



Keystone Investment Trust plc Invesco Perpetual Select Trust plc UK Equity Share Portfolio

Retirement Money Show
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James Goldstone, Fund Manager

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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.

Keystone Investment Trust plc and Invesco Perpetual Select Trust plc UK Equity Share Portfolio

The product uses derivatives for efficient portfolio management which may 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.

When making an investment in an investment trust/company 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/company 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

Fund Manager's biography



James Goldstone
UK Equities Fund Manager

18 years investment experience
7 years tenure

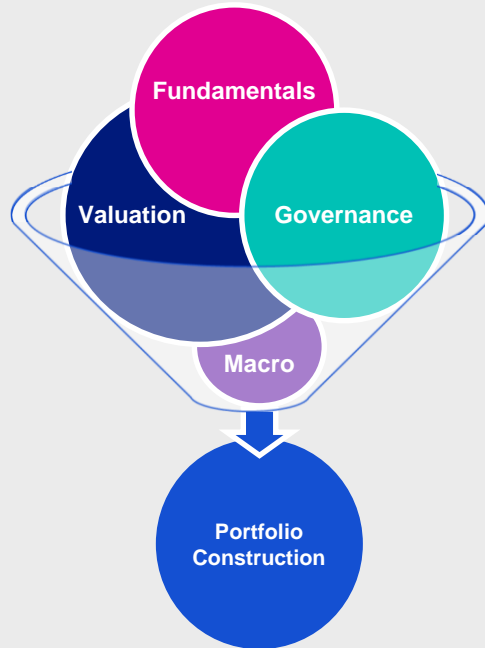
**James graduated with a BA in French
from Manchester University.**

Investment philosophy

Active, valuation-focused stock picking

- Bottom up: regular interaction with management
- Long term: typical investment horizon of 3 years
- Unconstrained: can/will deviate meaningfully from the benchmark
- Contrarian: look for mis-pricing
- Risk = risk of capital loss: look for low risk vs high reward
- Conviction: biggest positions are best ideas, 35-45% AUM in top 10
- VALUATION IS KEY

Investment approach



Valuation

- Free cash flow yield
- Return on invested capital
- Total shareholder return

Governance

- Independent Board
- Aligned remuneration policy
- Limited exposure to minority positions

Fundamentals

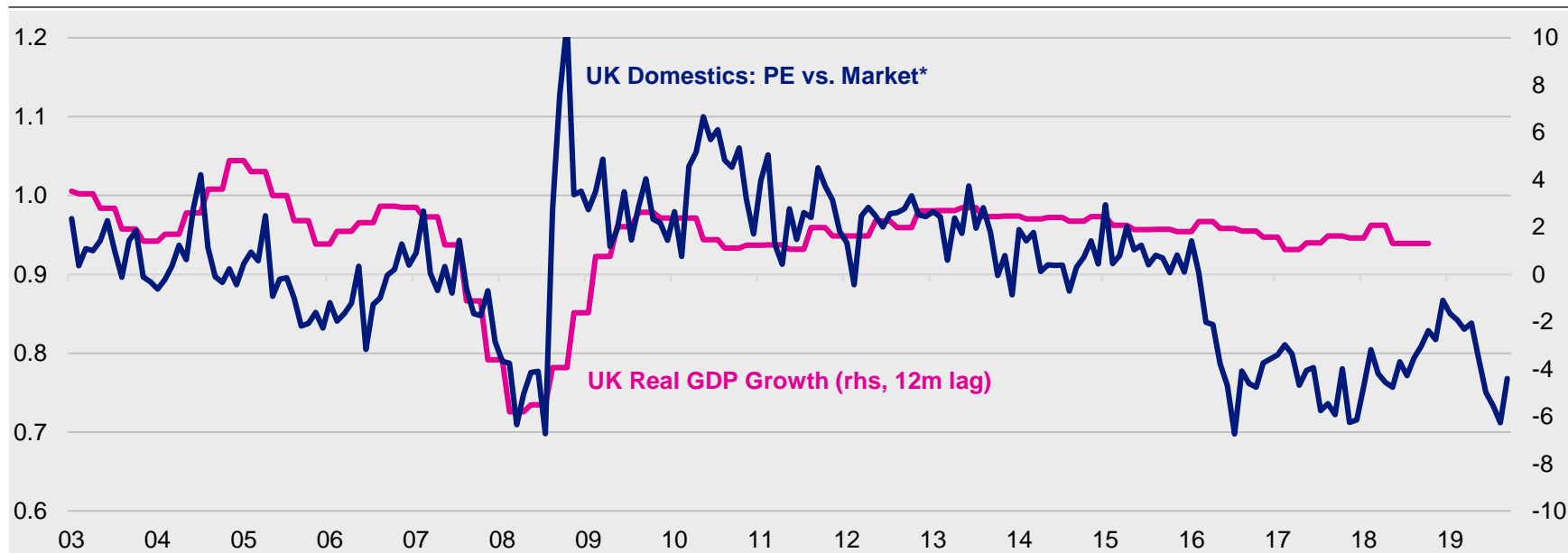
- Barriers to entry
- Market share/growth
- Margin
- Quality of management
- Capital allocation
- Balance sheet

