



Disclosure under Regulation 60 of SEBI (Mutual Funds) Regulations, 1996

March 18, 2020

Update on Valuation of Equity Shares of Yes Bank Ltd.

Ministry of Finance (Department of Financial Services), Government of India issued Gazette Notification reference no. G.S.R.174(E) dated March 13, 2020 thereby notifying Yes Bank Limited Reconstruction Scheme, 2020 ('**Reconstruction scheme**'). The commencement date of the Scheme is March 13, 2020.

As per the Clause 3(8)(a) of the Notification, there shall be a lock-in period of 3 years from the commencement of the Reconstruction scheme to the extent of 75% of equity shares held by existing shareholders on the date of commencement of the Scheme i.e. March 13, 2020. Therefore, as per the Scheme, effective immediately, only 25% of the shares held by existing shareholders would be available for sale. The said restriction is applicable only to all those shareholders holding more than 100 shares in Yes Bank Ltd. ('**Yes Bank**')

To give the effect to the Reconstruction scheme, based on the request from Yes Bank, the depositories carried out corporate action on March 15, 2020 whereby the shares which are not locked in (i.e. free shares) were transferred to new ISIN INE528G01035 and share held under ISIN INE528G01027 are locked-in for a period of 3 years from March 13, 2020.

Invesco India Nifty Exchange Traded Fund ('**the Scheme**') an open- ended scheme replicating Nifty 50 index, was holding 957 equity shares of Yes Bank as on March 13, 2020. Accordingly, as per the Scheme, 718 equity shares would be locked - in for a period of three years from March 13, 2020 and only 239 equity shares are available for sale.

Details of holding in shares of Yes Bank Limited as on March 13, 2020 were as follows:

Scheme Name	ISIN	Quantity (Nos.)	Value of Shares (Rs.)	% to Net Assets
Invesco India Nifty Exchange Traded Fund	INE528G01027	957	24,451.35	0.14%

Even though the shares are actively traded and have a trading price, 718 shares are locked-in for a period of three years and are not available for sale. Also, there is no other exit mechanism for locked-in shares till the lock-in period is over. Further Nifty 50 Index is undergoing change effective from March 19, 2020 and as per the intimation issued by NSE Indices Limited., Yes Bank will be moved out of Nifty 50 from the close of March 18, 2020. As per the mandate, the Scheme sold 239 share on March 18, 2020 and continue to hold 718 shares which are under lock-in. As the Scheme is an ETF replicating Nifty 50 index, valuing the shares under lock-in at any value other than at Zero will result in tracking error. Further there will be challenges for market makers & authorised participants in pricing the units on the stock exchanges.

Hence, to reflect fair/realizable value and to address the issues the Scheme, being ETF, would face, 718 shares under lock-in were marked down to ZERO on March 16, 2020.

Details of mark down and impact on NAV as on March 16, 2020 is as follows:

Scheme Name	Security Name	ISIN	No. of shares locked-in	Amount of Mark down (Rs.)	Impact on NAV (%)
Invesco India Nifty Exchange Traded Fund	Yes Bank Ltd.	INE528G01027	718	18,344.90	0.10

As per the guidance issued by Association of Mutual Funds in India (AMFI) vide its communication 35P/MEM-COR/57/2019-20 dated March 17, 2020, any realization post the lock-in period shall be distributed to the existing set of investors as on March 13, 2020.

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