gold (i.e. portfolio deposit) will be considered rather than application amount to meet the regulatory requirements of minimum amount of greater than Rs. 25 Crores.

However, investors can directly approach the AMC for redemption of units of the Scheme for transaction of upto Rs. 25 crores without payment of any exit load in case of the following scenarios:

- i. When the traded price (closing price) of the Units of the Scheme is at discount of more than 1% to the day end NAV for 7 continuous trading days, or
- ii. When no quotes for the Units of the scheme are available on NSE for 3 consecutive trading days, or
- iii. When total bid size on the exchange is less than half of creation unit size daily, averaged over a period of 7 consecutive trading days.

In case of redemption in above scenarios, redemption application received upto 3.00 p.m. on any business day will be processed at the closing NAV of the day.

The above instances will be tracked by the AMC on a continuous basis and in case if any of the above-mentioned scenarios arises, the intimation of the same will be displayed on our website of the AMC.

Pursuant to change in provisions for subscription / redemption directly with the AMC as mentioned above, necessary changes will also be carried out at relevant places in the SID of the Scheme.

**E. Cut-off timing for applicability of NAV**

The requirements of Cut-off timing for applicability of NAV as prescribed by SEBI from time to time will not be applicable for subscription / redemption transactions in the Units of the Scheme directly with the AMC by the Market Makers and Large Investors. All such transactions directly with AMC will be at Intra-day NAV based on the executed price at which the predefined quantity of physical gold (of prescribed purity) representing underlying Portfolio Deposit is purchased / sold.

**F. Changes under the heading “B. Ongoing offer details” under the section “III. Units and Offer”:**

The existing write up on ‘Role of Authorised Participants’ will be replaced with the following write up

Role of Market Makers	<p>The AMC has appointed two Market Makers to provide continuous liquidity on stock exchanges on an ongoing basis. The AMC may appoint more than two market makers.</p> <p>Currently, the AMC is not giving any incentives to the Market Makers for providing continuous liquidity on the Stock Exchanges. As and when AMC puts in place incentive structure for the market makers, the addendum to the effect will be issued and uploaded on the website of the AMC.</p> <p>The role of Market Makers is to ensure liquidity in units of the Scheme on the Stock Exchange(s) where the Units of the Scheme are listed. Market Makers will offer buy and sell quotes (bid and ask quotes) on the Exchange on continuous basis and shall guarantee execution of orders at quoted price and quantity. The Market Makers may for the purpose of creating liquidity subscribe or redeem the Units of the Scheme directly with the AMC. in creation unit size e.g. if the Market Maker’s net delivery obligation is more than the Units of the Scheme available with it, Market Maker may place subscription request with the AMC. Similarly, if the Market Maker has a net buy position and the same is to be settled in cash, it may redeem Units directly with the AMC.</p>
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**G. The following provisions regarding disclosure of Intra-day indicative NAV will be added under the heading ‘C. Periodic Disclosures’ under the section ‘III. Units and Offer’:**

Net Value	Asset	The AMC will also calculate intra-day indicative NAV i.e. the per unit NAV based on the current market value of the portfolio of the Scheme during the trading hours and disclose the same on a continuous basis on the stock exchanges where the units of the Scheme are listed as well as on its website. (Currently the National Stock Exchange of India Limited (‘NSE’) and Bombay Stock Exchange Ltd. (‘BSE’) shall be disclosed based on the latest data available of gold and thus at may either be static or dynamic depending upon the availability of the underlying price.
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**H. Change under the heading “B. Annual Scheme Recurring Expenses” under the section “IV. Fees and Expenses”:**

The Cost towards investor education & awareness which can be charged to the Scheme is revised from 2 bps to 1 bps of daily net assets of the Scheme.

The above changes are effective from **July 1, 2022**.

Pursuant to above changes, necessary changes will be carried out at relevant places in SID / and Key Information Memorandum (“KIM”) of the Scheme(s) of the Fund, as applicable.

All other terms & conditions of the Scheme of the Fund, as applicable, will remain unchanged.

This addendum forms an integral part of the Scheme Information Document / Key Information Memorandum of the Scheme as amended from time to time.

**For Invesco Asset Management (India) Pvt. Ltd.  
(Investment Manager for Invesco Mutual Fund)**

**Sd/-  
Saurabh Nanavati  
Chief Executive Officer**

**Date: June 30, 2022**

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**