Invesco Perpetual UK Smaller Companies Investment Trust plc

Half-Yearly Financial Report for the Six Months to 31 July 2012

KEY FACTS

Invesco Perpetual UK Smaller Companies Investment Trust plc ('the Company') is an investment trust, quoted on the London Stock Exchange, which invests predominantly in the shares of small to medium sized UK quoted companies.

Investment Objectives of the Company

The Company aims to achieve long-term total return for its shareholders via an investment vehicle which gives access to a broad cross section of small to medium sized UK quoted companies.

Full details of the Company's investment policy and risk and investment limits can be found in the annual financial report for the year ended 31 January 2012.

Performance Statistics

The Benchmark Index of the Company is the ***Numis Smaller Companies Index (excluding Investment Trusts)*** *on a total return basis.* During the period under review the Company's benchmark, the Extended Hoare Govett Smaller Companies Index, was renamed the Numis Smaller Companies Index.

	AT 31 JULY 2012	AT 31 JANUARY 2012	% CHANGE
Net asset value and share price:			
Net asset value per share:			
– balance sheet	245.9p	237.6p	+3.5%
– after charging proposed dividends (capital NAV)	244.3p	234.2p	+4.3%
Shareholders' funds (£'000)	130,830	126,771	+3.2%
Mid-market price per share*	203.0p	187.5p	+8.3%
Discount per ordinary share	17.4%	21.1%	
Total return (all income reinvested) for the six months ended 31 July 2012:			
Net asset value*			+5.0%
Benchmark Index*			+3.9%
FTSE All-Share Index*			+1.9%
Capital return:			
Net asset value*			+4.3%
Benchmark Index*			+2.3%
FTSE All-Share Index*			-0.2%

**Source: Thomson Reuters Datastream*

	AT 31 JULY 2012	AT 31 JANUARY 2012
Gearing†		
– gross gearing	0.9%	6.7%
– net gearing	0.9%	6.7%
– maximum permissable gearing	15.3%	15.8%

† *Definition given on final page.*

	SIX MONTHS ENDED 31 JULY 2012	SIX MONTHS ENDED 31 JULY 2011
Return and dividend per share:		
Revenue return	3.2p	2.8p
Capital return	8.3p	6.8p
Total return	11.5p	9.6p
Interim dividend	1.6p	1.6p

CHAIRMAN'S STATEMENT INCORPORATING THE INTERIM MANAGEMENT REPORT

Chairman's Statement

During the six months under review, your Company achieved an increase in net asset value of 5.0% on a total return basis, again out-performing its benchmark index, the Numis Smaller Companies (ex-Investment Companies) Index which rose by 3.9% on a total return basis.

Once again, I must give credit to the Investment Managers – Richard Smith and Jonathan Brown – for staying true to their principles of investing in sound companies with proven management skills, solid balance sheets and with the ability to generate cash. As you will read in the Investment Managers' Report, we are soon to enter the sixth year of this economic crisis with no obvious resolution in sight. Astute investment managers who have the experience to cope with such turbulent times are a great asset and their approach is one that your Board supports and believes will deliver positive returns with lower volatility over time.

It is also pleasing to report that the mid-market price of the Company's shares rose during the period from 187.5p to 203p and that the discount narrowed from 21.1% at the beginning of the period to 17.4% as at 31 July 2012.

The Future of the Company

Your Board and Investment Managers have always been aware that no investment company has the right to exist and that investment trends go in and out of fashion. In particular, your Board has found that the level at which the market has priced the Company's shares over the last few years has led to a wider discount level than either the Board is comfortable with or that the Investment Managers deserve. In response to this, the Board announced on 25 May 2012 that it intends to offer shareholders a choice of options at a fixed date in the future.

On or around the Company's AGM in 2017, shareholders will be able to decide whether to continue their investment in the Company, to rollover into a similar investment vehicle or to realise their investment for cash at a price close to NAV. One of the longer term benefits the Board hopes to achieve by this initiative is a permanent narrowing of the discount to NAV at which the shares trade.

My fellow Directors and I believe that this is the right course of action for shareholders and is in their best interests. We also believe that willingness to promote this initiative by the management company shows confidence in their abilities to produce sufficiently good performance over the five-year period to earn the right from shareholders for a continuation of this investment trust.

