

August 13, 2022

Dear Unitholder,

**Subject: Deviation from mandated asset allocation of Invesco India Credit Risk Fund**

Greetings from Invesco Mutual Fund!

At the outset, we take this opportunity to thank you for reposing your faith and choosing to stay invested with us. We sincerely appreciate and acknowledge your patronage.

In line with the requirements of SEBI circular dated March 30, 2022 on ‘**Timelines for Rebalancing of Portfolios of Mutual Fund Schemes**’, we would like to inform you about the deviation from mandated asset allocation of 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 (**‘the Scheme’**).

The mandated Asset Allocation as per the Scheme Information Document (**‘SID’**) of the Scheme is as follows:

Instruments	Indicative Allocation (% 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).

However, the Scheme’s current asset allocation is deviating 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 the asset allocation pattern. The details of portfolio allocation as on August 12, 2022 are as follows:

Instruments Type	% of Net Assets	Rating Profile	% of Net Assets
Corporate Debt	17.15%	Sovereign	53.23%
Government Security	53.23%	AAA	14.34%
Cash & Cash Equivalent	29.62%	AA	2.81%
		Cash & Cash Equivalent	29.62%

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

We are cognizant of the deviation from mandated asset allocation and our endeavor is to rebalance the portfolio in line with the asset allocation pattern mandated in the SID of the Scheme by identifying suitable AA and below rated corporate bonds keeping in mind the interest of unitholders.

We will keep you updated with regards to the portfolio holdings, including the credit exposure taken by the Scheme to achieve its mandated asset allocation.

Looking forward to your continued support.

Yours Sincerely,

**Invesco Mutual Fund**

**Invesco India Credit Risk Fund**

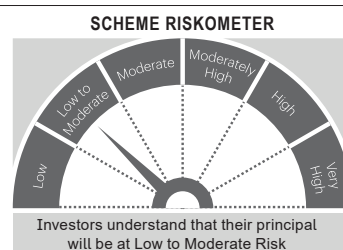
An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds). A relatively high interest rate risk and moderate credit risk)

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.**

<b>Invesco India Credit Risk Fund</b> <b>(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)</b> <b>Portfolio Statement as on August 12, 2022</b>						
Name of the Instrument	ISIN	Rating	Quantity	Market / Fair Value (Rs. in Lakhs)	% to Net Assets	YTM
<b>Debt Instruments</b>						
<b>(a) Listed / awaiting listing on Stock Exchange</b>						
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%
<b>Sub Total</b>				<b>4,921.15</b>	<b>70.38</b>	
<b>(b) Privately placed / Unlisted</b>						
<b>Sub Total</b>				<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total</b>				<b>4,921.15</b>	<b>70.38</b>	
<b>Money Market Instruments</b>						
<b>TREPS / Reverse Repo</b>						
Triparty Repo				5,915.33	84.59	
<b>Sub Total</b>				<b>5,915.33</b>	<b>84.59</b>	
<b>Total</b>				<b>5,915.33</b>	<b>84.59</b>	
<b>Net Receivables / (Payables)</b>				<b>(3,843.41)</b>	<b>(54.97)</b>	
<b>GRAND TOTAL</b>				<b>6,993.07</b>	<b>100.00</b>	