

Pacific Fund

August 2014

Covering the month of July 2014



Fund Managers: Stuart Parks, William Lam & Tony Roberts

Key facts¹

Stuart Parks	citywire +
Tony Roberts	citywire +
Fund launch date	04 May 1985
Fund size	£237.16m
Legal status	UK authorised ICVC
Yield (Accumulation share class)	
Historic yield ²	0.31%
Income distribution date	31 January
Accounting period ends	30 November 31 May
Available within an ISA?	Yes

Market commentary

Asian equity markets made broad based gains in July, led by China which has benefited from better-than-expected economic data and targeted monetary stimulus measures. China's Q2 GDP growth of 7.5% y-o-y improved on the previous quarter's 7.4%, while HSBC's preliminary manufacturing survey for July showed a reading of 52.0, which was above expectations. Korea's equity market made solid gains after the announcement of a comprehensive policy agenda to stimulate the economy, as well as plans to encourage better capital management and increased dividends. Elsewhere, Joko Widodo was declared the winner of Indonesia's presidential election, while Modi's first budget in India largely met expectations. Taiwan's equity market lagged as the IT sector underperformed the broader market with earnings expectations at semiconductor manufacturers running ahead of fundamentals. The Philippines equity market made only small gains as the central bank raised interest rates by 25 basis points. Meanwhile, the Japanese equity market delivered its third consecutive monthly gain with electronics, metals and construction sectors leading the way.

Fund strategy

We seek to invest in companies whose share prices are substantially below our estimate of fair value. Currently this includes Japanese financials, leading technology companies with significant market share, Chinese internet stocks and franchises with indirect exposure to Asian consumption growth, such as Hong Kong-based conglomerates. Over the course of the month we added to existing holdings where we believe valuations are particularly attractive. This included increasing the fund's exposure to an Australian aluminium company and an Australian engineering company. In turn, we took some profits on recent outperformers. This included completely selling the fund's position in strong performer Treasury Wine Estates, which was subject to a takeover bid and a Taiwanese turnkey test and automation solutions provider which is no longer trading below our estimate of fair value.

Investment objective

The Invesco Perpetual Pacific Fund aims to achieve capital growth in the Far East, including Australasia. The fund intends to invest primarily in shares of companies in the Far East, although it may include other Far Eastern related investments. In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable 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	ACR*	10 years	ACR*
Fund (Accumulation share class)	9.86	9.03	8.64	24.38	58.02	9.58	221.41	12.38
IMA Sector	7.49	10.10	2.50	11.24	48.44	8.22	147.87	9.50

*ACR - Annual Compound Return

Standardised rolling 12-month performance

	% growth				
	30.6.09	30.6.10	30.6.11	30.6.12	30.6.13
	30.6.10	30.6.11	30.6.12	30.6.13	30.6.14
Fund (Accumulation share class)	25.10	13.72	-9.27	23.29	7.02

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 ongoing charge and portfolio transaction costs to 31 July 2014. The figures do not reflect the entry charge paid by individual investors. 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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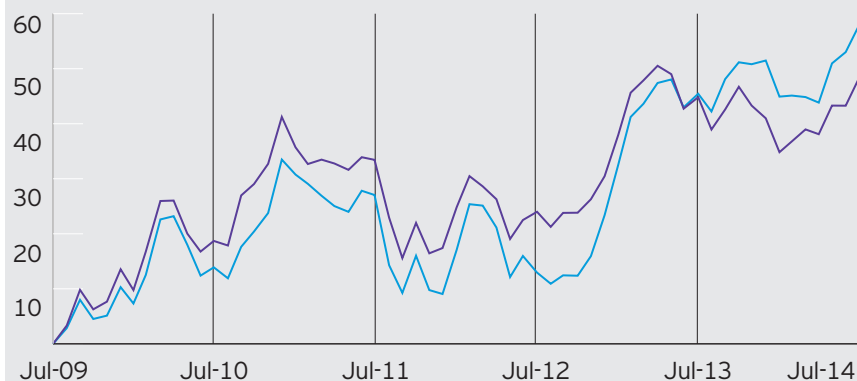
Top 10 holdings ¹	%
Netease	3.43
Honda Motor	2.68
Mitsubishi UFJ Financial	2.34
Samsung Electronics	2.20
Sumitomo Mitsui Financial	2.13
Resona	2.12
Canon	1.95
Konica Minolta	1.92
Yamaha Motor	1.86
Baidu	1.84
Total Top 10 Holdings (%)	22.47
Total number of holdings	89

Industry breakdown ^{1,3}	%
Financials	26.84
Information Technology	22.30
Industrials	15.12
Consumer Discretionary	11.35
Materials	11.27
Energy	4.76
Telecommunication Services	2.24
Utilities	1.96
Health Care	1.40
Consumer Staples	1.40
Cash	1.35
Total	100

Country of investment breakdown ¹	%
Japan	45.34
South Korea	13.50
China	11.10
Hong Kong	9.02
Australia	8.13
India	3.24
Singapore	2.41
Taiwan	2.25
Thailand	1.18
United States	0.71
Indonesia	0.68
Philippines	0.57
New Zealand	0.51
Bermuda	0.01
Cash	1.35
Total	100

Five year performance

— Invesco Perpetual Pacific Fund (Accumulation share class)
— IMA Asia Pacific Including Japan 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.

- ¹ All fund portfolio figures within this leaflet are as at 31 July 2014 (source: Invesco Perpetual).
- ² 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.
- ³ 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 sector 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.

As this is an emerging market fund, you should be prepared to accept a higher degree of risk than for a fund with a broader investment mandate as there is potential for a decrease in market liquidity, which may mean that it is not easy to buy or sell securities. There may also be operational difficulties.

The fund may use derivatives (complex instruments) in an attempt to reduce the overall risk of its investments, reduce the costs of investing 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.

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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