Share Buy Backs

During this six month period, the Company bought back and cancelled 137,000 ordinary shares at an weighted average price of 201.6p per share at an average discount of 17.8%, enhancing the NAV per share by 0.1%.

Interim Dividend

The Board is pleased to declare an interim dividend of 1.6p per share to be paid on 24 October 2012 to shareholders on the register on 28 September 2012. Shares will go ex-dividend on 26 September 2012.

Outlook

The economic outlook in Europe has not greatly improved since this time last year and much has still to be agreed and enacted by politicians before any level of optimism can return, although expectations are running high, especially after Mario Draghi – European Central Bank President – recently asserted that "the Euro is irreversible". Our Investment Managers believe that this is a market in which it is necessary to be mindful of earnings risk as conditions for many companies remain difficult and this could adversely affect the earnings growth that can be delivered which, in turn, could depress share prices. Hence, they will continue to build on their investments in relatively defensive sectors where security of earnings is greater and cash on the balance sheet adds a degree of certainty to returns. Your Board is wholly supportive of this approach.

Ian Barby

Chairman

14 September 2012

Investment Managers' Report

Investment Review

The period under review broadly divides into two halves in terms of equity market behaviour. The provision of Long Term Refinancing Operations by the European Central Bank (ECB), undertaken in a bid to ease tensions within the eurozone banking system, induced a liquidity-fuelled rally for the first three months of 2012. With investors favouring riskier assets such as equities, UK smaller companies rose. However, a portion of those gains were clawed back in the second quarter of 2012 as macroeconomic data pointed to a slowdown in global growth and investors sought perceived safe-haven assets. Nevertheless, despite the weaker performance of the equity market in the second quarter, UK smaller companies, as measured by the Numis Smaller Companies (ex-Investment Companies) index, rose 3.9% in total return terms over the six months to 31 July 2012.

Portfolio Strategy and Review

Against this background, your Company produced an increase in net asset value of 5.0% for the half-year, in total return terms. The portfolio benefited from overweight positions in the Support Services and Software & Computer Services sectors but was hurt by its exposure to the Mining and Industrial Transportation sectors. At the individual stock level, the best performers included: Talk Talk Telecom (+41.1%), where final results surprised on the upside, with margin targets being reached significantly ahead of schedule; the speciality chemical group Elementis, which rose 37% following earnings upgrades; and PayPoint, which increased by 26.3%, following better than expected final results, with volumes across all divisions showing an increase on last year. While contributors to the portfolio substantially outweighed detractors, there were disappointments from Avocet Mining (-66.5%) which issued a profits warning due to production problems at its main Inata gold mine in West Africa. The shares of coal supplier, Hargreaves Services (-37.9%), also fell on news of a geological problem. This resulted in an exceptional cost being incurred in that group's 2012 results.

It is now five years since the onset of the credit crisis. The record low interest rates characterising the period have merely been a reflection of the global economic malaise, rather than the fillip policymakers hoped would boost economic growth and accelerate debt reduction. In China, economic growth is decelerating, while in the US, downwardly revised growth estimates for 2012 and 2013 have not yet factored in the wide-ranging potential implications of the 'fiscal cliff'. (The term is used to describe the double impact of tax increases and automatic spending cuts, due in early 2013. If implemented, these would create the biggest fiscal drag since the onset of World War II). In the eurozone, Spain, Italy, Greece and Portugal are in recession. Mario Draghi, President of the ECB, states that he will do whatever it takes to preserve the euro. However, we believe his 'freedom to manoeuvre' is curtailed by German opposition to a full-scale bond buying programme. In the UK, economic activity remains subdued, with expectations for manufacturing activity at a three year low. The outlook for the service sector is not much more encouraging. On a more positive note, one of the key outcomes of lower economic growth has been the decline in the rate of global inflation. The annual rate of inflation in the UK has now fallen to 2.6% for July 2012. This is, in part, due to lower commodity prices such as oil, copper and gold, although some 'soft' commodities (notably corn and soyabeans) have been strong, following the worst US drought in fifty years. Despite some short-term fillips to UK consumer spending, in particular the rise in personal tax allowances, consumer sentiment remains fragile, exacerbated by slow wage growth, the increased cost of living and a weak housing market.

