Invesco Asia Trust plc

Half-Yearly Financial Report
For the Six Months to 31 October 2014

KEY FACTS

Invesco Asia Trust plc (the 'Company') is an investment trust listed on the London Stock Exchange.

Investment Objective

The Company's objective is to provide long-term capital growth by investing in a diversified portfolio of Asian and Australasian companies. The Company aims to achieve growth in its net asset value in excess of the MSCI All Countries Asia Pacific ex Japan Index (total return), expressed in sterling.

Investment Policy

Invesco Asia Trust plc invests primarily in the equity securities of companies listed on the stockmarkets of Asia (ex Japan) including Australasia. It may also invest in unquoted securities up to 10% of the value of the Company's gross assets, and in warrants and options when it is considered the most economical means of achieving exposure to an asset.

The Company is actively managed and the Manager has broad discretion to invest the Company's assets to achieve its investment objective. The Manager seeks to ensure that the portfolio is appropriately diversified having regard to the nature and type of securities (such as performance and liquidity) and the geographic and sector composition of the portfolio.

Full details of the Company's investment limits are on page 6 of the 2014 annual financial report.

Performance Statistics

The Benchmark Index of the Company is the MSCI All Countries Asia Pacific ex Japan Index (total return), expressed in sterling.

	SIX MONTHS ENDED 31 OCTOBER 2014
Total Return Statistics[1]:	
– Net asset value	+17.6%
– Share Price	+16.6%
– Benchmark index	+10.3%

Capital Statistics	AT 31 OCT 2014	AT 30 APR 2014	% CHANGE
Net assets (£'000)	186,560	162,969	+14.5
Gearing:			
– gross	2.7%	3.3%	
– net	2.2%	2.4%	
Net asset value per share	210.2p	183.4p	+14.6
Benchmark index[1]	303.6	280.9	+8.1
Share price	187.5p	164.0p	+14.3
Discount[2] per ordinary share:			
– cum income	10.8%	10.6%	
– ex income	9.8%	8.8%	
Average discount over the six months/year (ex income)	9.4%	9.8%	

(1) Source: Thomson Reuters Datastream.

(2) The discount is the percentage amount by which the share price is less than the net asset value per share.

INTERIM MANAGEMENT REPORT INCORPORATING THE CHAIRMAN'S STATEMENT

Chairman's Statement

Performance

The past six months have seen Asian equity markets deliver strong returns for investors as sentiment towards emerging markets has improved. Macroeconomic concerns have eased, while earnings growth expectations have been maintained, avoiding the downward revisions we have seen in recent years. Markets were hit by a period of volatility amid fears that US interest rates could rise sooner than previously anticipated, but share prices have since steadied while holding on to gains from earlier in the period. China's economy continues to decelerate, but is showing signs of stabilising at what are still relatively high levels of growth, although concerns remain over a slowdown in the property market. Against this background, it is pleasing to report that the Company has delivered strong positive returns, comfortably outperforming the benchmark.

During the six months to 31 October 2014 the Company's Net Asset Value (NAV) on a total return basis rose by 17.6% which compares favourably with the index increase of 10.3%. The Company's share price also increased 14.3%, rising from 164p at the start of the period to 187.5p, and the ex-income discount to NAV at which the shares traded ended the period at 9.8%.

Portfolio Manager and Benchmark

The Board of Directors reviews the progress and outlook for the Company on a regular basis. One outcome of our most recent strategic review is that we believe Ian Hargreaves should now be recognised as the principal portfolio manager. Ian has been co-manager with Stuart Parks for the last three years and over this period has increasingly taken the lead, not only in managing the portfolio, but also in communicating with the Board and the Shareholders. Stuart remains head of Invesco Perpetual's Asia Team and will continue to support Ian in managing the portfolio. The Company has consistently outperformed its benchmark during the period Ian has been involved and we have full confidence in his ability to continue to produce good returns. The effective date for this change will be 1 January 2015.

The Board also reviewed the Company's performance against its peers and against the benchmark, currently the MSCI All Countries Asia Pacific ex-Japan index. The majority of our peers use the MSCI AC Asia ex-Japan index, the key differentiation being that the former includes Australia while the latter excludes Australia. Over the years, the Company has most usually been significantly underweight Australian stocks. In recognition of this, the Board, in consultation with the Manager, considered it would be more appropriate to change the benchmark to MSCI AC Asia ex-Japan index. The portfolio manager will continue to have the freedom to invest in Australia where he sees value as before, but the benchmark will be more in line with our peers. There is no performance fee so the change will not affect the fund in any material way. Furthermore, the performance of the two indices has not differed significantly in recent years. We plan to implement this change at the beginning of the next financial year, 1 May 2015.

