

Invesco Leveraged High Yield Fund Limited

Half-Yearly Financial Report for the Six Months to 31 March 2013

KEY FACTS

Invesco Leveraged High Yield Fund Limited is a closed-end investment company with limited liability incorporated in Jersey. The Company's ordinary shares are listed on the London Stock Exchange.

Investment Objective of the Company

The principal objective of the Company is to provide shareholders with a high level of income whilst seeking to maximise total return through investing in a diversified portfolio of high yielding corporate and Government bonds. The Company may also invest in equities and other instruments that Invesco Asset Management Limited (the Manager) considers appropriate. The Company seeks to balance the attraction of high yield securities with the need for protection of capital and to manage volatility. The Company generally employs leverage in its Investment Policy.

Full details of the Company's Investment Policy (incorporating the Company's investment objective) can be found on pages 15 and 16 of the Company's 2012 annual financial report.

Performance Statistics

	AT 31 MAR 2013	AT 30 SEPT 2012	% CHANGE
Capital			
Shareholders' funds (£'000)	79,151	72,391	+9.3
Net asset value per ordinary share	71.1p	65.1p	+9.2
Mid-market price per ordinary share*	65.1p	59.9p	+8.7
Discount per ordinary share	8.4%	8.0%	
Gross gearing	36%	38%	
Net gearing	31%	29%	
	SIX MONTHS ENDED 31 MAR 2013	SIX MONTHS ENDED 31 MAR 2012	YEAR ENDED 30 SEPT 2012
Total Return			
3 month LIBOR rate	0.5%	1.0%	0.6%
Net asset value	13.1%	20.8%	29.1%
Share price*	13.2%	19.5%	31.6%
Revenue			
Net revenue return (£'000)	3,062	3,047	5,988
Revenue return per ordinary share	2.8p	2.7p	5.4p
Dividends per ordinary share:			
– first interim	1.25p	1.25p	1.25p
– second interim	1.25p	1.25p	1.25p
– third interim	—	—	1.25p
– fourth interim	—	—	1.25p
Total	2.50p	2.50p	5.00p

*Source: Thomson Reuters Datastream

INTERIM MANAGEMENT REPORT

Market Background

High yield bonds achieved strong levels of total return over the six months to the end of March, benefiting from price appreciation as well as yield, and outperforming a rising investment grade corporate bond market. Within investment grade, the financial sector outperformed. Returns on Gilts were modest.

According to data from Merrill Lynch, European high yield bonds returned 14.4% (in sterling terms). This return was boosted by sterling weakness against other European currencies over the period. The aggregate yield for the market fell 235 basis points (bps) to 5.70%. In the same period, sterling investment grade corporate bonds returned 4.5%, with financials returning 7.2%, compared to 2.5% for non-financials. Gilts returned 0.2%. Investor appetite for credit risk has continued to be buoyed by the efforts of European politicians and the European Central Bank (ECB) to address the tail-risks in eurozone sovereign bond markets and in the European banking system. The limited market reaction to recent political uncertainty in Italy and the Cypriot bank bail-out reflected this improvement in sentiment. More broadly, bond markets have been supported by accommodative monetary policy as growth in the developed economies remains sluggish. Central bank interest rates

have been kept very low and we have seen further significant quantitative easing over recent quarters by the US Federal Reserve and the Bank of Japan. In the UK, the Bank of England has maintained its record-low 0.5% interest rate but has left the size of its asset purchasing programme unchanged at £375 billion.

In these supportive market conditions, bond issuance has been strong. Barclays estimate that there was a total of £33 billion of new high yield bond supply across European currencies in the past six months, along with £194 billion of investment grade. High yield issuance in the first quarter of 2013 was 18% higher than in the same period in 2012. According to Moody's, the European 12 month trailing high yield default rate was 1.8% at the end of March, compared to 2.6% in September and 3.3% a year ago.