The growth prospects for emerging markets remain attractive, with favourable demographics and a lower cost of production. However, wage increases in China are causing some shifts in production to other areas in Asia. With the notable exception of India, inflation is falling in the region, allowing authorities scope to initiate cuts in interest rates and adopt further monetary stimulus measures. Hence, China's move to cut interest rates twice in as many months and lower its reserve requirement ratio.

Although the global economic situation is likely to remain subdued, we continue to see UK smaller companies as an attractive asset class, which offer investors the prospect of real returns. These will come from a mixture of dividends and selective profits growth. These returns are not currently available from fixed income securities or bank deposits. We note that, at the time of writing, the yields on short-term bonds from Germany, Switzerland and Denmark are currently in negative territory. Equity valuations, on the other hand, are low in terms of price/earnings ratios compared with historic levels and many publicly quoted companies have healthy balance sheets. One of the attractions of the smaller companies sector is the flexibility of many businesses, a necessity in today's challenging economic environment, with products and services addressing niche, growth areas of the economy. Another positive factor is the potential for take-over activity amongst smaller companies. Many larger companies have significant cash balances available, earning virtually nothing, so any acquisitions would be margin enhancing.

Given the current backdrop, our aim is to find companies that can shape their own destiny and continue to grow in the current environment. These may be businesses exposed to higher growth in other countries, in attractive niches, or able to take market share from competitors. We also favour companies with proven management skills and the ability to generate cash. In our view, there are more opportunities to find such groups amongst smaller companies than in the broader market. With this in mind, we retain significant exposure to the industrial sector, through companies such as rigid plastic supplier RPC, PayPoint and speciality chemicals company Elementis, and in the healthcare sector, through businesses such as Synergy Health and Dechra Pharmaceuticals. We have added to selective consumer stocks, reflecting our hope of an improvement in the consumer's financial position. We remain cautious about financials, although we see selective opportunities even here.

Outlook

Despite a number of headwinds, we believe there are several factors supporting the UK and other developed equity markets. These include low equity valuations, attractive and growing dividends, as well as low interest rates and the possibility of further global monetary easing. Nevertheless, while the Bank of England and US Federal Reserve continue to hint at further stimulus, they seem reluctant to act. Against this background, your Company has modest gearing.

Richard Smith and **Jonathan Brown**
Invesco Asset Management Limited

Related Party

Invesco Asset Management Limited ('IAML'), a wholly owned subsidiary of Invesco Limited, acts as Manager, Company Secretary and Administrator to the Company. Details of IAML's services and fees arrangements are given in the annual financial report which is available on the Manager's website.

Principal Risks and Uncertainties

– Investment Objective – there can be no guarantee that the Company will achieve its published investment objective.

– Market Movements and Portfolio Performance – a fall in the stock markets and/or a prolonged period of decline in the markets relative to other forms of investment as well as bad performance of individual companies.

– Ordinary Shares – the market value of the shares in the Company may not reflect their underlying net asset value. Whilst it is the Directors' intention to pay a dividend, the ability to do so and its quantum will depend upon the income received from securities.

– Regulatory Risk – the Company is subject to various laws and regulations by virtue of its status as an investment trust. Control failures by the Managers or third party service providers may result in operational or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations.

– Gearing – The Company may borrow money for investment purposes. If the investments fall in value, any borrowings will magnify the loss. If borrowing facilities could not be renewed, the company might have to sell investments to repay borrowings.

– 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.

A detailed explanation of these principal risks and uncertainties can be found on pages 17 and 18 of the Company's 2012 annual financial report, which is available on the Manager's website at: www.invescoperpetual.co.uk

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 the Company has adequate resources to continue in operational existence for the foreseeable future. In considering this, the Directors took into account the diversified portfolio of readily realisable securities which can be used to meet funding commitments, and the ability of the Company to meet all of its liabilities and ongoing expenses from its assets.

