

# Profit<sup>^</sup> & Purpose. Aim to achieve both in one fund.

<sup>^</sup>Profit does not signify any assurance of returns

## Presenting Invesco India ESG Equity Fund

(An open ended equity scheme investing in companies following Environmental, Social and Governance (ESG) theme)

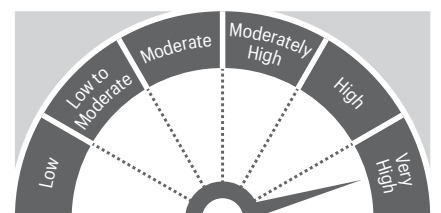


### Suitable for investors who are seeking\*

- Capital appreciation over long term
- Investments predominantly in equity and equity related instruments of companies following ESG theme

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

### RISKOMETER



Investors understand that their principal will be at very high risk



“ESG is the consideration of Environmental, Social and Governance factors in the investment process”

Climate change, burgeoning pollution, resource’s scarcity, inequality, among others are some of the defining issues of our time, and we are at a turning point which could change the future.

The companies are increasingly focusing on ESG initiatives as businesses face a new set of challenges in today’s socially conscious economy.

With risks emanating from environment, social and governance (ESG) factors increasing; it is important to assess where the company faces risk on account of ESG parameters as ignoring these risks can have far reaching consequences, including impact on the shareholder value.



### Why ESG risks can have a material impact on businesses?

ESG issues can impact company’s positioning and have financial impacts. In the past, continuity of several businesses has been risked due to disregarding ESG practices, which in turn impacted their business operations, reputation and the shareholder value.

Environmental	Social	Governance
Breaching environment norms may lead to heavy tax implications, penalties, delay in project approvals, etc.	Poor social parameters can affect the productivity; labour unrest, lead to employee dissatisfaction.  Deal with social stigma which can make it difficult for company to attract talent.	Poor governance standards lead to high reputation risk.

**Disclaimer** - The above parameters are provided for explaining key material ESG issues which have the potential to impact the enterprise value. The ESG issues selected may not be an exhaustive list of issues and there can be other set of issues / methodology which may affect the ESG Scores.



Although ESG issues often get highlighted owing to extreme events, we feel that an [inclusive approach of evaluating businesses on ESG parameters can go a long way in reducing the investment risk and enhancing trust quotient of investors.](#)

The advantages of proactively dealing with ESG issues not only help companies to alleviate the shareholders concerns but can also provide access to a large pool of capital, build a strong brand, create value, and encourage long-term sustainable growth. The companies with strong ESG propositions may create value through:



Increased top-line growth



Lower costs of production



Better financing terms



Government support and subsidies



Motivated employees

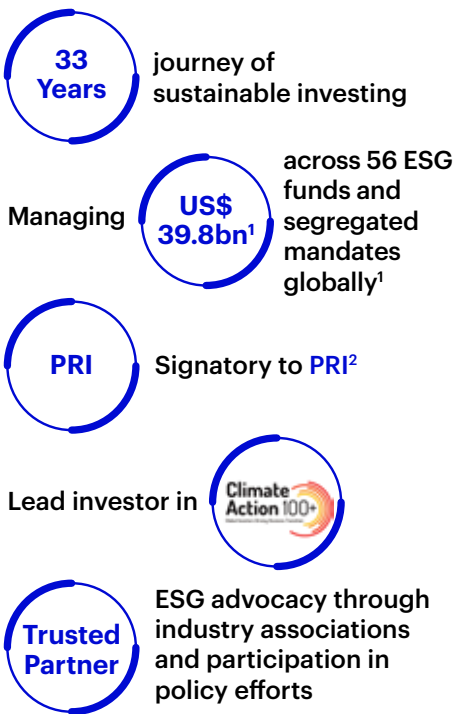


Enhanced returns on capital invested

## Invesco and ESG

### 'What we believe is what we do'

Invesco truly believes in merits of 'responsible investing' and for more than 30 years, globally we have been demonstrating our commitment to responsible investing by actively encouraging ESG inclusive practices across every area of the business.



## Presenting Invesco India ESG Equity Fund



### Investment Strategy & Portfolio Construction Guidelines

- Investments in companies which are selected based on Environmental, Social & Governance (ESG) criteria as defined by our proprietary investment framework.
- Invests primarily in Largecap stocks. (~62.6% of overall portfolio) Limited exposure to midcap & smallcap stocks ~35% allocation of overall portfolio<sup>3</sup>.
- Bottom-up approach to select stock. Portfolio will be a blend of growth & value stocks.
- Portfolio weighted average **ESG Risk score is 1.36<sup>4</sup>**.
- Approximately 30-40 holdings.

