Invesco Perpetual Select Trust plc

HALF-YEARLY FINANCIAL REPORT
SIX MONTHS ENDED 30 NOVEMBER 2011

If you have any queries about Invesco Perpetual Select Trust plc
or any of the other specialist funds managed by Invesco Perpetual,
please contact our Investor Services Team at Invesco Perpetual on

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

Cover: Close up of Mica Crystals

CONTENTS

The Company is a member of

aic
The Association of Investment Companies

Invesco Perpetual Select Trust plc ('the Company') is an investment trust which is intended as a long-term investment vehicle for investors and has an indefinite life.

The Company provides shareholders with a choice of investment policies and objectives, each intended to generate attractive risk-adjusted returns from segregated portfolios.

The Company's share capital comprises the following four classes of shares each of which has its own separate portfolio of assets and liabilities:

- UK Equity;
- Global Equity Income (formerly Global Equity);
- Hedge Fund (to be renamed Balanced Risk); and
- Managed Liquidity.

Invesco Asset Management Limited manages the UK Equity, Global Equity Income and Managed Liquidity Share Portfolios. The Hedge Fund Share Portfolio is currently advised by Fauchier Partners, a hedge fund specialist.

Investment Policy

The Company's Investment Policy to 15 November 2011, which includes the investment objectives, policies and risks and investment limits for the Company and the separate Portfolios, is disclosed in full on pages 25 to 28 of the 2011 annual financial report, which is available to view at or download from www.invescoperpetual.co.uk/investmenttrusts. Within this report, the investment objective of each Portfolio is shown at the start of the applicable Portfolio Manager's Report.

At a General Meeting held on 15 November 2011 shareholders approved changes to the Global Equity and Hedge Fund Portfolios (the UK Equity and Managed Liquidity Portfolios remain unchanged) that were set out in a circular to shareholders dated 14 October 2011. The new Global Equity Income investment objective and policy are now in effect and are set out in an appendix to this report on page 31. The Hedge Fund Portfolio will be renamed the Balanced Risk Portfolio in February 2012 when its new investment objective and policy, which are set out in the appendix on page 32, become effective.

Share Class Conversion

The Company enables shareholders to tailor their asset allocation to reflect their view of prevailing markets through the opportunity to convert between share classes every three months. Conversions should not be treated as disposals for the purposes of capital gains tax. Further information can be found on page 7.

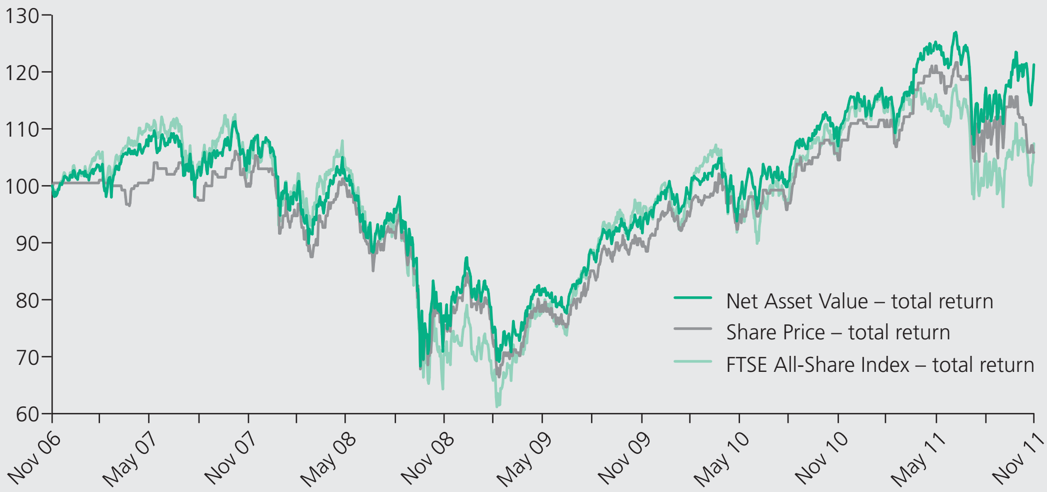
PERFORMANCE STATISTICS

The Company commenced trading on 23 November 2006.

† Source: Thomson Reuters

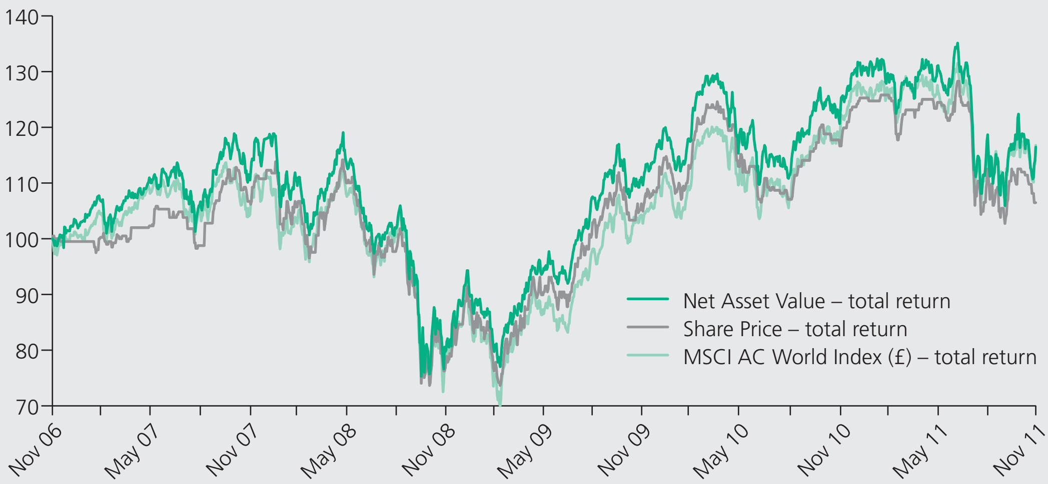
UK Equity Share Portfolio

	SIX MONTHS ENDED 30 NOVEMBER 2011	YEAR ENDED 31 MAY 2011	SIX MONTHS ENDED 30 NOVEMBER 2011 TOTAL RETURN
Net asset value† – total return			–3.2%
Share price† – total return			–12.5%
Discount at period end	13.6%	4.1%	
FTSE All-Share Index† – total return			–7.4%
Revenue return per share	2.1p	4.1p	
Dividend – first interim	2.00p	1.65p	
– second interim	0.85p	2.55p	
– total	2.85p	4.20p	



