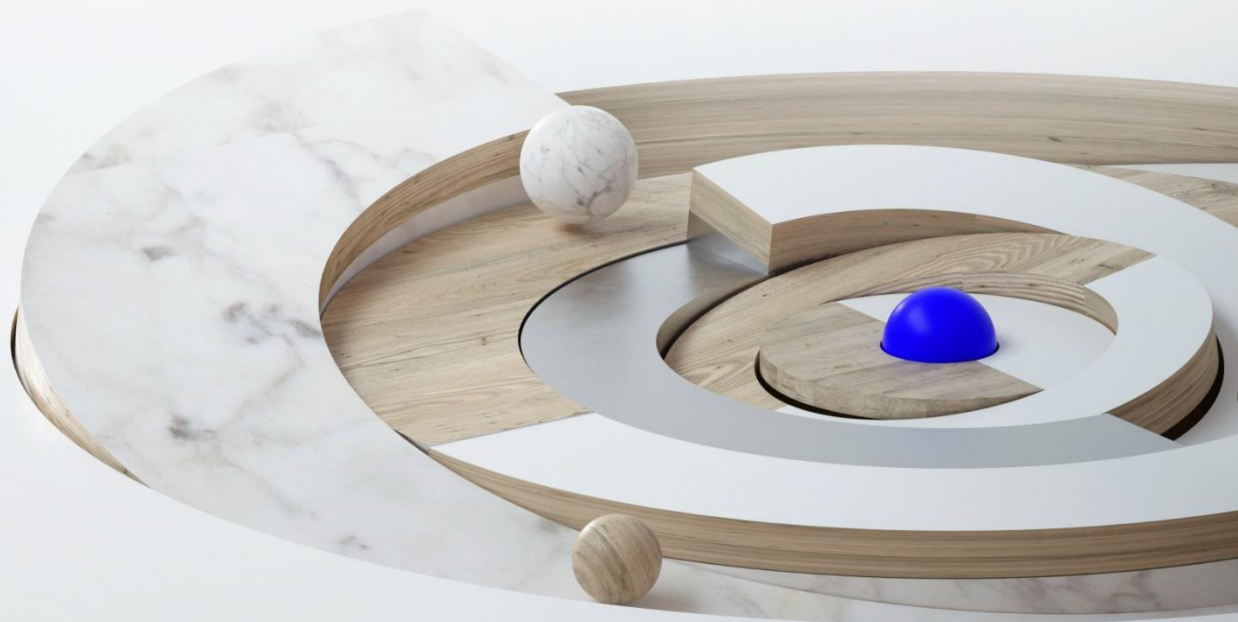


Invesco India Nifty G-sec Jul 2027 Index Fund

(An open-ended Target Maturity Index Fund tracking Nifty G-sec Jul 2027 Index. A relatively high interest rate risk and relatively low credit risk)

NFO Opens: March 16, 2023

NFO Closes: March 17, 2023



Invesco India Nifty G-sec Jul 2027 Index Fund

(An open-ended Target Maturity Index Fund tracking Nifty G-sec Jul 2027 Index. A relatively high interest rate risk and relatively low credit risk)

Suitable for investors who are seeking*:

- Returns that correspond (before fees and expenses) to the performance of Nifty G-sec Jul 2027 Index, subject to tracking difference
- Investment in Government Securities, TREPS on Government Securities/Treasury bills

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

RISKOMETER



Note: The product labelling assigned during the NFO is based on internal assessment of the Scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

Target Maturity Debt Index Funds

Key Features

Passively managed debt fund

- Target Maturity Debt Index Fund **mirrors the benchmark index** in terms of portfolio strategy

Natural roll down approach*

- These funds have a pre-defined maturity date and the duration of the underlying securities is aligned to the fund maturity date leading to **minimum interest rate risk if investments are held till maturity**

Buy & Hold strategy

- Follows buy and hold strategy thus providing **opportunity to capture prevailing yields and help generate reasonable returns**

Liquidity

- Being an open-ended debt scheme, **investors can purchase / redeem on a daily basis**

*Roll-Down approach - A roll-down strategy primarily involves making a portfolio of securities and holding them till maturity. The fund manager purchases security closer to the residual period, allowing the fund's average maturity period to keep falling.

