



You can't imagine a world
without **technology.**

What about your portfolio?

Presenting

Invesco India Technology Fund

(An open ended equity scheme investing in
technology and technology related sectors)



Invesco India Technology Fund

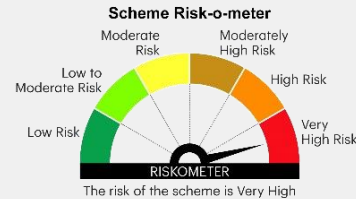
An open ended equity scheme investing in technology and technology related sectors

This product is suitable for investors who are seeking*:

- Capital appreciation over long term
- Investment predominantly in equity and equity-related instruments of companies engaged in the technology and technology related sectors

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

Scheme Riskometer



Benchmark Riskometer

As per AMFI Tier 1 Benchmark i.e. **Nifty IT TRI**



Embracing a Tech-Driven World

The adoption of technology is no longer limited to a specific demographic; it spans across generations, fundamentally altering the way we live and work

Gen Alpha



Gen Z



Millennials



Baby Boomers



A world driven by Technology

Communication



Financial market



Travel



Entertainment



Healthcare



Manufacturing

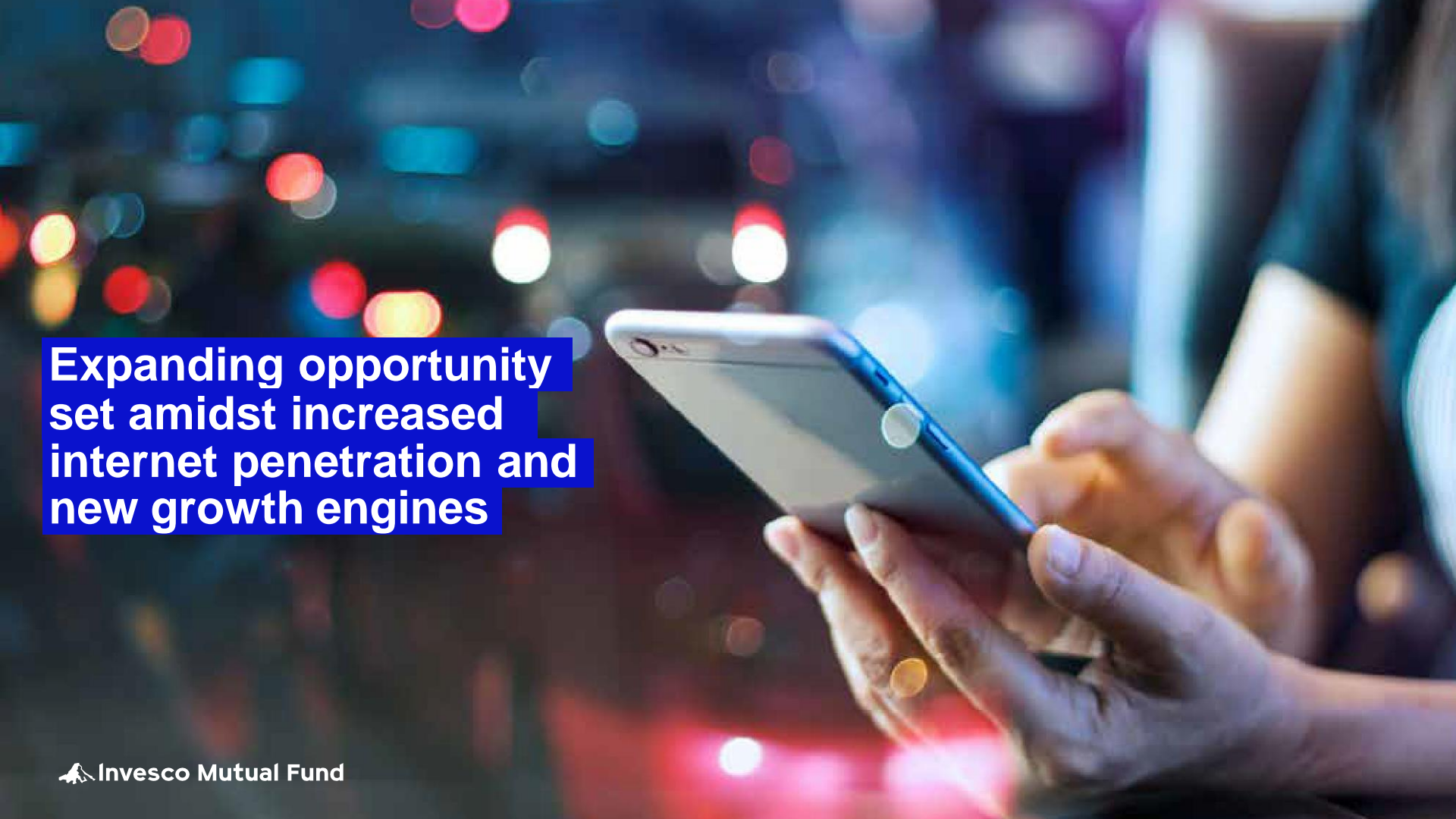


E-commerce



Banking

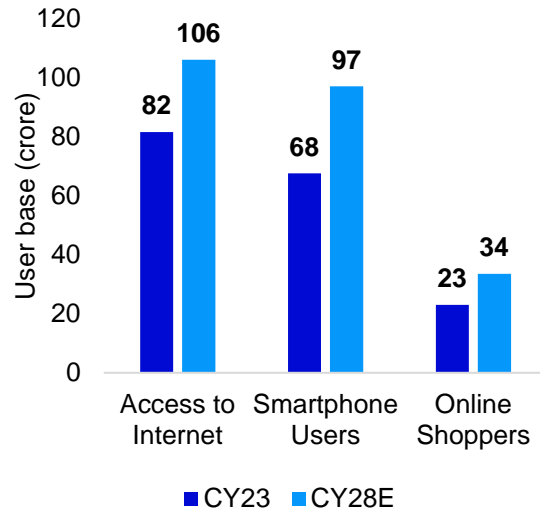


A close-up photograph of a person's hands holding a smartphone. The background is dark with numerous out-of-focus, colorful bokeh lights in shades of red, orange, yellow, and blue, suggesting a night city scene or a festive event. The text is overlaid on the left side of the image.

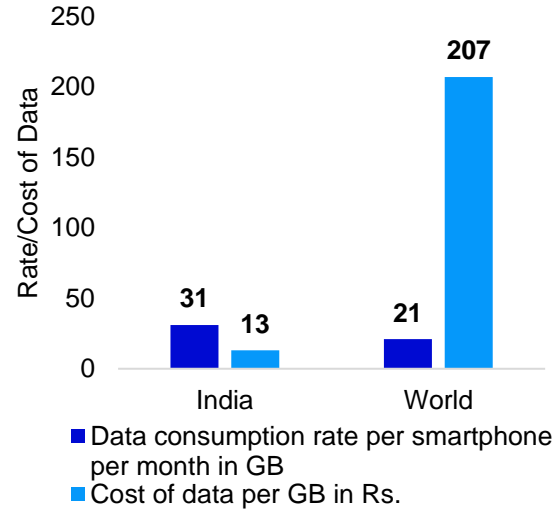
**Expanding opportunity
set amidst increased
internet penetration and
new growth engines**

High internet penetration driven by low cost of data is propelling digital consumption in India

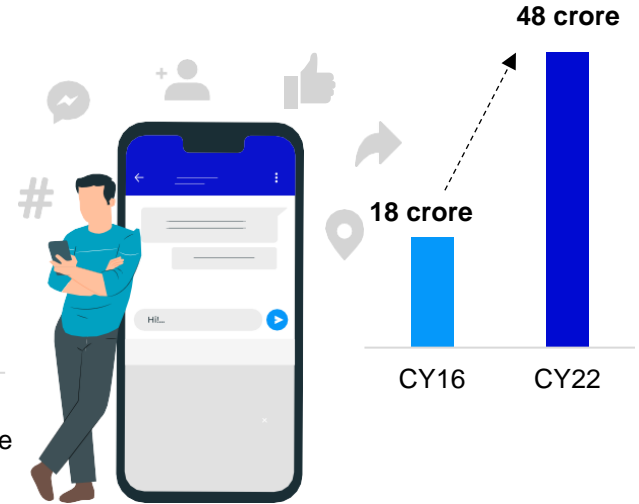
Expanding user base (in crore)



High data usage at low cost (CY23)