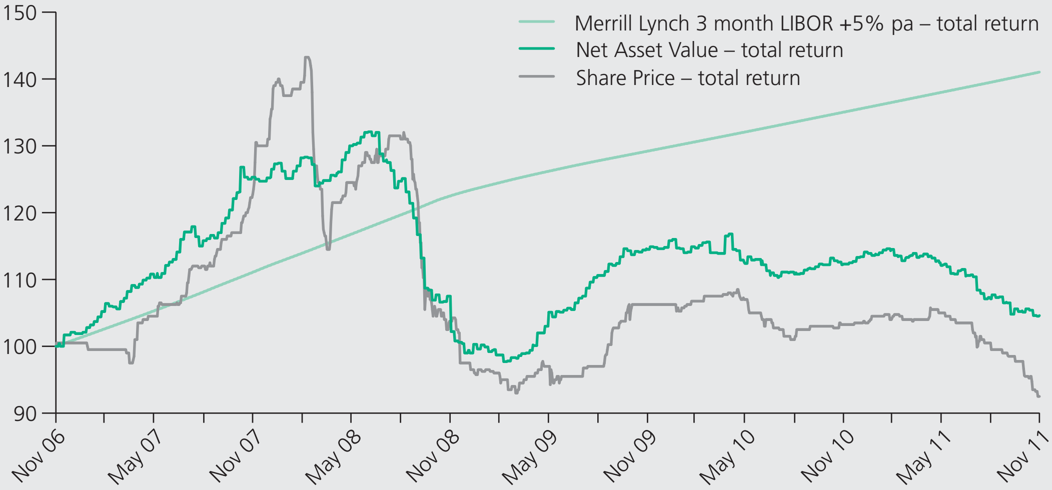
Global Equity Share Portfolio

	SIX MONTHS ENDED 30 NOVEMBER 2011	YEAR ENDED 31 MAY 2011	SIX MONTHS ENDED 30 NOVEMBER 2011 TOTAL RETURN
Net asset value† – total return			–11.1%
Share price† – total return			–14.5%
Discount at period end	8.6%	5.3%	
MSCI AC World Index (£)† – total return			–8.4%
Revenue return per share	0.8p	2.0p	
Dividend – first interim	1.00p	0.45p	
– second interim	0.45p	1.25p	
– total	1.45p	1.70p	



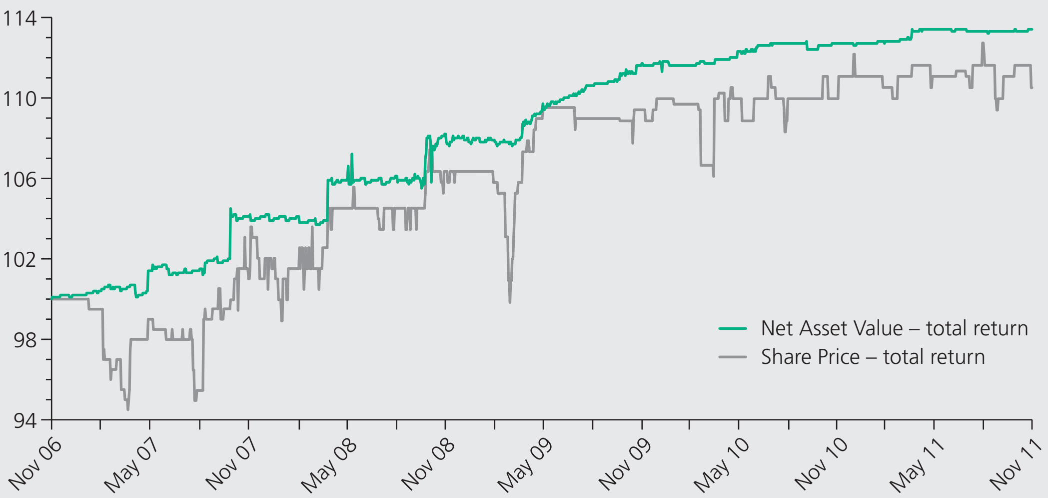
Hedge Fund Share Portfolio

	SIX MONTHS ENDED 30 NOVEMBER 2011	YEAR ENDED 31 MAY 2011	SIX MONTHS ENDED 30 NOVEMBER 2011 TOTAL RETURN
Net asset value† – total return			–6.7%
Share price† – total return			–11.9%
Discount at period end	11.2%	6.6%	
3 months LIBOR +5% pa – total return			5.4%



Managed Liquidity Share Portfolio

	SIX MONTHS ENDED 30 NOVEMBER 2011	YEAR ENDED 31 MAY 2011	SIX MONTHS ENDED 30 NOVEMBER 2011 TOTAL RETURN
Net asset value† – total return			0.0%
Share price† – total return			–0.5%
Discount at period end	2.8%	2.3%	
Revenue return per share	0.1p	0.5p	
Dividend – first interim	—	0.5p	



INTERIM MANAGEMENT REPORT INCORPORATING THE CHAIRMAN'S STATEMENT

Investment Objective and Policy

The Company's investment objective is to provide shareholders with a choice of investment strategies and policies, each intended to generate attractive risk-adjusted returns.

