

Monthly Income Plus Fund

October 2017

Covering the month of September 2017



Fund Managers: Paul Causer, Paul Read & Ciaran Mallon

Key facts¹

Paul Causer

Managed fund since	February 1999
Industry experience	33 years
Based in	Henley-on-Thames

Paul Read

Managed fund since	February 1999
Industry experience	31 years
Based in	Henley-on-Thames

Ciaran Mallon

Managed fund since	October 2013
Industry experience	23 years
Based in	Henley-on-Thames

Fund launch date	6 February 1999
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Fund size	£3,319.02m
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Legal status	UK authorised ICVC
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Yield (Z Accumulation share class)	
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Running yield ²	4.54%
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Redemption yield ²	3.41%
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Distribution yield ²	4.37%
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Underlying yield ²	3.65%
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Income distribution date(s)	Each month end
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Accounting period ends	30 April 31 October
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Available within an ISA?	Yes
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Sector	IA £ Strategic Bond NR
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Fund objective

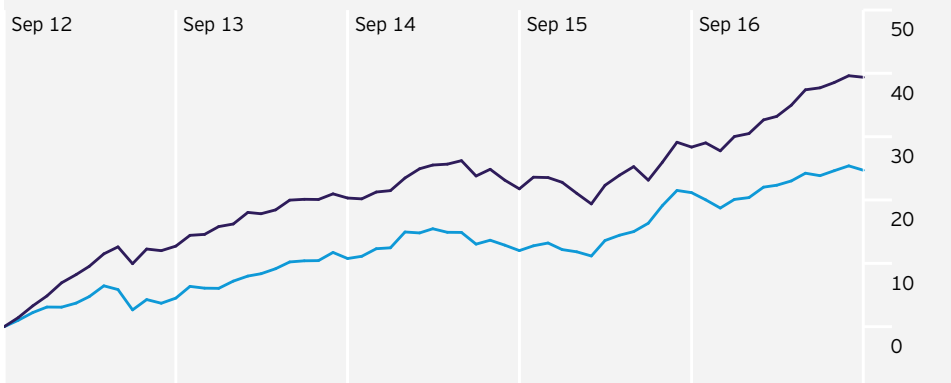
- The objective of the fund is to achieve a high level of income together with capital growth over the medium to long term.
- The fund invests primarily in high yielding corporate and government fixed interest and other debt securities globally (which may be sub-investment grade or have no credit rating) and shares of companies.
- The fund may use derivatives (complex instruments) and other financially linked instruments in order to meet the fund's investment objective and to reduce risk, minimise costs and/or generate additional capital or income.
- The fund is actively managed within its objectives and is not constrained by a benchmark.

Fund strategy

The fund's high yield exposure is focused on higher quality companies that we consider have a lower risk of default. We also have significant holdings in non-traditional parts of the high yield bond market. The bonds of high quality European banks, is currently our preferred area of the corporate bond market. Outside of this sector we also see some opportunities in bonds that have some equity like characteristics known as corporate hybrids. In equity markets, we favour companies that offer visibility of revenues, profits and cash flows, which are managed for the primary purpose of delivering shareholder value in the form of a sustainable and growing dividend.

Five year performance

— Invesco Perpetual Monthly Income Plus Fund (Z Accumulation share class)
— IA £ Strategic Bond NR Sector



Performance

	1 year	3 years	5 years	5 year ACR*	10 years	10 year ACR*
Fund (Z Accumulation share class)	8.59	15.85	39.39	6.87	88.15	6.52
Sector	2.92	12.58	24.71	4.52	61.79	4.93

* ACR - Annual Compound Return

Standardised rolling 12-month performance

	30.9.12 30.9.13	30.9.13 30.9.14	30.9.14 30.9.15	30.9.15 30.9.16	30.9.16 30.9.17
Fund (Z Accumulation share class)	12.73	6.73	1.20	5.42	8.59
Sector	4.52	5.98	1.13	8.17	2.92

Past performance is not a guide to future returns. Performance figures are based on the Z Accumulation share class. As this was launched on 12 November 2012, for the periods prior to this launch date, performance figures are based on the income share class, without any adjustment for fees. Performance figures for all share classes can be found in the relevant Key Investor Information Document. Fund performance figures are shown in sterling, inclusive of reinvested income and net of the ongoing charge and portfolio transaction costs to 29 September 2017 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.