Note - <sup>3</sup>The above strategy is based on current views and is subject to change from time to time. Large cap: 1st - 100th company in terms of full market capitalization; Mid cap: 101st - 250th company in terms of full market capitalization; Small cap: 251st company onwards in terms of full market capitalization. <sup>4</sup>The above mentioned ESG score is subject to change based on the changes within the overall ESG framework. Source: Invesco internal. Data as of 31 July, 2021.



### Why Invesco India ESG Equity Fund?

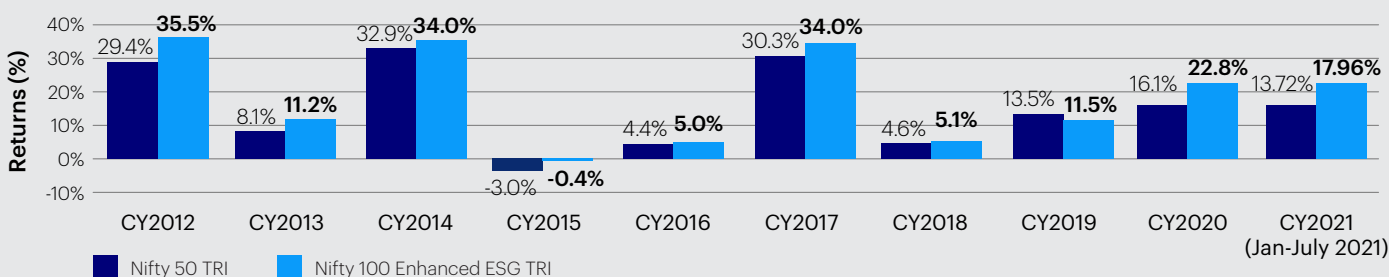
- Profit with Purpose - We see ESG funds as a vehicle to invest in companies, which help make the world a better place.
- Deep commitments to running ESG anchored portfolios through our actions involving investment, divestment and engagement.
- Our belief that ESG considerations represent material economic information that helps explain a company's future beyond what can be deciphered through typical financial statements.

**Disclaimer** - The use of word 'Profit' does not in any manner imply or suggest the performance of the Scheme of Invesco Mutual Fund. It should not be construed as a promise for returns and safeguard of capital. It does not guarantee protection against a loss in a declining market. The readers should exercise due caution and/or seek independent professional advice before making any investment decision or entering into any financial obligation based on information, statement or opinion which is expressed herein.

<sup>1</sup>Source: Invesco, data as at 31 March, 2021. <sup>2</sup>PRI: The Principles for Responsible Investment.

## Performance: ESG Aware Companies vs Nifty 50

### Calendar year returns of Nifty 100 Enhanced ESG TRI Index and Nifty 50 TRI index



Index Returns % (CAGR)	1 Year	3 Year	5 Year	7 Year	Volatility* (Annualized)	1 Year	3 Year	5 Year	7 Year
Nifty 100 Enhanced ESG TRI Index	50.28%	15.36%	16.31%	14.36%	Nifty 100 Enhanced ESG TRI Index	15.41%	21.30%	17.84%	17.28%
Nifty 50 TRI Index	44.30%	12.90%	14.18%	12.09%	Nifty 50 TRI Index	16.45%	21.94%	18.26%	17.51%

**Past performance may or may not be sustained in future.** Based on yearly returns of Nifty 100 Enhanced ESG TRI Index and Nifty 50 TRI Index. Source: NSE. Data as on July 30, 2021. Returns above 1 year are Compounded Annualised Growth Rate (CAGR). \*Volatility/Risk is calculated based on daily rolling returns. Volatility/Risk is represented by standard deviation. Standard deviation is a statistical measure of the range of an investment's performance.

**Disclaimer:** The above simulation is to explain the performance and volatility of Nifty 100 Enhanced ESG TRI Index and Nifty 50 TRI index over different time frame. The performance and volatility of Nifty 100 Enhanced ESG TRI Index and Nifty 50 TRI index does not in any manner reflect future performance/returns of the Scheme. The same is for illustration purpose only and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party or a promise on minimum returns and safeguard of capital. Invesco Asset Management (India) Pvt. Ltd./Invesco Mutual Fund is not guaranteeing or promising or forecasting any returns.