Portfolio Strategy

The overall theme of our portfolio has not changed greatly. The core of our portfolio is made up of a selection of high yield bonds from seasoned issuers that we believe have a relatively low risk of default. We continue to favour financials, most notably subordinated bank capital. Rising capital levels, ongoing structural reform and implementation of new, more conservative banking sector regulations should be supportive of this area of the market for many years. In our opinion, aggregate yields on this type of debt offer value.

Over the period under review, the Company's NAV rose from 65.1p to 71.1p, an increase of 9.2%. The total return was 13.1%. The value of the portfolio rose from £72.4 million to £79.2 million. The portfolio entered the period with gross gearing of 38% and this was little changed at 36% by the end of the period.

Overall our exposure to investment grade corporate bonds fell. Exposure to convertible bonds, preference shares and equity warrants increased. This was in part due to movement in the market valuation of our holdings, as well as trading and ratings changes. The level of liquidity in the portfolio was little changed, although we chose to hold a position in US Treasuries as well as cash.

Trading in the portfolio over this period included trimming and selling some positions where we felt the risk to reward balance had become less attractive, adding some new positions and participating in new issues. For example, we trimmed our holding in Codere 8.25% (leisure) and added positions in Abengoa 6.25% (construction), EDF 6% (utility) and Virgin 6% (cable).

Outlook

The high yield bond market has achieved strong returns in recent quarters and the asset class is now considerably more fully valued. Yields and credit spreads have fallen and many newly issued bonds are coming to market with very low coupons by historical standards. We believe that our portfolio can continue to provide an attractive level of income. On the other hand, from current price levels we see limited potential for capital appreciation and we are also seeing some evidence of weaker earnings and a poorer outlook for growth. We think that from here, income will be the main driver of returns.

Paul Read & Paul Causer

21 May 2013

Related Parties and Transactions with the Manager

Invesco Asset Management Limited (IAML), a wholly-owned subsidiary of Invesco Limited, acts as Manager to the Company. Details of IAML's services and fee arrangements and fees paid to Directors are disclosed in the 2012 annual financial report, which is available on the Manager's website at www.invescoperpetual.co.uk/investmenttrusts.

Principal Risks and Uncertainties

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

- Investment Policy – the adopted investment policy and process may not achieve the Company's published investment objective.
- Market Risk – a fall in the stock markets and/or a prolonged period of decline in the stock markets relative to other forms of investments will affect the performance of the portfolio, as well as the performance of individual portfolio investments.
- Investment Risk – the investment process employed by the Manager is likely to result, from time to time, in a more concentrated portfolio than those of other investment funds.
- Foreign Exchange Risk – the movement of exchange rates may have an unfavourable or favourable impact on returns as the Company holds non-sterling denominated investments and cash.
- Ordinary Shares – share price is affected by market sentiment, supply and demand for the shares, dividends declared, portfolio performance as well as wider economic factors and changes in the law. The market value of, and the income derived from, the Company's ordinary shares can fluctuate and may go down as well as up.
- Gearing – the Company's ordinary shares are geared by repo financing which is typically between 50% and 150% of shareholders' funds. As at 31 March 2013, net gearing was 31% and an investment in the Company's ordinary shares should therefore be regarded as highly geared and consequently a higher risk investment. The use of gearing will amplify the effect on shareholders' funds of portfolio gains as well as losses.
- High Yield Corporate Bonds – corporate bonds are subject to credit, liquidity, duration and interest rate risk. Adverse changes in the financial position of the issuer of corporate bonds or in general economic conditions may impair the ability of the issuer to make payments of principal interest or may cause the liquidation or insolvency of the issuer.
- Derivatives – the Company may enter into derivative transactions for the purpose of efficient portfolio management. The Company will not enter into derivative transactions for speculative purposes.
- 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.
- Regulatory – whilst compliance with rules and regulations is closely monitored, breaches could affect returns to shareholders.