Macro

- GDP, Inflation, Interest rates & FX
- Key to assess portfolio risk rather than drive stock selection

For illustrative purposes only.
FX = Foreign Exchange

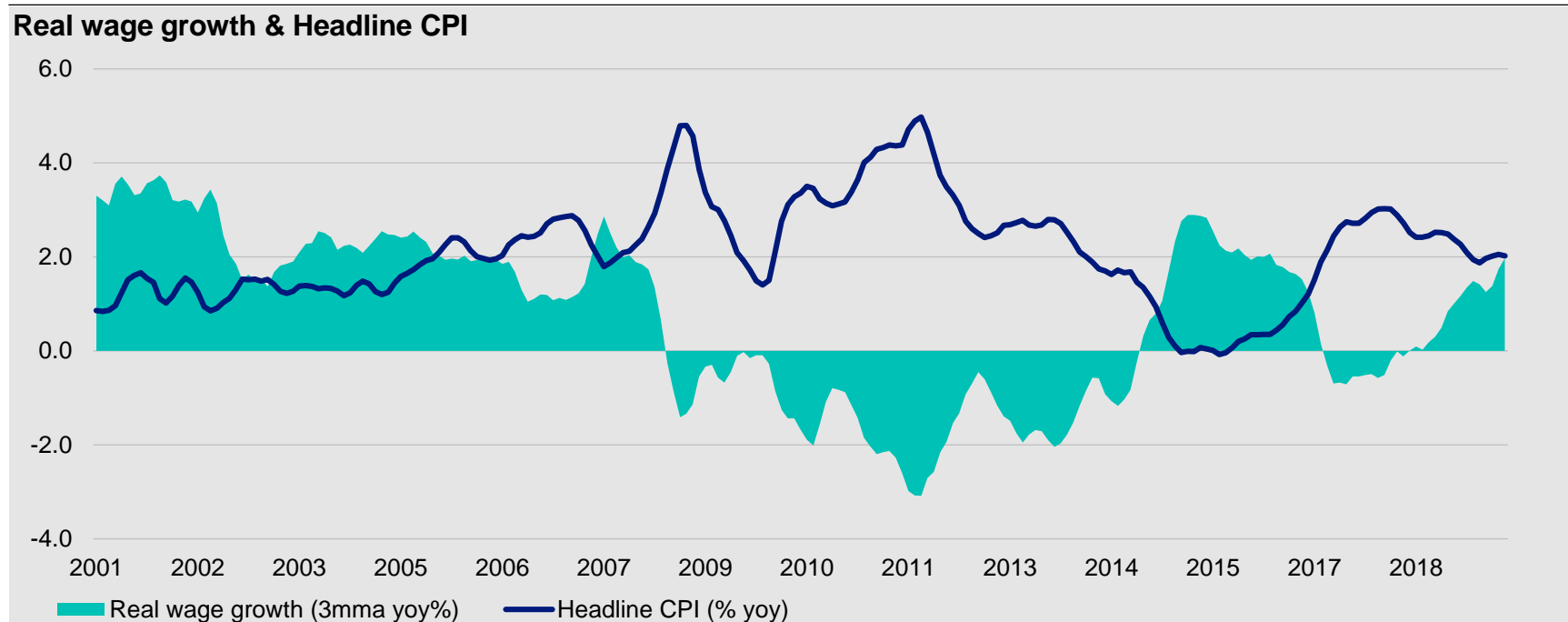
Investors appear to be pricing in a recession in the UK



Source: Barclays as at 30 September 2019, based on Barclays' own basket of domestic stocks.

*Market = FTSE 350 index; PE = price/earnings ratio.