Target Maturity Debt Index Funds vis-à-vis other investment avenues

Feature Comparison

	Target Maturity Debt Index Funds	Actively Managed Debt Mutual Funds	Individual Bonds	Term Deposits	Small Savings Schemes
Defined Maturity	✓	✗	✓	✓	✓
Liquidity	✓	✓	✗ #	✗	✗
Indexation Benefit	✓	✓	✗	✗	✗
No Lock in	✓	✓	✓	✗	✗
Easy Accessibility	✓	✓	✗	✓	✓

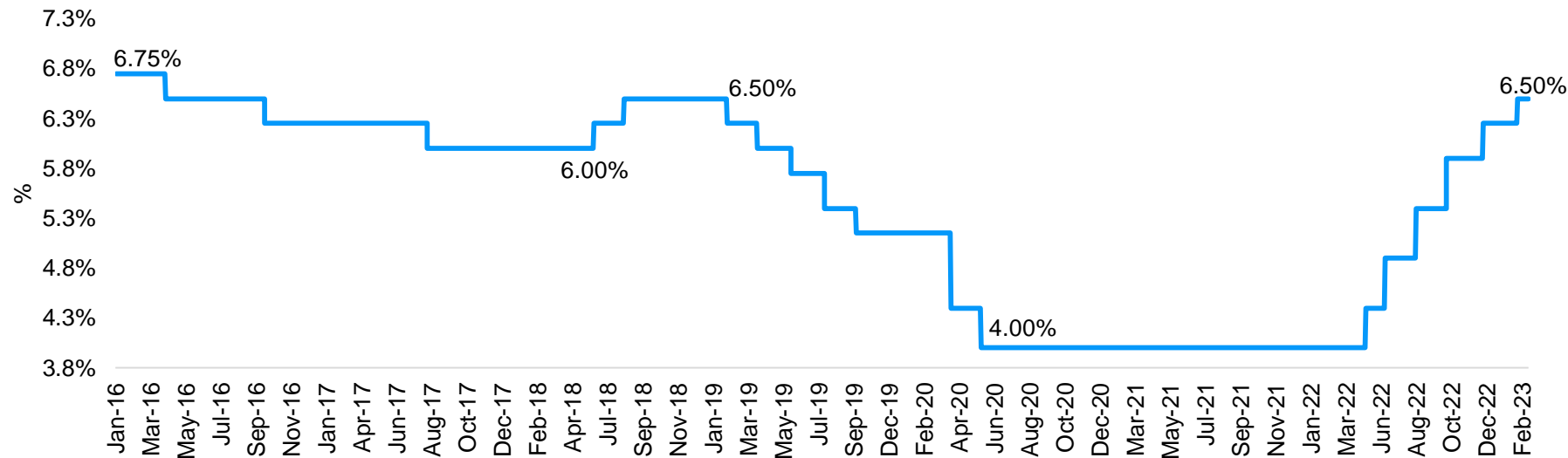
#Liquidity of Bond would vary depending on the type of bond and market environment.

Investors must consult their financial advisors/ tax advisors regarding portfolio allocation and suitability of funds depending on the risk profile of the investor.

RBI has already undertaken aggressive rate hikes since May 2022 with repo rate back to previous cycle highs

Now the rates may be towards the last leg of tightening cycle

Repo Rate



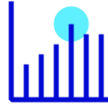
Source - Bloomberg. Data as on February 28, 2023

Interest rate nearing the peak with future rate actions expected to be calibrated and more data dependent. The market volatility may remain high depending upon global factors



Monetary Policy

- MPC has clearly articulated its concern on inflation especially core inflation remaining high and sticky
- RBI continuing with “Withdrawal of accommodation” stance signals some possibility of further rate hike; although closer to an end of rate hike cycle
- We believe the next policy action would be more data dependent and largely driven by the monetary policy action of other Global Central Banks



Fiscal Prudence

- Budget announced FY24 Gross & Net borrowings at Rs. 15.40 lakh crores & Rs. 11.80 lakh crores respectively
- Net borrowing number for FY24 removes any adverse surprises for supply of government bonds
- Fiscal deficit for FY23 and FY24 are estimated at 6.4% and 5.9% respectively
- FY24 fiscal deficit target looks well-balanced on revenue growth as well as expense reduction