The Company's share capital comprises four share classes: UK Equity Shares, Global Equity Income (formerly Global Equity) Shares, Hedge Fund Shares and Managed Liquidity Shares, each of which has its own separate portfolio of assets and attributable liabilities. Shareholders approved proposed changes to the Global Equity and Hedge Fund Portfolios at a General Meeting held on 15 November 2011 (the UK Equity and Managed Liquidity Portfolios were not changed). Transition to the new Global Equity Income investment objective and policy commenced immediately and they are now being followed. The Hedge Fund Portfolio will be renamed the Balanced Risk Portfolio in February 2012. The new investment objectives and policies of these Portfolios are set out in full in the appendix to this report on pages 31 and 32.

The Company enables shareholders to tailor their asset allocation to reflect their view of prevailing market conditions. Shareholders now have the opportunity to convert between share classes capital gains tax free every three months. Further information can be found on page 7.

Performance

The six month period to the end of November 2011 saw extremely unsettled markets. The MSCI AC World Index total return over the period was –8.4% and that of the FTSE All-Share Index was –7.4%. During the period it became clear that, with the debt problems of the Eurozone and the risk of a sharp slowdown in China due to weakness in investment and construction, the developed world was flirting again with recession. As a result, high-quality government bonds performed very well with yields falling to levels only previously associated with depression. Equities, in contrast, reflected concerns that profits would come under pressure in such an environment.

In NAV terms, the UK Equity Portfolio returned –3.2% over the period. Although the return was negative the Portfolio performed significantly better than the FTSE All-Share Index. This good relative performance was due to a cautious concentration on very stable companies, particularly in tobacco and healthcare.

The Global Equity Portfolio returned –11.1% over the period, which was disappointing. It suffered from an over-optimistic view of emerging market growth and an underweight position in the US where there were signs of a slowly improving economy. As mentioned above, shareholders approved changes to the investment objective and strategy of this Portfolio on 15 November 2011 and the transition to an income biased strategy was completed on 30 November 2011. As a result, we anticipate that the future yield on these shares will be at least 3.5% based on current prices. The Portfolio has been renamed Global Equity Income Portfolio to reflect this change.

In NAV terms, the Company's more secure Managed Liquidity Shares, whose objective is derived from cash returns, maintained their value, recording no change.

The Hedge Fund Shares, which also had an objective derived from cash returns, disappointed again with a return of –6.7%. As stated above, shareholders have approved a proposal to change the investment objective and strategy of this Portfolio. The Paragon hedge fund assets are being redeemed and the new Balanced Risk strategy will be implemented in February, with the Portfolio renamed accordingly. The new strategy will utilise futures contracts to generate returns from exposure to equities, bonds and commodities on a balanced risk basis. It will also provide much better liquidity in the underlying assets and a lower Total Expense Ratio.

The circular sent to shareholders in October described the target for the new strategy in general terms. However, the Board will gauge performance of the Portfolio against the same target that was set for the Hedge Fund strategy, namely to achieve an absolute return of 3-month sterling LIBOR plus 5% per annum over a rolling 5-year period. The Board is pleased to note that over the six months to 30 November 2011 the Luxembourg based Invesco Balanced-Risk Allocation Fund, which uses the same balanced risk strategy, returned +5.0% net of fees (expressed in euros) and its performance has continued to be satisfactory into the new year.

The discounts on the Company's Share classes all widened over the period, so that share price performance suffered, particularly the UK Equity and Hedge Fund Share classes. Since the period end, the discount on the UK Equity Share class has narrowed.

Dividends

It remains the Directors' policy to distribute substantially all net revenues earned between each conversion date for each share class.

On 18 November 2011 first interim dividends were paid as follows:

UK Equity Shares:	2.00p
Global Equity Shares:	1.00p

Second interim dividends, payable on 15 February 2012 to the shareholders on the register on 27 January 2012, have also been declared, as follows:

UK Equity Shares:	0.85p
Global Equity Income Shares:	0.45p

In consequence of continuing very low interest rates, the net revenue of the Managed Liquidity Portfolio has been minimal and in view of the administrative costs, the Directors have decided not to declare any interim dividends on the Managed Liquidity Shares. The net revenue earned will be taken into account in considering future dividends.

Little or no net income is expected from the assets underlying the Hedge Fund Shares and no dividends will be paid. It is expected that this will continue to be the case when the Balanced Risk strategy is implemented.

Share Buy Backs

During the six months to 30 November 2011, the Company purchased and placed in treasury 598,000 UK Equity Shares, 272,000 Global Equity Shares, 497,000 Hedge Fund Shares and 366,000 Managed Liquidity Shares.

No shares have been repurchased since the period end. The Board intends to use the Company's buy back authorities when this will benefit existing shareholders as a whole and will ask shareholders to renew the authorities at the Company's AGM each year and at other times should it be in shareholders' interest to do so. The Board's policy is to maintain a very narrow discount in the Managed Liquidity Share class. There is currently no formal discount policy in the other Share classes.

At the AGM held on 15 November 2011, shareholders renewed the authority to make market purchases of ordinary shares up to a maximum number of shares equating to 14.99% of the total shares then in issue of each Share class. This authority will be utilised when financial and stock market conditions allow and in the best interests of the Company and of its shareholders as a whole.

Outlook

The Board is confident that with the changes made in November we now have Share classes matching our aspiration to provide a range of attractive investment solutions for existing and prospective shareholders and that all offer advantages to holders in the current unsettled market conditions.

The outlook remains extremely uncertain. However, there is a much heightened awareness of the risks and there is no doubt that for some time both companies and financial institutions have been actively seeking to protect themselves. Their actions are likely to have an adverse effect through weaker fixed investment than might otherwise have been the case, but should also mean that they are more resilient if the worse outcomes materialise. The problem for government is how to harness excess capacity without increasing already high debt levels.

At the asset class level, high quality government bonds appear to be discounting a very severe setback and must be vulnerable to better economic news and particularly a recovery in loan demand. Equities look cheap provided they manage to avoid a complete mean reversion in profits as a share of National Income. Any forecast in this area is extremely uncertain, though it obviously depends significantly on overall economic activity. So far companies have survived the weakness of the last three years surprisingly well. It would be disappointing if they were to be routed now. We are somewhat protected because both the Company's equity based Share classes depend on income greater than that available from bond markets for a large part of their return and this appears to be relatively stable.

