



Invesco Asset Management (India) Pvt. Ltd.
(CIN No: U67190MH2005PTC153471),
2101-A, 21st Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai - 400 013
Tel: +91 22 67310000 Fax: +91 22 23019422
Email: mfservices@invesco.com;
www.invescomutualfund.com

ADDENDUM

Addendum to the Scheme Information Document(s) and Key Information Memorandum(s) of Select Open-ended Debt Schemes of Invesco Mutual Fund

Mandatory Swing Pricing Framework during the market dislocation

Notice is hereby given to all the investors / unit holders that pursuant to SEBI circular vide reference no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/631 dated September 29, 2021 on 'Swing pricing framework for mutual fund schemes' ('**SEBI Circular**'), the following provisions pertaining to Mandatory Swing Pricing Framework will be incorporated in the Scheme Information Document(s) ('**SIDs**') and Key Information Memorandum(s) ('**KIMs**') of Invesco India Banking & PSU Debt Fund, Invesco India Corporate Bond Fund, Invesco India Credit Risk Fund and Invesco India Medium Duration Fund ('**Designated Schemes**') of Invesco Mutual Fund ('**the Fund**') with effect from **December 28, 2021**.

However, the provisions of Mandatory Swing Pricing Framework will become applicable with effect from **March 1, 2022**:

1) Swing Pricing Framework:

Swing pricing refers to a process for adjusting a fund's Net Asset Value ('**NAV**') to effectively pass on transaction costs stemming from net capital activity (i.e., flows into or out of the fund) to the investors associated with that activity during the life of a fund, excluding ramp-up period or termination. In a liquidity-challenged environment, quoted bid/ask spreads and overall trading cost can widen and may not be representative of the executed prices that can be achieved in the market.

In such circumstances, Swing Pricing can be useful mechanism to contribute to protect the interest of existing investors, specifically from the dilution of their holding and contribute to protect the value of investors capital. It's useful tool to protect the remaining investors when:

- One or more large investors choose to redeem in 'normal times' where their actions would have material impact costs;
- More active trading takes place; and /or
- Funds hold illiquid assets.

2) A mandatory full swing during market dislocation times will apply as follows:

- Swing Pricing Framework will be applicable only for scenarios related to net outflows from the Designated Schemes.
- SEBI will determine 'market dislocation' either based on AMFI's recommendation or suo moto.
- Once market dislocation is declared, SEBI will notify that swing pricing will be applicable for a specified period.
- Subsequent to the announcement of market dislocation, the mandatory Swing Pricing Framework will be applicable for Designated Schemes of the Fund which have:
 - ✓ High or Very High risk on the risk-o-meter (as of the most recent period at the time of declaration of market dislocation); **AND**
 - ✓ Classify themselves in the cells A-III, B-II, B-III, C-I, C-II and C-III of Potential Risk Class ('**PRC**') Matrix in terms of SEBI circular dated June 7, 2021.

3) Swing Factor:

Based on the PRC Matrix classification, the swing factor will be applicable as follows:

Name of Scheme(s)	PRC Matrix	Swing Factor
Invesco India Banking & PSU Debt Fund	A-III	1.00%
Invesco India Corporate Bond Fund		
Invesco India Credit Risk Fund	B-III	1.50%
Invesco India Medium Duration Fund		

Swing factor as per the table given above will be made applicable and NAV shall be adjusted (swung) downward by the swing factor.

4) Impact on Investors:

When Swing Pricing Framework is triggered and swing factor is made applicable, both the incoming and outgoing investors will get NAV adjusted downwards for swing factor.

Swing pricing will be applicable to all unitholders at PAN level with an exemption for redemptions upto Rs. 2 lacs for each scheme.