A detailed explanation of these principal risks and uncertainties can be found on pages 18 to 21 of the Company's 2012 annual financial report, which is available on the Manager's website at:

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.

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 DTR 4.2.7R and DTR 4.2.8R of the FSA'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.

Donald Adamson

Chairman

21 May 2013

BOND RATING ANALYSIS

AT 31 MARCH 2013

Standard and Poor's Ratings, investments grade is BBB- and above

The definitions of these ratings are set out on page 57 of the 2012 annual financial report.

Rating	31 MAR 2013		30 SEPT 2012	
	% OF PORTFOLIO	CUMULATIVE TOTAL %	% OF PORTFOLIO	CUMULATIVE TOTAL %
AAA	3.0	3.0	—	—
A+	1.9	4.9	1.7	1.7
A-	2.2	7.1	4.4	6.1
AA-	1.0	8.1	1.0	7.1
BBB+	4.0	12.1	2.3	9.4
BBB	9.1	21.2	11.4	20.8
BBB-	12.1	33.3	11.8	32.6
BB+	10.9	44.2	6.7	39.3
BB	11.6	55.8	12.9	52.2
BB-	11.1	66.9	16.7	68.9
B+	12.7	79.6	17.6	86.5
B	6.4	86.0	2.3	88.8
B-	3.7	89.7	4.5	93.3
CCC+	0.2	89.9	0.4	93.7
CCC	0.2	90.1	—	93.7
NR (including equity and warrant)	9.9	100.0	6.3	100.0
	100.0		100.0	

INVESTMENT PORTFOLIO

AT 31 MARCH 2013

All investments are fixed interest bonds unless otherwise stated; floating rates notes are depicted by FRN.