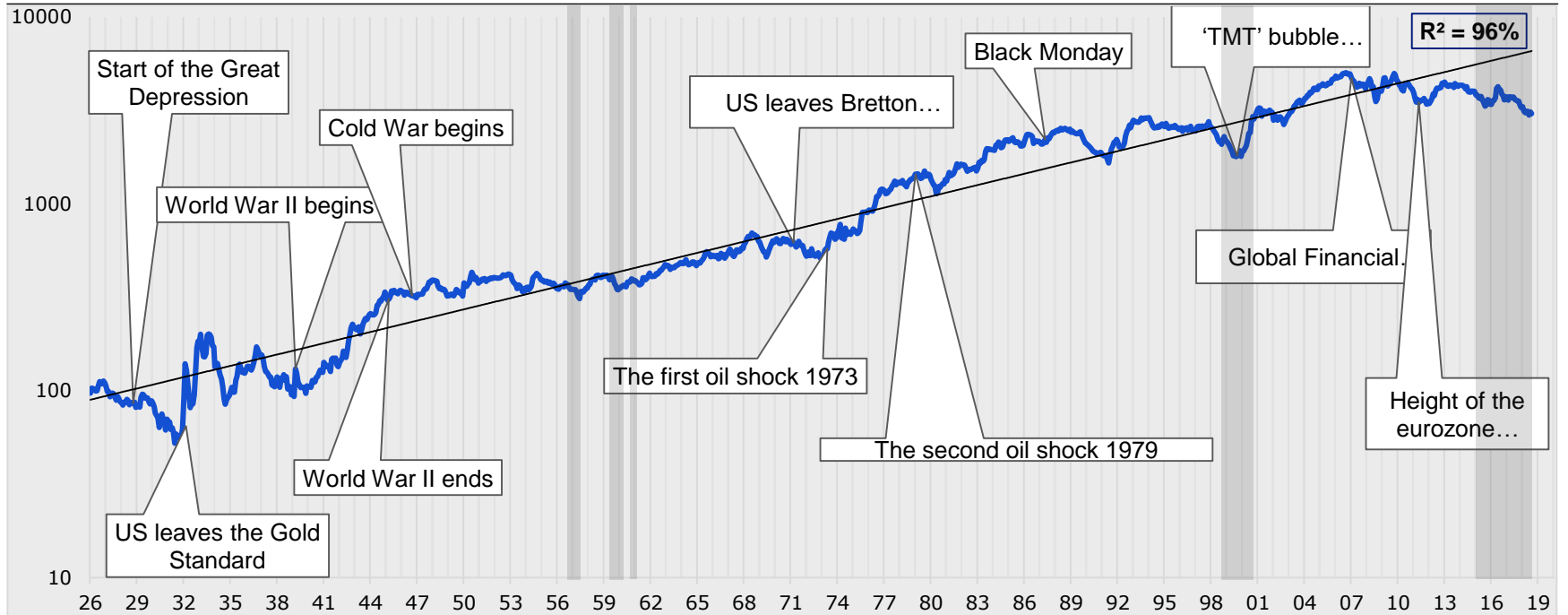
UK real wage growth & headline CPI



Source: Lazarus Partnership as at 30 September 2018.
CPI = Consumer Price Index. 3mma yoy% = 3 Month Moving Average Year on Year %

Long term performance of value

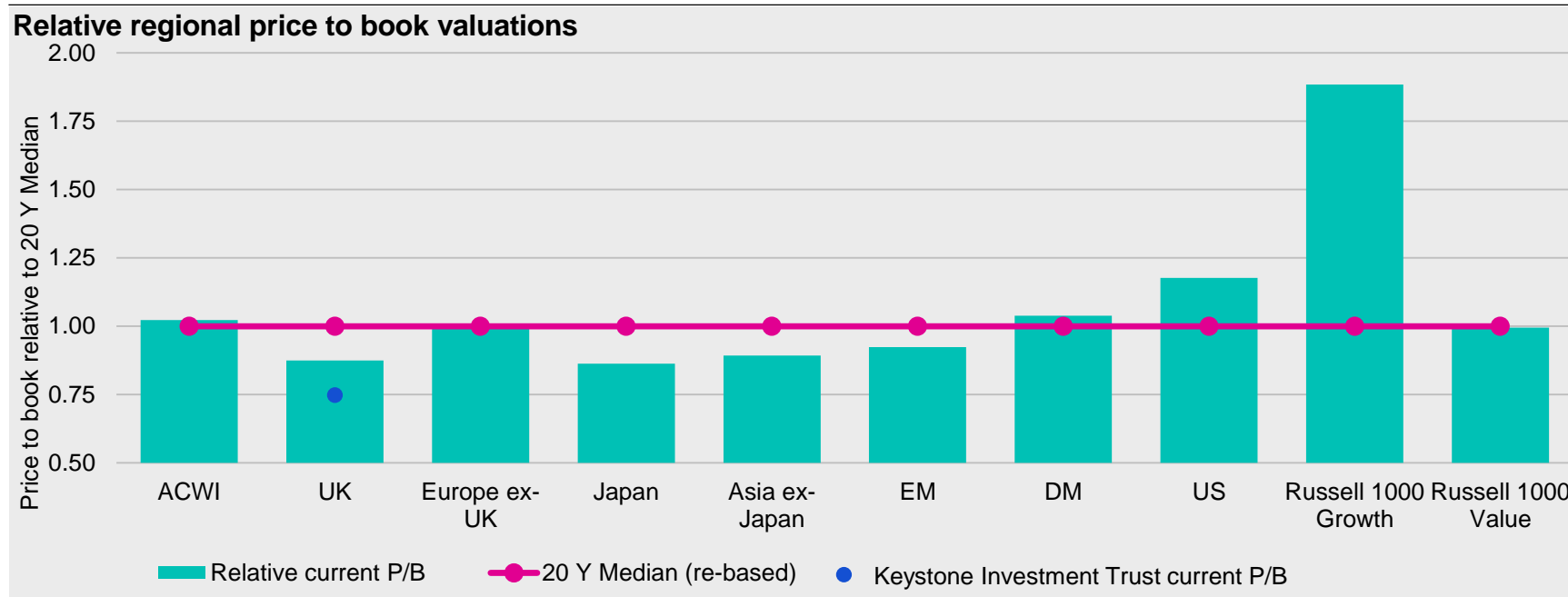
Living in statistically improbable times



Source: Ken French Data Library, Bernstein and Invesco, 31 March 2019.