Patrick Gifford
Chairman

23 January 2012

INTERIM MANAGEMENT REPORT INCORPORATING THE CHAIRMAN'S STATEMENT

continued

Related Party

Invesco Asset Management Limited ('IAML'), a wholly owned subsidiary of Invesco Limited, acts as Manager and Company Secretary to the Company. Details of IAML's services and fee arrangements are summarised in note 2 on page 28 and are more fully described in the 2011 annual financial report, a copy of which can be found on the Manager's website at www.invescoperpetual.co.uk/investmenttrusts.

Principal Risks and Uncertainties

A detailed explanation of principal risks and uncertainties can be found on pages 33 to 36 of the Company's 2011 annual financial report, which is available on the Manager's website.

These are summarised as follows:

- Investment Policy – the investment policies may not achieve the published investment objectives;
- Risks Applicable to the Company – the prices of shares in the Company may not appreciate and the level of dividends may fluctuate;
- Compulsory Conversion of a Class of Shares – if ownership of a class of shares becomes too concentrated the Directors may serve notice on holders of the affected class requiring them to convert to another class;
- Liability of a Portfolio for the Liabilities of Another Portfolio – in the event that any portfolio was unable to meet its liabilities, the shortfall would become a liability of the other portfolios;
- Market Movements and Portfolio Performance – falls in stock markets will affect the performance of the portfolio and individual investments;
- Gearing – borrowing will amplify the effect on shareholders' funds of portfolio gains and losses;
- Hedging – where hedging is used there is a risk that the hedge will not be effective;
- Regulatory and Tax Related – whilst compliance with rules and regulations is closely monitored, breaches could affect returns to shareholders;
- Additional Risks Applicable to Managed Liquidity Shares – the Shares are not designed to replicate a bank or building society deposit or money market fund;
- Additional Risks Applicable to Hedge Fund Shares – the Fauchier Managed Funds may be exposed to additional gearing via their investments being themselves geared, hedge funds may engage in short selling, which could expose the investee hedge fund to the risk of uncapped losses until the position is 'closed-out', and may invest in derivative instruments that entail greater than ordinary investment risks. Also, hedge funds may not permit frequent redemptions, meaning that investments may be relatively illiquid; and
- Reliance on Third Party Service Providers – the Company has no employees, other than the Board, so is reliant upon the performance of third party service providers, particularly the Manager, for it to function.

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

The Balanced Risk Shares will be subject to similar risks to the Hedge Fund Shares save that there will be no exposure to short selling and the investments are all expected to be liquid.

Going Concern

The financial statements have been prepared on a going concern basis. The Directors consider this the appropriate basis as the Company has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion, the Directors took into account the value of net assets; the Company's Investment Policy; its risk management policies; the diversified portfolio of readily realisable securities which can be used to meet funding commitments; the credit facility and the overdraft which can be used for both long-term and short-term funding requirements; the liquidity of the investments which could be used to repay the overdraft in the event that the facility could not be renewed or replaced; and the ability of the Company in the light of these factors to meet all its liabilities and ongoing expenses.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

The Directors confirm that, to the best of their knowledge:

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

– 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 auditors.

Signed on behalf of the Board of Directors.

Patrick Gifford
Chairman

23 January 2012

SHARE CLASS CONVERSION DETAILS

Shares are convertible at the option of holders into any other class of Share on or around 1 February, 1 May, 1 August and 1 November each year. Notice from a shareholder to convert any class of Share on any conversion date will be accepted up to ten business days prior to the relevant conversion date. Forms for conversion are available on the Manager's web site: www.invescoperpetual.co.uk/ipst and from the Company Secretary.

Conversion from one class of Shares into another will be on the basis of a ratio derived from the prevailing underlying net asset value of each class of relevant Share, calculated shortly before the date of conversion.

The Directors have been advised that conversion of one class of Share into another will not be treated as a disposal for the purposes of UK Capital Gains Tax.

UK EQUITY SHARE PORTFOLIO MANAGER'S REPORT

Investment Objective

The investment objective of the UK Equity Share Portfolio is to provide shareholders with an attractive real long-term total return by investing primarily in UK quoted equities.

Market and Economic Review

Global news, particularly the European sovereign debt and banking crisis, dominated investor sentiment over the six months to the end of November 2011 and the performance of the stock market was notable for a high level of volatility. The UK government's preferred measure of inflation, the Consumer Prices Index ('CPI'), remained above its target of 2.0% while the Bank of England continued to keep interest rates on hold at 0.5% and confirmed a further £75 billion of quantitative easing.

The extreme volatility of the period saw November witnessing the stock market's longest losing streak since 2003 and then rallying strongly at the end of the month, as co-ordinated action from central banks, led by the US Fed, helped to assuage fears of the Eurozone credit crisis escalating. The stock market paid little attention to the Chancellor's autumn statement, which confirmed forecasts of lower economic growth for the UK – down to 0.9% from 1.7% for this year and to 0.7% from 2.5% next.

In contrast to the economic news, there was some positive corporate news flow, with share buy backs a growing theme and certain businesses continuing to deliver resilient operational performance.

Portfolio Strategy and Review

The net asset value total return of the Portfolio over the six months to the end of November 2011 was –3.2%, compared to a negative total return of –7.4% recorded by the FTSE All-Share Index.

In a difficult period for the stock market, amidst growing concerns over the economic outlook, the performance of the Portfolio relative to the FTSE All-Share Index benefited from its focus on taking advantage of the strength of large quoted companies. Corporate news flow from these companies over the period was typically positive, underlining the portfolio manager's confidence in their ability to deliver through tough times.

