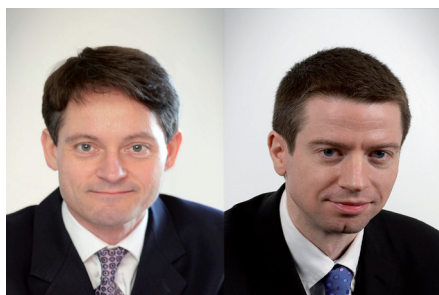


Japan Fund

August 2014

Covering the month of July 2014



Fund Managers: Paul Chesson (lead) & Tony Roberts

Key facts¹

Paul Chesson



Tony Roberts



Morningstar OBSR Fund Management Rating



Fund launch date 07 May 1988

Fund size £326.05m

Legal status UK authorised ICVC

Yield (Accumulation share class)

Historic yield² 0.17%

Income distribution date n/a

Accounting period ends 30 November 31 May

Available within an ISA? Yes

Market commentary

Japanese equity markets continued to strengthen through July with the TOPIX enjoying its third consecutive monthly gain. Economic data was however weaker over the month as the impact of the consumption tax hike continued to be felt. Preliminary industrial production figures for June for example, fell 3.3%, missing market expectations. Inflation data was also weaker with CPI ex fresh food 3.3% year on year. Despite the recently released data showing a mixed picture, economic data remains broadly within the range of expectations post the tax hike. On the positive side companies that have so far reported earnings for the April to June quarter have to date beaten expectations. Investors received further encouragement from speculation that the Government Pension Investment Fund will soon increase its allocation to domestic equities.

Fund strategy

The fund maintains a bias towards economically sensitive areas of the Japanese equity market and continues to have significant exposure to the technology and financial sectors, which we believe offer a combination of modest valuations and robust earnings growth potential. Overall fund positioning remained broadly unchanged. Over the month we added a position in a Japanese real estate company that we believe is attractively valued and remains a likely beneficiary of asset price reflation. We also increased the fund's exposure to Nissan Motor Company and trading company Itochu. On the other hand, we took some profits on our positions in recent outperformers including Resona Holdings and Yamaha Motor Company. We also completely sold our exposure to DMG Mori Seki as we think upside potential is greater in other areas of the market.

Investment objective

The Invesco Perpetual Japan Fund aims to achieve capital growth in Japan. The fund intends to invest primarily in shares of companies in Japan, although it may include other Japanese 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)	9.93	1.94	-1.23	18.22	21.67	4.00	73.54	5.67
IMA Sector	10.17	1.92	-1.41	18.27	38.62	6.75	42.96	3.64

*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)	13.18	-1.07	-12.37	35.99	-3.09

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

Japan Fund

August 2014

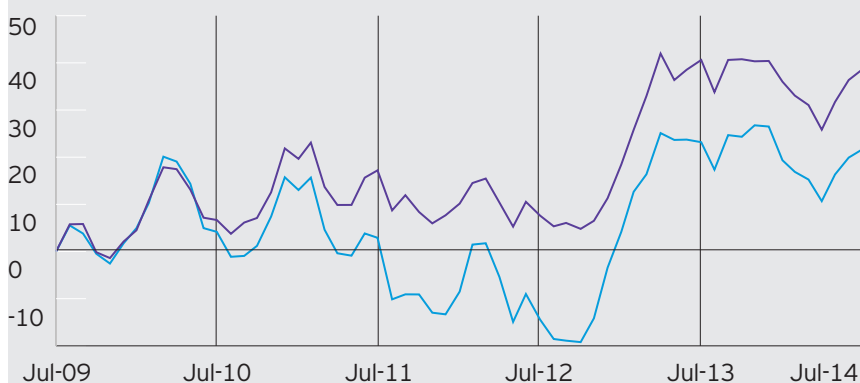
Top 10 holdings ¹	%
Honda Motor	5.54
East Japan Railway	5.15
Sumitomo Mitsui Financial	5.12
Mitsubishi UFJ Financial	5.11
NTT DOCOMO	5.07
Canon	4.98
JFE	4.46
Nissan Motor	4.13
Resona	4.13
Mitsui OSK Lines	3.73
Total Top 10 Holdings (%)	47.43
Total number of holdings	36

Industry breakdown ^{1,3}	%
Manufacturing	49.90
Transport and Communications	19.41
Finance and Insurance	18.35
Real Estate	5.62
Commerce	4.47
Mining	1.56
Cash	0.70
Total	100

Country of investment breakdown ¹	%
Japan	99.30
Cash	0.70
Total	100

Five year performance

— Invesco Perpetual Japan Fund (Accumulation share class)
— IMA 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 the fund has a concentrated number of holdings, investors should be prepared to accept higher risks.

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

Broker Services

Telephone 0800 028 2121
adviserenquiry@invescoperpetual.co.uk

Investor Services

Telephone 0800 085 8677
enquiry@invescoperpetual.co.uk
www.invescoperpetual.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.