Bonds and Equity Investments

ISSUER	ISSUE	RATING	MARKET VALUE £'000	AT % OF PORTFOLIO
Euro				
UPC	7.625% 15 Jan 2020	Ba3/BB-	1,829	4.1
	9.75% 15 Apr 2018	B2/B-	1,332	
	9.5% 15 Mar 2021	B3/B-	966	
Santos Finance	8.25% FRN 22 Sep 2070	NR/BB	2,813	2.8
UBS Capital Securities	8.836% FRN Perpetual	Ba2/BBB-	2,535	2.5
UniCredit International Bank	8.125% FRN Perpetual	Ba2/BB+	2,485	2.5
Rexam	6.75% FRN 29 Jun 2067	Ba2/BB	2,121	2.1
Allianz Finance II	5.75% FRN 08 Jul 2041	A2/A+	1,885	1.9
Abengoa	6.25% Cnv 17 Jan 2019	NR/NR	938	1.8
	8.5% 31 Mar 2016	B2/B+	861	
Alliander	4.875% FRN Perpetual	A3/A-	1,788	1.8
Commerzbank	7.75% 16 Mar 2021	Ba1/BBB	1,781	1.8
Origin Energy	7.875% 16 Jun 2071	Ba1/B+	1,758	1.7
Lottomatica	8.25% FRN 03 Mar 2066	Ba2/BB	1,757	1.7
SSE	5.025% FRN Perpetual	Baa2/BBB	1,740	1.7
RWE	4.625% FRN Perpetual	Baa2/BBB-	1,720	1.7
Telecom Italia	5.25% 17 Mar 2055	Baa3/BBB	1,348	1.3
Aviva	6.875% FRN 22 May 2038	A3/BBB	923	1.3
	4.7291% FRN Perpetual	Baa1/BBB	405	
Wind Acquisition Finance	11.75% 15 Jul 2017	B3/B+	977	1.3
	7.375% 15 Feb 2018	Ba3/BB-	348	
	6.385% 12 May 2020	Ba3/BB+	1,267	
Lloyds Banking Group – LBG Capital No.2 (ECN)	8.375% FRN Perpetual	Ba2/BB+	1,261	1.2
Intesa Sanpaolo	7.75% 15 May 2018	B1/B+	1,034	1.0
Levi Strauss	4.125% 20 Mar 2023	Baa1/BBB+	921	0.9
Nationwide Building Society	8% 01 Jun 2018	Ba3/B+	912	0.9
Xefin	8.25% 31 Oct 2016	B1/BB-	888	0.9
Campofrio Food	9.25% 15 May 2015	B1/B+	885	0.9
INEOS Finance	9% FRN Perpetual	Ba2/BBB-	883	0.9
BPCE	9% 15 Oct 2018	B1/NR	878	0.9
Algeco Scotsman Global Finance	FRN 15 May 2019	B1/BB-	862	0.9
Matterhorn Mobile	5.75% Perpetual	Baa3/BB+	839	0.8
Iberdrola International	5.625% Perpetual	Baa3/BB+	691	0.7
Telekom Austria	FRN 01 Dec 2018	B1/B	638	0.6
TMF	FRN Perpetual	NR/A-	458	0.5
CNP Assurances	8.875% 15 May 2018	B2/B+	456	0.5
Zinc Capital	6.625% 15 Apr 2018	Ba2/BB	444	0.4
Sappi Papier	5.5% 07 Mar 2019	Ba2/BB	442	0.4
Stora Enso	11.125% 15 Jul 2019	Caa1/B-	441	0.4
Ono Finance II	6.375% 01 Apr 2016	B1/BB-	435	0.4
Fiat Finance & Trade	7.75% 15 Feb 2017	B1/B	434	0.4
ECO-BAT Finance	2.5% Cnv 01 Jan 2019	NR/BB	430	0.4
Nexans	6.75% 01 Mar 2019	B1/BB	423	0.4
Gategroup Finance	8.875% 15 Dec 2017	Ba3/BB-	368	0.4
Mark IV Europe	8.75% 15 Mar 2019	NR/B-	340	0.3
Mobile Challenger Intermediate	FRN 15 Jan 2019	B2/B	247	0.2
Cerved Technologies	6.75% 01 Jul 2017	Ba3/B+	230	0.2
Schaeffler Finance	Cnv FRN Perpetual	Ba3/BB	228	0.2
BNP Paribas Fortis	8.875% 15 May 2019	B1/B+	219	0.2
Lecta	8.75% 15 Dec 2020	B2/B-	218	0.2
KM Germany	8.75% 15 May 2018	B3/B+	206	0.2
Cirsa Funding	8.25% 15 Jun 2015 (SNR)	Caa3/CCC	191	0.2
Codere Finance	9.5% 15 Jun 2017	Caa2/CCC+	174	0.2
Beverage Packaging (A subsidiary of the Reynolds Group Holdings)	5.308% FRN 15 Dec 2017	B2/B+	94	0.1
HellermannTyton Finance				
			50,747	50.1
Sterling				
Lloyds Banking Group – Lloyds TSB	7.625% 22 Apr 2025	Baa3/BBB-	2,360	3.3
– LBG Capital No.2 (ECN)	9% 15 Dec 2019	Ba3/BB+	1,061	
Virgin Media Finance	7% 15 Jan 2018	Baa3/BBB-	2,134	2.8
	8.875% 15 Oct 2019	Ba2/BB-	738	
ENW Finance	5.875% 21 Jun 2021	NR/BB+	2,418	2.4
Arqiva Broadcast Finance	9.5% 31 Mar 2020	B3/NR	2,029	2.0
Iron Mountain	7.25% 15 Apr 2014	B1/B+	2,005	2.0
Enterprise Inns	6.5% 06 Dec 2018	NR/BB-	1,976	2.0
Société Générale	8.875% FRN Perpetual	Ba2/BBB-	1,535	1.5
Aviva	6.125% Perpetual	A3/BBB	1,447	1.4
Electricite De France	6% Perpetual	A3/BBB+	1,319	1.3
DFS Furniture	FRN 15 Aug 2018	B2/B	748	1.2
	7.625% 15 Aug 2018	B2/B	475	
NGG Finance	5.625% FRN 18 Jun 2073	Baa3/BBB	1,194	1.2
Thames Water	7.75% 01 Apr 2019	B1/NR	1,086	1.1
Southern Water (Greensands)	8.5% 15 Apr 2019	NR/BB-	1,063	1.1
Pipe	9.5% 01 Nov 2015	B3/B	1,055	1.0
General Electric Capital	5.5% FRN 15 Sep 2066	A2/AA-	1,007	1.0