5) Illustrations:

The illustrations explaining the impact of swing pricing on NAV as well as on incoming and outgoing investors i.e. subscription & redemption transactions are as follows:

Illustrations for schemes having PRC Matrix as A-III & B-III:

a. Adjustment of NAV for swing factor:

Particulars	Schemes having PRC Matrix A-III	Schemes having PRC Matrix B-III
NAV before Swing Pricing / Normal NAV (Rs.)	1,200.0000	1,200.0000
Swing factor (%)	1.00%	1.50%
NAV after applying Swing factor / Adjusted NAV (Swung NAV) (Rs.)	1,188.0000	1,182.0000

b. Impact of Swing NAV on Redemption transaction where redemption is in terms of amount:

Particulars	Schemes having PRC Matrix A-III	Schemes having PRC Matrix B-III
Amount Redeemed (Rs.)	12,000,000.00	12,000,000.00
NAV before Swing Pricing / Normal NAV (Rs.)	1,200.0000	1,200.0000
Units to be redeemed at Normal NAV (Nos.)	10,000.000	10,000.000
NAV after applying swing factor / Adjusted NAV (Rs.)	1,188.0000	1,182.0000
Units to be redeemed at Adjusted NAV / Swing NAV (Nos.)	10,101.0101	10,152.2843
Impact: Additional Units redeemed due to Swing Pricing Framework (Nos.)	101.0101	152.2843

c. Impact of Swing NAV on Redemption transaction where redemption is in terms of units:

Particulars	Schemes having PRC Matrix A-III	Schemes having PRC Matrix B-III
Units Redeemed (Nos.)	10,000.00	10,000.00
NAV before Swing Pricing / Normal NAV (Rs.)	1,200.0000	1,200.0000
Redemption Amount based on Normal NAV (Rs.)	12,000,000.00	12,000,000.00
NAV after applying Swing Factor / Adjusted NAV (Rs.)	1,188.00	1,182.00
Redemption Amount based on / Adjusted NAV / Swing NAV (Rs.)	11,880,000	11,820,000
Impact: Redemption amount is lower due to Swing Pricing Framework (Rs.)	1,20,000	1,80,000

Note: The above illustration is assuming that there is no exit load. In case exit load is applicable, then the same will be applied on Swing / Adjusted NAV and number of units redeemed will be higher or the amount of redemption will be lower due to exit load. Further, it is also assumed that the above are partial redemption requests and there is sufficient units balance in the investor's folio.

d. Impact of Swing NAV on subscription where subscription is in terms of amount:

Particulars	Schemes having PRC Matrix A-III	Schemes having PRC Matrix B-III
Amount of Subscription (Rs.)	12,000,000.00	12,000,000.00
NAV before Swing Pricing / Normal NAV (Rs.)	1,200.0000	1,200.0000
Units to be allotted at Normal NAV (Nos.)	10,000.00	10,000.00
NAV after applying swing factor / Adjusted NAV (Rs.)	1,188.0000	1,182.0000
Units to be allotted at Adjusted NAV / Swing NAV (Nos.)	10,101.0101	10,152.2843
Impact: Additional Units allotted due to Swing Pricing Framework (Nos.)	101.0101	152.2843

Note: The above are just illustrations to explain the impact of swing pricing on subscription / redemption transactions when mandatory swing pricing framework is applicable.

6) Periodic Disclosures:

The performance of the scheme will be computed using NAV before any adjustment for swing factor i.e. unswung NAV.

Further, if Swing Pricing Framework is made applicable, then the AMC will make disclosures pertaining to NAV adjusted for swing factor along with the performance impact in the SIDs and in scheme wise Annual Reports and Abridged summary of the Designated Schemes and on the website prominently, in the following format:

Sr #	Period of applicability of Swing Pricing	Scheme Name	Unswung NAV	Swing Factor Applied	Whether Option or Mandatory

Pursuant to above changes, necessary changes will be carried out at relevant places in Scheme Information Document(s) ('SIDs') and Key Information Memorandum(s) ('KIMs') of the Designated Schemes.

All other terms & conditions of the SIDs and KIMs of the Designated Schemes will remain unchanged.

This addendum forms an integral part of the SIDs / KIMs of the Designated Schemes, 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: December 28, 2021

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