The Portfolio's investments in the tobacco sector delivered a positive contribution over the six months, with investors increasingly appreciating the resilience of the sector's earnings and cash flow. The holdings in Reynolds American and British American Tobacco performed particularly strongly, with the former additionally benefiting from the strength of the US dollar.

The Portfolio is also heavily invested in the pharmaceutical sector and this performed relatively well in the challenging market conditions. Other examples of the health of the Portfolio's major investments came from Vodafone, whose interim results included a comment on the continued strong momentum in emerging markets such as India and Turkey, from Wm Morrison Supermarkets, which confirmed that the strategy of margin recovery and geographic expansion remained on track, and from Tate & Lyle, which noted strong demand in a number of its markets.

Shares in Drax rose strongly on proposals from the Department of Energy & Climate Change, particularly with regard to subsidies for renewable energy. The Portfolio's new holding in Rolls Royce performed strongly after the company revealed the disposal of its interest in International Aero Engines ('IAE') to Pratt & Whitney for US$1.5 billion. A visit to Rolls Royce's civil aerospace operations in Derby confirmed the portfolio manager's view that it is justifiably recognised as an industry leading, world class engineering business.

There was, however, disappointing news from the Portfolio's investment in Homeserve, the shares of which fell sharply on news that, following an independent review, it was to suspend part of its telesales operation pending a re-training of its sales staff.

The investment in Chemring detracted from the Portfolio's performance over the period. The company announced that unexpected delays in customer orders would hit full year revenues and profits. Concerns over the outlook for defence spending also hit the shares of BAE Systems.

The investment in Rentokil also performed disappointingly over the period, detracting from performance. The company announced a decline in half yearly pre-tax profit as trading deteriorated at its struggling parcels division, City Link.

There were relatively few significant changes to the Portfolio's holdings during the period. Exposure was reduced to Daily Mail & General Trust and Tate & Lyle and the holding in Bunzl was sold. The proceeds were used to make a new investment in Rolls Royce and to add to existing holdings in BAE Systems and Brown (N).

Outlook

The recent news from the UK economy has provided strong evidence of the fragile condition of the domestic economic situation. This was not a surprise to the portfolio manager who expects this challenging environment to persist for several years to come.

Investment strategy has focused on taking advantage of the strength of large quoted companies; in sharp contrast to the household and government sectors, corporates look to be in a position of strength, not just in the UK but globally. Large companies, in particular, are mostly well managed and have flexibility in their use of capital and labour. This has allowed them to gradually reduce debt levels in recent years, to the extent that company balance sheets in general are now in excellent shape. This is in stark contrast to most sovereign balance sheets, which have been vastly expanded to provide the large stimulus packages that have characterised the post-crisis world and leave many sovereign credit ratings at risk of downgrades.

Many of the biggest holdings in the Portfolio have delivered solid levels of earnings, cash flow and dividend growth over the last few years. This operational progress has been achieved despite the financial crisis and the deepest recession in post-war history. This gives the portfolio manager confidence that these businesses can continue in similar vein in the future, notwithstanding the continued probable weakness of developed world economies. Despite this dependability and their proven ability to grow through the most testing of economic circumstances, the valuations of the shares are low both in absolute terms and relative to other asset classes. The portfolio manager believes that equities are lower risk now than for many years given the scale of the de-rating witnessed. As an equity investor he believes this represents an extraordinary opportunity to invest in some of the biggest and best companies in the market at very attractive valuations.

Mark Barnett
Portfolio Manager
Invesco Asset Management Limited

23 January 2012

UK EQUITY SHARE PORTFOLIO
LIST OF INVESTMENTS
AT 30 NOVEMBER 2011

Ordinary shares listed in the UK unless stated otherwise

COMPANY	INDUSTRY GROUP[†]	MARKET VALUE £'000	% OF PORTFOLIO
Imperial Tobacco	Tobacco	2,570	5.6
Reynolds American – *US Common Stock*	Tobacco	2,565	5.6
British American Tobacco	Tobacco	2,386	5.2
GlaxoSmithKline	Pharmaceuticals and Biotechnology	2,250	4.9
Vodafone	Mobile Telecommunications	2,227	4.9
BT	Fixed Line Telecommunications	2,084	4.6
BG	Oil and Gas Producers	2,011	4.4
AstraZeneca	Pharmaceuticals and Biotechnology	1,893	4.2
Tesco	Food and Drug Retailers	1,468	3.2
Babcock International	Support Services	1,438	3.2
BAE Systems	Aerospace and Defence	1,407	3.1
Reckitt Benckiser	Household Goods and Home Construction	1,332	2.9
Roche – *Swiss common stock*	Pharmaceuticals and Biotechnology	1,250	2.8
Capita	Support Services	1,200	2.6
Centrica	Gas, Water and Multiutilities	1,169	2.6
Hiscox	Non-Life Insurance	1,137	2.5
Drax	Electricity	1,104	2.4
Compass	Travel and Leisure	1,079	2.4
Provident Financial	Financial Services	984	2.2
Pennon	Gas, Water and Multiutilities	978	2.1
International Power	Electricity	893	2.0
KCOM	Fixed Line Telecommunications	868	1.9
Amlin	Non-Life Insurance	844	1.9
BTG	Pharmaceuticals and Biotechnology	803	1.8
Balfour Beatty	Construction and Materials	798	1.8
Beazley	Non-Life Insurance	765	1.7
Wm Morrison Supermarkets	Food and Drug Retailers	716	1.6
SSE	Electricity	671	1.5
Tate & Lyle	Food Producers	633	1.4
A J Bell – *Unquoted*	Financial Services	625	1.4
Serco	Support Services	613	1.3
Ladbrokes	Travel and Leisure	519	1.1
Rentokil Initial	Support Services	512	1.1
Chemring	Aerospace and Defence	509	1.1
Homeserve	Support Services	509	1.1
TalkTalk Telecom	Fixed Line Telecommunications	453	1.0
Daily Mail & General Trust	Media	331	0.7
Brown (N)	General Retailers	327	0.7
Impax Environmental Markets	Investment Companies	313	0.7
Rolls Royce – *Ordinary and C Shares*	Aerospace and Defence	265	0.6
Vectura	Pharmaceuticals and Biotechnology	218	0.5
UK Coal	Mining	166	0.4
Barclays Bank – *Nuclear Power Notes 28 February 2019*[(1)]	Electricity	149	0.3
XCounter[(4)]	Healthcare Equipment and Services	148	0.3
Landkom International[(3)]	Food Producers	83	0.2
PuriCore	Healthcare Equipment and Services	67	0.1
HaloSource[(2)]	Healthcare Equipment and Services	66	0.1
Renovo	Pharmaceuticals and Biotechnology	44	0.1
Yell	Media	44	0.1
Ecofin Water and Power Opportunities – *6% Convertible Loan Stock 2016*	Equity Investment Instruments	39	0.1
Helphire	Financial Services	6	–
Total		45,529	100.0