Rapid growth in social media users

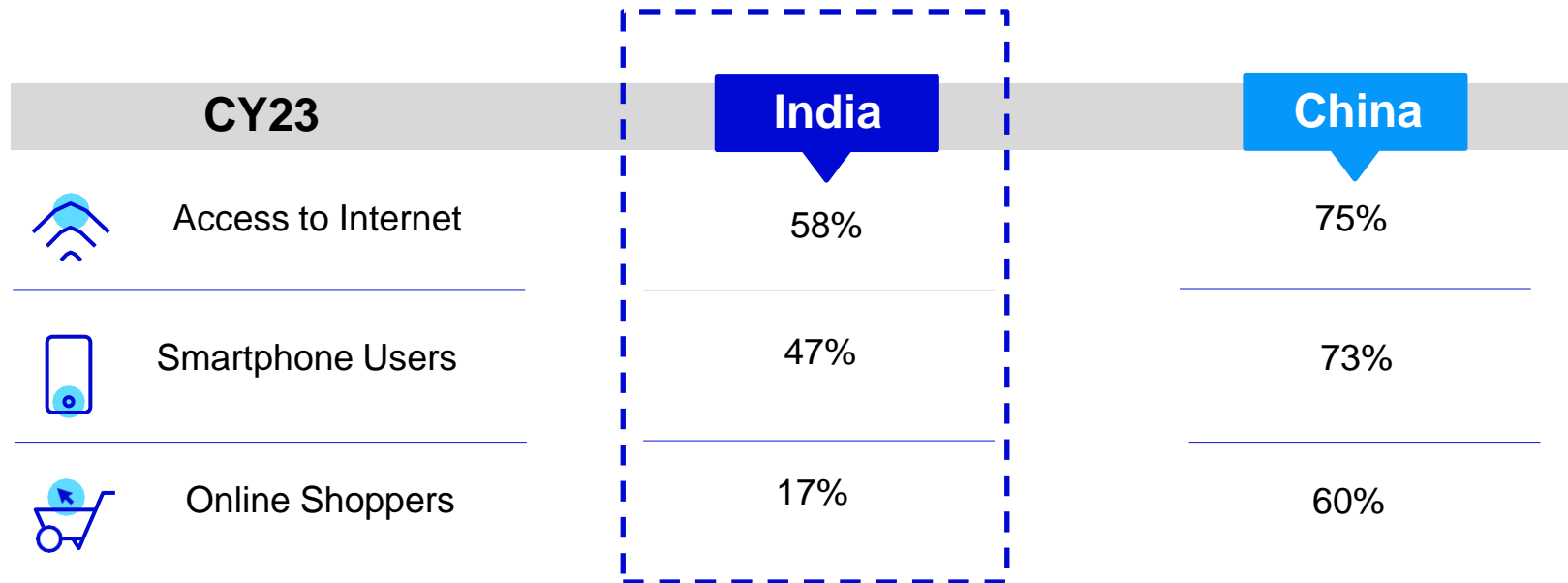


GB- Gigabyte, E – Estimates, CY – Calendar Year

Source - Redseer research

Disclaimer -The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

However, internet penetration is still low compared to China and indicates potential for further growth



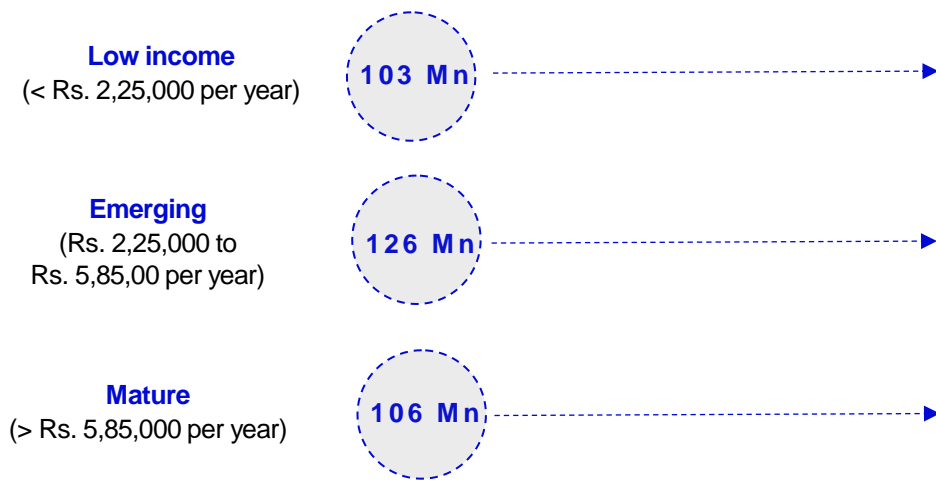
CY- Calendar Year

Source - Redseer research

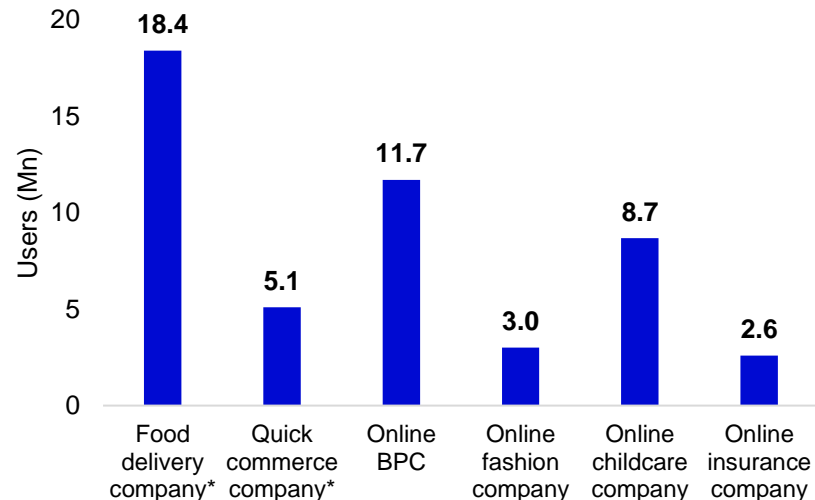
Note – The above table shows the low penetration level of digital adoption in India as compared to a large economy like China.

New age tech companies benefiting from deepening consumer base

Households (in Mn) based on income level (CY23)



Unique users for FY24 (Mn)



*For food delivery and quick commerce, the data shown is for monthly transacting users and for rest annual unique users are shown.

BPC- Beauty and personal care

Source – Redseer research, Company data

Disclaimer -The companies operating in the above segment referred are for illustration purpose only. The Scheme may or may not have any present or future positions in companies operating in the above segment. It should not be construed as recommendations, advice to buy, sell or transact in any manner in these companies neither should it be considered as Research Report from Invesco Asset Management (India) Private Limited and/or Invesco Mutual Fund.

Increasing use of technology has enhanced efficiencies in financial sector and widened its ambit

Use of technology in financial sector: India Stack a key enabler



Identity layer

Giving every resident a unique ID and enabling them to prove “I Am who I claim to be”

Offshoot

- Aadhaar
- eKYC
- eSign



Payments layer

Allowing anyone to pay anyone else! Interoperable, fast and cheap – not just smart phone

Offshoot

- Unified Payments Interface (UPI)
- Aadhar Payments Bridge
- Aadhar Enabled Payment Services



Data layer

To enable secure sharing of data

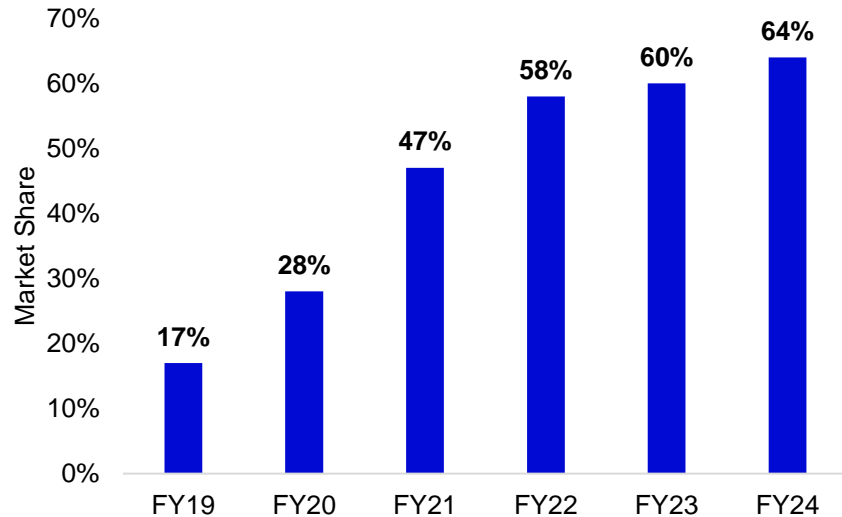
Offshoot

- DigiLocker
- Account Aggregator

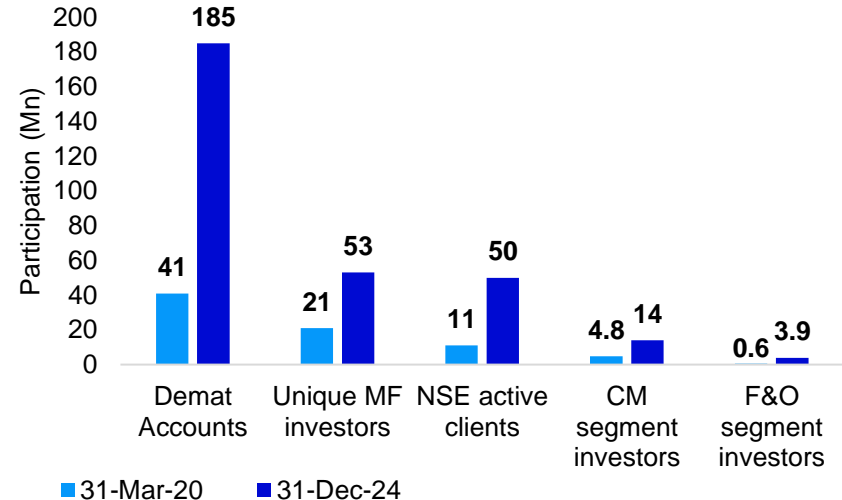
Source: IndiaStack. APIs: Application Programming Interface.