THIRTY LARGEST HOLDINGS AT 31 JULY 2012

Ordinary shares unless stated otherwise

COMPANY	ACTIVITY BY SECTOR	VALUE £'000	% OF PORTFOLIO
Synergy Healthcare	Healthcare Equipment & Services	5,082	3.9
Dechra Pharmaceuticals	Pharmaceuticals & Biotechnology	4,643	3.5
RPC	General Industrials	3,239	2.5
RPS	Support Services	2,727	2.1
Diploma	Support Services	2,626	2.0
Micro Focus	Software & Computer Services	2,609	2.0
Fenner	Industrial Engineering	2,458	1.9
Paypoint	Support Services	2,409	1.8
Babcock International	Support Services	2,338	1.8
Elementis	Chemicals	2,324	1.8
Greene King	Travel & Leisure	2,107	1.6
Domino Printing	Electronic & Electrical Equipment	2,103	1.6
Filtrona	Support Services	2,099	1.6
Premier Oil	Oil & Gas Producers	2,061	1.6
Mears	Support Services	2,017	1.5
Dunelm	General Retailers	1,844	1.4
Bellway	Household Goods & Home Construction	1,827	1.4
BTG	Pharmaceuticals & Biotechnology	1,797	1.4
Senior	Aerospace & Defence	1,797	1.4
TalkTalk Telecom	Fixed Line Telecommunications	1,748	1.3
RWS	Support Services	1,742	1.3
Jupiter Fund Management	Financial Services	1,692	1.3
Brewin Dolphin	Financial Services	1,690	1.3
Brown (N)	General Retailers	1,675	1.3
James Halstead	Construction & Materials	1,647	1.2
Rentokil Initial	Commercial & Professional Services	1,641	1.2
Spirent Communications	Technology Hardware & Equipment	1,628	1.2
Victrex	Chemicals	1,620	1.2
Enquest	Oil & Gas Producers	1,601	1.2
Homeserve	Support Services	1,587	1.1
		66,378	50.4
Other Investments (71)		65,327	49.6
Total Investments (101)		**131,705**	**100.0**

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	SIX MONTHS TO 31 JULY 2012			SIX MONTHS TO 31 JULY 2011			YEAR ENDED 31 JANUARY 2012
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000	TOTAL £'000
Gains/(losses) on investments at fair value	—	4,937	4,937	—	4,138	4,138	(3,441)
Income							
UK dividends	1,963	—	1,963	1,849	—	1,849	3,416
UK unfranked investment income	41	—	41	4	—	4	10
Overseas dividends	81	—	81	73	—	73	164
Gross profit	2,085	4,937	7,022	1,926	4,138	6,064	149
Investment management fee — note 2	(221)	(221)	(442)	(219)	(219)	(438)	(842)
Performance fee — note 2	—	(258)	(258)	—	(180)	(180)	(391)
Other expenses	(142)	(2)	(144)	(163)	(1)	(164)	(311)
Profit/(loss) before finance costs and tax	1,722	4,456	6,178	1,544	3,738	5,282	(1,395)
Finance costs: interest payable and similar charges — note 2	(7)	(29)	(36)	—	—	—	(15)
Profit/(loss) before tax	1,715	4,427	6,142	1,544	3,738	5,282	(1,410)
Taxation	(3)	—	(3)	(1)	—	(1)	(5)
Net profit/(loss) after tax	1,712	4,427	6,139	1,543	3,738	5,281	(1,415)
Return per ordinary share							
Basic — note 3	3.2p	8.3p	11.5p	2.8p	6.8p	9.6p	(2.6)p

The total column of this statement represents the Company's statement of comprehensive income, prepared in accordance with International Financial Reporting Standards. The profit after tax is the total comprehensive income for the period. The supplementary revenue and capital columns are both prepared under guidance published 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. No operations were acquired or discontinued in the period.

CONDENSED BALANCE SHEET

Registered number 2129187

	AT 31 JUL 2012 £'000	AT 31 JUL 2011 £'000	AT 31 JAN 2012 £'000
Non-current assets			
Investments at fair value through profit or loss	131,705	136,339	135,045
Current assets			
Amounts due from brokers	409	457	1,083
Prepayments and accrued income	472	375	201
Cash and cash equivalents	—	159	—
	881	991	1,284
Total assets	132,586	137,330	136,329
Current liabilities			
Amounts due to brokers	(230)	(277)	(524)
Bank overdraft	(1,152)	—	(8,498)
Accruals	(116)	(135)	(145)
Performance fee payable	—	—	(391)
	(1,498)	(412)	(9,558)
Total assets less current liabilities	131,088	136,918	126,771
Provision for performance fee – note 2	(258)	(180)	—
Net assets	130,830	136,738	126,771
Issued capital and reserves			
Share capital	10,642	10,930	10,669
Share premium	21,244	21,244	21,244
Capital redemption reserve	3,386	3,098	3,359
Capital reserves	91,449	97,715	87,299
Revenue reserve	4,109	3,751	4,200
Total Shareholders' funds	130,830	136,738	126,771
Net asset value per ordinary share			
Basic – see note 5	245.9p	250.2p	237.6p