Gearing

As part of its review, the Board also agreed that it would be helpful if we clarified how the Company uses gearing. The Manager has the freedom to borrow within a working range set by the Board within the overall limit of the Company's investment policy which permits gearing up to 25% of net assets. In practice, although borrowings have typically been in the range of 5-10% of net assets, the Board has currently set a working range which permits the Manager to use gearing up to 15% of net assets. As at 31 October 2014, gearing amounted to 2.2% of net assets.

Discount Control and Cancellation of Share Premium Account

The Board considers it desirable that the Company's shares do not trade at a significant discount to NAV and believes that in normal market conditions the shares should trade at a price which on average represents a discount of less than 10% to the ex-income NAV. In the six months to 31 October 2014 the shares traded at an average discount of 9.4%.

At the Annual General Meeting (AGM) the Company renewed its authority to purchase its own shares and this is used to assist in maintaining the discount within the 10% limit. During the period 111,110 shares were bought back and cancelled at an average price of 179.12p per share, excluding costs. This enhanced the NAV by £22,000 or 0.01%. At the period end the share capital consisted of 92,025,483 ordinary shares including 3,277,224 shares held in treasury. Subsequent to the period end, the Company bought back and cancelled a further 40,555 shares at a price of 188p per share.

Following shareholder approval at the AGM, the cancellation of the share premium account was approved on 3 September 2014. The special reserve that arose will be used to fund any future tender offers, as well as share buy backs further to the filing of these accounts.

Dividend

For the six months to 31 October 2014, the revenue per share decreased slightly from 2.4p to 2.3p. As has been the case in previous years, the Board does not intend to pay an interim dividend. At the last AGM, a final dividend of 3.45p per share was approved and paid to shareholders on 12 August 2014.

Alternative Investment Fund Managers Directive (AIFMD)

As previously announced by the Company on 22 July 2014, the Board has appointed Invesco Fund Managers Limited (IFML) as the Company's Alternative Investment Fund Manager and BNY Mellon Trust & Depositary (UK) Limited to act as the Company's depositary. These arrangements were necessary to ensure compliance with the AIFMD and it is not expected or intended that these new arrangements will result in any change to the way the Company's assets are invested.

Outlook

Asian economic growth has continued to decelerate, with muted growth in exports reflecting a lacklustre global economic recovery. However, while growth may have slowed, it continues to compare favourably with that found in developed markets. Asia stands to benefit from recent commodity price weakness as the region is a net importer, particularly of crude oil. With the exception of Malaysia, lower oil prices will improve Asia's trade balances. This in turn will lead to more buoyant liquidity conditions. Moreover, given that a number of Asian countries subsidise prices at the pump, their fiscal accounts also stand to benefit from cheaper oil. At a corporate level, lower commodity prices may also provide some benefit to the margins of manufacturing companies. Meanwhile, it is encouraging to see genuine signs of economic reform across the region, not just in China and India, but in countries such as Indonesia and South Korea. While we do not expect reform progress to be smooth, these forces for change could be positive for Asian equity markets.

Recent market volatility has served to remind investors that Asian equity markets remain sensitive to changes in the global liquidity environment, with increasing attention given to the effects of a swift rise in US interest rates, although this is not a scenario we consider likely. However, we are mindful that an acceleration in US economic growth ahead of expectations, which could justify such policy tightening, would likely be positive for Asian exports growth, a traditional driver of Asian equity market performance. We believe that there are attractive investment opportunities in our universe and that valuation levels across Asian equity markets appear reasonable, relative to history and compared to developed equity markets.

Carol Ferguson
Chairman
11 December 2014

Portfolio Managers' Report

Market and Economic Review

Asian equity markets have generated solid positive returns over the past six months, buoyed by signs of stabilisation in China's economy and improved sentiment towards emerging markets generally. However, equity and currency markets were hit by a bout of volatility in September as expectations grew that US interest rates will rise sooner than previously anticipated, with pro-democracy protests in Hong Kong adding to market uncertainty. The current benchmark MSCI Asia Pacific ex Japan index has since stabilised to end the period higher.

India's equity market has performed best, rallying strongly after Narenda Modi's BJP achieved a decisive victory in India's parliamentary elections. This has raised expectations that they will be able to deliver on economic and policy reform, with initial measures being well received. There is also growing confidence that India's economy will strengthen next year, particularly as it should benefit from recent oil price weakness given its dependence on imported oil.

