

**SHINING A LIGHT ON THE.....**  
**Invesco Perpetual Global Targeted Returns Fund**

**AT A GLANCE**

Investment Objective	
The Fund aims to achieve a positive total return in all market conditions over a rolling 3-year period. The Fund targets a gross return of 5% per annum above UK 3 month LIBOR (or an equivalent reference rate) and aims to achieve this with less than half the volatility of global equities, over the same rolling 3-year period. There is no guarantee that the Fund will achieve a positive return or its target and an investor may not get back the full amount invested. The Fund seeks to achieve its objective by using a range of investment strategies and techniques to invest actively in a broad selection of asset classes across all economic sectors worldwide.	

<b>Inception Date</b>	9 September 2013
<b>Fund Factsheet Link</b>	<a href="http://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000QBVB">http://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00000QBVB</a>

Management	
<b>Manager Name</b>	<b>Start Date</b>
Richard Batty, David Jubb and David Millar	9 September 2013

Volatility Measurements	
<b>3-Yr Std Dev (volatility)</b>	4.24%
<b>3-Yr Mean Return (average)</b>	4.11%

**FUND PERFORMANCE**

Performance from 9 September 2013 to 31 January 2017.

	2013	2014	2015	2016	2017
<b>Invesco Perpetual Global Targeted Returns Fund</b>	4.08%	8.60%	1.66%	3.61%	-0.56%

Performance over 1 year, 3 years, 5 years and since launch:

	1 year	3 years (p.a.)	Since launch (p.a.)
<b>Invesco Perpetual Global Targeted Returns Fund</b>	2.73%	4.11%	5.10%

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation, but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

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## UPDATE....

This fund spun out of the Standard Life Global Absolute Return Strategies Fund. Three members of the original team left and set up a similar fund at Invesco Perpetual. The fund was set up in September 2013 and targets a return of cash plus 5% gross over a rolling three-year period. Over three years it has fallen slightly short of its target return but since launch it has achieved its target.

It currently has 25 ideas invested across seven asset classes and 17 regions. The aim is to create a range of different ideas where no one idea dominates the fund performance. Three key areas they are focusing on are:

1. Challenging global growth – this is the idea that global growth may fragment with greater divergence in regional growth rates
2. Divergence in fiscal and monetary policies
3. Low inflation being challenged by wage growth, commodity prices and greater protectionism

Some of the recent changes in the fund include removing the Norwegian Krone vs UK Pound after hitting its target, US Staples vs Discretionary after the Trump victory and UK Interest Rates where they feel rates will now remain lower for longer. A new idea for the fund is US Inflation vs UK.

In terms of performance in 2016, in the last quarter risk ideas performed significantly better than credit. With the top 5 performers being European Divergence (Equity), Global Equity, UK Equity, Asian Equities vs US Equities and Indian Rupee vs Chinese Renminbi.

The bottom five were Australian vs US Interest Rates, Yield Compression (Interest Rates), Swedish Interest Rates, Selective EM Debt (Interest Rates) and Selective Asia Equity Exposure.

The fund has been able to deliver positive returns in each year since its launch, although it is slightly down in 2017. Since launch it has achieved its target return but over three years it is slightly behind. There is a place for these funds particularly for those investors seeking bond-like volatility and the potential to deliver positive returns. As a relatively new kid on the block it hasn't hit the target return but this could be reflective of a negative January.

In conclusion, this is targeting the same space as the Standard Life Global Absolute Return Strategies Fund and has delivered better performance since its launch. Although it is slightly behind the target return to the end of January, since launch it has delivered on its target return. This will always sit as a protection against extreme volatility and therefore could be blended with equities and bonds. The question mark remains after two relatively poor years can it achieve its target return moving forward?

*The source of information in this note has been provided by Invesco and is correct as at February 2017. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*