Invesco Asia Trust plc

Half-Yearly Financial Report
For the Six Months to 31 October 2017

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 (NAV) in excess of the Benchmark Index, the MSCI AC Asia ex Japan Index (total return, in sterling terms).

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 2017 annual financial report.

Performance Statistics

The Benchmark Index of the Company is the MSCI AC Asia ex Japan Index (total return, in sterling terms).

Terms marked † are defined in the Glossary of Terms on page 65 of the 2017 annual financial report.

	SIX MONTHS ENDED 31 OCT 2017
Total Return Statistics(1)**:**	
– Net asset value† (NAV)	14.8%
– Share price	13.4%
– Benchmark index†	15.5%

Capital Statistics	AT 31 OCT 2017	AT 30 APR 2017	% CHANGE
NAV†	330.0p	291.3p	+13.3
Share price(1)	287.0p	257.0p	+11.7
Benchmark index(1)	—	—	+13.5
Discount† per ordinary share:			
– cum income	13.0%	11.8%	
– ex income	11.7%	10.3%	
Average discount over the six months/year (ex income)(1)	10.1%	10.9%	
Gearing†:			
– net cash	2.0%	2.6%	

(1) Source: Thomson Reuters Datastream.

INTERIM MANAGEMENT REPORT INCORPORATING THE CHAIRMAN'S STATEMENT

Chairman's Statement

Performance

Asian equity markets have continued to make strong gains over the past six months, underpinned by an upturn in corporate earnings revisions and solid global economic expansion. Sentiment towards Asian equity markets benefited from stable economic growth in China, helped by robust consumer spending, and evidence that the authorities are succeeding in their attempts to rebalance the economy away from investment-led growth. While the markets have risen, Asia continues to be an attractive place to invest for the long-term given our portfolio manager's perspective and focus on valuations.

I am pleased to report that the Company's strategy has delivered a solid performance albeit marginally behind the benchmark's return. Over the six month period to 31 October 2017, the net asset value per ordinary share on a total return basis increased by 14.8% compared to the benchmark index, the MSCI All Countries Asia ex-Japan Index, which returned 15.5% (in sterling terms). Over the same period, the Company's share price return was less at 13.4%, a direct consequence of the discount to net asset value widening from 10.3% to 11.7%. Rising discounts generally were a feature in the sector, with the average across our peers increasing from 7.6% to 8.0%. Over the six month period under review, the Company's average discount (ex income) was 10.1%, marginally above the Board's desired discount of 10%.

On a longer term basis, the NAV and share price total returns of the Company continue to be excellent, with both comfortably ahead of the benchmark as shown in the table below.

Total Return	**3 years**	**5 years**	**10 years**
NAV	63.8%	116.3%	174.1%
Share Price	61.3%	114.6%	180.5%
Benchmark	51.5%	78.0%	103.6%

Tender Offer and Discount

As detailed in my Chairman's Statement in the 2017 annual financial report, the Company sought and was granted shareholder approval on 10 August 2017 to implement a 15% tender offer. As a result 15% of the Company's ordinary issued share capital (12,514,241 shares) was bought back at a 2% discount to NAV. The price per share was 312.8857p. Following this share buy back the share capital consisted of 74,999,881 ordinary shares including 4,085,406 shares held in treasury.

As also explained in my Statement, the Board concluded that a continuation of the tender arrangement was not in shareholders' long term interests and therefore this arrangement has been discontinued. The Board remains committed to seeking to control the discount, and believes that it is desirable that the Company's shares should trade at a price that, in normal market conditions, represents a discount of less than 10%. Accordingly the Board sought, and obtained, shareholder approval to buy back up to 14.99% of its shares at the AGM, and will use this facility if the Board determines this to be in the best interests of shareholders and the Company.

Dividend

For the six months to 31 October 2017, the revenue per ordinary share was 4.65p (2016: 3.64p). As has been the case in previous years the Board does not intend to pay an interim dividend. At the last AGM held on 10 August 2017, a final dividend of 4.30p per share was approved and this was paid to shareholders on 14 August 2017.

