

The Board of Perpetual Income and Growth Investment Trust plc (PLI) served Invesco Fund Managers Limited with protective notice of termination in April this year and undertook a search for a new manager. The Board recently announced the conclusion of this search and proposes to combine PLI with Murray Income Trust plc (MUT). MUT has a similar investment objective to PLI, is an AIC Dividend Hero and is managed by the UK Equities team at Aberdeen Standard Investments. While shareholder and noteholder approval is sought, Martin Walker continues to manage PLI, having been appointed on Mark Barnett's departure.



Portfolio Manager: Martin Walker

## Key facts

Launched	March 1996
Ticker	PLI.L
Total Assets	£596.5m

## Ordinary shares

Share Price	220.0p
Cum-Income NAV (debt at fair value)	244.0p
Discount	9.8%
Total Dividend <sup>1</sup>	15p
Dividend Yield <sup>2</sup>	6.8%
Gearing <sup>3</sup>	10.7%

## Fees and expenses

Ongoing charge (incl AMF)	0.82%
Annual Management Fee (AMF)	
On first £900m	0.60%
Thereafter	0.40%

## Shares in issue

Ordinary shares	213,853,331
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## Gearing

£60m 4.37% Senior Secured Notes 2029	
Borrowing Facility	

## Investment objective

The Company's investment objective is to provide shareholders with capital growth and real growth in dividends over the medium to longer term from a portfolio of securities listed mainly in the UK equity market.

Further details of the investment trust's Investment Policy and Risk and Investment Limits can be found in the Directors' Report contained within the investment trust's Annual Financial Report.

## Market and economic review

The UK Equity market ended the month in negative territory reflecting news flow around the pandemic. A steep rise in confirmed cases of the virus raised the prospect of a second lockdown. Concerns about a stalling economic recovery ahead of the next round of Brexit negotiations also impacted sentiment. Volatility remained at elevated levels, though it has reduced from the extremes of March and April.

## Portfolio strategy

The portfolio's positioning has evolved incrementally over the past year, to take advantage of the extreme polarisation of company valuations that has emerged within the UK equity market. The differential between highly rated global stocks and depressed domestic economically sensitive shares is substantial, with the most glaring opportunities within the domestic sectors of the UK stock market. The portfolio is positioned to take advantage of this perceived mispricing and has large portfolio weightings in Financials, Industrials, and Consumer services (Retail). The emphasis on finding cash generative businesses paying sustainable and growing dividends is resolutely unchanged.

## Ordinary share price, NAV and index cumulative performance

	6 months	1 Year	3 Years	5 Years	10 Years
Share Price	14.9	-25.2	-33.2	-31.6	41.2
Net Asset Value	2.1	-27.1	-33.3	-25.3	48.5
FTSE All-Share Index	7.0	-16.6	-9.3	18.6	63.9

## Standardised rolling 12-month performance

	30.09.15 30.09.16	30.09.16 30.09.17	30.09.17 30.09.18	30.09.18 30.09.19	30.09.19 30.09.20
Ordinary Share Price	-0.6	2.9	-3.9	-7.0	-25.2
Net Asset Value	4.9	6.8	-0.1	-8.5	-27.1
FTSE All-Share Index	16.8	11.9	5.9	2.7	-16.6

**Past performance is not a guide to future returns.** Ordinary share price performance figures have been calculated using daily closing prices with dividends reinvested. NAV performance figures have been calculated using daily NAV with dividends reinvested. The NAV used includes current period revenue and values debt at fair. The FTSE All-Share Index performance shown is total return.

All performance figures are in sterling as at 30 September 2020 except where otherwise stated. Standardised past performance figures are updated on a quarterly basis.

Source: Morningstar.

<sup>1</sup> Total dividend is made up of the previous financial year's dividends declared by the Company (excluding any special dividends paid).

<sup>2</sup> Dividend yield is the total dividend divided by the current share price (excluding any special dividends paid).

<sup>3</sup> Gearing reflects the amount of net borrowings invested, i.e. borrowings less cash and bond holdings. It is based on net borrowings as a percentage of shareholders' funds. The Board has prescribed that gearing may be used to raise equity exposure up to a maximum of 25% of net assets at the time of purchase where it is appropriate.

