

INVESCO PERPETUAL Monthly Income Plus (OEIC)

OBSR Fund Rating
AAA / Gold

obsr FUND
RATINGS

Key Information

Launch Date	6 February 1999	
Fund Size	£3066.7m	
Type of Shares Available	Income & Accumulation	
Distribution Date	Last day of each month	
Distribution Yield	7.50%	
ISA	Yes	
ISA Transfer	Yes	
Standard Fund Management Charges	Initial	5.00%
	Annual	1.25%

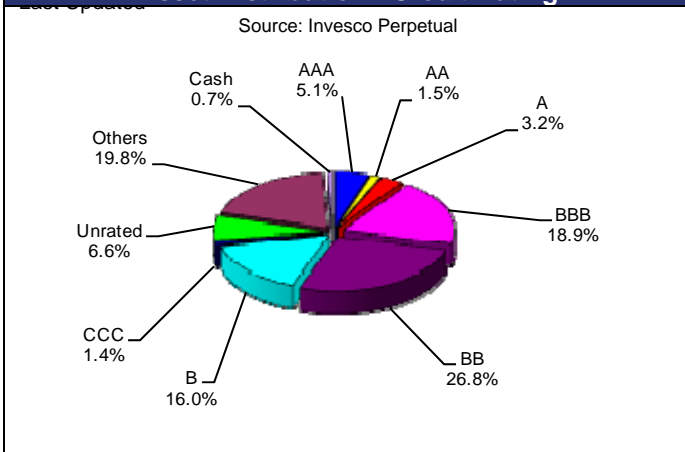
Classification

Sector	Sterling Strategic Bond
OBSR Category	Mixed Assets
Benchmark/Index	IMA Sterling Strategic Bond Sector

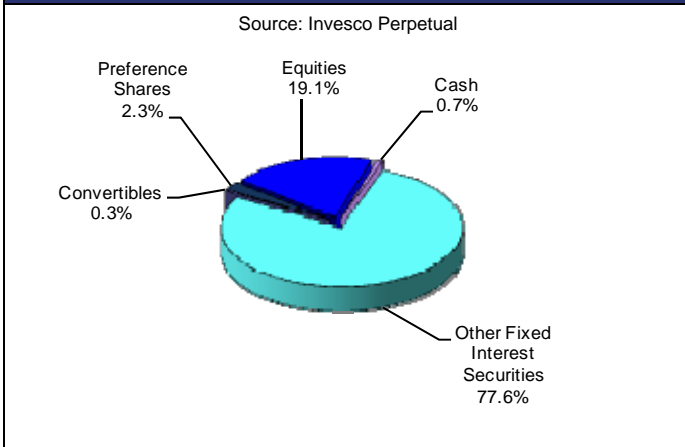
Management/Investment Style

Fund Managers	Paul Causer, Paul Read, Neil Woodford (February 1999)
Offers investors a mixed portfolio with at least 80% invested in bonds and up to a maximum of 20% invested in UK equities, managed by three very experienced fund managers. There is a focus on income generation together with security of capital.	

Asset Distribution - Credit Rating



Asset Distribution



Top Ten Holdings

Company	%
Lloyds Banking Group	5.6
UK Treasury	2.7
UPC	2.5
RBS	2.3
Barclays Bank	2.0
Bank of Ireland	1.6
Government of France	1.4
AIG	1.4
UBS	1.3
Virgin	1.2
Concentration (Top 10)	22.0
Total Number of Holdings	358

Source: Invesco Perpetual

Investment Objective & Methodology

The fund aims to achieve a high level of income whilst seeking to maximise total return through investing in high-yielding corporate and government bonds, together with UK equities. 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. In line with the sector guidelines, at least 80% of the fund is invested in a mix of fixed interest investments while up to 20% of the portfolio may be invested in UK equities.

The fund is managed by Paul Causer and Paul Read, who are Co-Heads of Fixed Interest at Invesco Perpetual based in Henley, together with Neil Woodford. Mr Causer and Mr Read have worked together at Invesco Perpetual since 1995 and have a great deal of experience in fixed income markets. Mr Woodford joined Invesco Perpetual in 1988 and is now Head of Investments. He is responsible for the equity portion of the portfolio.

The managers believe that they are able to deliver attractive total returns over the long term through a proactive and unconstrained investment approach. On the fixed income side, 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. The managers' 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. The managers also take into account the political environment and government policy towards spending, taxation and monetary policy. From a credit analysis point of view, they 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. The equity portion of the portfolio is also managed with a strong awareness of the macroeconomic environment together with the fundamental analysis of a company's operations, management and strategy. The overall approach is valuation-conscious with a bias towards companies with strong balance sheets, earnings visibility and dividend security.

Within the mandate requirement of 80% fixed income securities and a maximum of 20% in equities, the allocation to fixed income and equities is determined by the managers, based upon their macroeconomic and technical assessments and their view of the fundamental value of the markets. Income is an important consideration and the fixed income portion tends to have a bias towards higher-yielding bonds but not at the expense of capital preservation. The equity element of the fund is managed with a view to providing income growth as well as capital growth. 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 manage the fund.

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Data as at 30 December 2011

Last Updated January 2012