Borrowings

The Manager has the freedom to borrow within a range set by the Board according to the overall limit of the Company's investment policy which permits gross gearing of up to 25% of net assets. The Board has set a working range of up to 15% of net assets. In practice, borrowings in the period have been minimal so that net gearing was generally less than 1%. At 31 October 2017, the Company, on a net basis, was not geared and held cash of 2.0%. At the date of this report the Company remains ungeared.

Board Composition

Through the Nominations Committee, the Board regularly reviews composition and succession planning for the Company. Following the retirement of the Audit Committee and Management Engagement Committee Chairman James Robinson at the last AGM, Fleur Meijs has taken over the chairmanship of these committees. To further strengthen the Board, an external facilitator, Trust Associates, was engaged to conduct a search for an additional Director and consequently Neil Rogan was appointed as a non-executive Director on 1 September 2017. Mr Rogan has broad experience of investment companies both as an investment manager and as a non-executive director. He was director of Global Equities at Henderson Global Investors and has held senior positions as an investment manager at Gartmore Investment Limited. The Board believes that Mr Rogan will bring a wealth of investment management experience to complement the current skills and experience on the existing Board.

Carol Ferguson
Chairman 14 December 2017

Portfolio Manager's Report

Market Review

Asian equity markets, as measured by the MSCI AC Asia ex Japan Index (total return), rose 15.5% over the six months to 31 October 2017 in sterling terms. Factors that have improved investor sentiment include: corporate earnings growth forecasts being revised up to 20% for 2017 from 10% at the beginning of the year, a weaker US dollar, and President Trump's failure to implement disruptive trade policies.

China's equity markets led the rally, benefiting from increasing earnings expectations. This stemmed not only from the higher growth sectors such as e-commerce, internet and consumer discretionary but also from the more structurally challenged industrial sectors that are experiencing improved pricing power from capacity rationalisation. High debt levels remain a concern in China but the market has reacted positively to the government's determination to rein in some of the more risky areas of the non-bank financial sector. This has been achieved without a significant negative impact on the liquidity of the broader banking system or on real economic activity.

The South Korean market was among the best performing in the region despite tensions caused by North Korea's aggressive behaviour and a related Chinese boycott of South Korean products. A key market driver was Samsung Electronics' share price performance which rose due to the strength of its semiconductor business and the company's actions to enhance shareholder returns.

India's equity market also rose but underperformed the region as economic activity remained weak. The economy continues to struggle to digest the excess capacity and bad debt created during the last cycle. It is also one of the few markets to experience downward revisions to earnings forecasts. Recently, however, the government's plan to recapitalise state-owned banks drove the market higher as it is expected to strengthen bank balance sheets, speed up the resolution of bad debts and provide a boost to economic growth over the medium term.

Finally, the Taiwanese equity market outperformed as technology stocks rose on increased pricing power as a result of favourable supply/demand dynamics and anticipation that new Apple products will drive the revenue growth of Apple's suppliers.

Portfolio Review

In the six months to 31 October 2017, the Company's net asset value increased by 14.8% (total return, £). This performance was marginally behind that of the benchmark which rose by 15.5% (total return, £).

The Company's exposure to hardware technology companies contributed significantly to performance. For example, MediaTek, a Taiwanese semiconductor design company with substantial cash on its balance sheet, was the largest contributor to relative performance. MediaTek's profits have been pressured by the weakness of its mobile chip division. However, new products being introduced in 2017 and beyond should improve MediaTek's competitive and cost position leading to better profitability. The market has begun to take account of this positive change. Given how low MediaTek's margins have become, small increases in margin will have a significant positive impact on its bottom line. Also in Taiwan, two small cap stocks added considerable value. Yageo's share price rallied as the passive component manufacturer raised prices across its product range, while Chroma ATE rose due to evidence of strong demand for its test instruments and automated testing products. The attraction of Chroma is its exposure to new growth areas within technology – electric vehicles, lithium batteries, laser diodes (used in facial recognition) and graphics processing units (used in advance computing) - while its consistently high margins highlight its technology advantages that have been hard for competitors to replicate.