The chart compares the performance the top 5% book/price ratio companies in the New York Stock Exchange with the bottom 5%. Shading denotes a period where value has underperformed on a ten-year rolling basis. The logarithmic scale allows for the assessment of the magnitude of earlier deviations from trend.

UK equities trade at a significant discount to long-term average price to book valuation



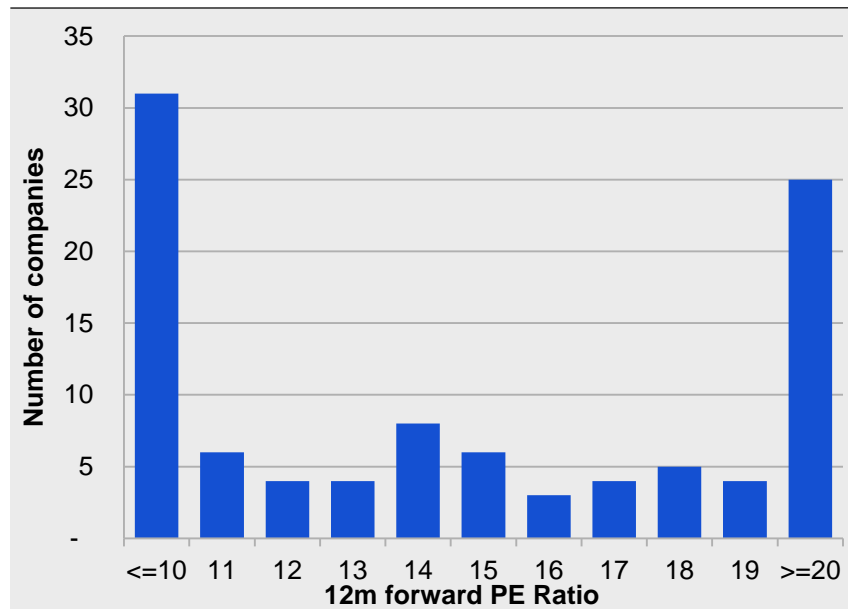
Source: Barclays as 30 September 2019. ACWI = MSCI All Country World Index. 20Y Median value re-based to 1 for regional comparison purposes. Current Price to Book (P/B) reflects proportionate value to long-term average. **Russell 1000 Growth Index** and **Russell 1000 Value Index** are sub-indices of the Russell 1000 Index. FTSE Russell uses a "non-linear probability" method to assign stocks to the growth and value style valuation indexes. For value, book-to-price (B/P) ratio is used, while for growth, two variables—I/B/E/S forecast medium-term growth (2-year) and sales per share historical growth (5-year) are used.

Abnormal market conditions

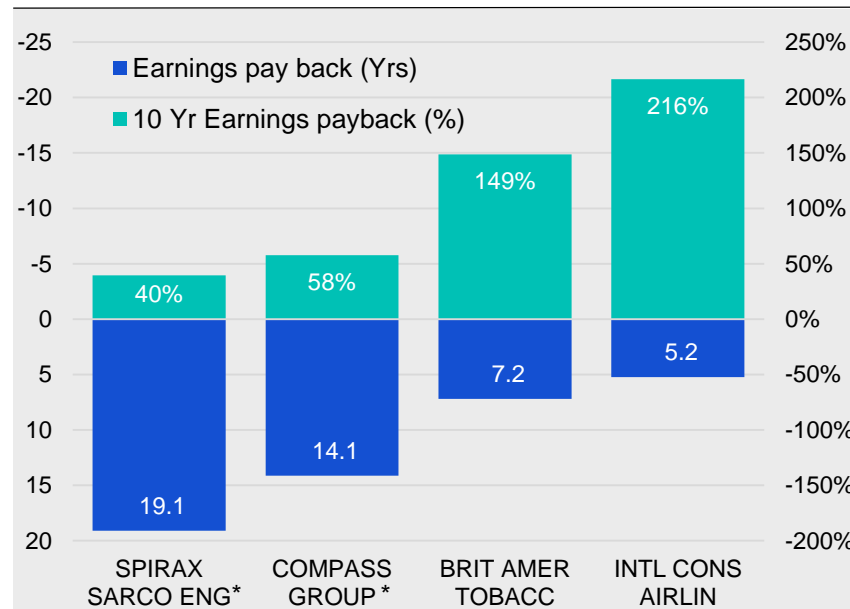


Distribution of PE Ratios:

Top 100 Companies in FTSE All-Share Index (by market cap)



Earnings payback: How long do you have to hold the shares to receive your money back in earnings?