Digitalization also leading to increased participation in equities through discount brokers/fintech platforms

Rising share of discount brokers (NSE Active clients - Market share (%))



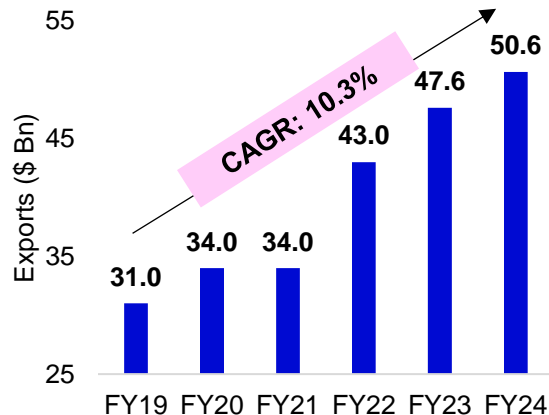
Digitalization is accelerating participation in equities (Mn)



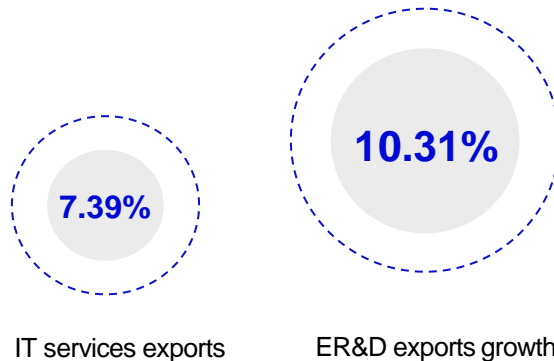
Source: NSE, BSE, NSDL, CAMS, CDSL, Jefferies. Angle One. CM: Cash management, F&O: Futures & options, MF – Mutual Funds

Engineering Research and Development - A new growth engine to spur business growth going ahead

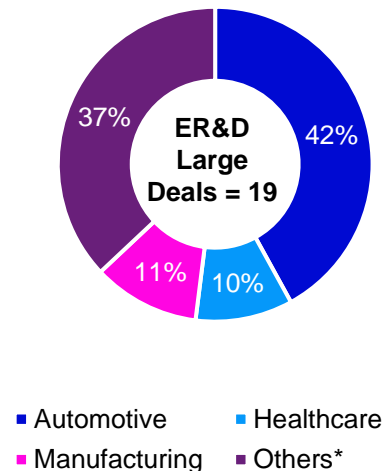
Engineering Research and Development (ER&D) exports - Fast growing segment (\$ Bn)



ER&D export growth surpassing IT services export growth rate (5 year CAGR for FY24)



9M FY2024 Large Deals up ~2X since FY2023



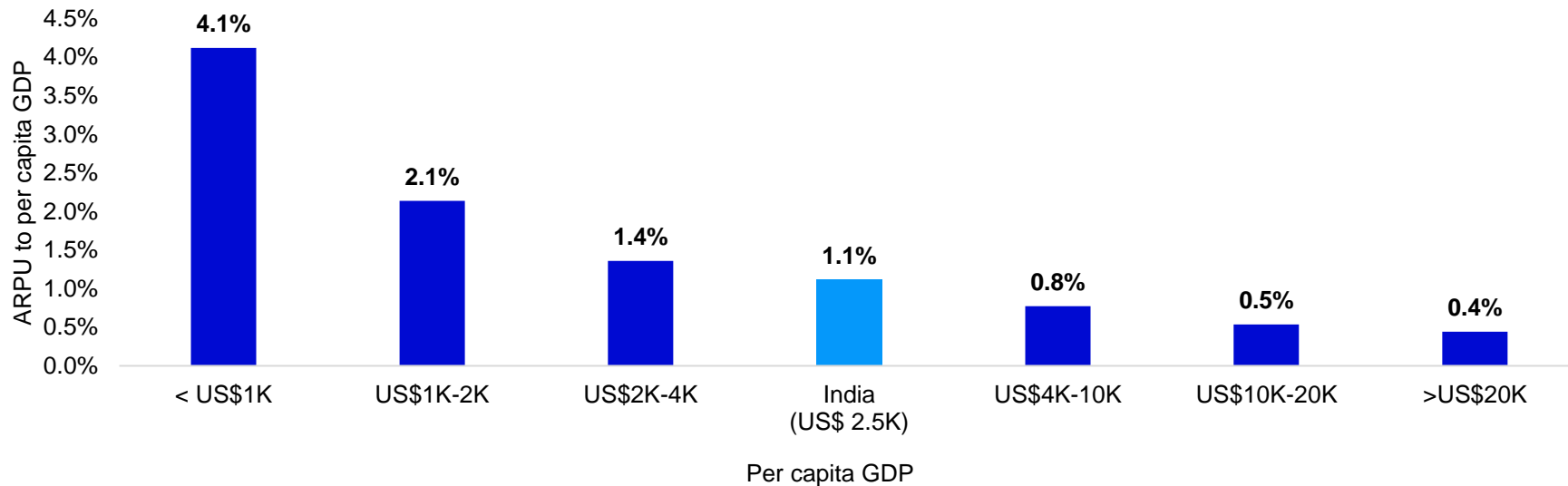
CAGR – Compounded Annual Growth Rate.

Source- NASSCOM, Gartner. *Others include IT services, marketing, media, supply chain, utilities, and edtech.

Past performance may or may not be sustained in future.

Telecom industry is benefiting from market consolidation and increasing tariffs

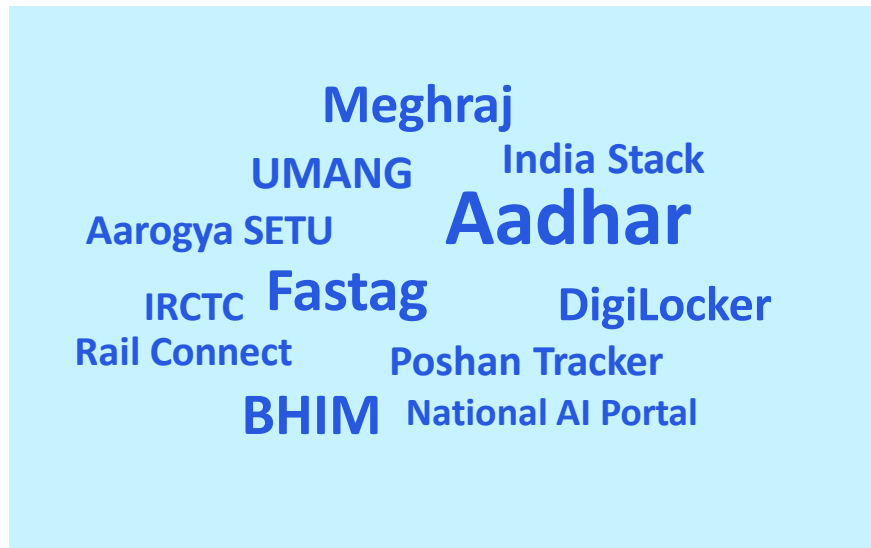
Average revenue per user (ARPU) to per capita GDP for India is relatively lower providing scope for tariffs to go up (CY23)



GDP – Gross Domestic Product
Source – Company financials, World bank

Supportive Government Initiatives

Initiatives



Government spends on technology

Amount	Initiatives
\$11.8 Bn	Spent on technology by Indian government organizations and public sector enterprises
\$4-5 Bn	Spent on Cloud by Indian government organizations and public sector enterprises
\$3-4 Bn	ONDC, AI & other new age tech spends by Central and State Government organisations
\$2-3 Bn	Public sector enterprises for India Stack, ONDC, Blockchain, AI/ML, Digital Apps
\$9.16 Bn	PLI in Semiconductor & Display Ecosystem
\$0.88 Bn	PLI in IT Hardware

PLI- Production Linked Incentive Scheme, ONDC - Open Network for Digital Commerce, AI – Artificial Intelligence, ML – Machine Learning

Source – NASSCOM, InvestIndia, Morgan Stanley

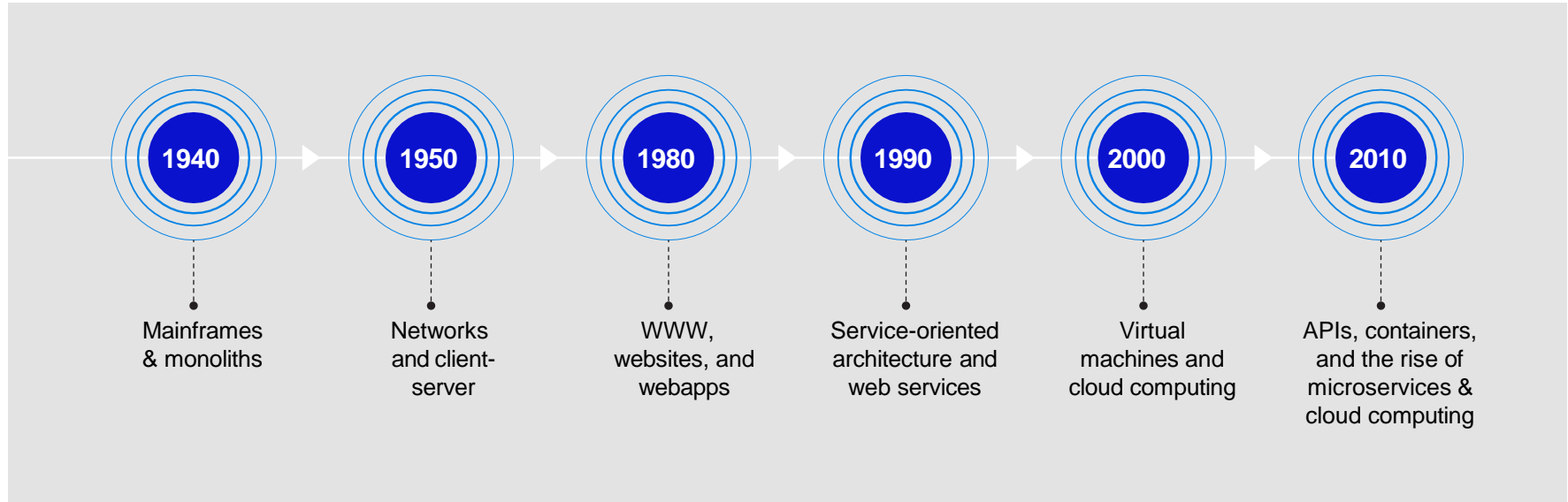
Disclaimer – The initiatives mentioned above are some of the government initiatives related to technology sector and it is not an exhaustive list.