Our stock selection in Indian equities also added value this year. For example, the real estate company, Sobha, outperformed as a number of positive regulatory changes are expected to stimulate the market and lead to higher market shares for the leading property companies. Lower mortgage rates are an additional positive for the sector. Also in India, a large private port operator, Adani Ports, benefited from improving volume growth expectations due to increased containerisation of cargo and a ramp-up in volume at new ports. The company has also addressed some of the market concerns about its inter-group transactions. We believe that Adani is one of best ways to play an eventual revival in Indian economic growth.

Elsewhere, MINTH, a Chinese auto-parts manufacturer, performed strongly thanks to robust order growth and product upgrades which have driven sales and margin growth. In our view, this company's large order backlog offers a high level of revenue visibility in the medium term, while its valuation remains reasonable.

Conversely, Korea Electric Power (Kepco) performed poorly over the period. The company saw its share price weaken due to lower utilisation of its nuclear plants, consistently high coal prices and uncertainty about future tariff policy. The shares are trading at close to trough valuations and we believe the market is underappreciating the government's incentive to ensure that the company generates an acceptable return on capital. Without this, Kepco will be unable to deliver on the government's desire to transition the power generation mix away from coal and nuclear towards renewables.

In South Korea, the financial holdings detracted from performance during the review period. DGB Financial's share price suffered from uncertainty surrounding a potential acquisition despite quarterly results showing that core profitability remains stable. Also, Korean Reinsurance was impacted by the high number of typhoons this year. However, we view this as a temporary impact on earnings and believe that the market is underestimating the strength of the underlying profitability of the business. Even after taking into account the typhoon losses, the company trades on 6x earnings with a 4.6% dividend yield.

The Company's lack of exposure to Alibaba and underweight position in Tencent had a negative impact on index relative performance as both of these companies' share prices benefited from solid results and positive guidance from the companies. Over the reporting period, some Chinese internet companies that the Company does own in size such as Netease and JD.com experienced a lull in performance. However we view this divergence in performance as temporary.

Outlook and Strategy

Asian markets have recovered strongly from the lows in February 2016, rising by close to 70% in sterling terms. There are several reasons to expect returns to be more modest in future. Firstly, valuations are now less attractive than before. The MSCI AC Asia ex Japan Index is now trading at 13.2x 2018 expected earnings and 1.8x trailing book value. While reasonable against other global equity markets, these valuation multiples are above their long-term averages. Secondly, as a result of higher valuations, further sustainable market performance is likely to become more reliant on a continuation of positive earnings momentum. However, two important drivers of the improved macro environment for earnings, Asian export growth and Chinese economic growth, have now peaked. In a number of Asian countries, export growth has accelerated to over 20% year on year. This is unsustainable in the current global demand environment. There is also clear evidence that Chinese economic momentum is now slowing as a result of policy tightening and slower credit growth. While consumption has been quite resilient so far, property sales, infrastructure investment and exports are all now slowing. So, while there are always exceptions to be found, it is unlikely that Asia can experience a broad-based acceleration of earnings against this backdrop. Thirdly, Asian market performance has been quite narrow in 2017 with returns coming disproportionately from the technology sector, both internet and technology hardware. This is similar to trends seen in other global equity markets. The technology sector has also dominated Asia's earnings revisions so the good performance has been based on sound fundamentals. However, we feel less optimistic about future returns given the record valuations seen in some internet stocks and the risk that we are nearing the cyclical earnings peak in some areas of technology hardware.

Our response to this has been to gradually reduce the Company's longstanding overweight exposure to the technology sector. Since the beginning of the financial year, we have moved from being 4.8% overweight technology to 1% underweight. By contrast we have reinvested in stocks that, in our view, remain attractively valued and have the potential to grow further.