Source: LHS: Invesco, Bloomberg as at 31 October 2019. PE ratio = price to earnings ratio. 12m forward figures represent consensus estimates for the June 2020 figures.

RHS: Bloomberg 3yr consensus estimates as at 20 November 2019. Chart uses 3yr consensus estimates of dividend growth and then takes either the average of those 3yr growth estimates or the last year estimate, whichever is the lower and rolls that figure forward. * Not held in either Keystone Investment Trust plc or Invesco Perpetual Select Trust plc UK Equity Share Portfolio.

Invesco – Keystone Investment Trust

Key portfolio themes – major positions include:



UK Domestic Value

Barclays
Tesco
Babcock
Next
RBS
Legal & General

32%*

International Value

BP
Royal Dutch Shell
BAT
Coats
Melrose Industries
Ultra Electronics
Summit Properties

32%*

UK Mid-Cap Growth

AJ Bell
JD Sports
Victoria
Johnson Service Gp
Future
Sigma Technology
CVS Group
Homeserve
On The Beach

19%*

Special Situations

Puretech Health
Phoenix Spree
IWG

Barrick Gold
Endeavour Mining
Agnico Eagle Mines
Newmont Mining
Wheaton Precious
Metals

17%*

Source: Invesco as at 30 September 2019. May not sum due to transactional cash holdings and rounding.

*Total includes stocks not listed above.

Keystone Investment Trust plc

Top 20 stock weightings



Company	Weight % ¹
BP	5.1
Barclays	4.4
Tesco	4.0
British American Tobacco	3.6
A J Bell	3.5
Royal Dutch Shell 'B'	3.5
Barrick Gold	3.1
Coats	3.1
JD Sports Fashion	3.0
Babcock International	2.9
Total top 10	36.1

Company	Weight % ¹
NEXT	2.9
Royal Bank Of Scotland	2.7
Melrose	2.1
Johnson Service Group	1.9
Legal & General	1.9
Future	1.8
Victoria	1.8
Puretech Health	1.7
RELX	1.6
Endeavour Mining	1.5
Total 11-20	19.9

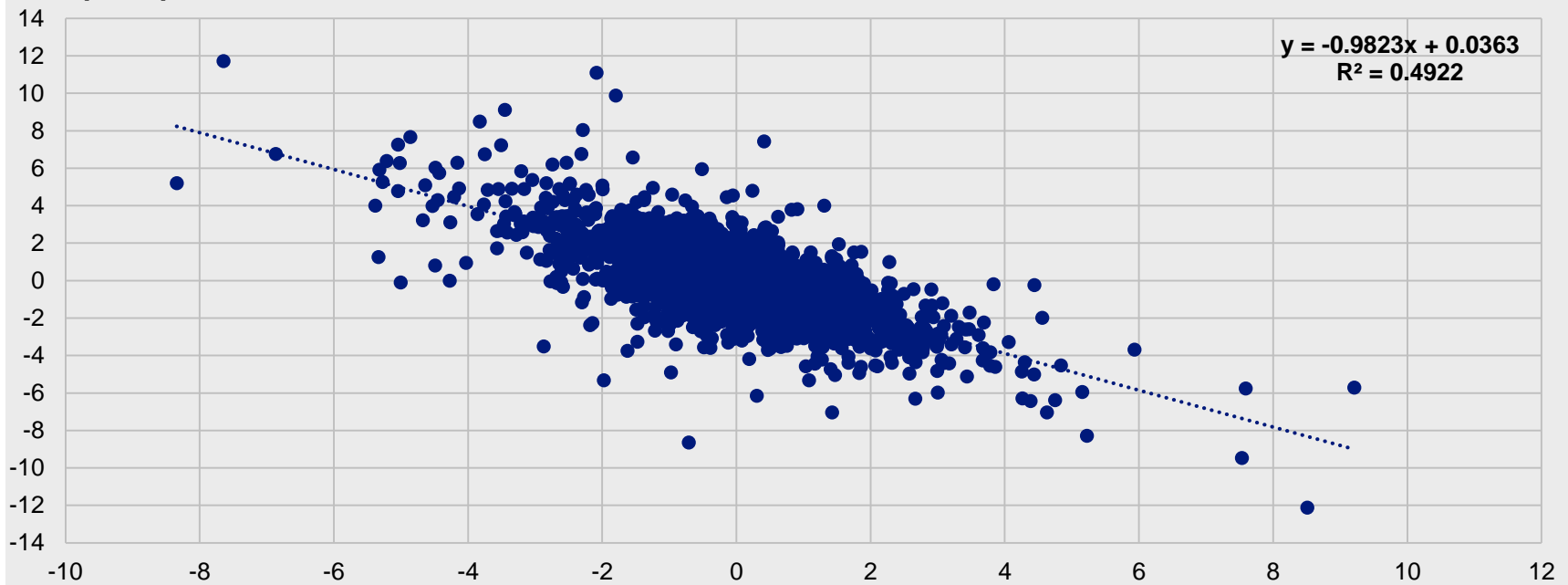
Sources: Invesco as at 30 September 2019. Figures may not sum due to rounding.