**Conventional IT services continue
to benefit from
technological advancements**



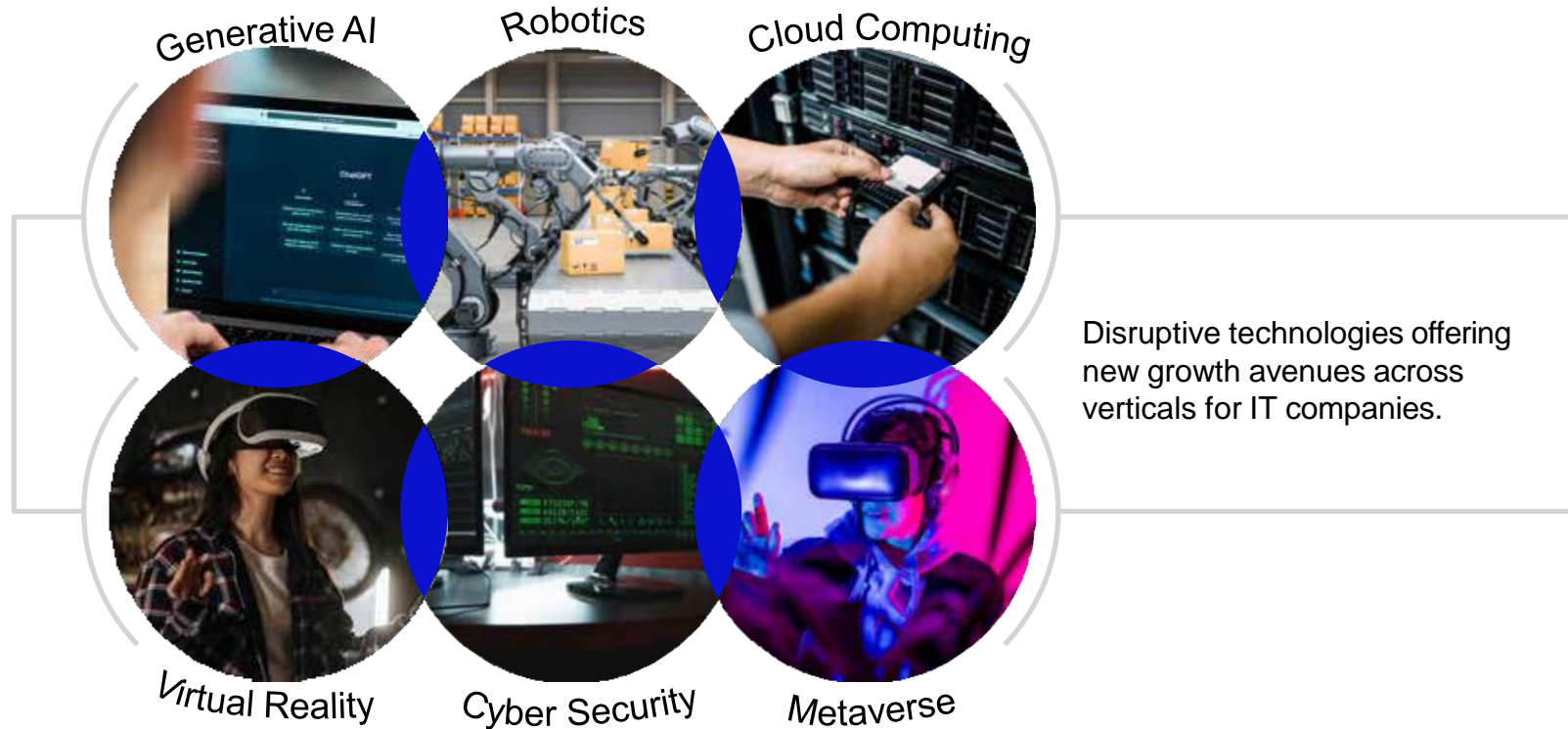
Technological landscape has rapidly evolved...

IT services facilitates disruption



WWW - World Wide Web, API - Application programming interface

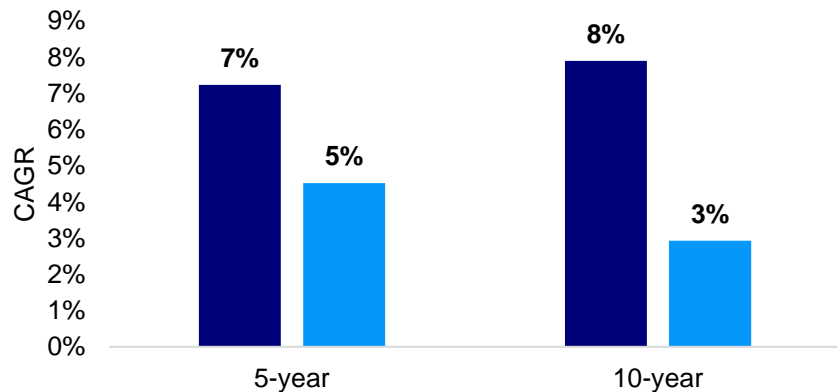
... and now emergence of new technologies are creating opportunities



AI – Artificial Intelligence

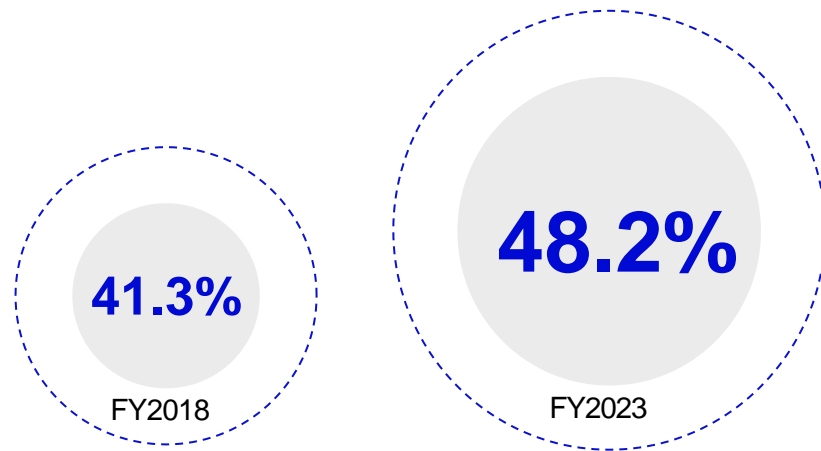
IT services export continue to gain market share

Indian IT services exports outpacing world IT spends (FY 2024)



■ Indian IT services exports (CAGR) ■ Worldwide IT Spends^ (CAGR)

IT as % of service exports



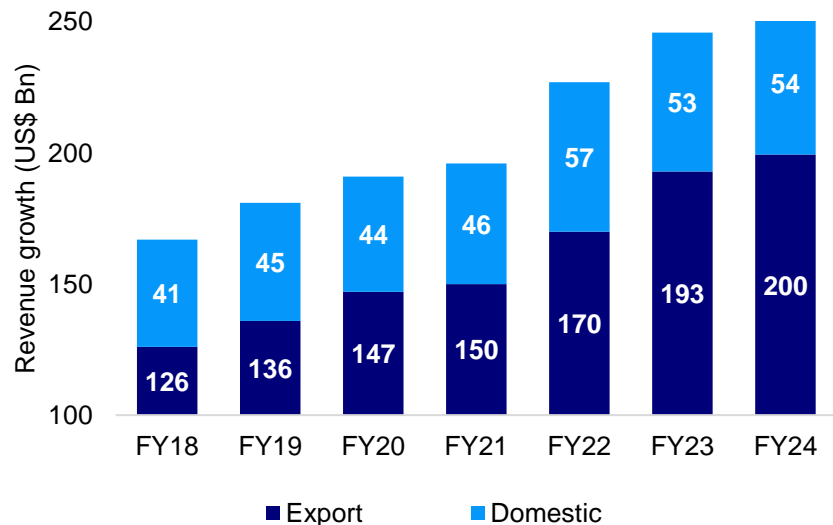
^Worldwide IT spends excludes hyperscaler revenue.

Source – LHS – Gartner, Nasscom, RHS - World Bank. CAGR – Compounded Annual Growth Rate

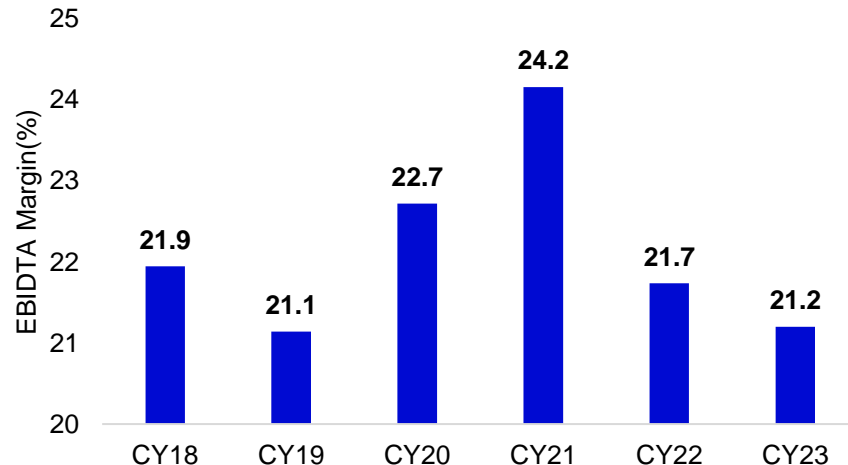
Past performance may or may not be sustained in future.