For example, we have added exposure in the energy sector. While we do not have a strongly bullish view on oil prices, we observe that the industry is under significant pressure below $50 per barrel. As a result, we have focused on energy companies that are profitable at $50 or above. We introduced Inpex, a Japanese oil and gas company, whose most important asset is about to start producing liquefied natural gas (LNG) in Australia. We expect this will make a dramatic change to its earnings capability over the next few years. We also added to CNOOC - we believe its oil reserves, as well as management's focus on profitability and asset returns, are being underappreciated by the market. CNOOC has a free cash yield of 6% at $50 per barrel.

From a country perspective, India remains the largest overweight in the portfolio. India is differentiated by the fact that it is at the bottom of its business and credit cycles. Meanwhile, under Prime Minister Modi, India has begun to deliver on its economic reform agenda. The implementation of the Goods & Services Tax, the approval of the new Bankruptcy Code and the recapitalisation of the state-owned banks are forming a solid foundation for future economic growth. It is notable that after a long period of disappointing economic and earning trends, there are recent signs that the economy has started to accelerate. Our preferred way to gain exposure is through the financial sector. In particular, we have added to ICICI Bank. ICICI Bank has been impacted by asset quality problems in the large corporate sector but we now believe that we have passed the peak of this problem and that the bank's return on equity will gradually normalise. This should lead to an increase in valuation.

Another source for attractive investment ideas is South Korea which is amongst the cheapest markets in Asia. This discount partly results from the high representation of cyclical stocks in the market and the uncertainty caused by aggressive behaviour of the North Korean regime. However, South Korea's history of poor corporate governance has also been a significant factor in the discount. This is best demonstrated by the low average dividend pay-out ratio which is about 20% lower than the average for Asia ex Japan. However, we believe that this is beginning to change for the better with positive implications for valuations. Firstly, Samsung Electronics has moved to a capital return policy which outlines that at least 50% of free cash flow will be returned to shareholders in the form of dividends and share buybacks. As South Korea's most successful company, Samsung's more shareholder-friendly actions are likely to be copied by other business groups. Secondly, the Korea National Pension Service, a large shareholder in many South Korean companies, has become more forceful in demanding better shareholder returns. We see value in a number of sectors in South Korea such as banks, insurance, autos and utilities.

Ian Hargreaves
Portfolio Manager 14 December 2017

RELATED PARTY TRANSACTIONS

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 have been identified. No transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Strategic Risk

Market Risk

A significant fall and/or a prolonged period of decline in the markets is which this Company invests could negatively affect the performance of the portfolio, as could other macro events including Brexit.

Investment Objectives

The Company's investment objectives and structure may no longer meet investors' demands.

Wide Discount

Lack of liquidity and lack of marketability of the Company's shares may lead to a stagnant share price and wide discount, with a persistently high discount leading to continual buy backs of the Company's shares and shrinkage of Company.

Management Risk

Performance

The risk that as a result of the portfolio manager's decisions, the Company could consistently underperform the benchmark and/or peer group over 3-5 years.

Key Person Dependency

The risk that the portfolio manager (Ian Hargreaves) ceased to be portfolio manager or is incapacitated or otherwise unavailable.

Currency Fluctuation Risk

The movement of exchange rates may have an unfavourable impact on returns as nearly all of the Company's assets are non-sterling denominated.

Third Party Service Providers Risk

Unsatisfactory Performance of Third Party Service Providers

Failure by any service provider to carry out its obligations to the Company could have a materially detrimental impact on operations; could affect the ability of the Company to successfully pursue its investment policy; and expose the Company to reputational risk.

Information Technology Resilience and Security

The Company's operational structure means that all cyber risk (information and physical security) emanates from its third party service providers (TPPs). This cyber risk could include fraud, sabotage or crime perpetrated against the Company or any of its TPPs.

