Balanced Risk 10 Fund
February 2014

Covering the month of January 2014

Fund Management: The Invesco Global Asset Allocation Team[3]

Key facts[1]	
Scott Wolle	
S&P Capital IQ Fund Grading[2]	
Fund launch date	20 February 2012
Fund size	£39.51m
Legal status	UK authorised ICVC
Accounting period ends	31 March 30 September
Available within an ISA?	Yes

Market commentary

Equities had been the firm favourite of all asset classes in 2013, but in the first month of 2014, the financial markets defied consensus view. Global equity markets suffered material losses as weaker than expected economic data weighed on market sentiment. In the US, 74,000 jobs were added in December. However, this was the smallest increase registered since January 2011, and crucially, was less than half of market expectation. Data from China proved similarly weak, with the purchasing managers' index having fallen into contraction territory. These economic concerns were exacerbated by uncertainty surrounding the impact the tapering of the US Federal Reserve's (Fed) stimulus programme would have on the global equity markets – some of which entered 2014 with above average historical valuations. Market participants will be watching closely whether Janet Yellen will adhere to the tapering schedule announced by her predecessor Ben Bernanke. This fragile environment led to a surprise rally for perceived 'safe-haven' assets such as bonds and gold.

Fund strategy

The fund was slightly negative over the month. Exposure to global government bonds provided a buffer against losses sustained as a result of exposure to global equity markets. All government bond markets the fund is exposed to produced positive returns, while all six equity markets represented in the fund posted losses. Within commodities, gold was the lone bright spot, following months in which the asset class had been weak. As we enter February, our tactical positioning relative to the fund's strategic allocation has shifted in favour of government bonds, where we increased exposure to all markets bar Japan where we maintain our neutral stance. Much of this change was triggered by deteriorating price trends and a spike in volatility within various equity markets.

Investment objective

The Invesco Perpetual Balanced Risk 10 Fund aims to achieve long term capital growth through different economic environments by investing in derivatives and other financially linked instruments to gain exposure to three main asset classes: fixed income, equities and commodities. The fund seeks to achieve this objective by (1) balancing the risk contribution from each of these asset classes to build the strategic allocation and (2) adjusting the risk contribution tactically to make the portfolio more adaptive to the nearterm environment. The fund will aim to target 10% average volatility over a full market cycle; however, no assurance can be made that these targets will be met. The investment policy for the fund is set out in more detail in the most recent prospectus.

Performance — % growth

	3 months	6 months	1 year	3 years	Since 20.2.12	ACR*	10 years	ACR*
Fund (Accumulation share class)	-2.36	1.51	-0.92	n/a	5.96	3.02	n/a	n/a

* ACR – Annual compound rate of interest
There is no suitable IMA peer group or benchmark index for the Balanced Risk 10 Fund.

Standardised rolling 12-month performance — % growth

	31.12.08 31.12.09	31.12.09 31.12.10	31.12.10 31.12.11	31.12.11 31.12.12	31.12.12 31.12.13
Fund (Accumulation share class)	n/a	n/a	n/a	n/a	1.86

Past performance is not a guide to future returns. Performance figures are shown in sterling on a mid-to-mid basis, inclusive of net reinvested income and net of the annual management charge and all other fund expenses to 31 January 2014. The figures do not reflect the entry charge paid by individual investors. As the fund was launched on 20 February 2012, performance figures are not available for the complete period covered by the table. Chart figures overleaf are as at the end of the relevant month unless otherwise stated. The standardised past performance information is updated on a quarterly basis. Source: Lipper.

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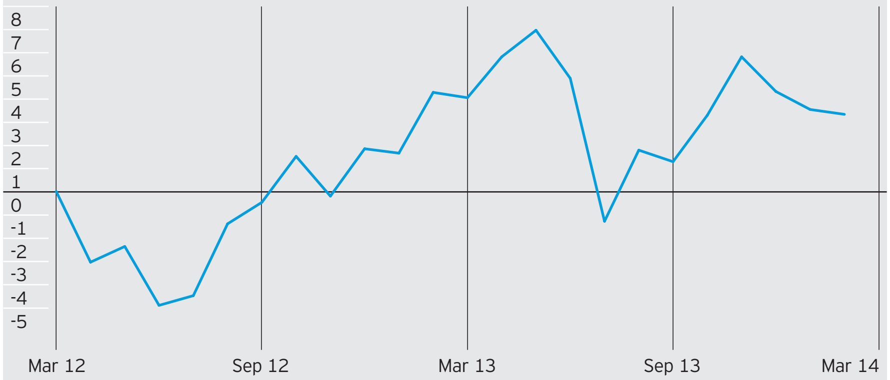
Portfolio exposure[1]	%
Bonds Australia	20.72
Bonds UK	20.14
Bonds Eurozone	19.21
Bonds Canada	18.98
Bonds Japan	17.45
Equity USA	12.20
Equity Eurozone	9.99
Bonds USA	9.89
Agriculture ETC	9.26
Equity UK	9.24
Equity Hong Kong	8.94
Copper ETC	8.44
Equity Japan	7.40
Gold ETC	7.10
Brent Crude ETC	3.92
Crude Oil ETC	2.79
Total	**185.68**

Target risk exposure[4]	Target risk[4]	Target contribution %
Fixed Income	4.99	50.00
Equity	2.98	29.77
Commodity	2.01	20.23
Total	**9.98**	**100.00**

Five year performance



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.

1 All fund portfolio figures within this leaflet are as at 31 January 2014 (source: Invesco Perpetual).

2 An S&P Capital IQ fund grading as at 31 January 2014, represents an opinion only and should not be relied on when making an investment decision. Past performance is not indicative of future results. Currency exchange rates may affect the value of investments. Copyright © 2014 by McGraw-Hill international (UK) Limited (S&P), a subsidiary of The McGraw-Hill Companies, Inc. All rights reserved.

3 TThe Invesco Global Asset Allocation Team comprises of CIO Scott Wolle*, Portfolio Managers Mark Ahnrud, Chris Devine, Scott Hixon, Dr Bernhard Pfaff and Christian Ulrich. *Shown in picture.

4 In terms of volatility as measured by standard deviation.

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 funds will make significant use of financial derivatives (complex instruments) which will result in the funds being leveraged and may result in large fluctuations in the value of the funds. Leverage on certain types of transactions including derivatives may impair the funds' liquidity, cause them to liquidate positions at unfavourable times or otherwise cause the funds not to achieve their intended objective. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested resulting in the funds being exposed to a greater loss than the initial investment.

The funds will gain exposure to commodities which are generally considered to be high risk investments and may result in large fluctuations in the value of the funds.

Fixed income securities to which the funds are exposed are open to credit risk which may result in issuers not always making interest and or other payments nor is the solvency of the issuers guaranteed.

Important information
Where Invesco Perpetual has expressed views and opinions, these may change.

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

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

Telephone calls may be recorded.

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