Backed by stable revenue growth and margins

Revenue growth of IT-BPM sector (US\$ Bn)



EBITDA margins have normalized post covid (%)



IT – Information Technology, BPM – Business Process Management, EBITDA - Earnings before interest, taxes, depreciation, and amortization, FY- Financial Year, CY – Calendar Year

EBITDA margin is for Nifty IT index

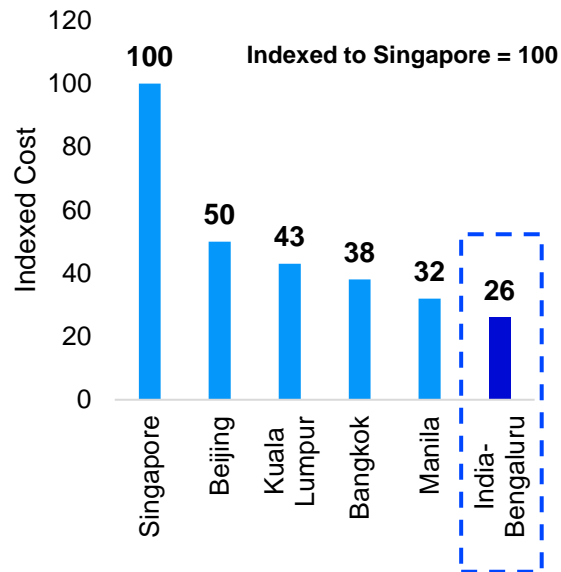
Source- LHS - IBEF, Nasscom RHS –Bloomberg

Past performance may or may not be sustained in future.

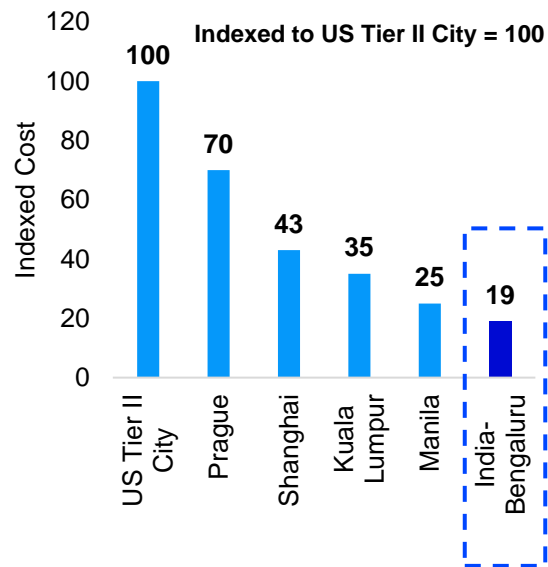
Disclaimer - The above chart is for illustration purpose only and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party or construed as a promise on minimum returns and safeguard of capital. Invesco Asset Management (India) Pvt. Ltd./Invesco Mutual Fund is not guaranteeing or promising or forecasting any returns.

Low outsourcing cost remains a competitive edge

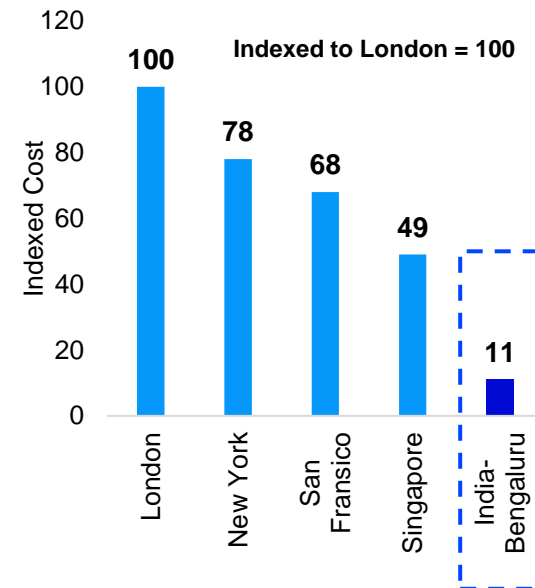
Operating Cost per FTE for IT-ADM Services, 2023



Operating Cost per FTE for BPM-F&A Services, 2023



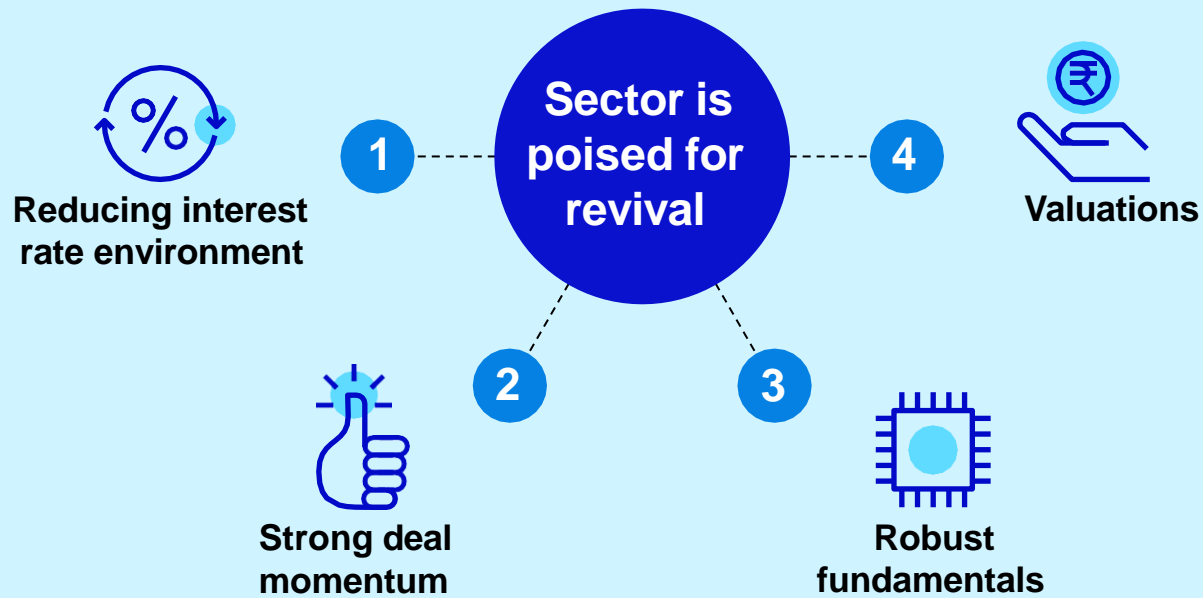
Average Office Rent, 2023



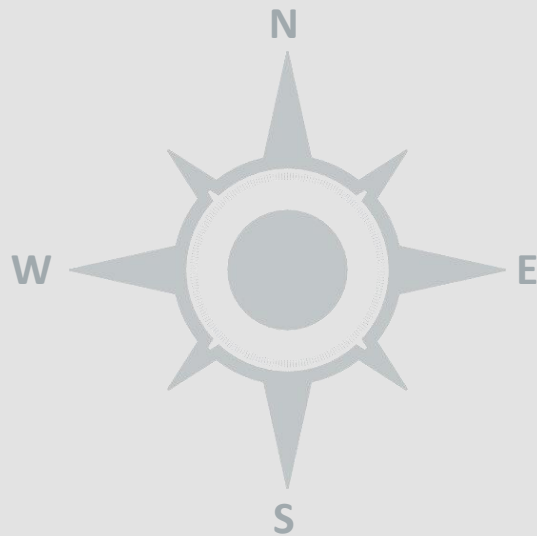
Source - NASSCOM. ADM- Application Data Management, FTE: Full Time Equivalent, BPM – Business Process Management, F&A - Finance & Accounting

Technology is reshaping the businesses across sectors

Segment	Function	Use case	Outcome / Impact
Banking	Operations	Banks are increasingly adopting private large language model (LLM) solutions.	Move to streamline operations, reduce costs and deliver more relevant and efficient services to their customers
Manufacturing	Production processes	An Indian MNC has deployed AR and VR technologies for building information modeling (BIM), allowing engineers and construction workers to visualize and interact with 3D models in real world environments.	Optimizes project outcomes, reduces errors, and enhances cost-effectiveness in construction processes.
Retail	Customer experience	A leading global IT services company has developed virtual showrooms that allow retailers to showcase products and engage with customers virtually. A leading Indian hypermarket chain has integrated AR technology into its catalog app, offering customers an interactive shopping experience.	Enhances customer engagement, leading to increased brand loyalty and higher sales conversion rates.
Hospitality	Guest engagement	India's largest hospitality chain implemented virtual hotel tours using spatial computing technology.	Virtual experience enhances transparency and trust, leading to increased bookings and customer satisfaction.
Agriculture	Monitoring crop health and yield	An agri-tech start-up, harnesses GenAI to empower farmers and agribusinesses with data-driven insights and solutions.	Provides actionable recommendations to farmers regarding irrigation scheduling, fertilizer application, and pest management, thereby improving crop yields, reducing input costs.
Human Resources	Talent acquisition and employee engagement	HR companies are using GenAI to streamline HR processes such as candidate screening, talent acquisition, employee engagement, and training.	GenAI is facilitating automation and optimisation of various HR tasks, resulting in improved productivity and cost savings for companies.