Global Factors

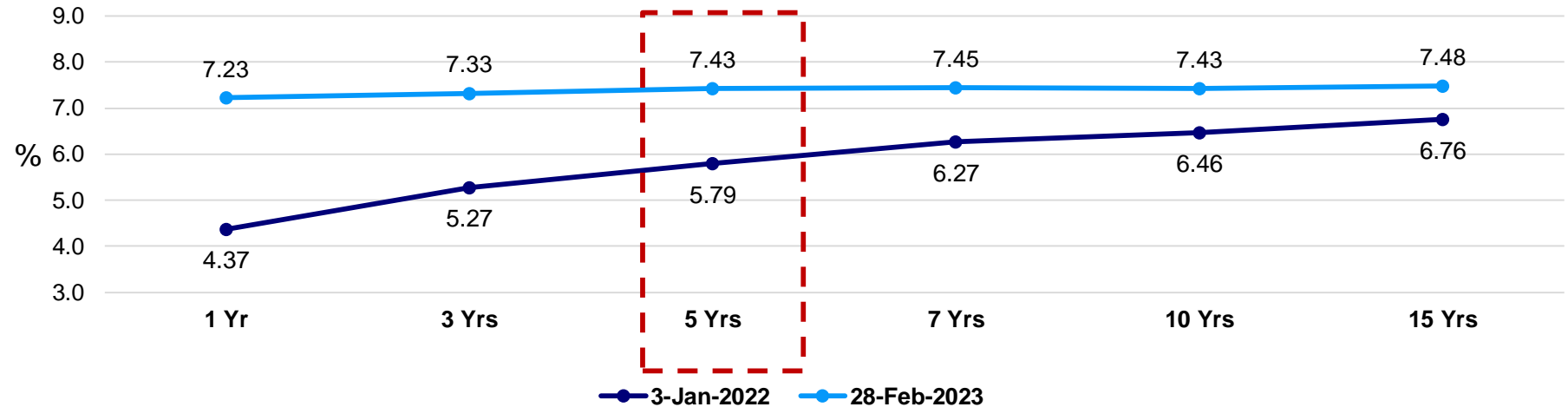
- We believe global factors like global recessionary fears, tightening of policy rates by key Central Banks, relative currency movement, commodities prices in the wake of China opening up etc. would continue to have an influence on domestic policy direction

Source – Budget document FY24, Monetary Policy Announcement in February 2023 by RBI

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.

The 4-5 year segment is attractively positioned from a carry perspective as yield curve has significantly flattened over the last ~1 year

Current flat yield curve, gives an opportunity to capture the prevailing high yields while getting less impacted by volatility at the longer end



Source - Bloomberg

Past performance may or may not be sustained in future.

Disclaimer -The yield curve chart shows the yield movement of G-sec in the 1 Yr., 3 Yrs., 5 Yrs., 7 Yrs., 10 Yrs. and 15 Yrs. segment. The information 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. Invesco Asset Management (India) Private Limited/Invesco Mutual Fund is neither guaranteeing or promising or forecasting any return nor providing indicative yield on investment.

Presenting

Invesco India Nifty G-sec Jul 2027 Index Fund

(An open-ended Target Maturity Index Fund tracking Nifty G-sec Jul 2027 Index. A relatively high interest rate risk and relatively low credit risk)

Nifty G-sec Jul 2027 Index

About the Index



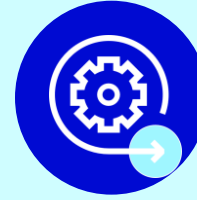
Index Structure

G-sec – 100%



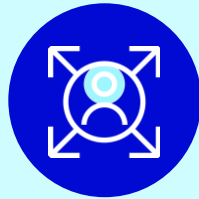
About the Index

Seeks to measure the performance of portfolio of G-secs maturing during the six month period ending July 30, 2027



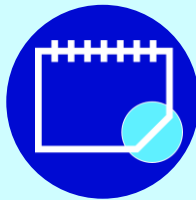
Index Methodology

The index is computed using the total return methodology including price return and coupon return



Eligibility

G-sec should not be a special security, floating rate security, inflation linked security



Index Maturity

July 30, 2027

Why invest in G-secs?