CONDENSED STATEMENT OF CASH FLOW

	SIX MONTHS TO 31 JUL 2012 £'000	SIX MONTHS TO 31 JUL 2011 £'000	YEAR TO 31 JAN 2012 £'000
Cash flow from operating activities			
Profit/(loss) before tax	6,142	5,282	(1,410)
Taxation	(3)	(1)	(5)
Adjustments for:			
Purchases of investments	(19,206)	(16,321)	(41,274)
Sales of investments	27,865	17,130	35,419
	8,659	809	(5,855)
(Profit)/loss on investments	(4,937)	(4,138)	3,441
Finance costs	36	—	15
Operating cash flows before movements in working capital	9,897	1,952	(3,814)
Increase in receivables	(271)	(195)	(21)
(Decrease)/increase in payables	(161)	112	331
Net cash flows from operating activities after tax	9,465	1,869	(3,504)
Cash flows from financing activities			
Interest paid	(36)	—	(15)
Shares repurchased and cancelled	(280)	(1,068)	(3,477)
Equity dividends paid	(1,803)	(1,489)	(2,349)
Net cash used in financing activities	(2,119)	(2,557)	(5,841)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	7,346	(688)	(9,345)
Cash, cash equivalents and bank overdrafts at the beginning of period	(8,498)	847	847
Cash, cash equivalents and bank overdrafts at the end of the period	(1,152)	159	(8,498)

CONDENSED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL £'000	SHARE PREMIUM £'000	CAPITAL REDEMPTION RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
For the six months ended 31 July 2012						
At 31 January 2012	10,669	21,244	3,359	87,299	4,200	126,771
Profit for the year	—	—	—	4,427	1,712	6,139
Shares repurchased and cancelled	(27)	—	27	(277)	—	(277)
Dividends paid — note 4	—	—	—	—	(1,803)	(1,803)
At 31 July 2012	10,642	21,244	3,386	91,449	4,109	130,830
For the six months ended 31 July 2011						
At 31 January 2011	11,032	21,244	2,996	95,030	3,697	133,999
Profit for the year	—	—	—	3,738	1,543	5,281
Shares repurchased and cancelled	(102)	—	102	(1,053)	—	(1,053)
Dividends paid — note 4	—	—	—	—	(1,489)	(1,489)
At 31 July 2011	10,930	21,244	3,098	97,715	3,751	136,738
For the year ended 31 January 2012						
At 31 January 2011	11,032	21,244	2,996	95,030	3,697	133,999
(Loss)/profit for the year	—	—	—	(4,267)	2,852	(1,415)
Shares repurchased and cancelled	(363)	—	363	(3,464)	—	(3,464)
Dividends paid — note 4	—	—	—	—	(2,349)	(2,349)
At 31 January 2012	10,669	21,244	3,359	87,299	4,200	126,771

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation

Accounting Standards and Policies

These condensed financial statements have been prepared using the same accounting policies as those adopted in the 2012 annual financial report, which are consistent with International Financial Reporting Standards ('IFRS'), and Standard Interpretation Committee and International Financial Reporting Interpretation Committee interpretations issued by the International Accounting Standards Board to the extent adopted by the EU.

2. Management Performance Fees and Finance Costs

The investment management fee is allocated 50% to revenue and 50% to capital; finance costs are allocated 20% to revenue and 80% to capital.

Performance-related fees are charged wholly to capital and at the period end, a provision of £258,000 (31 July 2011: £180,000) is included in the financial statements.