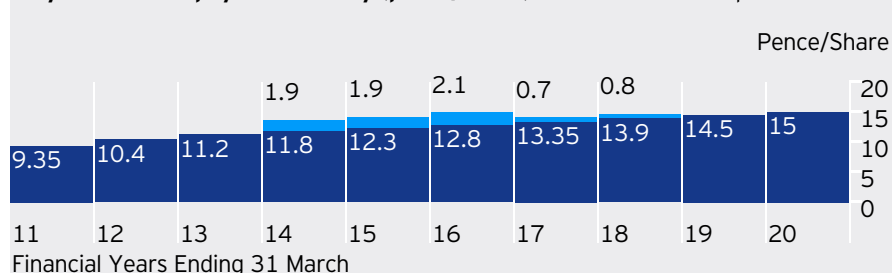
<sup>4</sup> Awarded by the Association of Investment Companies to investment companies that have increased their dividends each year for 20 years or more.

Top 10 holdings	% portfolio
British American Tobacco	6.6
Vodafone	5.3
BAE Systems	4.6
Roche - Swiss Listed	4.4
SSE	4.0
BP	3.9
RSA Insurance	3.8
Novartis - Swiss Listed	3.7
National Grid	3.5
Next	3.2
<b>Total</b>	<b>43.0</b>

Industry breakdown	% portfolio
Financials	17.3
Industrials	15.9
Health Care	12.4
Consumer Services	11.9
Utilities	11.7
Consumer Goods	9.5
Oil & Gas	7.4
Basic Materials	7.2
Telecommunications	6.7
<b>Total</b>	<b>100.0</b>

Portfolio breakdown	% portfolio
FTSE 100	60.3
FTSE 250 ex Inv Companies	15.6
International Equities	13.7
FTSE Small Cap/FTSE Fledgling/FTSE AIM ex Inv Companies	8.8
Investment Companies	0.9
Cash & Cash Equivalent	0.7
<b>Total</b>	<b>100.0</b>

#### 10 year dividend payment history (pence/share) ■ Dividend ■ Special Dividend



Source: Morningstar. Please note that this chart may include dividends declared but not yet paid. **Past performance is not a guide to future returns.**

#### Financial calendar and dividend information

Year End	31 March
Annual Financial Report published	June
Half-Yearly Financial Report published	November
Dividend payment dates	March, June, September and December
Annual General Meeting	July

#### General information

The ordinary shares of the Company are listed on the London Stock Exchange. On an annual basis, shareholder approval is sought to authorise the buy back and issue of shares. This enables the Company to respond to an excess of supply or demand for the Company's shares in the market.

## Perpetual Income and Growth Investment Trust plc

As at 30 September 2020

#### Investment risks

The value of investments and any income will fluctuate (this may partly be as a result of exchange rate fluctuations) and investors may not get back the full amount invested.

When making an investment in an investment trust you are buying shares in a company that is listed on a stock exchange. The price of the shares will be determined by supply and demand. Consequently, the share price of an investment trust may be higher or lower than the underlying net asset value of the investments in its portfolio and there can be no certainty that there will be liquidity in the shares.

The product may use derivatives for efficient portfolio management which could result in increased volatility in the NAV.

The product invests in smaller companies which may result in a higher level of risk than a product that invests in larger companies. Securities of smaller companies may be subject to abrupt price movements and may be less liquid, which may mean they are not easy to buy or sell.

The use of borrowings may increase the volatility of the NAV and may reduce returns when asset values fall.

As a result of COVID-19, markets have seen a noticeable increase in volatility as well as, in some cases, lower liquidity levels; this may continue and may increase these risks in the future. In addition, some companies are suspending, lowering or postponing their dividend payments, which may affect the income received by the product during this period and in the future.

#### Important information

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.

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.

For more information on our products, please refer to the relevant Key Information Document (KID), Alternative Investment Fund Managers Directive document (AIFMD), and the latest Annual or Half-Yearly Financial Reports. This information is available using the contact details shown.

#### Further information

##### Client Services

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Telephone calls may be recorded.  
[www.invesco.co.uk/pigit](http://www.invesco.co.uk/pigit)

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