Regulation and Corporate Governance Risk

Failure to Comply With Relevant Law and Regulations

The failure to ensure regulatory compliance, or adverse regulatory or fiscal changes, could damage the Company and its ability to continue in business.

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.

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.

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 FRC's FRS 104 *Interim Financial Reporting*;

– 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 Guidance 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.

Owen Jonathan
Director 14 December 2017

TWENTY-FIVE LARGEST HOLDINGS AT 31 OCTOBER 2017

Ordinary shares unless otherwise stated

The industry group is based on MSCI and Standard & Poor's Global Industry Classification Standard.

COMPANY	INDUSTRY GROUP	COUNTRY	MARKET VALUE £'000	% OF PORTFOLIO
Samsung Electronics – *ordinary shares*	Technology Hardware & Equipment	South Korea	9,980	6.7
– *preference shares*			5,310	
Baidu – *ADR*	Software & Services	China	8,968	3.9
Taiwan Semiconductor Manufacturing	Semiconductors & Semiconductor Equipment	Taiwan	8,434	3.7
HDFC Bank	Banks	India	7,704	3.4
Hyundai Motor – *preference shares*	Automobiles & Components	South Korea	7,663	3.3
AIA	Insurance	Hong Kong	7,169	3.1
MediaTek	Semiconductors & Semiconductor Equipment	Taiwan	6,945	3.0
CNOOC[R]	Energy	China	6,337	2.8
NetEase – *ADR*	Software & Services	China	6,312	2.8
JD.com – *ADR*	Retailing	China	6,307	2.8
Chroma ATE	Technology Hardware & Equipment	Taiwan	5,947	2.6
Industrial & Commercial Bank Of China[H]	Banks	China	5,813	2.5
Tencent	Software & Services	Hong Kong	5,791	2.5
China Mobile[R]	Telecommunication Services	China	5,665	2.5
CK Hutchison	Capital Goods	Hong Kong	5,565	2.4
Qingdao Port International	Transportation	China	5,159	2.3
United Overseas Bank	Banks	Singapore	4,649	2.0
HSBC	Banks	Hong Kong	4,604	2.0
Korea Electric Power	Utilities	South Korea	4,580	2.0
MINTH	Automobiles & Components	China	4,489	2.0
UPL	Materials	India	4,453	1.9
Samsonite International	Consumer Durables & Apparel	Hong Kong	4,029	1.8
Sobha	Real Estate	India	3,957	1.7
ICICI	Banks	India	3,955	1.7
Hon Hai Precision Industry	Technology Hardware & Equipment	Taiwan	3,856	1.7
			153,641	67.1
Other investments			75,379	32.9
Total investments			229,020	100.0

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.

R: Red Chip Holdings – holdings in companies incorporated outside the PRC, listed on the Hong Kong Stock Exchange, and controlled by PRC entities by way of direct or indirect shareholding and/or representation on the board.

CONDENSED INCOME STATEMENT

	SIX MONTHS TO 31 OCTOBER 2017			SIX MONTHS TO 31 OCTOBER 2016		
	REVENUE RETURN £'000	CAPITAL RETURN £'000	TOTAL RETURN £'000	REVENUE RETURN £'000	CAPITAL RETURN £'000	TOTAL RETURN £'000
Gains on investments at fair value	—	31,477	31,477	—	55,416	55,416
Losses on foreign currency revaluation	—	(256)	(256)	—	(274)	(274)
Income – note 2	4,505	—	4,505	3,807	—	3,807
Gross return	4,505	31,221	35,726	3,807	55,142	58,949
Investment management fee – note 3	(236)	(709)	(945)	(205)	(615)	(820)
Other expenses	(286)	(4)	(290)	(270)	(1)	(271)
Net return before finance costs and taxation	3,983	30,508	34,491	3,332	54,526	57,858
Finance costs – note 3	(5)	(15)	(20)	(8)	(24)	(32)
Return on ordinary activities before taxation	3,978	30,493	34,471	3,324	54,502	57,826
Tax on ordinary activities – note 4	(359)	—	(359)	(249)	—	(249)
Return on ordinary activities after taxation for the financial period	3,619	30,493	34,112	3,075	54,502	57,577
Return per ordinary share						
Basic	4.65p	39.17p	43.82p	3.64p	64.57p	68.21p
Weighted average number of ordinary shares in issue			77,851,717			84,405,678