[†]FTSE Industry Classification Benchmark.

[(1)]Contingent Value Rights ('CVRs') referred to as Nuclear Power Notes ('NPNs') were offered by EDF as a partial cash alternative to its cash bid for British Energy ('BE'). The NPNs were issued by Barclays Bank. The CVRs participate in BE's existing business.

[(2)]Listed on AiM.

[(3)]Listed in Isle of Man.

[(4)]Listed in Sweden.

UK EQUITY SHARE PORTFOLIO INCOME STATEMENT

	SIX MONTHS ENDED 30 NOVEMBER 2011			SIX MONTHS ENDED 30 NOVEMBER 2010			YEAR ENDED 31 MAY 2011
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000	TOTAL £'000
(Losses)/gains on investments	–	(1,801)	(1,801)	–	2,586	2,586	7,668
Foreign exchange gains	–	4	4	–	–	–	10
Income	989	–	989	851	–	851	2,206
Management fee – note 2	(44)	(104)	(148)	(40)	(93)	(133)	(267)
Performance fee – note 2	–	(217)	(217)	–	–	–	(111)
Other expenses	(85)	(1)	(86)	(79)	–	(79)	(144)
Net return before finance costs and taxation	860	(2,119)	(1,259)	732	2,493	3,225	9,362
Finance costs	(19)	(45)	(64)	(19)	(42)	(61)	(128)
Return on ordinary activities before tax	841	(2,164)	(1,323)	713	2,451	3,164	9,234
Tax on ordinary activities	(11)	–	(11)	(13)	–	(13)	(31)
Return on ordinary activities after tax for the financial period	830	(2,164)	(1,334)	700	2,451	3,151	9,203
Basic return per ordinary share – note 4	2.1p	(5.5)p	(3.4)p	1.8p	6.3p	8.1p	23.6p

SUMMARY OF NET ASSETS

	AT 30 NOVEMBER 2011 £'000	AT 30 NOVEMBER 2010 £'000	AT 31 MAY 2011 £'000
Fixed assets	45,529	43,346	49,734
Current assets	362	137	596
Creditors falling due within one year, excluding borrowings	(625)	(519)	(563)
Overdraft	–	(52)	–
Bank loan	(5,625)	(6,900)	(7,550)
Net assets	39,641	36,012	42,217
Net asset value per share – note 5	100.1p	92.4p	105.3p
Gearing:			
Gross	14.2%	19.3%	17.9%
Net	14.0%	19.3%	17.8%

GLOBAL EQUITY INCOME SHARE PORTFOLIO (FORMERLY GLOBAL EQUITY SHARE PORTFOLIO) MANAGER'S REPORT

Investment Objective

The investment objective of the Global Equity Portfolio changed on 15 November 2011 to provide an attractive and growing level of income return and capital appreciation over the long term, predominantly through investment in a diversified portfolio of equities worldwide, and has been renamed Global Equity Income. It should be noted that, although the portfolio at 30 November 2011 reflects the new strategy, the performance over the period described in this Report derives from the former investment objective and policy as set out in the 2011 annual financial report.

Market and Economic Review

The global economic backdrop deteriorated over the summer months although macro-economic data has since surprised on the upside, particularly in the US. Nonetheless the outlook remains one of slow and prolonged economic recovery, as fiscal austerity and an extended period of deleveraging restrain growth. Against this backdrop, and with increased Eurozone sovereign debt worries, markets moved quickly, and often indiscriminately, to price in a sharp deterioration and volatility is likely to remain high in the near term. Many corporates, however, are in good health as they have restructured their cost bases and rebuilt balance sheets following the financial crisis, and recent market weakness has left a lot of quality companies trading at very attractive valuations, discounting a more severe earnings outlook than we believe is likely.

Portfolio Performance

The net asset value total return of the Portfolio over the 6 months to the end of November 2011 was –11.1%, compared to a negative total return of –8.4% recorded by the MSCI AC World Index.

Portfolio Strategy and Activity

Over the period the core of the portfolio comprised sustainable growth, cash generative names in areas like pharmaceuticals and tobacco, and companies with a strong aftermarket or services element supporting earnings stability, many of which in industrial sectors. Being entirely stock driven, the portfolio also had a number of turnaround and special situation investments that it was thought the market was mis-pricing. Exposure to commodity cyclicals like materials, and to consumer discretionary spend, was modest in the portfolio.

The Portfolio's high exposure to attractively valued sustainable growth names in the UK made a positive contribution to returns, most notably within the consumer staples and healthcare sectors. Much of the exposure to these areas came through cash generative tobacco and pharmaceutical companies. Imperial Tobacco did well, as did pharmaceutical holdings Roche, Glaxo and Novartis. Vodafone was another strong performer.

Continental Europe was a weak market and the Portfolio's relatively high exposure detracted from performance. Healthcare was important here as the high level of Swiss pharmaceutical exposure mitigated, to an extent, the weakness from some of our consumer and industrial cyclicals (Daimler, UPM, Safran) and financials holdings.