China's equity market has also made strong gains, benefiting from some better-than-expected economic data and targeted monetary stimulus measures, although the property market slowdown remains an area of concern for investors. China Q3 GDP growth slowed to 7.3% year-on-year from 7.5% in Q2; this was better-than-expected and helped ease concerns of further deterioration in the economic outlook. While recent monthly economic indicators have been mixed, manufacturing surveys for October continue to indicate moderate economic expansion.

In the ASEAN region, Thailand's equity market has made the strongest returns on improving macroeconomic data and renewed political stability, with improved consumer and businesses confidence lending further support. The Philippines equity market also outperformed, benefiting from its relatively strong economic outlook, notwithstanding the central bank twice hiking policy rates by 0.25% to keep a lid on inflation. Indonesia's equity market rallied ahead of Joko Widodo's presidential election win, although it has underperformed recently with the market expecting his presidency to be challenged without a majority in parliament and a coalition of opposing parties determined to safeguard vested interests.

Australia's equity market has been the biggest laggard, with iron-ore prices touching two-year lows and further earnings downgrades for retail stocks. South Korea's equity market has also lagged notably due to some disappointing earnings results, particularly amongst exporters. The Bank of Korea has twice cut interest rates by 0.25% with the government committed to a comprehensive agenda to stimulate the economy.

Company Performance

In the six months to the end of October 2014, the Company's net asset value grew by 17.6% (total return, £), compared with the current benchmark, MSCI All Countries Asia Pacific ex-Japan index, which returned 10.3% (total return, £).

The Company's strong performance has been driven by good stock selection in a number of sectors, particularly IT, materials and industrials. The two biggest contributors have been holdings in Chinese internet stocks. Baidu, the search engine operator, benefited from growing confidence in its mobile monetisation strategy and new product offerings, as reflected in its better-than-expected quarterly earnings results. Online gaming company NetEase also continued to grow its earnings above expectations thanks to its resilient PC gaming revenues and strong growth in mobile games, advertising and e-commerce channels.

Our overweight position in India has continued to add value as this market rallied following the election, with stock selection also contributing positively. UPL has continued to generate positive returns, with the agrochemical company's earnings benefiting from rupee depreciation and strong operational growth in India and Latin America. Management remains upbeat in their guidance for the year ahead. Holdings in more economically sensitive areas of the Indian market have also outperformed. Our underweight position in Australia proved beneficial, particularly our limited exposure to its banks and retailers, while stock selection added value as outsourcing company Transfield Services reported a stronger than expected earnings recovery, with its undervalued share price delivering strong gains.

Conversely, our holding in Standard Chartered was the biggest detractor, with its valuation falling to a discount relative to its peers on the back of continued negative earnings surprises and concerns over growth and asset quality. The valuation of the shares does not appear to reflect any potential for recovery, which we view as too pessimistic. Our exposure in Hyundai Motor and Hyundai Mobis also detracted after it appeared the Hyundai Motor Company had overpaid for a plot of land on which to build its new HQ, dashing hopes that it increasingly valued minority shareholders' interests. The companies' fundamental operations were unaffected by the decision and we believe the valuation of their shares is now particularly attractive. Finally, department store operator Shinsegae has seen its share price underperform in recent months as confidence on the pace of the domestic consumption recovery in South Korea has weakened.

Outlook for Asian Economies and Markets

Asian economic growth has decelerated over the past few years as exports growth has remained muted, in line with weak global economic growth. However, the region's growth profile continues to compare favourably to that of developed markets with recent commodity price weakness being increasingly supportive given Asia is largely a net importer. For example, the weakening oil price is allowing India to remove costly diesel subsidies, helping reduce its budget deficit. At a corporate level, lower commodity prices and a slowdown in wage inflation is helping to stabilise margins, which is supportive for the region's earnings growth outlook. Consensus earnings growth forecasts for Asia Pacific ex Japan have been stable so far this year, and are currently around 9-10% per annum for both 2014 and 2015, bringing valuation levels for the region to 12.0 times 2014 expected earnings, which remains reasonable relative to history and against developed equity markets.

There also appears to be growing acceptance of China's gradual transition towards a slower, more sustainable growth environment. Recent Q3 GDP growth may have been slightly ahead of expectations, but it was still the lowest recorded since 2009 and was met with a muted reaction. Employment levels have remained robust, largely thanks to the growing contribution of the tertiary, or services sector, which is key in rebalancing the economy away from capital investment towards domestic consumption. Meanwhile, as in much of the region, we are seeing genuine signs of economic reform in China. While we do not expect progress to be smooth, these forces for change could be positive for Asian equity markets, particularly given the more moderate growth outlook.