Bonds and Equity Investments continued

ISSUER	ISSUE	RATING	MARKET VALUE £'000	AT % OF PORTFOLIO
Sterling				
InterGen	9.5% 30 Jun 2017	B1/B	869	0.9
Lynx I	6% 15 Apr 2021	Ba3/BB-	668	0.7
EDP Finance	8.625% 04 Jan 2024	Ba1/BB+	570	0.6
Koninklijke KPN	6.875% FRN 14 Mar 2073	Ba1/BB	566	0.6
Jaguar Land Rover	8.25% 15 Mar 2020	Ba3/BB-	560	0.6
Boparan Finance	9.875% 30 Apr 2018	Ba3/B+	560	0.6
Gala Finance	8.875% 01 Sep 2018	B2/B+	530	0.5
Odeon & UCI Finco	9% 01 Aug 2018	B3/B	529	0.5
Bakkavor Finance 2	8.25% 15 Feb 2018	B2/B-	513	0.5
Legal & General	6.385% FRN Perpetual	Baa2/BBB+	508	0.5
Matalan Finance	8.875% 29 Apr 2016	B1/B+	495	0.5
AXA	6.6666% FRN Perpetual	Baa1/BBB-	489	0.4
UniCredit International Bank	8.5925% FRN Perpetual	Ba2/BB+	474	0.4
Premier Farnell	89.2p Convertible Preference	NR/NR	450	0.4
Care UK Health and Social Care	9.75% 01 Aug 2017	B3/B	384	0.4
Standard Life	5.5% 04 Dec 2042	Baa2/BBB	367	0.4
Bupa Care Homes	11.8% 30 Jun 2014	NR/NR	266	0.3
Skipton Building Society	10% FRN 12 Dec 2018	Ba2/NR	254	0.2
Novae	6.5% 27 Apr 2017	Baa3/NR	100	0.1
			34,802	34.4
US Dollar				
US Treasury	2.75% 15 Nov 2042	Aaa/AAA	3,062	3.0
General Motors	Wts 10 Jul 2019	NR/NR	2,744	2.9
	Wts 10 Jul 2016	NR/NR	190	
Vedanta Resources	6.75% 07 Jun 2016	Ba3/BB	1,384	1.4
CGG Veritas	7.75% 15 May 2017	Ba3/BB-	1,358	1.3
Catlin Insurance	7.249% FRN Perpetual	NR/BBB+	1,355	1.3
Stora Enso	7.25% 15 Apr 2036	Ba2/BB	1,246	1.2
CEMEX Espana	9.25% 12 May 2020	NR/B	819	0.8
Société Générale	8.75% Perpetual	Ba2/BBB-	692	0.7
Nara Cable Funding	8.875% 01 Dec 2018 (SNR)	B1/B+	690	0.7
Aperam	7.75% 01 Apr 2018	B3/B+	656	0.6
Chrysler	8% 15 Jun 2019	B1/B	361	0.4
Prudential	6.5% Perpetual	Baa1/A-	330	0.4
Peabody Energy	4.75% Cnv 15 Dec 2066	NR/NR	269	0.3
Rothschilds Continuation Finance	1% FRN Perpetual	NR/NR	231	0.2
Schaeffler Finance	8.5% 15 Feb 2019	Ba3/B+	187	0.2
Motors Liquidation	Units	NR/NR	77	0.1
	8.375% 15 Jul 2033	NR/NR	—	
			15,651	15.5
Total investments			101,200	100.0

