



Fund Manager: Stuart Edwards

Key facts¹

Stuart Edwards

citywire AA

Morningstar OBSR Fund Management Rating

Bronze

Fund launch date 10 March 1992

Fund size £437.46m

Legal status UK authorised ICVC

Yield (Income share class)

Running yield² 0.98%

Redemption yield² 0.23%

Distribution yield² 1.14%

Underlying yield² 1.14%

Income distribution dates 30 June 31 December

Accounting period ends 30 April 31 October

Available within an ISA? Yes

Market commentary

Bond market returns were broadly positive in July, as bonds were supported by the persistence of relatively weak inflation in the major developed economies. But the diverging outlook for growth in the eurozone and the US economies saw government bond yields in these markets moving in different directions. Business confidence and consumption has been relatively weak across Germany and the wider eurozone, whereas initial second quarter GDP data for the US recorded an annualised growth rate of 4%. The dollar rose against the euro as investors anticipated possible monetary tightening by the US Federal Reserve. According to data from Merrill Lynch, Bunds had a total return of 0.6% (all returns in local currency terms), with Treasuries returning -0.2%. Corporate bonds underperformed, with problems in the Portuguese Espirito Santo group increasing volatility. Euro investment grade corporate bonds returned 0.4% while European high yield bonds returned -0.3%. However, peripheral eurozone sovereign bonds continued to outperform, with Portuguese bonds returning 0.8% for the month.

Fund strategy

The fund is mainly invested in government bonds, with allocations to US Treasuries and German Bunds and also across Canada, Australia, peripheral eurozone and other markets. This includes positions in index-linked bonds. The fund has a smaller position in investment grade bonds, where we believe that sections of the market offer attractive yields relative to government bonds. The fund currently has a significant exposure to the US dollar as we believe there is potential for it to appreciate as US economic growth improves. The modified duration of the portfolio (a measure of its sensitivity to changes in interest rates) is 2.0, significantly lower than the global government bond market. This should partially mitigate the negative impact of rises in the yields of core government bond such as US Treasuries.

Investment objective

The Invesco Perpetual Global Bond Fund aims to achieve a combination of income and capital growth over the medium to long term. The Fund seeks to achieve its objective by investing primarily in debt securities and currencies globally. Debt securities include government bonds, as well as securities issued by supranational bodies, local authorities, national public bodies and corporate issuers. The Fund may also invest in high yield, unrated, convertible, sub-investment grade debt securities, cash, cash equivalents, money market instruments, collective investment schemes and other transferable securities. Financial derivative instruments can be used for investment purposes and for efficient portfolio management. They may include derivatives on currencies, interest rates and credit and can be used to achieve both long and short positions.

Performance

% growth

	3 months	6 months	1 year	3 years	5 years	ACR*	10 years	ACR*
Fund (Income share class)	-0.01	-0.41	-4.68	9.21	24.58	4.49	63.60	5.05
IMA Sector	0.42	1.29	-2.40	5.65	24.20	4.43	57.83	4.67

*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 (Income share class)	18.40	0.56	5.51	6.89	-4.24

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

Global Bond Fund

August 2014

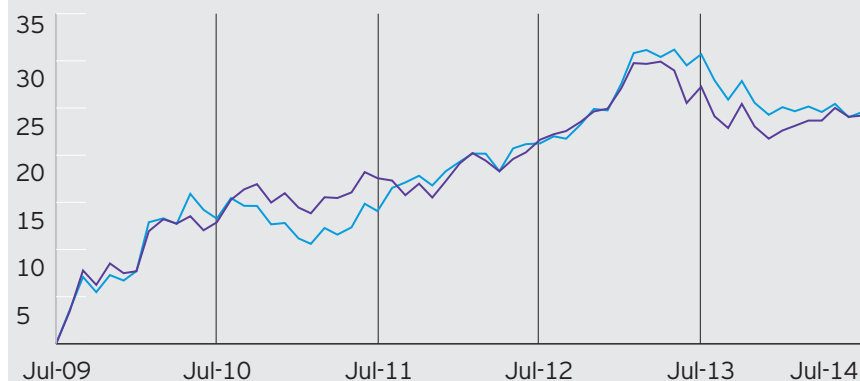
Top 10 bond issuers ¹	%
US TIPS	9.95
UK	8.52
Spain	8.07
Italy	7.93
Germany	7.04
US	4.07
GE	3.73
Poland	3.43
FMS-WM	3.18
Belgium	2.98
Total Top 10 Bond Issuers (%)	58.90
Total number of holdings	64

Breakdown by credit rating ¹	%
AAA	35.31
AA	16.32
A	12.53
BBB	23.85
BB	2.16
Derivatives	-0.25
Cash	10.08
Total	100

Currency exposure breakdown ¹	%
US Dollar	54.32
UK Sterling	29.80
Euro	11.27
Norwegian Krone	2.56
Mexican Peso	1.92
Australian Dollar	0.22
Canadian Dollar	-0.09
Total	100

Five year performance

— Invesco Perpetual Global Bond Fund (Income share class)
— IMA Global Bonds 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 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 are shown net of the ongoing charge and 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 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 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). For this fund the distribution yield is the same as the underlying yield.

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.

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, may mean that it is not easy to buy or sell securities. These risks increase where the fund invests in high yield 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.

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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