Company Strategy

We have made a few changes to the structure of the portfolio over the period, reflecting the continued adjustments that we are seeing in the region's institutional, business and macroeconomic environment. We continue to have a significant level of exposure in Hong Kong and China, where we hold HK-listed conglomerates, financial groups and US-listed Chinese internet companies. We have taken some profits from recent outperformers, selling Cheung Kong and reducing exposure in Greatview Aseptic, as share prices were closer to our estimate of fair value. We also sold Mindray Medical as we felt that a deceleration in sales growth and increasing costs would negatively affect margins in the near term. In turn, we took the opportunity to add to a selection of Chinese internet companies after their underperformance in Q1 as we believed that some companies in the sector remain attractive, benefitting from strong profitability and cash flow generation. We also added to our holding in Industrial and Commercial Bank of China as we believe its valuation is unduly pessimistic given its ability to benefit from market reforms. Elsewhere, we introduced a holding in 51 Job, an integrated Chinese HR services company which we believe is attractively valued relative to its long-term growth potential and that of the industry in which it operates.

We continue to have significant exposure to Korea's equity market, in both exporters and domestically-focussed companies, and have seen a number of opportunities in that market given its relative underperformance. We added to our recently initiated holding in Shinsegae and switched some of our exposure in Hyundai Motor preference shares into the ordinary share class as the discount they trade at narrowed to record levels. The ordinary shares are trading at a particularly undemanding 5.0 times 2014 expected earnings which more than discounts the current challenges facing the company in our view. We introduced a new holding in Samsung SDI, with the current share price not appearing to reflect the company's long-term earnings growth prospects from the successful development of its energy storage system and electric vehicle battery businesses. We also added a position in Hyundai Home Shopping Network, which we believe is undervalued given its strong financial position and earnings growth potential, particularly if domestic consumption picks up, as intended by the new Korean finance minister. We significantly reduced our overweight position in Samsung Electronics given lower earnings visibility and sold recent outperformers LF Corp and Kepco.

Elsewhere, we added a holding in Silicon Motion Technology, which offers semiconductor solutions for mobile storage and communications to clients such as Samsung Electronics and Hynix. The company is highly competitive in terms of cost/quality and is a beneficiary of the growth in mobile devices and the increasing penetration of solid state drives in the computer market. We sold Goodpack and Charm Communications, with both companies having been the target of successful acquisitions, while also selling Treasury Wine Estates which was subject to an unwelcome takeover bid. We have also taken some profits from Indian agrochemical company UPL and sold LT Group and Far Eastern New Century as we moved to reduce exposure in areas where the outlook for earnings has become less certain.

We remain underweight in Australia and its banks, relative to the benchmark index, preferring to hold what we consider to be good quality banks that appear well placed to grow their loan books profitably in countries where credit penetration is low. However, as the Australian dollar has continued to weaken we have become more positive on the Australian equity market, gradually reducing the portfolio's underweight position by looking for stock specific opportunities such as the recently introduced engineering services contractor Transfield Services.

In addition to the above, the portfolio continues to have selective exposure to smaller companies (with market cap of less than US$ 1 billion), which offer the opportunity to deliver superior returns being at an earlier stage in their growth cycle.

Stuart Parks/Ian Hargreaves
Portfolio Managers 11 December 2014

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk factors relating to the Company can be summarised as follows:

– Investment objective – there can be no guarantee that the Company will meet its investment objective;

– Investment process – core to the process is that risks taken are not incidental but are understood and taken with conviction;

– Market risk – a fall in the stock markets and/or a prolonged period of decline in the stock markets relative to other forms of investment will affect the performance of the portfolio;

– Investment risk – the risk of poor performance of individual investments. This is mitigated by diversification and ongoing monitoring of investment guidelines;

– Foreign exchange risk – foreign exchange currency movements will affect the non-sterling assets and liabilities of the Company and could have a detrimental impact on performance;

– Ordinary shares – the market value of the ordinary shares may not reflect their underlying NAV and may trade at a discount to it. The Company has a discount monitoring mechanism to help the management of this;

– Borrowings – the use of borrowings will amplify the effect on shareholders' funds of portfolio gains and losses;

– Derivatives – derivative returns that do not exactly match the returns of the underlying assets or liabilities being hedged may expose the Company to greater loss than if derivative contracts had not been entered into;

– Reliance on Third Party Service Providers – failure by any service provider to carry out its obligations to the Company could have a materially detrimental impact on the operation of the Company and affect the ability of the Company to successfully pursue its investment policy; and

– Regulatory – consequences of a serious breach of regulatory rules could include, but are not limited to, the Company being subject to capital gains on its investments; suspension from the London Stock Exchange; fines; a qualified audit report; reputational problems and a loss of assets through fraud.