Navigating Near-Term Challenges with Long-Term Potential



Despite two challenging years, the IT industry is poised for a revival, supported by improving business sentiments driven by controlled inflation in the west and easing interest rate environment

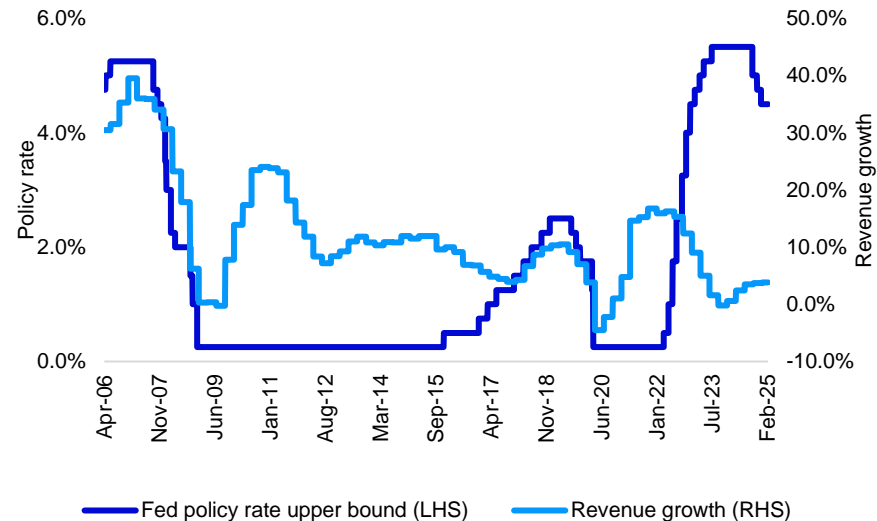
An early exposure to the IT sector presents a unique opportunity to capitalize on potential earnings upgrades

The sector is supported by improving revenue growth, strong deal momentum, high return ratios, healthy cashflows and superior payouts

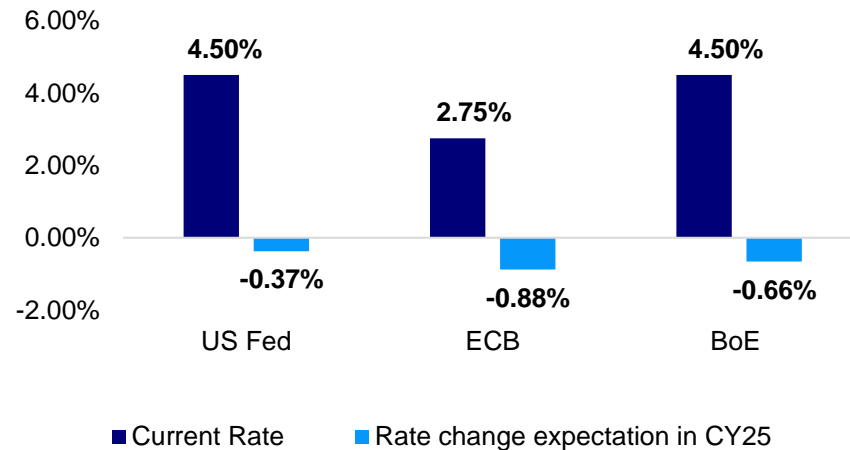
Indicators of a rebound

Interest rate cuts have already started and are expected to ease further

Interest rate has peaked and revenue growth has troughed



Policy rates



FED: US Federal Reserve, ECB: European Central Bank, BoE: Bank of England

Note –Revenue growth on a constant currency basis or USD if constant currency not available, aggregate for top 4 India IT companies.

Source - LHS - Bloomberg, Company reporting. RHS –Bloomberg. Data as on February 11, 2025

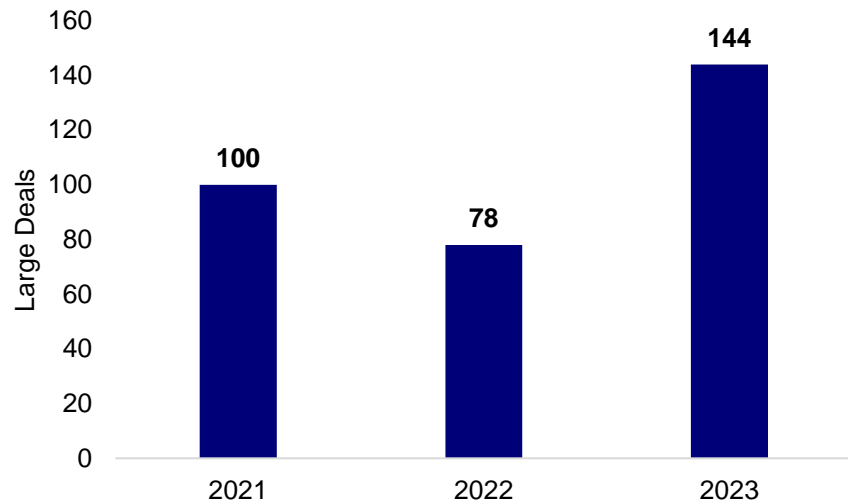
Disclaimer - Past performance may or may not be sustained in future. The above chart showing the view on interest rate is based on current scenario and is subject to change from time to time based on market conditions and parameters. The views mentioned above are for the purpose of explaining few select parameters which might impact interest rate movement and should not be construed as an investment advice. The information alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. The information provided herein may include statements/data of future expectations that are based on current views and assumptions and involves known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied.

Indicators of a rebound

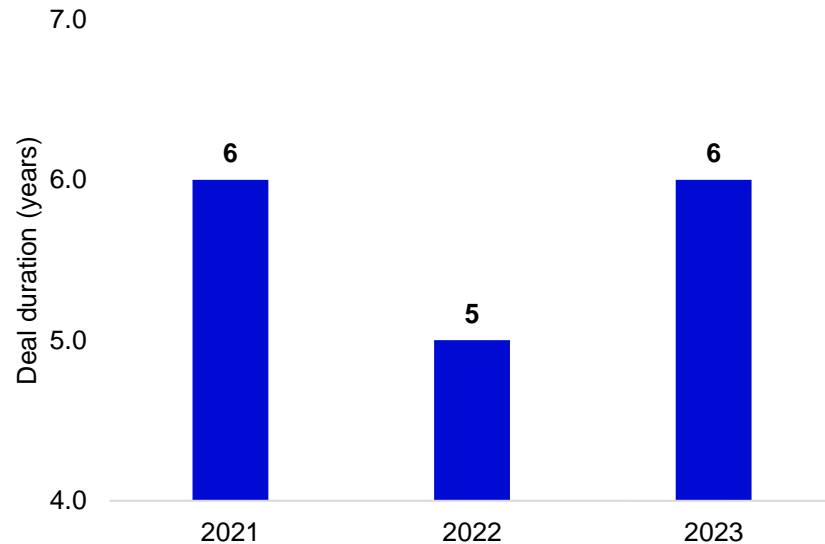
Strong deal momentum: The pipeline of deals remains robust, indicating sustained business activity

Indian tech industry won ~85% higher large deals¹ in CY2023 over CY2022 large deals

Indexed to 2021 = 100



Longer deal duration (in years) indicates better revenue potential



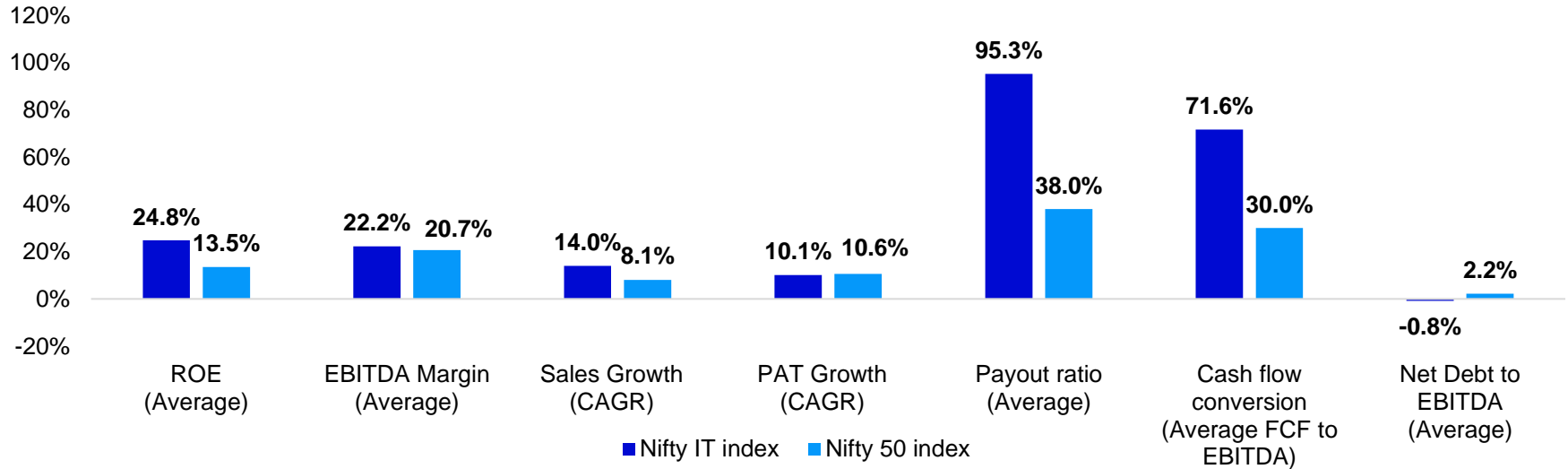
Source: Nasscom

¹Deals with value USD 100 Mn+ are considered as large deals.