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	SIX MONTHS TO 31 MARCH 2013			SIX MONTHS TO 31 MARCH 2012			YEAR ENDED 30 SEPTEMBER 2012
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000	TOTAL £'000
Profit on investments at fair value	—	9,526	9,526	—	8,358	8,358	8,589
Exchange differences	—	(960)	(960)	—	947	947	1,751
(Loss)/profit on derivative instruments – currency hedges	—	(1,564)	(1,564)	—	504	504	1,763
Income							
UK dividends	13	—	13	13	—	13	27
UK bond interest	1,165	—	1,165	1,039	—	1,039	2,143
Overseas bond interest	2,295	—	2,295	2,423	—	2,423	4,667
Overseas dividends	—	—	—	29	—	29	29
Deposit interest	3	—	3	9	—	9	13
Investment management fee – note 2	(197)	(197)	(394)	(165)	(165)	(330)	(678)
Performance related fee – note 2	—	(259)	(259)	—	—	—	—
Other expenses	(140)	—	(140)	(152)	—	(152)	(311)
Profit before finance costs and taxation	3,139	6,546	9,685	3,196	9,644	12,840	17,993
Finance costs	(66)	(66)	(132)	(130)	(130)	(260)	(426)
Profit before tax	3,073	6,480	9,553	3,066	9,514	12,580	17,567
Taxation	(11)	—	(11)	(19)	—	(19)	(29)
Profit after tax	3,062	6,480	9,542	3,047	9,514	12,561	17,538
Return per ordinary share – note 5	2.8p	5.8p	8.6p	2.7p	8.6p	11.3p	15.8p

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. The supplementary revenue and capital columns are both prepared 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. No operations were acquired or discontinued in the period.

CONDENSED BALANCE SHEET

Registered number 75059

	AT 31 MARCH 2013 £'000	AT 31 MARCH 2012 £'000	AT 30 SEPTEMBER 2012 £'000
Non-current assets			
Investments held at fair value through profit or loss	101,200	88,901	92,215
Current assets			
Other receivables	2,683	2,728	2,265
Derivative financial instruments – unrealised gain	510	—	—
Cash and cash equivalents	3,901	6,577	6,868
	7,094	9,305	9,133
Total assets	108,294	98,206	101,348
Current liabilities			
Other payables	(253)	(313)	(1,081)
Derivative financial instruments – unrealised loss	—	(94)	(104)
Securities sold under agreements to repurchase	(28,631)	(27,603)	(27,772)
	(28,884)	(28,010)	(28,957)
Provision for performance fee – note 2	(259)	—	—
Net assets	79,151	70,196	72,391
Issued capital and reserves attributable to equity holders			
Share capital	5,565	5,565	5,565
Share premium	113,634	113,634	113,634
Capital reserve	(52,759)	(61,275)	(59,239)
Revenue reserve	12,711	12,272	12,431
Shareholders' funds	79,151	70,196	72,391
Net asset value per ordinary share – note 6	71.1p	63.1p	65.1p

CONDENSED STATEMENT OF CASH FLOW

	SIX MONTHS ENDED 31 MARCH 2013 £'000	SIX MONTHS ENDED 31 MARCH 2012 £'000	YEAR ENDED 30 SEPTEMBER 2012 £'000
Cash flow from operating activities			
Profit before tax	9,553	12,580	17,567
Taxation	(11)	(19)	(29)
Adjustments for:			
Purchases of investments	(21,180)	(10,229)	(13,137)
Sales of investments	20,924	19,980	20,605
	(256)	9,751	7,468
Increase/(decrease) from securities sold under agreement to repurchase	859	(13,622)	(13,453)
Profit on investments	(9,526)	(8,358)	(8,589)
Exchange differences	960	(947)	(1,751)
(Increase)/decrease from derivative instruments – currency hedges	(614)	430	440
Finance costs	132	260	426
Operating cash flows before movements in working capital	1,097	75	2,079
(Increase)/decrease in receivables	(418)	(70)	393
Increase in payables	241	8	40
Net cash flows from operating activities before and after tax	920	13	2,512
Cash flows from financing activities			
Interest paid	(145)	(313)	(487)
Shares repurchased and cancelled	—	—	(56)
Equity dividends paid – note 4	(2,782)	(2,785)	(5,567)
Net cash flows used in financing activities	(2,927)	(3,098)	(6,110)
Net decrease in cash and cash equivalents	(2,007)	(3,085)	(3,598)
Exchange differences	(960)	947	1,751
Cash and cash equivalents at the beginning of the period	6,868	8,715	8,715
Cash and cash equivalents at the end of the period	3,901	6,577	6,868