¹Weights are adjusted for leverage of 3.4%.

Empirically gold has demonstrated a negative correlation with the UK equity market



Gold price performance, relative to FTSE All-Share index



Source: Bloomberg and Invesco from 1 January 2000 to 31 December 2018.

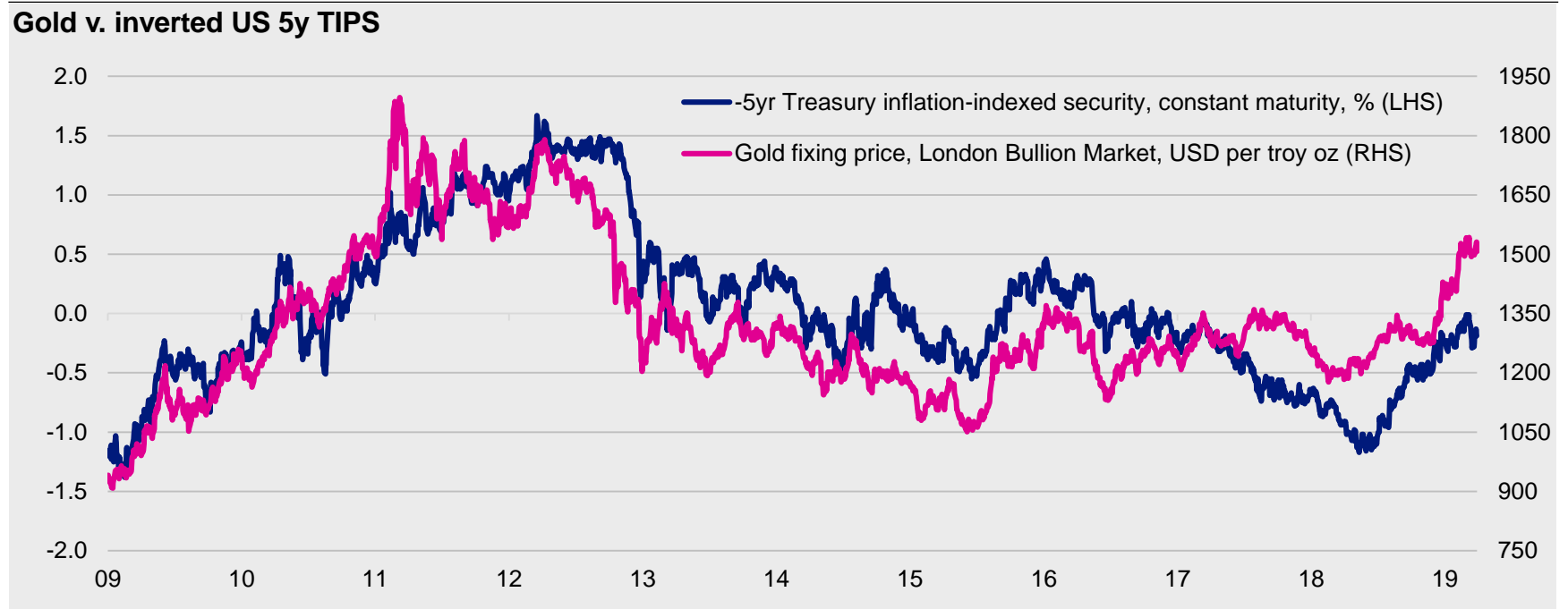
Possible solutions to government over-indebtedness



- Fiscal budget surplus ie. Pay it off
- Default
- Grow nominal GDP > bond yield + additional borrowing
- Financial repression = negative real rates