3. Basis of Returns

	SIX MONTHS TO 31 JUL 2012	SIX MONTHS TO 31 JUL 2011	YEAR TO 31 JAN 2012
Returns after tax:			
Revenue	£1,712,000	£1,543,000	£2,852,000
Capital	£4,427,000	£3,738,000	(£4,267,000)
Total	£6,139,000	£5,281,000	(£1,415,000)
Weighted average number of ordinary shares in issue during the period	53,225,507	55,031,620	54,467,398

4. Dividends on Ordinary Shares

	RATE	SIX MONTHS ENDED 31 JUL 2012 £'000	SIX MONTHS ENDED 31 JUL 2011 £'000	YEAR ENDED 31 JAN 2012 £'000
Final 2011	2.7p	—	1,489	1,489
Interim 2012	1.6p	—	—	867
Final 2012	3.4p	1,809	—	—
Return of unclaimed dividends from previous years		(6)	—	(7)
Total		1,803	1,489	2,349

An interim dividend of 1.6p per ordinary share (2011: 1.6p) will be paid on 24 October 2012 to shareholders on the register on 28 September 2012.

5. Basis of Net Asset Value per Ordinary Share

	AT 31 JUL 2012	AT 31 JUL 2011	AT 31 JAN 2012
Shareholders' funds	£130,830,000	£136,738,000	£126,771,000
Ordinary shares in issue at period end	53,209,084	54,650,084	53,346,084

6. Movements in Share Capital

	SIX MONTHS TO 31 JUL 2012	SIX MONTHS TO 31 JUL 2011	YEAR TO 31 JAN 2012
Number of ordinary 20p shares:			
Brought forward	53,346,084	55,159,029	55,159,029
Buy backs in period	(137,000)	(508,945)	(1,812,945)
In issue at period end	53,209,084	54,650,084	53,346,084

The average share price of shares bought back in the six months to 31 July 2012 was 201.6p. In the period under review, no shares bought back have been held in treasury.

7. 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.

8. Status of Half Yearly Financial Report

The financial information contained in this half yearly financial 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 July 2011 and 31 July 2012 has not been audited. The figures and financial information for the year ended 31 January 2012 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 Auditors, which was unqualified.

By order of the Board

Invesco Asset Management Limited

Company Secretary

14 September 2012

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 International Financial Reporting 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 International Accounting Standards 34 '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 UKLA'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 auditors.

Signed on behalf of the Board of Directors.

Ian Barby

Chairman

14 September 2012

GEARING

Gross Gearing

This reflects the amount of gross borrowings in use by a company and takes no account of any cash balances. It is based on gross borrowings as a percentage of shareholders' funds.

Net Gearing

This reflects the amount of net borrowings invested, ie borrowings less cash. It is based on net borrowings as a percentage of shareholders' funds.

Maximum Permissable Gearing

This reflects the maximum permissable borrowings of a company taking into account both any gearing limits laid down in the investment policy and the maximum borrowings laid down in covenants under any borrowing facility. It is based on maximum permissable borrowings as a percentage of shareholders' funds.

A positive percentage indicates the extent to which shareholders' funds are geared; a nil gearing percentage, or 'nil', shows a company is ungeared. A negative percentage indicates that a company is not fully invested.

DIRECTORS, ADVISERS AND PRINCIPAL SERVICE PROVIDERS

Directors

Ian Barby (Chairman)
Richard Brooman (Deputy Chairman and Chairman of the Audit Committee)
Christopher Fletcher
Garth Milne
John Spooner

Manager, Company Secretary and Registered Office

Invesco Asset Management Limited
30 Finsbury Square
London EC2A 1AG

Authorised and regulated by the Financial Services Authority
☎ 020 7065 4000

Company Secretarial contact: Kelly Nice

Company Number

Registered in England and Wales No. 2129187

Invesco Perpetual Investor Services

Invesco Perpetual has an Investor Services Team, available from 8.30 am to 6.00 pm, Monday to Friday (excluding bank holidays). Please feel free to take advantage of their expertise.

☎ 0800 085 8677
www.invescoperpetual.co.uk/investmenttrusts

Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

If you hold your shares direct and not through either a Savings Scheme or ISA and have queries relating to your shareholding, you should contact the Registrars' on:
☎ 0871 664 0300

Calls cost 10p per minute plus network charges.

From outside the UK: +44 20 8639 3399.

Lines are open from 9.00 am to 5.30 pm, Monday to Friday (excluding bank holidays).

The Registrars provide a telephone and an online 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 0364

From outside the UK: +44 20 3367 2691.

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

Invesco Perpetual

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