The financials sector was under pressure and the Portfolio's European banks exposure was a drag on performance. Consumer discretionary stocks were also weak. Utilities finally proved defensive, but having no exposure in the Portfolio this was a negative relative to the index. Low exposure to telecoms also had a negative impact. Country-wise, Japan as a market proved defensive, but the Portfolio's exposure, focussed on financials and autos, was not the best place to be over the review period.

As mentioned above, shareholders passed a resolution to change the investment policy and objective of the Global Equity Portfolio at a General Meeting of the Company held on 15 November 2011. From that date, the Portfolio's investment management transferred to Invesco Perpetual's Global Equity Income team of Paul Boyne and Doug McGraw. The transition was completed by 30 November 2011, which is reflected in the list of investments at that date on page 14. The reasoning behind this change was a belief by the Directors, after consulting shareholders, that a higher and growing level of investment income from this portfolio is, and is likely to remain, a prized commodity if prevailing levels of interest rates stay at present low levels for some time.

Outlook

The new portfolio managers' outlook is one of slow and prolonged economic recovery, against a backdrop of sovereign debt concerns and fiscal austerity in Europe, and worries that growth in China is slowing. The strategy being followed to achieve the new investment objective is to look for companies with attractive valuations that can sustain profit margins and deliver returns through the economic cycle and which offer growing and sustainable dividends. Companies are sought that are high quality, with attractive franchises and balance sheets with a conservative level of debt. The portfolio managers believe that these types of companies are more likely to be able to return cash to investors in the form of growing dividends. Sustainability of margins and dividends are key to this approach.

Bob Yerbury
Paul Boyne and Doug McGraw
Portfolio Managers
Invesco Asset Management Limited

23 January 2012

GLOBAL EQUITY INCOME SHARE PORTFOLIO LIST OF INVESTMENTS

AT 30 NOVEMBER 2011

COMPANY	INDUSTRY GROUP†	COUNTRY†	MARKET VALUE £'000	% OF PORTFOLIO
Roche	Pharmaceuticals, Biotechnology and Life Sciences	Switzerland	1,177	3.6
Reynolds American	Food, Beverage and Tobacco	US	1,154	3.5
Philip Morris International	Food, Beverage and Tobacco	US	1,089	3.3
Tyco International	Capital Goods	US	1,082	3.3
Johnson & Johnson	Pharmaceuticals, Biotechnology and Life Sciences	US	1,059	3.2
Amcor	Materials	Australia	1,034	3.2
Novartis	Pharmaceuticals, Biotechnology and Life Sciences	Switzerland	968	3.0
British Sky Broadcasting	Media	UK	881	2.7
Vodafone	Telecommunication Services	UK	862	2.6
Canon	Technology Hardware and Equipment	Japan	796	2.4
SES	Media	France	788	2.4
Total	Energy	France	726	2.2
Zurich Financial	Insurance	Switzerland	691	2.2
Viacom	Media	US	686	2.1
Pearson	Media	UK	686	2.1
Time Warner	Media	US	679	2.1
HSBC	Banks	UK	675	2.1
Macy's	Retailing	US	669	2.0
Wolters Kluwer	Media	Netherlands	660	2.0
Bilfinger Berger	Capital Goods	Germany	657	2.0
Exxon Mobil	Energy	US	657	2.0
Chevron	Energy	US	656	2.0
Auto Data Processing	Software and Services	US	649	2.0
Emerson Electric	Capital Goods	US	623	2.0
Baxter	Healthcare Equipment and Services	US	594	1.8
CRH – ADR	Materials	Ireland	561	1.7
Raytheon	Capital Goods	US	526	1.6
Honda	Automobiles and Components	Japan	521	1.6
Kraft Foods	Food, Beverage and Tobacco	US	515	1.6
Pfizer	Pharmaceuticals, Biotechnology and Life Sciences	US	510	1.6
United Technologies	Capital Goods	US	509	1.6
ComfortDelGro	Transportation	Singapore	500	1.5
Time Warner Cable	Media	US	497	1.5
Hutchison Whampoa	Capital Goods	Hong Kong	487	1.5
Sysco	Food and Staples Retailing	US	484	1.5
Mitsubishi Estate	Real Estate	Japan	466	1.4
Accenture	Software and Services	US	449	1.4
Orkla ASA	Capital Goods	Norway	435	1.3
QBE	Insurance	Australia	432	1.3
BG	Energy	UK	425	1.3
Venture	Technology Hardware and Equipment	Singapore	425	1.3
Covidien	Healthcare Equipment and Services	US	413	1.3
Lawson	Food and Staples Retailing	Japan	367	1.1
Robert Half	Commercial and Professional Services	US	364	1.1
United Parcel Service	Transportation	US	338	1.0
Home Depot	Retailing	US	338	1.0
AT&T	Telecommunication Services	US	330	1.0
Procter & Gamble	Household and Personal Products	US	327	1.0
Catlin	Insurance	UK	326	1.0
British American Tobacco	Food, Beverage and Tobacco	UK	310	0.9
Kon KPN	Telecommunication Services	Netherlands	306	0.9
Jardine Matheson	Capital Goods	Hong Kong	305	0.9
Northern Trust	Diversified Financials	US	303	0.9
Telefonica	Telecommunication Services	Spain	249	0.8
HKR International	Real Estate	Hong Kong	205	0.6
Sky Deutschland	Media	Germany	131	0.4
Canon Marketing	Retailing	Japan	75	0.2
NEC Fielding	Software and Services	Japan	73	0.2
Alfresa	Healthcare Equipment and Services	Japan	72	0.2
Total			32,772	100.0

