

Income Fund

October 2015

Covering the month of September 2015



Fund Manager: Mark Barnett

Key facts¹

Mark Barnett	
Morningstar Analyst Rating	
Fund launch date	16 June 1979
Fund size	£6,246.63m
Legal status	UK authorised ICVC
Yield (Income share class)	
Historic Yield ²	3.00%
Income distribution date(s)	31 May 30 November
Accounting period ends	31 March 30 September
Available within an ISA?	Yes
Sector	IA UK All Companies NR Sector

Market commentary

September saw the UK equity market fall by 2.7% (total return; £) as evidence of slower economic growth in China accumulated. Overseas negative macro-economic factors, such as falling commodity prices, and the expected timing of what will be the first US interest rate rise since 2006, continued to weigh on sentiment, causing companies to delay spending plans and look to reduce debt, and the UK equity market to retreat. For the second month running, sentiment remained weakest among commodity and energy related stocks. Among the strongest contributors to the fund's performance in share price terms was Amlin, an insurance business operating in the Lloyd's market. Amlin announced an agreed bid from Japanese insurer Mitsui resulting in a sharp rise in share price. The bid is seen as a continuation of a trend in the non-life insurance sector. Detracting from performance was the share price of Allied Minds, which in spite of a sharp fall last month, still remains significantly above the price at which the company was valued when it was first listed on the stock market in June 2014.

Fund strategy

The fund strategy remains unchanged from the recent past. The fund manager favours companies in the market which offer visibility of revenues, profits and cash-flows and which are managed for the primary purpose of delivering shareholder value in the form of a sustainable and growing dividend. We continue to believe that well managed companies which seek to deliver sustainable dividend growth provide the best long term investment opportunities.

Investment objective

The Invesco Perpetual Income Fund aims to achieve a reasonable level of income, together with capital growth. The fund intends to invest primarily in UK companies, with the balance invested internationally. In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, unlisted securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions as detailed in Appendix 2 of the most recent Prospectus.

Performance							% growth	
	3 months	6 months	1 year	3 years	5 years	5 year ACR*	10 years	10 year ACR*
Fund (Income share class)	-1.04	-3.17	6.57	42.62	73.76	11.68	139.08	9.11
Sector	-5.54	-5.14	1.72	32.16	47.86	8.14	77.73	5.92

* ACR - Annual Compound Return

Standardised rolling 12-month performance	% growth				
	30.9.10 30.9.11	30.9.11 30.9.12	30.9.12 30.9.13	30.9.13 30.9.14	30.9.14 30.9.15
Fund (Income share class)	5.25	15.76	20.07	11.46	6.57

Past performance is not a guide to future returns. Fund performance figures are shown in sterling on a mid-to-mid basis, inclusive of net reinvested income and net of the ongoing charge and portfolio transaction costs to 30 September 2015 unless otherwise stated. The figures do not reflect the entry charge paid by individual investors. Sector average performance is calculated on an equivalent basis. The standardised past performance information is updated on a quarterly basis. Source: Lipper. In August 2015, Lipper made an improvement to their methodology in calculating sector performance. This may result in a slight variance in performance in comparison with previous historic performance sector data stated.

Income Fund

October 2015

Top 10 holdings ¹	%
Reynolds American	5.23
British American Tobacco	4.37
Imperial Tobacco	4.24
AstraZeneca	3.94
BT	3.82
BAE Systems	3.51
Provident Financial	3.16
Roche	3.00
BP	2.82
Capita	2.70
Total top 10 holdings (%)	36.78
Total number of holdings	128

Industry breakdown ^{1,3}	%
Financials	27.48
Health Care	20.86
Consumer Goods	16.26
Industrials	14.59
Consumer Services	8.22
Utilities	4.59
Telecommunications	4.42
Oil & Gas	2.82
Basic Materials	0.47
Technology	0.37
Unit/Investment Trust/Other	0.11
Cash	-0.19
Total	100

Country of investment breakdown ¹	%
United Kingdom	86.18
United States	8.22
Switzerland	3.00
Ireland	1.07
Bermuda	0.98
Norway	0.43
Mauritius	0.10
Cayman Islands	0.09
Finland	0.07
Luxembourg	0.04
Cash	-0.19
Total	100

Market cap breakdown ¹	%
50bn+	14.28
25 - 49.99bn	14.63
10 - 24.99bn	14.55
5 - 9.99bn	6.09
2 - 4.99bn	14.50
1 - 1.99bn	10.42
500 - 999m	10.32
250 - 499m	5.37
100 - 249m	4.65
50 - 99m	3.11
0 - 49m	2.26
Cash	-0.19
Total	100

Five year performance

- Invesco Perpetual Income Fund (Income share class)
- IA UK All Companies NR Sector



Past performance is not a guide to future returns. The chart shown above should be viewed in conjunction with the 'Standardised rolling 12-month performance' table overleaf.

- All fund portfolio figures within this leaflet are as at 30 September 2015 (source: Invesco Perpetual).
- The Historic Yield reflects distributions declared over the past twelve months as a percentage of the mid-market price of the fund, as at the date shown. It does not include any entry charge and investors may be subject to tax on their distributions. The fund's ongoing charge is charged to capital. This has the effect of increasing the distributions for the year by the amount of the ongoing charge and constraining the fund's capital performance to an equivalent extent.
- The Industry Classification Benchmark is a joint product of FTSE International Limited and Dow Jones & Company, Inc. and has been licensed for use in our industry breakdown.

Investment risks

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

The fund may use derivatives (complex instruments) in an attempt to reduce the overall risk of its investments, reduce the costs of investing and/or generate additional capital or income, although this may not be achieved. The use of such complex instruments may result in greater fluctuations of the value of the fund. The Manager, however, will ensure that the use of derivatives within the fund does not materially alter the overall risk profile of the fund.

Important information

Where Invesco Perpetual has expressed views and opinions, these may change. Where securities are mentioned they do not necessarily represent a specific portfolio holding and do not constitute a recommendation to purchase, hold or sell.

For the most up to date information on our funds, please refer to the relevant fund and share class-specific Key Investor Information Documents, the Supplementary Information Document, the ICVC ISA Key Features and Terms & Conditions, the Annual or Interim Short Reports and the Prospectus, which are available using the contact details shown.

Invesco Perpetual's ISAs are managed by Invesco Asset Management Limited.

Telephone calls may be recorded.

Contact information

Client services

Telephone 0800 085 8677
 Facsimile 01491 416000
 Email enquiry@invescopetual.co.uk
 www.invescopetual.co.uk

Invesco Perpetual is a business name of Invesco Fund Managers Limited and Invesco Asset Management Limited. Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK. Authorised and regulated by the Financial Conduct Authority.