A detailed explanation of these principal risks and uncertainties can be found on pages 8 to 10 of the Company's 2014 annual financial report, which is available on the Manager's website www.invescoperpetual.co.uk/investmenttrusts.

In the view of the Board these principal risks and uncertainties are as much applicable to the remaining six months of the financial year as they were to the six months under review.

RELATED PARTY TRANSACTIONS AND TRANSACTIONS WITH INVESCO

Under United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), the Company has identified the Directors as related parties. No other related parties or related party transactions have been identified during the period.

With effect from 22 July 2014, Invesco Fund Managers Limited (IFML), a wholly owned subsidiary of Invesco Limited and associate company of Invesco Asset Management Limited (IAML), was appointed as AIFM. Prior to 22 July 2014, IAML was the Manager and continues to carry out its previous functions under delegated authority of IFML. The fee arrangements with the AIFM are unchanged and are as disclosed in the 2014 annual financial report.

GOING CONCERN

The financial statements have been prepared on a going concern basis. The Directors consider this is the appropriate basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months after the approval of this half-yearly financial report. In considering this, the Directors took into account the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments, the ability of the Company to meet all of its liabilities and ongoing expenses from its assets, and revenue forecasts for the coming year.

DIRECTORS' RESPONSIBILITY STATEMENT

in respect of the preparation of the half-yearly financial report

The Directors are responsible for preparing the half-yearly financial report using accounting policies consistent with applicable law and UK Accounting Standards.

The Directors confirm that to the best of their knowledge:

– the condensed set of financial statements contained within the half-yearly financial report have been prepared in accordance with the Accounting Standards Board's Statement 'Half-Yearly Financial Reports';

– the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure and Transparency Rules; and

– the interim management report includes a fair review of the information required on related party transactions.

The half-yearly financial report has not been audited or reviewed by the Company's auditor.

Signed on behalf of the Board of Directors.

Carol Ferguson
Chairman 11 December 2014

TWENTY-FIVE LARGEST HOLDINGS AT 31 OCTOBER 2014

Ordinary shares unless otherwise stated

COMPANY	INDUSTRY GROUP†	COUNTRY	MARKET VALUE £'000	% OF PORTFOLIO
Hutchison Whampoa	Capital Goods	Hong Kong	8,324	4.4
Baidu – *ADR*	Software & Services	China	7,747	4.1
Samsung Electronics – *Ordinary Shares*	Technology Hardware & Equipment	South Korea	4,077	3.8
– *Preference Shares*			3,161	
NetEase – *ADR*	Software & Services	China	7,091	3.7
UPL	Materials	India	5,844	3.1
Taiwan Semiconductor Manufacturing	Semiconductors & Semiconductor Equipment	Taiwan	5,505	2.9
ICICI	Banks	India	5,342	2.8
Shinhan Financial	Banks	South Korea	5,007	2.6
Industrial & Commercial Bank Of China[H]	Banks	China	4,948	2.6
HSBC	Banks	United Kingdom	4,668	2.5
Tata Consultancy	Software & Services	India	4,569	2.4
Transfield Services	Commercial & Professional Services	Australia	4,402	2.3
POSCO	Materials	South Korea	4,305	2.3
AIA	Insurance	Hong Kong	4,278	2.2
HDFC Bank	Banks	India	4,056	2.1
Hyundai Motor – *Ordinary Shares*	Automobiles & Components	South Korea	2,786	2.1
– *Preference Shares*			1,177	
Bank Negara Indonesia Persero	Banks	Indonesia	3,866	2.0
Samsonite International	Consumer Durables & Apparel	Hong Kong	3,810	2.0
Hon Hai Precision Industry	Technology Hardware & Equipment	Taiwan	3,676	1.9
Petrochina – *ADR*	Energy	China	3,582	1.9
Korea Electric Power Corporation	Utilities	South Korea	3,565	1.9
BHP Billiton	Materials	Australia	3,506	1.8
Shinsegae	Retailing	South Korea	3,457	1.8
China Life Insurance – *Taiwan*	Insurance	Taiwan	3,396	1.8
E.Sun Financial	Banks	Taiwan	3,314	1.7
			119,459	62.7
Other investments			70,917	37.3
Total investments			190,376	100.0

† MSCI and Standard & Poor's Global Industry Classification Standard.