As On July 31, 2021

Top 10 Equity Holdings	% of Net Assets
Infosys Ltd.	9.31%
Tata Consultancy Services Ltd.	5.75%
Kotak Mahindra Bank Ltd.	5.32%
ICICI Bank Ltd.	5.29%
Axis Bank Ltd.	4.64%
Titan Company Ltd.	4.06%
Divi's Laboratories Ltd.	3.69%
Gland Pharma Ltd.	3.53%
Avenue Supermarts Ltd.	3.24%
L&T Technology Services Ltd.	3.06%

Top 10 Industries	% Weightage
Software	21.77%
Banks	16.43%
Pharmaceuticals	9.27%
Consumer Durables	7.78%
Auto Ancillaries	7.50%
Retailing	5.85%
Insurance	3.04%
Capital Markets	2.90%
Gas	2.87%
Auto	2.80%

Industrywise classification as per AMFI.

## Key Facts

### Investment Objective

To generate capital appreciation from a diversified portfolio of Equity and Equity Related Instruments of companies which are selected based on Environmental, Social and Governance (ESG) criteria as defined by our proprietary investment framework

### Asset Allocation

Instruments	Indicative Allocation (% of Net Assets)		Risk Profile High/Medium/Low
	Minimum	Maximum	
Equity & equity related instruments of companies complying with ESG criteria	80%	100%	High
Other equity & equity related instruments	0%	20%	High
Debt & Money Market Instruments/Units of overnight and liquid schemes of Invesco Mutual Fund	0%	20%	Low to Medium
Units issued by REITs and InvITs	0%	10%	Medium to High

**Plans/Options:** (Applicable to Direct Plan also) Growth Option, IDCW Option

- Payout of Income Distribution cum capital withdrawal (IDCW) option (earlier known as Dividend Payout)
  - Reinvestment of Income Distribution cum capital withdrawal (IDCW) option (earlier known as Dividend Reinvestment)
- (if IDCW payable under IDCW option is equal or less than Rs. 100/- then the IDCW would be compulsorily reinvested)

### Minimum Investment

**Lumpsum:** Rs.1,000 and in multiples of Re.1 thereafter

### Systematic Investment Plan:

Frequency	Months		Quarters
No. of Installments	12	6	4
Minimum Amount	Rs.500	Rs.1,000	Rs.1,500


And in multiples of Re.1 thereafter

**Load Structure:** For each purchase of units through Lumpsum / switch-in / Systematic Investment Plan (SIP) and Systematic Transfer Plan (STP), exit load will be as follows:

- If upto 10% of units allotted are redeemed/switched out within 1 year from the date of allotment – Nil
- For any redemption / switch out in excess of 10% of units allotted within one year from the date of allotment – 1%
- If units are redeemed/switched out after 1 year from the date of allotment- Nil

**Fund Managers:** Mr. Taher Badshah and Mr. Amit Nigam

**Benchmark:** NIFTY 100 Enhanced ESG TRI

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### Invesco Asset Management (India)

Invesco Asset Management (India) offers expertise across equity and fixed income investments, with a broad range of funds to suit your every investment need. Our aim is to provide best-in-class investment products across asset classes, regions and risk spectrum, with high standards of customer service.

### Invesco Limited – One of the world's leading independent global investment management firms

- US\$1.404 trillion in assets under management around the globe
- Specialised investment teams managing investments across a wide range of asset classes and investment styles
- More than 8,000 employees worldwide
- On-the-ground presence in more than 26 countries, serving clients in more than 120 countries

Source: AUM of \$1,404.1 billion, client-related data, investment professional and employee data as of March 31, 2021. AUM includes all assets under advisement, distributed and overseen by Invesco.

**Disclaimer:** This document alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party. The statements contained herein may include statements of future expectations and other forward looking statements that are based on prevailing market conditions / various other factors and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. The data used in this document is obtained by Invesco Asset Management (India) Private Limited (IAMI) from the sources which it considers reliable. While utmost care has been exercised while preparing this document, IAMI does not warrant the completeness or accuracy of the information and disclaims all liabilities, losses and damages arising out of the use of this information. The content of this document is intended solely for the use of the addressee. If you are not the addressee or the person responsible for delivering it to the addressee, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it is prohibited and may be unlawful. The readers should exercise due caution and/or seek appropriate professional advice before making any decision or entering any financial obligation based on information, statement or opinion which is expressed herein.

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