

Date: July 4, 2017

Details of Deviation are as follows:

Provisions of Valuation Policy for Valuation of Physical Gold	Nature and rationale for Deviation
<p>As per guidelines for valuation of securities stated in the Valuation Policy of Invesco Mutual Fund (‘the Policy’), the market price of gold in the domestic market on any business day would be arrived at as under:</p> <p>Domestic price of gold = (London Bullion Market Association AM fixing in US\$/ounce X conversion factor for converting ounce into kg for 0.995 fineness X rate for US\$ into INR) + custom duty for import of gold + sales tax/octroi, stamp duty and other levies applicable + notional premium & fixing that may be charged for delivery of gold to the place where it is stored on behalf of mutual fund.</p> <p>On any day the LBMA AM fixing or RBI reference rate is not available due to a holiday, then the previous day price is applied for the purpose of calculating the value of gold.</p>	<p>Nature of Deviation: From the midnight of 30th June 2017, the Government of India and various states in the country implemented a new tax regime, the Goods and Services Tax (GST).</p> <p>Under new regime of indirect taxation, GST will replace indirect taxes like Central Excise, Service Tax, State Entry Tax, Value Added Tax, Local Body Tax, Octroi etc.</p> <p>The new indirect tax regime is also applicable for physical gold.</p> <p>Till June 30, 2017, while arriving at the value of physical gold held by Invesco India Gold Exchange Traded Fund (‘Invesco Gold ETF’), Value Added Tax was included since as per the tax regime prevailing till June 30, 2017, Invesco Gold ETF was not eligible for input credit of VAT.</p> <p>However, under new GST Regime which came into effect from July 1, 2017, Invesco Gold ETF would now be eligible for input credit for GST paid.</p> <p>Accordingly, GST was not included while valuing physical gold from July 1, 2017 to July 4, 2017.</p> <p>This valuation is a deviation from the Valuation Policy of Invesco Mutual Fund.</p> <p>Rational: The reason for the deviation is that under the GST regime, buyers of physical gold will now be able to claim input credit for GST paid which was not the case earlier.</p> <p>This process would also ensure that GST credit goes to the appropriate person on creation of units rather than all investors in general.</p>