

Asian Fund

August 2014

Covering the month of July 2014



Fund Manager: Stuart Parks

Key facts¹

Stuart Parks



Morningstar OBSR Fund Management Rating



Fund launch date 10 February 1990

Fund size £614.76m

Legal status UK authorised ICVC

Yield (Accumulation share class) Historic yield² 0.66%

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. Finally, the Philippines equity market made only small gains as the central bank raised interest rates by 25 basis points.

Fund strategy

We believe the fund remains well-balanced, with exposure to a variety of businesses which possess what we consider to be strong competitive advantages and undervalued earnings growth prospects. While we continue to favour the Asian consumer growth story, we prefer to hold companies with indirect exposure to the theme, such as HK-listed conglomerates, financial groups and Chinese internet companies. We also find selected Asian exporters attractive, particularly those that remain globally competitive with an ability to gain market share and benefit from a gradual pick-up in global trade. Elsewhere, there has been a gradual shift in the fund towards specific Chinese state-owned enterprises where we believe valuations appear unduly pessimistic given their ability to benefit from reform.

Investment objective

The Invesco Perpetual Asian Fund aims to achieve capital growth in Asia and Australasia, excluding Japan. The fund intends to invest primarily in shares of companies in Asia and Australasia (excluding Japan), although it may include other Asian and Australasian 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)	9.45	15.06	9.46	13.09	62.91	10.25	271.57	14.03
IMA Sector	7.38	12.32	5.36	9.63	52.18	8.76	225.87	12.54

*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)	33.77	22.95	-11.69	13.46	7.30

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

Asian Fund

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Top 10 holdings ¹	%
Samsung Electronics	4.86
Taiwan Semiconductor Manufacturing	3.73
BHP Billiton (AU)	3.72
Industrial & Commercial Bank Of China	3.22
Netease	3.20
United Phosphorus	3.13
Hyundai Motor	3.04
Hutchison Whampoa	2.97
Westpac Banking	2.82
ICICI Bank ADR	2.70
Total Top 10 Holdings (%)	33.38
Total number of holdings	73

Industry breakdown ^{1,3}	%
Financials	32.19
Information Technology	20.30
Industrials	12.10
Materials	11.77
Consumer Discretionary	8.42
Energy	5.59
Utilities	3.38
Consumer Staples	3.29
Telecommunication Services	2.14
Health Care	0.51
Cash	0.32
Total	100

Country of investment breakdown ¹	%
South Korea	18.36
Hong Kong	16.70
China	15.82
Australia	15.25
Taiwan	11.28
India	11.25
Singapore	4.56
Indonesia	2.60
Philippines	1.16
Thailand	1.05
New Zealand	0.85
United Kingdom	0.81
Cash	0.32
Total	100

Five year performance

— Invesco Perpetual Asian Fund (Accumulation share class)
— IMA Asia Pacific Excluding 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.

Contact information

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