ADR: American Depositary Receipts – are certificates that represent shares in the relevant stock and are issued by a US bank. They are denominated and pay dividends in US dollars.

H: H-Shares – shares issued by companies incorporated in the People's Republic of China (PRC) and listed on the Hong Kong Stock Exchange.

CONDENSED INCOME STATEMENT

	SIX MONTHS TO 31 OCTOBER 2014 REVENUE RETURN £'000	SIX MONTHS TO 31 OCTOBER 2014 CAPITAL RETURN £'000	SIX MONTHS TO 31 OCTOBER 2014 TOTAL RETURN £'000	SIX MONTHS TO 31 OCTOBER 2013 REVENUE RETURN £'000	SIX MONTHS TO 31 OCTOBER 2013 CAPITAL RETURN £'000	SIX MONTHS TO 31 OCTOBER 2013 TOTAL RETURN £'000	YEAR TO 30 APRIL 2014 TOTAL RETURN £'000
Gains/(losses) on investments	—	25,252	25,252	—	1,275	1,275	(2,281)
(Losses)/gains on foreign currency revaluation	—	(513)	(513)	—	(188)	(188)	41
Income							
Overseas dividends	2,289	—	2,289	2,531	—	2,531	3,753
Special dividends – overseas	93	573	666	35	—	35	107
Scrip dividends	287	—	287	255	—	255	306
UK dividends	120	—	120	246	—	246	381
Gross return	2,789	25,312	28,101	3,067	1,087	4,154	2,307
Investment management fee – note 2	(173)	(519)	(692)	(164)	(492)	(656)	(1,244)
Other expenses	(328)	(2)	(330)	(266)	(3)	(269)	(545)
Return before finance costs and taxation	2,288	24,791	27,079	2,637	592	3,229	518
Finance costs – note 2	(11)	(35)	(46)	(11)	(31)	(42)	(85)
Return on ordinary activities before tax	2,277	24,756	27,033	2,626	561	3,187	433
Tax on ordinary activities	(178)	—	(178)	(182)	—	(182)	(344)
Net return on ordinary activities after tax for the period	2,099	24,756	26,855	2,444	561	3,005	89
Return per ordinary share – note 3							
Basic	2.3p	27.9p	30.2p	2.4p	0.6p	3.0p	0.1p

The total column of this statement represents the Company's profit and loss account. The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies. All items in the above statement derive from continuing operations and the Company has no other gains or losses, therefore no statement of total recognised gains and losses is presented. No operations were acquired or discontinued in the period.

CONDENSED BALANCE SHEET

Registered Number 03011768

	AT 31 OCTOBER 2014 £'000	AT 31 OCTOBER 2013 £'000	AT 30 APRIL 2014 £'000
Fixed assets			
Investments designated at fair value	190,376	163,853	166,158
Current assets			
Amounts due from brokers	1,566	—	841
Taxation	157	255	128
VAT recoverable	16	38	22
Prepayments and accrued income	88	80	399
Cash at bank	857	3,070	1,348
	2,684	3,443	2,738
Creditors: amounts falling due within one year			
Bank overdraft	(6)	(39)	—
Bank loans	(5,002)	—	(5,331)
Amounts due to brokers	(932)	—	(138)
Accruals and deferred income	(560)	(534)	(458)
	(6,500)	(573)	(5,927)
Net current (liabilities)/assets	(3,816)	2,870	(3,189)
Total net assets	186,560	166,723	162,969
Capital and reserves			
Share capital	9,203	9,266	9,214
Share premium - note 6	—	95,911	95,911
Capital redemption reserve	3,921	3,858	3,910
Special reserve - note 6	95,911	—	—
Capital reserve	72,872	52,958	48,316
Revenue reserve	4,653	4,730	5,618
	186,560	166,723	162,969
Net asset value per share – note 4			
Basic	210.2p	186.5p	183.4p