The total column of this statement represents the Company's profit and loss account prepared in accordance with UK Accounting Standards. The return on ordinary activities after taxation is the total comprehensive income and therefore no statement of comprehensive income is presented. 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 of the Company. No operations were acquired or discontinued in the period.

CONDENSED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	SHARE CAPITAL £'000	CAPITAL REDEMPTION RESERVE £'000	SPECIAL RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
For the six months ended 31 October 2017						
At 30 April 2017	8,751	4,373	85,722	137,616	6,563	243,025
Final dividend for 2017	—	—	—	—	(3,587)	(3,587)
Net return on ordinary activities	—	—	—	30,493	3,619	34,112
Tendered shares bought back and cancelled – note 6	(1,251)	1,251	(39,520)	—	—	(39,520)
At 31 October 2017	7,500	5,624	46,202	168,109	6,595	234,030
For the six months ended 31 October 2016						
At 30 April 2016	8,874	4,250	89,965	71,348	5,671	180,108
Final dividend for 2016	—	—	—	—	(3,086)	(3,086)
Net return on ordinary activities	—	—	—	54,502	3,075	57,577
Shares bought back and cancelled/held in Treasury	(123)	123	(3,633)	—	—	(3,633)
At 31 October 2016	8,751	4,373	86,332	125,850	5,660	230,966

CONDENSED BALANCE SHEET

Registered Number 03011768

	AT 31 OCTOBER 2017 £'000	AT 30 APRIL 2017 £'000
Fixed assets		
Investments held at fair value through profit or loss – note 5	229,020	236,238
Current assets		
Amounts due from brokers	788	917
Tax recoverable	227	167
VAT recoverable	19	15
Prepayments and accrued income	129	308
Cash and cash equivalents	4,589	6,236
	5,752	7,643
Creditors: amounts falling due within one year		
Amounts due to brokers	(124)	(240)
Accruals	(618)	(616)
	(742)	(856)
Net current assets	5,010	6,787
Net assets	234,030	243,025
Capital and reserves		
Share capital	7,500	8,751
Capital redemption reserve	5,624	4,373
Special reserve	46,202	85,722
Capital reserve	168,109	137,616
Revenue reserve	6,595	6,563
	234,030	243,025
Net asset value per share – basic	330.0p	291.3p
Number of 10p ordinary shares in issue at the period end – note 6	70,914,475	83,428,716

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Accounting Policies

The condensed financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland,* FRS 104 *Interim Financial Reporting* and the Statement of Recommended Practice Financial Statements of Investment Trust Companies and Venture Capital Trusts, issued by the Association of Investment Companies in November 2014 as updated in January 2017. The financial statements are issued on a going concern basis.

The accounting policies applied to these condensed financial statements are consistent with those applied in the financial statements for the year ended 30 April 2017.

2. Income

	SIX MONTHS TO 31 OCTOBER 2017 £'000	SIX MONTHS TO 31 OCTOBER 2016 £'000
Income from investments		
Overseas dividends	3,857	3,325
Special dividends – overseas	384	194
Scrip dividends	107	107
UK dividends	152	181
Deposit interest	5	–
Total income	4,505	3,807

No special dividends have been recognised in capital (31 October 2016: £nil).

3. Management Fee and Finance Costs

Investment management fees and finance costs on any borrowings are charged 75% to capital and 25% to revenue. A management fee is payable quarterly in arrears and is equal to 0.75% per annum of the value of the Company's total assets less current liabilities (including any short-term borrowings) under management at the end of the relevant quarter.

4. Investment Trust Status and Tax

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. As such, no tax liability arises on capital gains. The tax charge represents withholding tax suffered on overseas income.