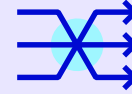
Credit risk-free investment

G-secs have **no credit risk** as they are issued by RBI on behalf of Central and State Government



High Liquidity

G-secs can **easily be liquidated** in secondary market

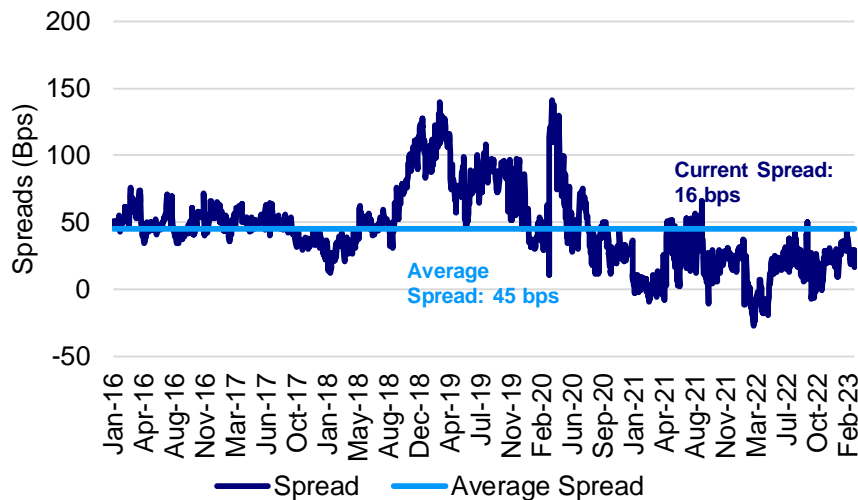


Diversification

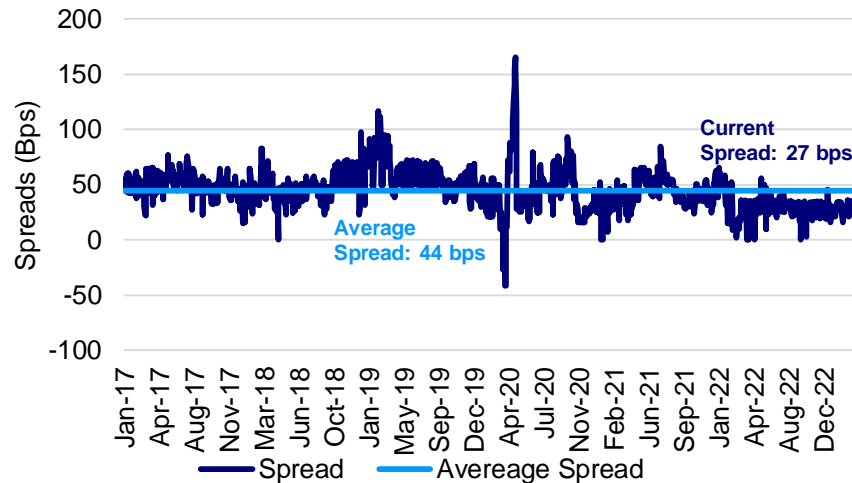
Investment in G-secs would help in **diversification** and **help reduce risk** for investors

Additionally, current low spread of Corporate Bonds and SDLs over G-sec makes a case for investing in G-secs

5-year maturity AAA Corporate Bond and G-sec Spreads



5-year maturity SDL and G-sec Spreads



Source - Bloomberg. Data as on February 28, 2023

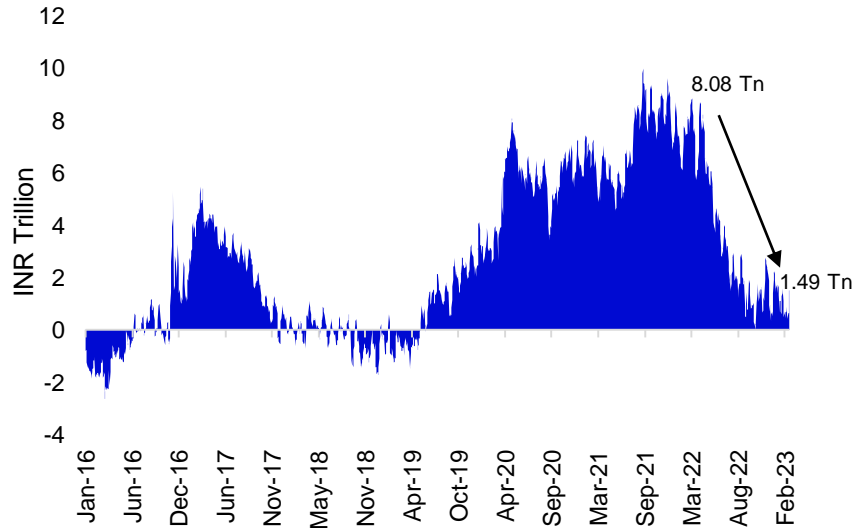
LHS graph -G-sec yields taken are annualized.

