

# INVESCO PERPETUAL Corporate Bond (OEIC)

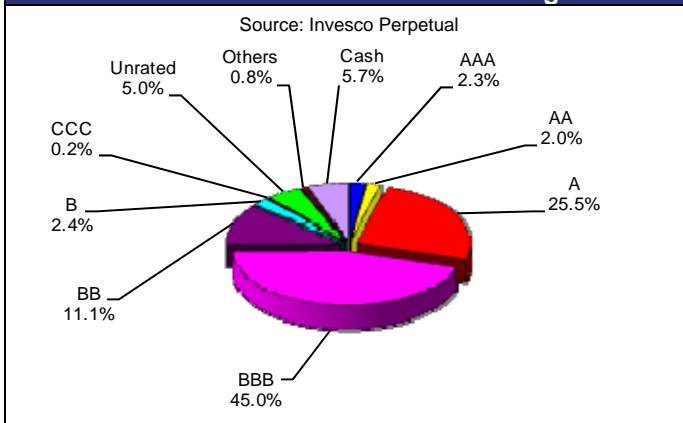
**OBSR Fund Rating  
AAA**



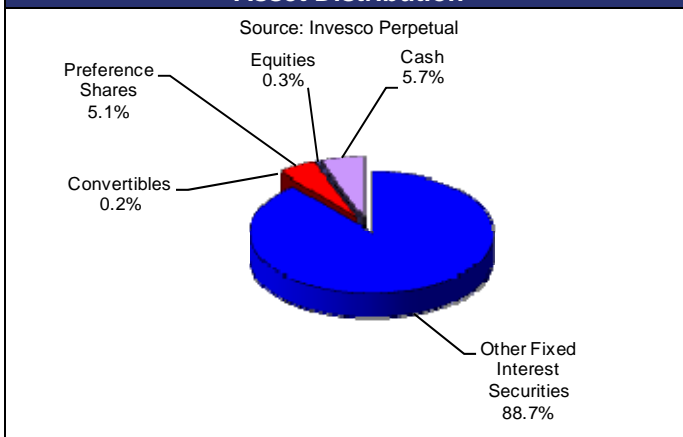
## Key Information

<b>Launch Date</b>	24 July 1995	
<b>Fund Size</b>	£5566.2m	
<b>Type of Shares Available</b>	Income & Accumulation	
<b>Distribution Dates</b>	30 June, 31 December	
<b>Yield</b>	5.07%	
<b>ISA</b>	Yes	
<b>ISA Transfer</b>	Yes	
<b>Standard Fund Management Charges</b>	<b>Initial</b>	5.00%
	<b>Annual</b>	1.00%

## Asset Distribution - Credit Rating



## Asset Distribution



## Top Ten Holdings

Top Ten Holdings	%
Sold Long Gilt Future September	8.6
GE Capital 6.5% 15/9/2067	1.6
Siemens 6.125% 14/9/2066	1.3
Santander 11.3%	1.2
Rentokil 5.75% 31/3/2016	1.1
John Lewis 8.375% 8/4/2019	1.1
Heineken 7.25% 10/3/2015	1.0
Imperial Tobacco 9% 17/2/2022	1.0
Barclays 14%	1.0
Sold Bund Future	1.0
Concentration (Top 10)	18.9
Total Number of Holdings	403

Source: Invesco Perpetual

## Classification

<b>Sector</b>	Sterling Corporate Bond
<b>OBSR Category</b>	Investment Grade
<b>Benchmark/Index</b>	Peer Group IMA UK Corporate Bond

## Management/Investment Style

<b>Fund Managers</b>	Paul Causer, Paul Read (July 1995)
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Offers investors a corporate bond fund that is run by two experienced fixed income practitioners in an open-minded and flexible manner. Within the bounds of the sector guidelines, the investment style is proactive and unconstrained with a strong emphasis on the appraisal of macroeconomic forces and valuation.

## Investment Objective & Methodology

The fund aims to achieve a high level of overall return, with relative security of capital. The fund will invest primarily in fixed interest securities. 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. The managers seek to deliver an attractive return over the long-term compared with the IMA £ Corporate Bond sector.

The fund is managed by Paul Causer and Paul Read, who are Co-Heads of Fixed Interest at Invesco Perpetual based in Henley. They have worked together at Invesco Perpetual since 1995 and have a great deal of experience in fixed income markets. They work alongside fund manager Michael Matthews and they are supported by a team of credit analysts and a strategist.

The managers believe that they are able to deliver attractive total returns over the long term through a proactive and unconstrained investment approach. They believe that fixed interest markets are mostly efficient but continually present opportunities. For example, markets tend to overshoot and move prices away from fair value; investors have differing objectives and price sensitivities; some institutional investors have rigid investment constraints. The managers seek to exploit market inefficiencies through fundamental research and a strong emphasis on valuation. The investment process comprises three key elements which drive portfolio construction – macroeconomic analysis, credit analysis and value assessment. Their macroeconomic view plays an integral role in all of the main portfolio decisions, in particular their duration, yield curve and credit strategies. The main elements of this analysis are: the general direction of monetary policy and developments in official interest rates; the shape of the yield curve and its likely development; and the general trend in the pricing of credit risk. The intention is to identify global and business trends through the deconstruction of key economic data. They also take into account the political environment and government policy towards spending, taxation and monetary policy. From a credit analysis point of view, the managers focus on assessing the evolution of a company's credit metrics in order to identify improving and deteriorating situations. Financial measures such as the extent of gearing, net debt/EBITDA and overall financing costs among other ratios are considered together with the quality of management in the case of high yield issuers in particular. Once the managers have an informed opinion on a company's credit risk, absolute and relative risk and value judgements can be made. In particular, they look to understand why an opportunity might exist. Examples are: market over-reaction; a ratings change; issuance patterns; or a mispricing of covenant protection.

The fund is primarily invested in investment grade corporate bonds but in line with sector guidelines, can invest up to 20% in gilts and/or high yield bonds. Opportunities in overseas bonds may also be pursued but currency positions are mostly hedged back to Sterling. Risk is monitored by the internal Performance & Risk team which provides portfolio analytics and there is also a CIO challenge process, which is a qualitative and quantitative assessment of the managers' ability to successfully manage the fund.

www.obsrfundratings.co.uk

Data as at 30 June 2010  
Last Updated July 2010