5. Fair Value Hierarchy Disclosures

The fair value hierarchy analysis for investments at fair value at the period end is as follows:

	AT 31 OCTOBER 2017 £'000	AT 30 APRIL 2017 £'000
Level 1 – The unadjusted quoted price in an active market for identical assets that the entity can access at the measurement date.	229,020	236,238

6. Share Capital movements

(a) Ordinary Shares of 10p each

	SIX MONTHS TO 31 OCTOBER 2017	YEAR TO 30 APRIL 2017
Number of ordinary shares:		
Brought forward	83,428,716	85,462,391
Tendered shares bought back and cancelled	(12,514,241)	—
Shares bought back and cancelled	—	(1,225,493)
Shares bought back and held in Treasury	—	(808,182)
Carried forward	70,914,475	83,428,716

(b) Treasury Shares

	SIX MONTHS TO 31 OCTOBER 2017	YEAR TO 30 APRIL 2017
Number of treasury shares:		
Brought forward	4,085,406	3,277,224
Shares bought back into Treasury	—	808,182
Carried forward	4,085,406	4,085,406
Ordinary shares in issue (including treasury)	74,999,881	87,514,122

(c) As announced on 10 August 2017 the Company undertook a tender offer of 15% of its shares in issue at 312.8857p per share. Fixed costs and expenses of the tender offer amounted to £365,000, giving a total cost of £39,520,000. No shares, except for the tender offer shares, were bought back in the period or subsequent to the period end.

7. Dividend per Ordinary Share

The Company paid a final dividend of 4.3p per ordinary share for the year ended 30 April 2017 on 14 August 2017 to shareholders on the register on 14 July 2017.

8. Status of Half-Yearly Financial Report

The financial information contained in this half-yearly report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 31 October 2017 and 31 October 2016 has not been audited. The figures and financial information for the year ended 30 April 2017 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 included 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

14 December 2017

DIRECTORS, INVESTMENT MANAGER AND ADMINISTRATION

Directors

Carol Ferguson (Chairman of the Board and Remuneration and Nomination Committees)
Owen Jonathan
Tom Maier
Fleur Meijs (Chairman of the Audit and Management Engagement Committees)
Neil Rogan (appointed 1 September 2017)

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

Manager

Invesco Fund Managers Limited.

Company Secretary

Invesco Asset Management Limited
Company Secretarial contacts: Kelly Nice

Correspondence Address

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

☎ 020 3753 1000

Depositary

The Bank of New York Mellon (International) Limited
One Canada Square
London E14 5AL

Registrar

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

**formerly Capita Asset Services*

If you hold shares directly and in your own name and have a query, you should contact the registrar on ☎ 0871 664 0300. Calls cost 12p per minute plus your phone company's access charges.

From outside the UK: +44 (0)371 664 0300. Calls from outside the UK will be charged at the applicable international rate. Lines are open from 9am to 5.30pm, Monday to Friday (excluding Bank Holidays).

Shareholders holding shares directly can also access their holding details via Link's website www.signalshares.com

The registrar provides on-line and telephone share dealing services to existing shareholders who are not seeking advice on buying or selling. This service is available at www.linksharedeal.com or ☎ 0371 664 0445. Calls cost 12p per minute plus your phone company's access charge. From outside UK: +44 371 664 0445; Calls from outside the UK will be charged at the applicable international rate. Lines are open 8am to 4.30pm Monday to Friday (excluding Bank Holidays).

Invesco Perpetual Client Services

Invesco Perpetual Client Services Team is available from 8.30am to 6pm Monday to Friday (excluding UK Bank Holidays). Current valuations, statements and literature can be obtained, however, no investment advice can be given. ☎ 0800 085 8677.

www.invescoperpetual.co.uk/investmenttrusts

Website

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

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 a mainstream investment product suitable for promotion to retail investors.

Linkway Financial Printers – Typeset & Printed in London (UK) 16861