IT industry continues to exhibit robust financial attributes

High ROE, healthy cashflow & dividend payout and strong balance sheet

Financial metrics for 5 years (as of CY 2023)



ROE – Return on Equity, EBITDA - Earnings before interest, taxes, depreciation, and amortization, PAT – Profit after Tax, FCF – Free Cashflow, CAGR – Compounded annual growth rate, CY- Calendar year
Source – Bloomberg

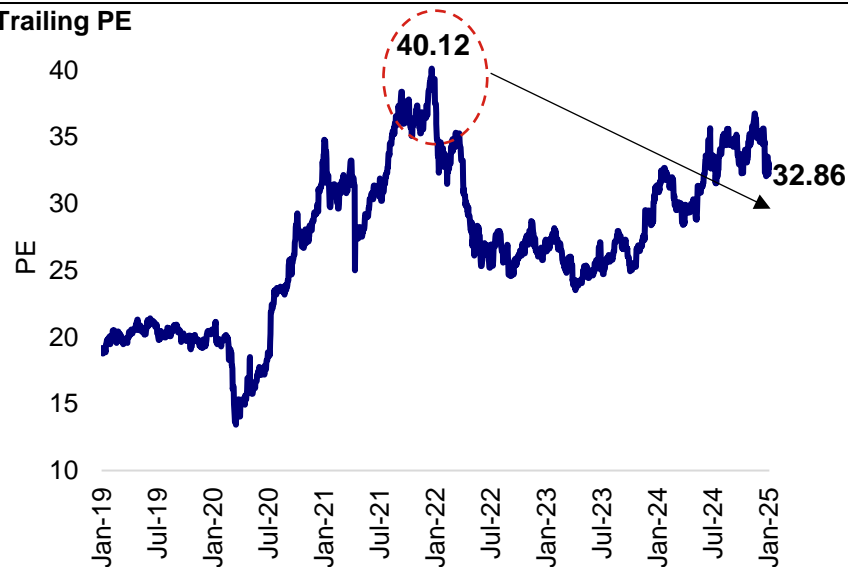
Past performance may or may not be sustained in future.

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Valuations have corrected from its peak and earnings have bottomed out

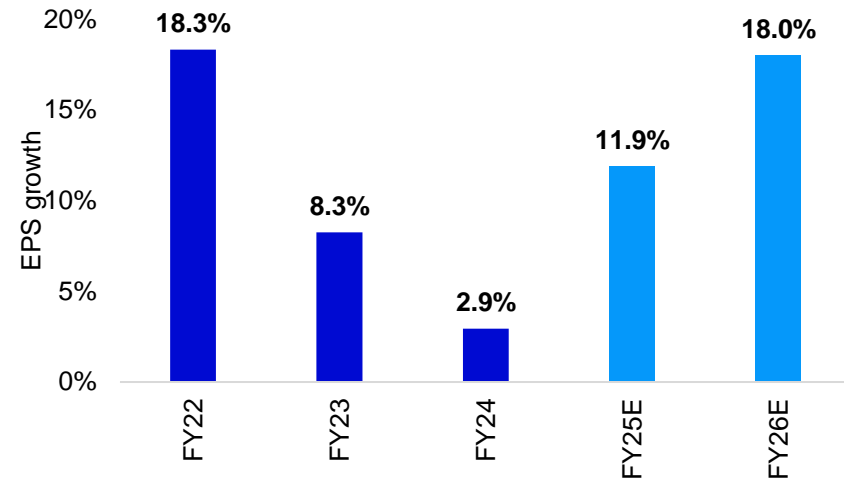
We expect earnings upgrade driven by improving business sentiments

Trailing PE



EPS growth has bottomed out

Nifty IT index EPS growth



PE – Price to Earnings, EPS – Earnings per share, E - Estimates

Source- LHS: Bloomberg, RHS: PhillipCapital. Data as on January 31, 2025

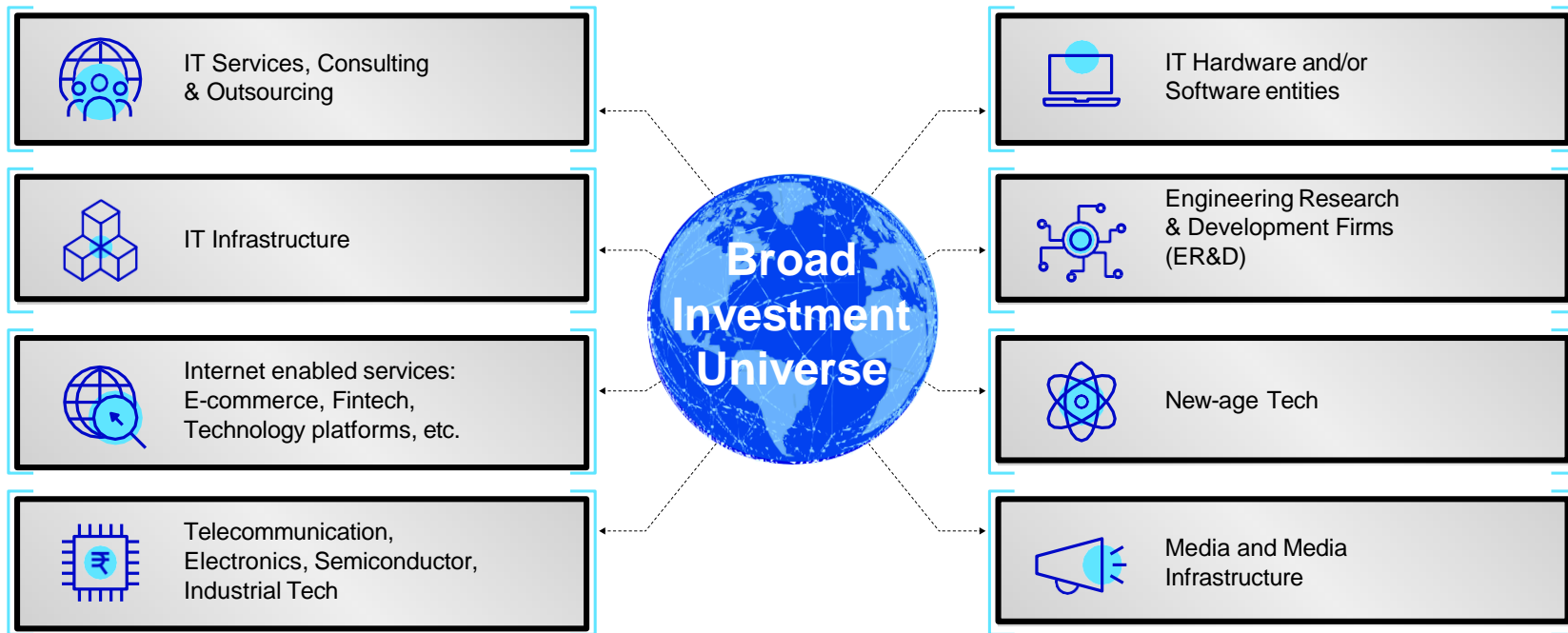
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Presenting **Invesco India Technology Fund**

(An open ended equity scheme investing in technology and technology related sectors)



Disclaimer: The sectors mentioned above are some of the sectors related to technology sector and is not an exhaustive list comprising of technology and technology related sectors. The sectors referred above should not be construed as recommendations, advice to buy, sell or in any manner transact in the sector and neither should it be considered as Research Report from Invesco Asset Management (India) Private Limited and/or Invesco Mutual Fund. The Scheme may or may not have any future positions in these sectors.

Investment strategy



Fund aims to achieve long-term capital appreciation by investing in a diversified portfolio of equity and equity-related instruments, **focusing on technology-centric and technology-dependent companies**



A combination of **top-down and bottom-up approaches to identify high-growth companies at the forefront of technological innovation**, with a focus on **transformative sectors like automation, AI, cloud computing, and digital adoption**



Investments across market capitalization, **balancing large-cap stability with mid-cap growth and small-cap potential**



Target investments in India's digital transformation **alongside global technology leaders and innovators¹**



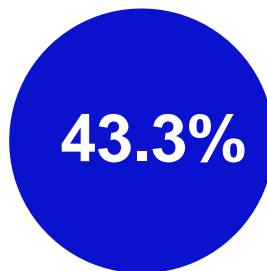
Diversified exposure with a strong risk management framework

¹**Note** - The Scheme will not invest in Overseas securities / Overseas ETFs during a period of six months from the date of closure of New Fund Offer. On an ongoing basis, the Scheme may make investments in overseas securities (i.e. ADRs, GDRs etc.) upto the available limit at the Fund level. Investments in Overseas ETFs is temporarily suspended and will be allowed once the communication is received from SEBI / AMFI.

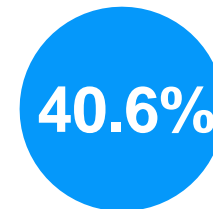
Portfolio details

Top 10 Holdings	% of Assets
Infosys Limited	13.72%
Tata Consultancy Services Limited	11.25%
Bharti Airtel Limited	7.19%
Persistent Systems Limited	6.08%
Coforge Limited	5.45%
PB Fintech Limited	4.83%
Brainbees Solutions Ltd	4.32%
Zomato Limited	3.89%
Tata Elxsi Limited	3.88%
Mphasis Limited	3.87%
Total	64.48%

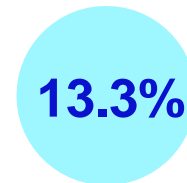
Market cap breakup (% of Net assets)



Large Cap



Mid Cap



Small Cap

Data as on January 31, 2025

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Portfolio positioning



45.8%

IT Services

- Infosys Ltd.
- Tata Consulting Services Ltd.
- Persistent Systems Ltd.