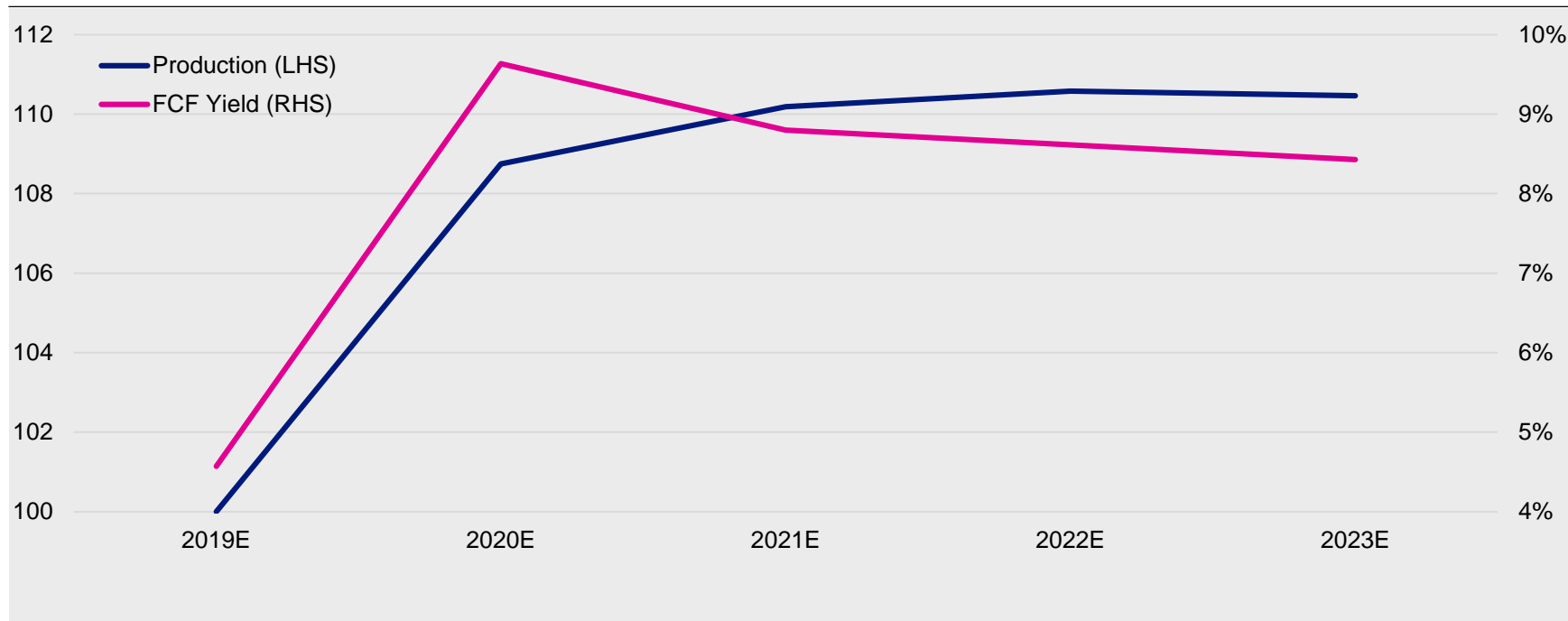
Real Rate = The real interest rate is the rate of interest an investor, saver or lender receives (or expects to receive) after allowing for inflation

Since the GFC gold has been inversely correlated with US real interest rates



Source: FRED Economic Data as at 26 September 2019.
GFC = Global Financial Crisis.

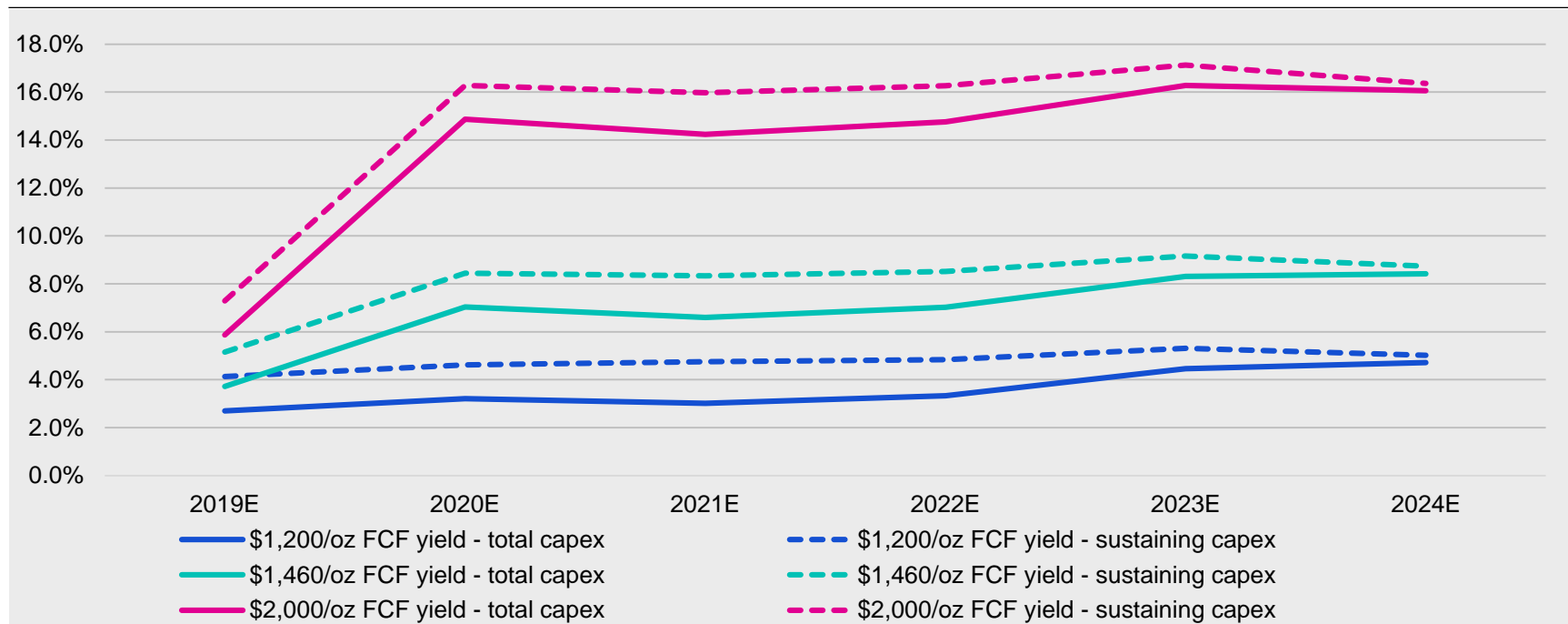
Gold: Based on forecasts provides a superior Free Cash Flow Yield, driven by increased production, rather than an increase in the Gold price.