CONDENSED CASH FLOW STATEMENT

	SIX MONTHS TO 31 OCTOBER 2014 £'000	SIX MONTHS TO 31 OCTOBER 2013 £'000	YEAR TO 30 APRIL 2014 £'000
Return before finance costs and taxation	27,079	3,229	518
Adjustment for:			
(gains)/losses on investments	(25,252)	(1,275)	2,281
losses/(gains) on currency revaluation	513	188	(41)
Scrip dividends received as income	(287)	(255)	(306)
Decrease in debtors	288	647	471
Increase/(decrease) in creditors	102	(52)	(34)
Tax on unfranked investment income	(178)	(182)	(344)
Cash inflow from operating activities	2,265	2,300	2,545
Servicing of finance			
Interest paid on bank loans and overdraft	(45)	(41)	(85)
Taxation	—	—	—
Capital expenditure and financial investment			
Purchase of investments	(37,314)	(32,044)	(68,752)
Sale of investments	38,705	74,716	104,911
Dividends paid	(3,066)	(3,389)	(3,389)
Net cash inflow before financing	545	41,542	35,230
Management of liquid resources	—	(2,804)	—
Financing			
Decrease in bank debt	(869)	(11,007)	(5,558)
Tender offer, including costs	—	(27,401)	(27,401)
Shares bought back	(200)	(927)	(1,858)
(Decrease)/increase in cash in the period	(524)	(597)	413
Cash outflow from movement in debt	869	11,007	5,558
Cashflow from movement of liquid resources	—	2,804	—
(Losses)/gains on currency revaluation	(513)	(188)	41
Movement in net (debt)/funds in the period	(168)	13,026	6,012
Net debt at beginning of period	(3,983)	(9,995)	(9,995)
Net (debt)/funds at end of period	(4,151)	3,031	(3,983)
Analysis of changes in net (debt)/funds			
Brought forward:			
Cash at bank	1,348	944	944
Debt due within one year	(5,331)	(10,939)	(10,939)
Net debt brought forward	(3,983)	(9,995)	(9,995)
Movements in the period:			
Cash (outflow)/inflow from bank and cash funds	(524)	2,207	413
Movement on currency revaluation	(513)	(188)	41
Debt due within one year	869	11,007	5,558
Net (debt)/funds at end of period	(4,151)	3,031	(3,983)

CONDENSED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	SHARE CAPITAL £'000	SHARE PREMIUM £'000	CAPITAL REDEMPTION RESERVE £'000	SPECIAL RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
For the year ended 30 April 2014							
At 30 April 2013	10,919	95,911	2,205	2,449	78,369	5,675	195,528
Final dividend for 2013	—	—	—	—	—	(3,389)	(3,389)
Net return from ordinary activities	—	—	—	—	(3,243)	3,332	89
Tender offer	(1,589)	—	1,589	(2,449)	(24,952)	—	(27,401)
Shares bought back and held in treasury/cancelled	(116)	—	116	—	(1,858)	—	(1,858)
At 30 April 2014	9,214	95,911	3,910	—	48,316	5,618	162,969
For the six months ended 31 October 2014							
At 30 April 2014	9,214	95,911	3,910	—	48,316	5,618	162,969
Final dividend for 2014	—	—	—	—	—	(3,066)	(3,066)
Unclaimed dividends	—	—	—	—	—	2	2
Net return from ordinary activities	—	—	—	—	24,756	2,099	26,855
Transfer to special reserve - note 6	—	(95,911)	—	95,911	—	—	—
Shares bought back and cancelled	(11)	—	11	—	(200)	—	(200)
At 31 October 2014	9,203	—	3,921	95,911	72,872	4,653	186,560
For the six months ended 31 October 2013							
At 30 April 2013	10,919	95,911	2,205	2,449	78,369	5,675	195,528
Final dividend for 2013	—	—	—	—	—	(3,389)	(3,389)
Net return from ordinary activities	—	—	—	—	561	2,444	3,005
Tender offer	(1,589)	—	1,589	(2,449)	(24,952)	—	(27,401)
Shares bought back and cancelled	(64)	—	64	—	(1,020)	—	(1,020)
At 31 October 2013	9,266	95,911	3,858	—	52,958	4,730	166,723

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. **Accounting Policy**

The condensed financial statements have been prepared using the same accounting policies as those adopted in the 2014 annual financial report, which were prepared under the historical cost convention and are consistent with applicable UK Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'.

2. **Management Fee and Finance Costs**

Investment management fees and finance costs of borrowings are charged 75% to capital and 25% to revenue.

3. **Basis of Returns**

	SIX MONTHS TO 31 OCT 2014	SIX MONTHS TO 31 OCT 2013	YEAR TO 30 APR 2014
Basic returns after tax:			
Revenue	£2,099,000	£2,444,000	£3,332,000
Capital	£24,756,000	£561,000	£(3,243,000)
Total	£26,855,000	£3,005,000	£89,000
Weighted average number of ordinary shares in issue during the period:			
– basic	88,811,664	98,615,025	93,873,305

4. **Basis of Net Asset Value (NAV) per Ordinary Share**

	AT 31 OCT 2014	AT 31 OCT 2013	AT 30 APR 2014
Total shareholders' funds	£186,560,000	£166,723,000	£162,969,000
Number of ordinary shares in issue	88,748,259	89,384,677	88,859,369

