

INVESCO PERPETUAL

Press Release

30 July 2002

INDEX HAS BECOME 'A CONCENTRATED FOCUS FUND' WARNS INVESCO PERPETUAL'S ED BURKE

Ed Burke, manager of the UK growth fund at INVESCO PERPETUAL, the UK's largest PEP and ISA provider and the second largest retail fund management group, is warning index investors to take a closer look at their investment. Burke says that, far from being a low risk investment, the FTSE All Share has become - due to the fact the 10 largest stocks now account for just over 43% of total index - an extremely concentrated fund, a profile more often associated with a growth or aggressive fund.

Ed Burke explains "In the INVESCO PERPETUAL UK Growth Fund the top five stocks represent less than 20% of the fund. In the FTSE All Share the top five stocks, that is BP, GlaxoSmithKline, HSBC, Vodafone and Royal Bank of Scotland - none of which I currently hold because I believe them to be over valued with further potential to fall - represent about 30% of the total index, distorting the sector weighting. Many people who invested in the FTSE All Share did so because they have a more cautious risk profile or because they wanted to balance their existing portfolio with an investment that was perceived to be less risky, but I would suggest they are now invested in the equivalent of a highly concentrated focus fund."

He concludes "In the late 60s and early 70s many people in the US invested in the 'Nifty Fifty' believing the way to make money was to invest in these so called quality growth stocks. However, from 1971 the real way to make money was by being out of them - for a long time. The distortion in that index took about 10 years to unwind. It may well take that long for the FTSE All Share to rectify itself."

Ed Burke manages the INVESCO PERPETUAL UK Growth Fund and UK Aggressive Fund. He joined the group in 1999 and has over 20 years investment experience.

More..

The following companies form part of the INVESCO PERPETUAL Marketing Group,
whose products include unit trusts, PEPs, ISAs, Investment Trust Savings Schemes, Pensions and other investment services:
INVESCO Asset Management Limited
INVESCO Fund Managers Limited
Perpetual Portfolio Management Limited
INVESCO Administration Services Limited
INVESCO Pensions Limited
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For more information about investing in the INVESCO PERPETUAL UK Growth Fund or an information pack (including a free guide to ISAs) about investing with the group call 0800 685 8677 or visit the website at www.invescoperpetual.co.uk.

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Notes to Editors

INVESCO forms part of the AMVESCAP Group, one of the world's largest investment management organisations, which has more than 8,500 employees, offices in 25 countries, and US\$400.0 billion of funds under management.* AMVESCAP has a significant presence in the investment management industry in North America, Europe and Asia-Pacific, and services clients in more than 100 countries. It is listed on the London, New York, Paris and Toronto stock exchanges.

INVESCO UK offers clients a wide range of unit trusts, investment trusts, private client portfolio, UK Institutional and Defined Contribution fund management with assets under management of £23.3 billion* INVESCO operates under the brand INVESCO PERPETUAL in the UK retail market. INVESCO PERPETUAL is the UK's largest PEP and ISA provider and the second largest retail fund management group. Source: IMA as based on funds under management as at April 2002.

Further information about INVESCO can be found on www.invesco.co.uk

**Source: INVESCO as at 31 March 2002