Past performance may or may not be sustained in future.

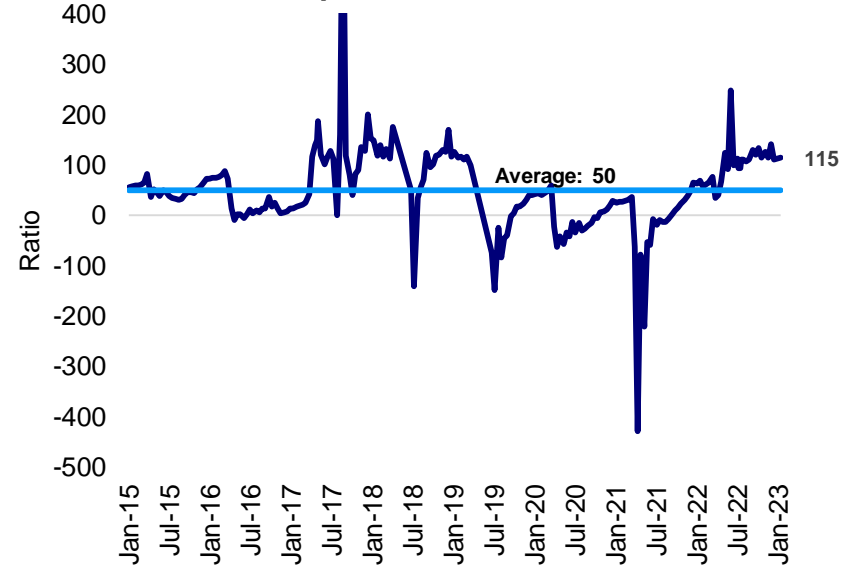
Disclaimer -The above chart is to explain the spreads between 5-year maturity AAA Corporate Bond/SDL vs. 10-year G-sec. The information alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party. Invesco Asset Management (India) Private Limited/Invesco Mutual Fund is neither guaranteeing or promising or forecasting any return nor providing indicative yield on investment.

With tightening of banking liquidity and elevated credit-deposit ratio, Corporate Bond/SDL spreads are expected to widen going forward

Banking liquidity



Incremental Credit-Deposit Ratio



Source - Bloomberg. Data as at 28 February 2023

Nifty G-sec Jul 2027 Index

Index Methodology



Security Selection

- Three most liquid G-sec maturing during the six month period ending July 30, 2027 based on the composite liquidity score and having a minimum outstanding amount of Rs. 25,000 crores as on December 20, 2022



Weight Assignment

- Each G-sec is given weight based on a composite score calculated on the basis of liquidity score and outstanding amount score as on December 20, 2022
- The composite score is calculated by allocating 80% weight to liquidity score and 20% weight to outstanding amount score
- The composite liquidity score is calculated by allocating 80% weight to aggregate trading value, 10% weight to number of days traded and 10% weight to number of trades of the G-secs during the three month period prior to December 20, 2022
- Subsequently, the weights may drift due to price movement and will not get reset



Index Review

- Semi-annual screening for compliance with the Norms for Debt Exchange Traded Funds (ETFs)/Index Funds
- Any proceeds from the security redemption prior to the final maturity date of the index shall be re-invested using the waterfall approach

Nifty G-sec Jul 2027 Index Index Constituents

Sr.no	Security	Maturity Date	Weight
1	7.38% GS 2027	20-Jun-27	77.564%
2	6.79% GS 2027	15-May-27	12.453%
3	8.24% GS 2027	15-Feb-27	9.983%

Index YTM*: 7.57%

Source - NSE Limited. YTM: Yield to Maturity. YTM is annualized and is as of February 28, 2023.