Investment opportunities

- Access to the combined expertise of Invesco Perpetual's best known and most firmly established teams. Paul Read & Paul Causer who head the Henley fixed interest team, who are responsible for asset allocation and bond selection, and Ciaran Mallon from the UK equity team, who is responsible for equity selection.
- Allocating to both bonds and equities can enable the investment team to maximise the opportunity for income throughout the investment cycle.
- The fund is designed for income seeking investors seeking an attractive level of monthly income.

Top 5 bond issuers and equity holdings ¹		%	
Bond issuers		Equity Holdings	
US	7.66	Balloon Street	0.89
Lloyds	6.05	British American Tobacco	0.62
Barclays	4.77	General Accident 'Pref'	0.60
RBS	4.67	Croda	0.56
UK	4.41	RELX	0.55
Total number of holdings		362	

Breakdown by credit rating ¹	%
AAA	7.66
AA	4.41
A	0.72
BBB	12.96
BB	35.56
B	14.03
CCC	1.98
CC	0.09
D	0.01
Not Rated	6.16
Equities	14.80
Derivatives	-0.71
Cash	2.35
Total	100

Asset type breakdown ¹	%
Fixed Interest	83.57
Equities	14.80
Derivatives	-0.71
Cash	2.35
Total	100

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 securities that the fund invests in may not always make interest and other payments nor is the solvency of the issuers guaranteed. Market conditions, such as a decrease in market liquidity for the securities in which the fund invests, may mean that the fund may not be able to sell those securities at their true value. These risks increase where the fund invests in high yield or lower credit quality bonds and where we use derivatives.

The fund has the ability to make use of financial derivatives (complex instruments) which may result in the fund being leveraged and can result in large fluctuations in the value of the fund. Leverage on certain types of transactions including derivatives may impair the fund's liquidity, cause it to liquidate positions at unfavourable times or otherwise cause the fund not to achieve its intended objective. Leverage occurs when the economic exposure created by the use of derivatives is greater than the amount invested resulting in the fund being exposed to a greater loss than the initial investment. The fund may be exposed to counterparty risk should an entity with which the fund does business become insolvent resulting in financial loss.

Contact information

Client services

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Invesco Perpetual is a business name of Invesco Fund Managers Limited. Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK
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Important information

- ¹ All fund portfolio figures within this leaflet are as at 29 September 2017 (source: Invesco Perpetual).
- ² The yields shown are expressed as % per annum of current NAV of the fund. They are estimates for the next 12 months, assuming that the fund's portfolio remains unchanged and there are no defaults or deferrals of coupon payments or capital repayments. They are not guaranteed. They do not reflect the entry charge of the fund. Investors may be subject to tax on distributions. Cash income is estimated coupons from bonds and, where applicable, estimated dividends from equities.

The running yield estimates expected cash income into the fund from coupons of current bond holdings and, where applicable, dividends from current equity holdings. The running yield for this fund is gross of the ongoing charge, which is charged to capital.

The redemption yield estimates the annualised total return: in addition to expected cash income, it includes the amortised annual value of unrealised capital gains/losses of current bond holdings, calculated with reference to their current market price and expected redemption value. The redemption yield is net of the ongoing charge.

The distribution yield estimates the cash distribution to the shareholders: in addition to expected cash income, it includes the amortised annual value of unrealised capital gains/losses of current bond holdings, calculated with reference to their historic purchase price and expected redemption value (known as 'effective yield from purchase price' method). The distribution yield for this fund is gross of the ongoing charge, which is charged to capital.

The underlying yield is calculated in the same way as the distribution yield, but is always net of the ongoing charge. The underlying yield for this fund is, therefore, lower than the distribution yield by the amount of the ongoing charge.

Where, in the Manager's judgement, there is significant uncertainty that a bond holding will be redeemed at par, the amortised capital component for that holding is retained in the fund's capital and not distributed. This has the effect of reducing the estimated redemption, distribution and underlying yields and the actual distribution rate.

Where individuals or the business have expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice. This document is marketing material and is not intended as a recommendation to invest in any particular asset class, security or strategy. Regulatory requirements that require impartiality of investment/investment strategy recommendations are therefore not applicable nor are any prohibitions to trade before publication. The information provided is for illustrative purposes only, it should not be relied upon as recommendations to buy or sell securities.

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 Terms and Conditions, the Annual or Interim Reports and the Prospectus, which are available using the contact details shown.

Telephone calls may be recorded.