5. **Share Capital**

(a) Ordinary Shares of 10p each

	SIX MONTHS TO 31 OCT 2014	SIX MONTHS TO 31 OCT 2013	YEAR TO 30 APR 2014
Number of ordinary shares:			
Brought forward	88,859,369	105,911,686	105,911,686
Tender offer	—	(15,886,669)	(15,886,669)
Shares bought back and cancelled	(111,110)	(640,340)	(1,165,648)
In issue at period end	88,748,259	89,384,677	88,859,369

(b) Treasury Shares

	SIX MONTHS TO 31 OCT 2014	SIX MONTHS TO 31 OCT 2013	YEAR TO 30 APR 2014
Number of treasury shares:			
Brought forward	3,277,224	3,277,224	3,277,224
In issue at period end	3,277,224	3,277,224	3,277,224
Ordinary shares in issue (including treasury)	92,025,483	92,661,901	92,136,593

During the period a total of 111,110 ordinary shares were repurchased and cancelled for a price of 180.39p per share including costs.

Since the period end a further 40,555 ordinary shares have been repurchased and cancelled for an average price of 188.0p per share.

6. **Special Reserve**

A court order to cancel the share premium account and transfer its balance of £95,911,000 to the special reserve was granted on 3 September 2014.

7. **Dividends**

The Company paid a final dividend of 3.45p per ordinary share for the year ended 30 April 2014 on 12 August 2014 to shareholders on the register on 18 July 2014.

8. **Investment Trust Status**

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions for approval as an investment trust company.

9. **Status of Half-Yearly Financial Report**

The financial information contained in this half-yearly report, which has not been reviewed or audited by the independent auditors, does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information for the half years ended 31 October 2014 and 31 October 2013 have not been audited. The figures and financial information for the year ended 30 April 2014 are extracted and abridged from the latest published accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and include the Report of the Independent Auditor, which was unqualified and did not include a statement under section 498 of the Companies Act 2006.

By order of the Board
Invesco Asset Management Limited
Company Secretary

11 December 2014

DIRECTORS, INVESTMENT MANAGER AND ADMINISTRATION

Directors

Carol Ferguson (Chairman of the Board and Remuneration and Nomination Committees)
Owen Jonathan
Tom Maier
James Robinson (Chairman of the Audit and Management Engagement Committees)

All Directors are members of the Audit, Management Engagement, Remuneration and Nomination Committees

Registered Office and Company Number

Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH

Registered in England and Wales: No. 03011768

Alternative Investment Fund Manager

Invesco Fund Managers Limited.

Company Secretary

Invesco Asset Management Limited
Company Secretarial contact: Kelly Nice

Correspondence Address

6th Floor, 125 London Wall, London EC2Y 5AS

☎ 020 3753 1000

Depositary

BNY Mellon Trust & Depositary (UK) Limited
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

Registrar

Capita Asset Services,
The Registry, 34 Beckenham Road, Beckenham Kent BR3 4TU

If you hold your shares directly rather than through an ISA or Savings Scheme, and have any queries relating to your shareholding you should contact the Registrars on ☎ 0871 664 0300.

Calls cost 10p per minute plus network extras.

From outside the UK: +44 (0)208 639 3399. Lines are open from 9am to 5.30pm, Monday to Friday (excluding UK Bank Holidays).

Shareholders holding shares directly can also access their holding details via Capita's website www.capitaassetservices.com or www.capitashareportal.com

Capita provide an on-line and telephone share dealing service to existing shareholders who are not seeking advice on buying or selling. This service is available at www.capitadeal.com or ☎ 0871 664 0454. Calls cost 10p per minute plus network extras (From outside the UK: +44 (0)203 367 2699). Lines are open 8am to 4.30pm Monday to Friday (excluding Bank Holidays).

Invesco Perpetual Investor Services

Invesco Perpetual Investor Services Team is available from 8.30am to 6pm each business day on ☎ 0800 085 8677.

Invesco Perpetual Investment Trust Savings Scheme and ISA Administrators

For both the Invesco Perpetual Investment Trust Savings Scheme and ISA, contact:
Invesco Perpetual
P.O. Box 11150
Chelmsford
CM99 2DL

Manager's Website

Information relating to the Company can be found on the Manager's website at www.invescoperpetual.co.uk/investmenttrusts.

The contents of websites referred to in this document, or accessible from links within those websites, are not incorporated into, nor do they form part of, this document.

The Company's ordinary shares qualify to be considered as mainstream investment products suitable for promotion to retail investors.

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