*The yield provided is of the Index and not that of the Scheme. Invesco Asset Management (India) Private Limited/Invesco Mutual Fund is neither guaranteeing or promising or forecasting any return nor providing indicative yield on investment.

Invesco India Nifty G-sec Jul 2027 Index Fund

About the fund

Passively managed debt fund

- The fund would be **passively managed that aims to replicate benchmark index** i.e. Nifty G-sec Jul 2027 Index

Investment Strategy

- Will follow **Buy & Hold investment strategy** providing an opportunity to capture prevailing yields

No credit risk portfolio

- Investment in government securities which **carry zero risk of default**

Fixed Tenure

- The scheme will **mature on July 30, 2027**

Note - The scheme endeavours to passively track the underlying index, however it is subject to availability of underlying index constituents and provisions of Scheme Information Document.

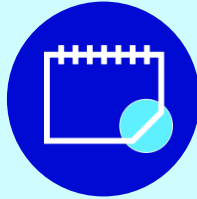
Invesco India Nifty G-sec Jul 2027 Index Fund

About the fund



Open ended structure

Flexibility to subscribe or redeem on all business days



Pre-defined maturity

Duration aligned to fund maturity date leading to minimum interest rate risk if held till maturity



Indexation Benefit

Eligible for indexation benefit if investments are held for more than 3 years

Invesco India Nifty G-sec Jul 2027 Index Fund

Who should invest?



Key facts

Type of the Scheme	An open-ended Target Maturity Index Fund tracking Nifty G-sec Jul 2027 Index. A relatively high interest rate risk and relatively low credit risk.			
Category of the Scheme	Index Fund			
Investment Objective	To generate returns which correspond (before fees and expenses) to the performance of Nifty G-sec Jul 2027 Index, subject to tracking difference.			
Asset Allocation	Under normal circumstances the asset allocation pattern will be:			
	Instruments	Indicative Allocation (% of net assets)		Risk Profile
		Minimum	Maximum	High/Medium/Low
		Government securities, TREPS on Government securities/Treasury Bills	95	100
Money market instruments	0	5	Low to medium	
Minimum Application Amount	Rs. 1,000/- per application and in multiples of Re. 1 thereafter. For Systematic Investment Plan (SIP):			
	Options	Minimum Amount		Minimum Instalments
	Monthly	Rs. 500/- and in multiples of Rs. 1 thereafter		12
	Monthly	Rs. 1000/- and in multiples of Rs. 1 thereafter		6
	Quarterly	Rs. 1500/- and in multiples of Rs. 1 thereafter		4
Plans ¹ / Options (Applicable to Direct Plan also)	<ul style="list-style-type: none">Growth OptionPayout of Income Distribution cum Capital Withdrawal (IDCW) 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)			
Load	Entry Load: Nil ² Exit Load ³ : For each purchase of units through Lumpsum/switch-in/Systematic Investment Plan (SIP)/Systematic Transfer Plan (STP)/IDCW Transfer Plan, exit load will be as follows: <ul style="list-style-type: none">if units are redeemed/switched out within 30 days from the date of allotment - 0.25%if units are redeemed/switched out after 30 days from the date of allotment, no exit load is payableSwitch between the Plans under the Scheme: Nil			
Fund Managers	Krishna Cheemalapati and Vikas Garg			
Benchmark	Nifty G-sec Jul 2027 Index			

¹Direct Plan will have a lower expense ratio excluding distribution expenses, commission for distribution of Units etc.²The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor. ³Exit Load changed, if any, will be credited back to the scheme, net of Goods & Services Tax.

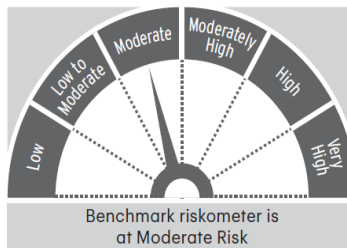
Potential Risk Matrix

Potential Risk Class			
Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)	A-III		

Benchmark Risk-o-meter

Benchmark -

Nifty G-sec Jul 2027 Index



Disclaimer

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

Get in touch

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