CONDENSED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL £'000	SHARE PREMIUM £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
For the six months ended 31 March 2013					
At 1 October 2012	5,565	113,634	(59,239)	12,431	72,391
Profit for the period	—	—	6,480	3,062	9,542
Dividend paid – note 4	—	—	—	(2,782)	(2,782)
At 31 March 2013	5,565	113,634	(52,759)	12,711	79,151
For the six months ended 31 March 2012					
At 1 October 2011	5,570	113,634	(70,738)	12,010	60,476
Profit for the period	—	—	9,514	3,047	12,561
Shares bought back and cancelled	(5)	—	(51)	—	(56)
Dividend paid – note 4	—	—	—	(2,785)	(2,785)
At 31 March 2012	5,565	113,634	(61,275)	12,272	70,196
For the year ended 30 September 2012					
At 1 October 2011	5,570	113,634	(70,738)	12,010	60,476
Profit for the year	—	—	11,550	5,988	17,538
Shares bought back and cancelled	(5)	—	(51)	—	(56)
Dividends paid – note 4	—	—	—	(5,567)	(5,567)
At 30 September 2012	5,565	113,634	(59,239)	12,431	72,391

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation

The condensed financial statements have been prepared using the same accounting policies as those adopted in the 2012 annual financial report. They have been prepared on an historical cost basis, except for the measurements at fair value of investments and derivatives, and in accordance with the applicable International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Interpretations Committee as adopted by the European Union.

Where presentational guidance set out in the Statement of Recommended Practice (SORP) Financial Statements of Investment Trust Companies and Venture Capital Trusts' is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

2. Management and Performance Fees

Investment management fees and finance costs are allocated equally to revenue and capital. The management fee rate is 1.0% per annum of net assets. A performance related fee is payable at the end of the Company's financial year if the Company's total return in a year exceeds the hurdle return for the year and will equal 20% of the outperformance, adjusted for any changes in share capital in the year. The hurdle return is the average sterling 3 month LIBOR plus 1% plus any underperformance in previous years. The performance related fee is allocated wholly to capital.

A performance related fee of £259,000 was accrued for the six months ended 31 March 2013 (six months ended 31 March 2012 and year ended 30 September 2012: no fee).

3. Taxation

The Company is subject to Jersey income tax at the rate of 0% (2012: 0%). The overseas tax charge consists of irrecoverable withholding tax.

4. Dividends Paid

	SIX MONTHS TO 31 MAR 2013 £'000	SIX MONTHS TO 31 MAR 2012 £'000	YEAR TO 30 SEPT 2012 £'000
Fourth interim of 1.25p	1,391	1,393	1,393
First interim of 1.25p	1,391	1,392	1,392
Second interim of 1.25p	—	—	1,391
Third interim of 1.25p	—	—	1,391
Total paid	2,782	2,785	5,567

The first interim for the quarter ended 31 December 2012 was paid on 31 January 2013 to Shareholders on the register on 11 January 2013. The second interim for the quarter ended 31 March 2013 was paid on 30 April 2013 to Shareholders on the register on 12 April 2013.