22.4%

New-age Tech

- PB Fintech Ltd.
- Brainbees Solutions Ltd.
- Zomato Ltd.



11.6%

**Electronics, Industrial
Tech & IT Hardware**

- Dixon Technologies India Ltd.
- Kaynes Technologies India Ltd.
- Hitachi Energy India Ltd.



7.2%

Telecom

- Bharti Airtel Ltd.



5.9%

ER&D

- Tata Elxsi Ltd.
- KPIT Technologies Ltd



4.2%

Fintech

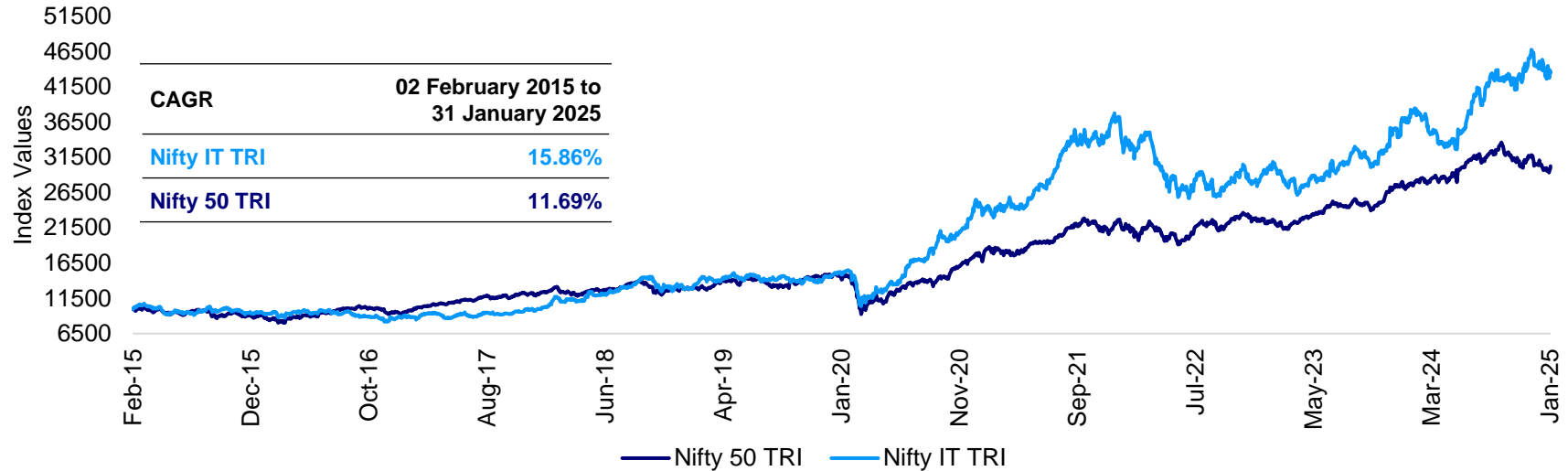
- BSE Ltd.
- Multi Commodity Exchange of India Ltd.

Data as on January 31, 2025

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Nifty IT vs. Nifty 50 performance

Values are rebased to 10,000



Source – NSE, Internal. Data as on January 31, 2025

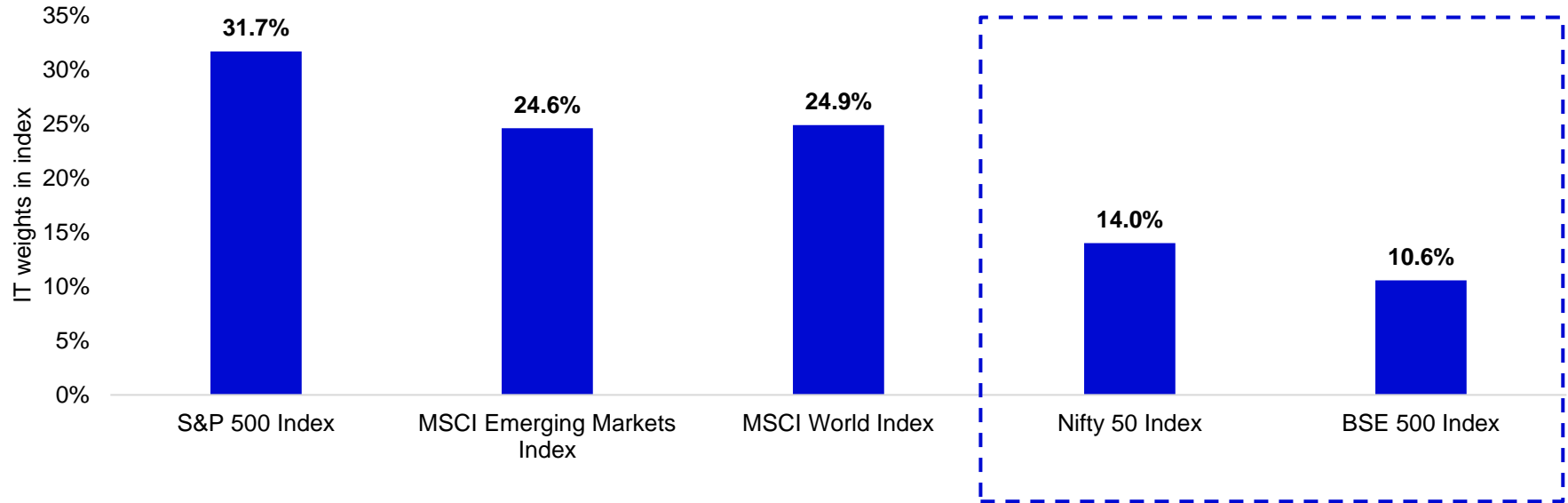
CAGR – Compounded Annual Growth Rate

Past performance may or may not be sustained in future. Performances based on Total Return Index (TRI) indices. Returns shown are CAGR.

Disclaimer - The above chart shows the performance of Nifty IT TRI (sector index) and Nifty 50 TRI (broader index) for the past 10 years i.e. from 02 February 2015 to 31 January 2025 and should not be construed as performance 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 recommendations, advice to buy, sell or in any manner transact and neither should it be considered as Research Report from Invesco Asset Management (India) Private Limited (IAMI) and/or Invesco Mutual Fund (IMF). It should not be construed as a promise on minimum returns and safeguard of capital. IAMI/IMF is not guaranteeing or promising or forecasting any returns.

Scope for IT sector weight to go up in India as seen in other market indices

Weightage of IT in market indices



Source – Bloomberg, Data as on January 31, 2025

Annexure

FY2024E – Key IT industry metrics

~7%

Share relative to GDP

\$254 Bn

Tech Industry Revenue

47-50%

Share in India's Services Export

\$199.5 Bn

Tech Export Revenues

57-58%

Share in Global Sourcing

\$54.4 Bn

Tech Domestic Revenues

38K+

Tech Firms in India

5.43 Mn

Talent in the tech industry
2024

31K+

Tech Start-Ups in India

1,630+

Global Capability Centers (GCCs)

\$6.3 Bn

IT FDI flows into India between April-September 2023

318K

Tech patents filed in India between January 2010 to January

E – Estimates, GDP – Gross Domestic Product, FDI – Foreign Direct Investment. Source – Nasscom report dated February 2024.

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Key Facts

Type	An open ended equity scheme investing in technology and technology related sectors		
Investment Objective	To generate capital appreciation by investing in equity and equity related instruments of companies in the technology and technology related sectors, companies focused on driving transformative innovations across technology, automation, robotics, artificial intelligence, cloud computing and other technology companies including those benefitting from the increased digital adoption. There is no assurance that the investment objective of the Scheme will be achieved.		
Asset Allocation	Instruments	Indicative Allocation (% of Net Assets)	
		Minimum	Maximum
	Equity and Equity related instruments of companies in technology and technology related sectors including those benefitting from increased digital adoption	80	100
	Other equity and equity related instruments	0	20
	Debt and Money Market Instruments	0	20
	Units issued by REITs and InvITs	0	10
Minimum Application Amount	Lumpsum: Rs. 1,000/- per application and in multiples of Re. 1 thereafter. For Systematic Investment Plan (SIP):		
	Options	Minimum Amount	Minimum Installments
	Monthly	Rs. 500 per month and in multiples of Re. 1 thereafter	12
		Rs. 1,000/- or more per month and in multiples of Rs. 1 thereafter	6
	Quarterly	Rs. 1,500/- per quarter and in multiples of Rs. 1 thereafter	4
Plans'/Options (Applicable to Direct Plan also)	Regular Plan and Direct Plan <ul style="list-style-type: none"> • Growth Option • Income Distribution cum Capital Withdrawal (IDCW) Option <ul style="list-style-type: none"> • IDCW Payout • IDCW Reinvestment option • (If IDCW under payout of IDCW is equal to or less than Rs.100/- then the IDCW would be compulsorily reinvested in the respective plan/option of the scheme) 		
Exit Load²	For each purchase of units through Lumpsum / Switch-in / Systematic Investment Plan (SIP)/ Systematic Transfer Plan (STP) and IDCW Transfer Plan exit load will be as follows: <ul style="list-style-type: none"> • If units are redeemed/switched-out on or before 3 months from the date of allotment : 0.50% • If units are redeemed/switched-out after 3 months : Nil • Switch between the Plans under the Scheme: Nil 		
Fund Managers	Hiten Jain and Aditya Khemani		
Benchmark	Nifty IT TRI		

Disclaimer

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

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