

Disclosure Under SEBI Circular Dated March 30, 2022

Deviation from Mandated Asset Allocation of Invesco India Credit Risk Fund

Background:

In order to bring uniformity with respect to timelines for rebalancing of portfolios, SEBI issued circular dated March 30, 2022 prescribing timelines for rebalancing of portfolio of Mutual Fund schemes. The said circular mandates that the deviations due to passive breaches must be rebalanced within 30 business days. In case the portfolio is not rebalanced within 30 business days, then justification in writing including details of efforts taken to rebalance the portfolio needs to be placed before the Investment Committee. The Investment Committee, if it so desires, can extend the timeline upto 60 business days from date of completion of mandated rebalancing period to rebalance the portfolio. In case the portfolio is not rebalanced even within this extended timeline, then the AMC will not be permitted to launch any new scheme and will not levy any exit load to the investors exiting such scheme. SEBI circular dated March 30, 2022 has also mandated that deviations from mandated asset allocation to be reported to Trustees at each stage. The provisions of circular are applicable with effect from July 1, 2022.

SEBI vide its clarification dated June 29, 2022 has clarified that deviations which have occurred prior to July 1, 2022 shall be deemed to have occurred for the first time on July 1, 2022 and provisions of SEBI Circular dated March 30, 2022 to be complied with accordingly. Further, the reporting to Trustees to be initiated immediately after the expiry of mandated rebalancing period of 30 business days and the fact of deviation should also be disclosed on the website of the AMC.

The portfolio of Invesco India Credit Risk Fund has deviated from mandated asset allocation and is not rebalanced within the mandated timelines of 30 business days from July 1, 2022. Accordingly, disclosure about the deviation from the mandated asset allocation is made on the website of the AMC, pursuant to SEBI circular dated March 30, 2022 read with SEBI clarification dated June 29, 2022.

Brief Details of the Scheme:

Invesco India Credit Risk Fund is an open-ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds). A relatively high interest rate risk and moderate credit risk (**‘the Scheme’**). The Scheme was launched on August 14, 2014 and has been in existence for more than 8 years. The asset allocation of the Scheme as per the Scheme Information Document (**‘SID’**) is as follows:

Instruments	Indicative Allocations (% of net assets)		Risk Profile
	Minimum	Maximum	High/Medium/Low
Corporate Debt*	65	100	Medium to High
Debt# and Money Market Instruments	0	35	Low to Medium

*AA and below rated corporate bonds (excluding AA+ rated corporate bonds).

#Debt includes government securities.

Further, pursuant to clarification issued by SEBI circular dated June 25, 2021 with respect to asset allocation limits pursuant to requirement of maintaining at least 10% of net assets in liquid assets, the Scheme is required to invest at least 58.50% of its net assets in AA and below rated corporate bonds (excluding AA+ rated corporate bonds).

Details of Deviation from the mandated asset allocation:

Keeping in mind the credit environment over the past few years and with corporates witnessing either rating downgrades or defaults, the Fund Manager chose to adopt a conservative stance and increased the allocation to ‘AAA’

rated corporate bonds. This resulted in allocation to 'AA' and below rated corporate bonds falling below the mandatory requirements as per asset allocation pattern. The details of portfolio allocation as on August 12, 2022 are as follows:

Instrument Type	% of Net Assets
Government Security	53.23%
Corporate Debt	17.15%
Cash & Cash Equivalent	29.62%
Total...	100 %

Rating Profile	% of Net Assets
Sovereign	53.23%
AAA	14.34%
AA	2.81%
Cash & Cash Equivalent	29.62%
Total...	100 %

The portfolio of the Scheme as on August 12, 2022 is attached as an **Annexure A**.

Date: August 13, 2022

Invesco India Credit Risk Fund

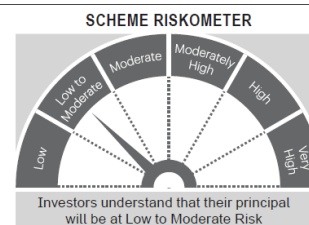
An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds). A relatively high interest rate risk and moderate credit risk)

Potential Risk Class			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class 1)			
Moderate (Class II)			
Relatively High (Class III)		B-III	

Suitable for investors who are seeking*

- income and Capital appreciation over medium to long term
- investments primarily in corporate debt securities of varying maturities across the credit spectrum

***Investors should consult their financial advisers if in doubt about whether the product is suitable for them.**



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

Invesco India Credit Risk Fund (An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds). A relatively high interest rate risk and moderate credit risk) Portfolio Statement as on August 12, 2022						
Name of the Instrument	ISIN	Rating	Quantity	Market / Fair Value (Rs. in Lakhs)	% to Net Assets	YTM
Debt Instruments						
(a) Listed / awaiting listing on Stock Exchange						
5.74% Government of India 2026	IN0020210186	SOVEREIGN	1,500,000	1,437.72	20.56	6.88%
7.05% National Housing Bank 2024	INE557F08FG1	CRISIL AAA	1,000,000	1,002.51	14.34	6.91%
5.22% Government of India 2025	IN0020200112	SOVEREIGN	1,000,000	961.94	13.76	6.71%
6.45% Government of India 2029	IN0020190362	SOVEREIGN	850,000	814.85	11.65	7.20%
7.38% Government of India 2027	IN0020220037	SOVEREIGN	500,000	507.77	7.26	6.99%
6.63% ONGC Petro Additions Limited 2024	INE163N08180	ICRA AA	200,000	196.36	2.81	7.68%
Sub Total				4,921.15	70.38	
(b) Privately placed / Unlisted						
Sub Total				Nil	Nil	Nil
Total				4,921.15	70.38	
Money Market Instruments						
TREPS / Reverse Repo						
Triparty Repo				5,915.33	84.59	
Sub Total				5,915.33	84.59	
Total				5,915.33	84.59	
Net Receivables / (Payables)				(3,843.41)	(54.97)	
GRAND TOTAL				6,993.07	100.00	