5. Basis of Earnings

	SIX MONTHS TO 31 MAR 2013	SIX MONTHS TO 31 MAR 2012	YEAR TO 30 SEPT 2012
Profit after tax:			
Revenue	£3,062,000	£3,047,000	£5,988,000
Capital	£6,480,000	£9,514,000	£11,550,000
Total	£9,542,000	£12,561,000	£17,538,000
Weighted average number of shares in issued during the period	111,292,526	111,391,980	111,342,253

6. Basis of Net Asset Value per Ordinary share

	AT 31 MAR 2013	AT 31 MAR 2012	AT 30 SEPT 2012
Shareholders' funds	£79,151,000	£70,196,000	£72,391,000
Ordinary shares in issue at period end	111,292,526	111,292,526	111,292,526

7. Movements in Share Capital

	SIX MONTHS TO 31 MAR 2013	SIX MONTHS TO 31 MAR 2012	YEAR TO 30 SEPT 2012
Number of 5p ordinary shares:			
Brought forward	111,292,526	111,392,526	111,392,526
Bought back and cancelled	—	(100,000)	(100,000)
In issue at period end	111,292,526	111,292,526	111,292,526

8. Status of Half-yearly Financial Report

The financial information contained in this half-yearly report, which has not been reviewed or audited, does not constitute statutory accounts as defined in Article 104 of Companies (Jersey) Law 1991. The financial information for the half years ended 31 March 2012 and 2013 have not been audited. The figures and financial information for the year ended 30 September 2012 are extracted and abridged from the latest published accounts and do not constitute the statutory accounts for that year.

By order of the Board
R&H Fund Services (Jersey) Limited
Company Secretary
21 May 2013

DIRECTORS AND ADVISERS

Directors

Donald Adamson (Chairman)
Peter Yates (Audit Committee and Management Engagement Committee Chairman)
Michael Lombardi
Gordon Neilly
Clive Spears

Investment Manager

Invesco Asset Management Limited
30 Finsbury Square,
London EC2A 1AG
☎ 020 7065 4000
🌐 www.invescoperpetual.co.uk/investmenttrusts

Company Secretary, Administrator and Registered Office

R&H Fund Services (Jersey) Limited
PO Box 83
Ordnance House
31 Pier Road,
St Helier, Jersey JE4 8PW
Company Secretarial Contact: Hilary Jones
☎ 01534 825323

Registered in Jersey: Number 75059

Corporate Broker

Panmure Gordon (UK) Limited
One New Change,
London EC4M 9AF

Registrar

Capita Registrars (Jersey) Limited
P.O. Box 378
St. Helier
Jersey JE4 0FF

If you hold your shares directly and have any queries you should contact the registrar on:

☎ 0871 664 0300
Calls cost 10p per minute plus network charges.
Lines are open from 9am to 5.30pm, Monday to Friday (excluding Bank Holidays).
From outside the UK +44 208 639 3399.

The registrar provides shareholding registration services for existing shareholders as follows:

☎ 0871 664 0300
🌐 www.capitashareportal.com or www.capitaregistrars.com

Calls cost 10p per minute plus network charges.
Lines are open from 9am to 5.30pm, Monday to Friday (excluding Bank Holidays).
From outside the UK +44 208 639 3399.

Capita provide a telephone and on-line 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
Calls cost 10p per minute plus network charges.
Lines are open from 8am to 4.30pm Monday to Friday (excluding Bank Holidays).
From outside the UK +44 203 367 2691.

Savings Scheme and ISA Administration

For both the Invesco Perpetual Trust Savings Scheme and ISA, contact:

Invesco Perpetual
P.O. Box 11150,
Chelmsford
CM99 2DLL
☎ 0800 085 8677

Invesco Perpetual Investor Services

Invesco Perpetual has an Investor Services Team available to assist you from 8.30am to 6pm, Monday to Friday (excluding Bank Holidays) on:

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

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 half-yearly report.



Invesco Asset Management Limited
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