Source: RBC Capital Markets and Invesco, as at 30 September 2019.

Production and FCF (Free Cash Flow) yields are portfolio weighted averages for gold mining stocks held in the portfolio. Production data indexed to 100 in 2019. E = Estimates

Free Cash Flow analysis of Barrick Gold Corp at varying gold prices on a total and sustaining capex basis



Source: RBC Capital Markets as at 27 November 2019.

FCF = Free Cash Flow, Barrick Gold Corp = Gold mining holding held by Keystone Investment Trust Plc. Total Capex = Total Capital Expenditure, Sustaining Capex = Capital Expenditures that are incurred in connection with sustaining a Project in a manner consistent with a Development Plan and included in any Annual Budget and Operating Plan.

Keystone Investment Trust plc

Performance (%)



Ordinary share price & NAV cumulative performance (% growth) as at 31 October 2019

Period	6 months	YTD	1 year	3 years	5 years	10 years
Share price	1.0	10.4	7.3	7.9	5.8	142.4
Net Asset Value	1.2	14.1	9.3	10.3	22.1	148.4
FTSE All-Share Index	0.4	12.8	6.8	19.3	37.9	122.0

Standardised rolling 12 month performance (% growth)

Period	30/09/14	30/09/15	30/09/16	30/09/17	30/09/18
	30/09/15	30/09/16	30/09/17	30/09/18	30/09/19
Ordinary share price	7.3	1.3	3.2	0.8	-4.1
Net Asset Value	6.6	5.0	7.8	0.0	1.1
FTSE All-Share Index	-2.3	16.8	11.9	5.9	2.7

Past performance is not a guide to future returns

Source: Invesco. Data as at 31 October 2019 unless otherwise stated.

Ordinary share price performance figures have been calculated using daily closing prices, on a sterling basis with dividends reinvested. NAV performance figures have been calculated using daily NAV, on a sterling basis with dividends reinvested. The NAV used includes current period revenue and values debt at fair. The FTSE All Share performance is shown as total return. Standardised rolling performance is on a mid-price, sterling basis with net income reinvested. The standardised rolling past performance information is updated on a quarterly basis. Should you require up-to-date past performance information this is available on our website www.invesco.co.uk.

Invesco Perpetual Select Trust plc

UK Equity Share Portfolio

Performance (%)



Ordinary share price & NAV cumulative performance (% growth) as at 31 October 2019

Period	6 months	YTD	1 year	3 years	5 years	10 years
Share price	0.0	14.9	8.0	14.9	38.0	225.0
Net Asset Value	1.0	15.6	10.3	15.5	38.2	209.8
FTSE All-Share Index	0.4	12.8	6.8	19.3	37.9	122.0

Standardised rolling 12 month performance (% growth)

Period	30/09/14	30/09/15	30/09/16	30/09/17	30/09/18
	30/09/15	30/09/16	30/09/17	30/09/18	30/09/19
Ordinary share price	13.2	8.0	9.8	1.4	0.7
Net Asset Value	9.8	9.2	13.7	-0.1	1.8
FTSE All-Share Index	-2.3	16.8	11.9	5.9	2.7

Past performance is not a guide to future returns

Source: Invesco. Data as at 31 October 2019.

Ordinary share price performance figures have been calculated using daily closing prices, on a sterling basis with dividends reinvested. NAV performance figures have been calculated using daily NAV, on a sterling basis with dividends reinvested. The NAV used includes current period revenue and values debt at fair. The FTSE All Share performance is shown as total return. Standardised rolling performance is on a sterling basis with net income reinvested. The standardised rolling past performance information is updated on a quarterly basis. Should you require up-to-date past performance information this is available on our website www.invesco.co.uk

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Further information

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.

For details of fund specific risks, please refer to the relevant Key Investor Information Documents.