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

GLOBAL EQUITY INCOME SHARE PORTFOLIO (FORMERLY GLOBAL EQUITY SHARE PORTFOLIO) INCOME STATEMENT

	SIX MONTHS ENDED 30 NOVEMBER 2011			SIX MONTHS ENDED 30 NOVEMBER 2010			YEAR ENDED 31 MAY 2011
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000	TOTAL £'000
(Losses)/gains on investments	–	(4,462)	(4,462)	–	172	172	2,984
Foreign exchange losses	–	(80)	(80)	–	(14)	(14)	(42)
Income	387	–	387	364	–	364	944
Management fees – note 2	(38)	(89)	(127)	(39)	(92)	(131)	(279)
Other expenses	(80)	–	(80)	(76)	(1)	(77)	(141)
Net return before finance costs and taxation	269	(4,631)	(4,362)	249	65	314	3,466
Finance costs	(1)	(2)	(3)	–	–	–	–
Return on ordinary activities before tax	268	(4,633)	(4,365)	249	65	314	3,466
Tax on ordinary activities	(29)	–	(29)	(27)	–	(27)	(74)
Return on ordinary activities after tax for the financial period	239	(4,633)	(4,394)	222	65	287	3,392
Basic return per ordinary share – note 4	0.8p	(14.6)p	(13.8)p	0.7p	0.2p	0.9p	10.5p

SUMMARY OF NET ASSETS

	AT 30 NOVEMBER 2011 £'000	AT 30 NOVEMBER 2010 £'000	AT 31 MAY 2011 £'000
Fixed assets	32,772	36,319	38,170
Current assets	797	617	589
Creditors falling due within one year, excluding borrowings	(185)	(115)	(121)
Net assets	33,384	36,821	38,638
Net asset value per share – note 5	106.1p	112.4p	120.9p
Gearing:			
Gross	0.0%	0.0%	0.0%
Net	(1.7)%	1.3%	(0.9)%

HEDGE FUND SHARE PORTFOLIO
INVESTMENT ADVISER'S REPORT

Investment Objective

The investment objective of the Hedge Fund Share Portfolio has been to achieve an absolute return of 3-month sterling LIBOR plus 5% per annum over a rolling five year period, coupled with low volatility. Capital preservation has been a priority. The Portfolio investment objective and policy will change in February 2012 as explained in the Outlook section below. The new objective and policy are set out in full in the appendix to this half-yearly financial report on page 32.

Portfolio

Since 1 June 2010 the principal hedge fund assets underlying the Portfolio have been shares in Paragon Capital Appreciation Fund ('PCAF'). The Portfolio also holds directly residual holdings of the predecessor funds of hedge funds. The remainder of this report describes the activities of PCAF in the period under review.

Performance

For the six months to 30 November 2011, PCAF produced a return of –5.6%, net of fees. Since 30 November 2006, the PCAF and the predecessor Fauchier Allocator Funds have achieved an average annual compound return of 2.5%. Over the same period the annualised volatility of the same has been 9.4%, and the "beta" to the FTSE All-Share Index (Total Return) some 0.34 and the Citigroup UK Gilt Index (greater than 5 years) –0.25.

Market Review

Markets were again dominated by overarching macro-economic and political concerns as the predicament of the Eurozone and its banking system lurched from bad to worse. The long-anticipated rescue package for Greece announced at the end of October produced a short-lived rally until cracks appeared in the political will to see through reforms and the spotlight fell on Italy, Spain and, significantly, France. Yields on 10-year Italian bonds hit a euro-era high of 7.56% before Mr Berlusconi was forced to resign to be replaced by a government of technocrats.

Hopes for the global economy outside of Europe were dampened as Chinese reports indicated a contraction in manufacturing. In the US, Congress produced a political impasse of its own, wrangling until the eleventh hour before raising its debt ceiling and averting an almost inconceivable default, while the precarious state of the US balance sheet was underlined when after two months of negotiations, the cross party "super committee" failed to reach its minimum target of agreeing $1.2 trillion in government savings.

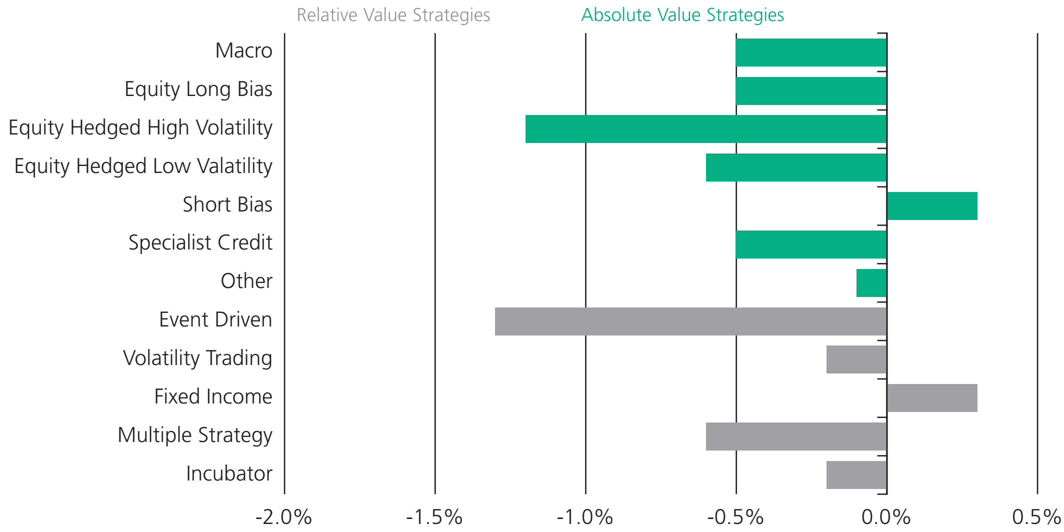
In the final days of November, concerted intervention by central banks to ease funding pressure on the beleaguered banking system resulted in a sharp month-end rally after a period of intense concern about the very viability of the euro's survival.

Global equity markets were extremely volatile with the VIX Volatility index peaking around 43, a level not seen since 2008. After a rollercoaster ride, the MSCI AC World (Total Return) Index ended down –8.4%.

HEDGE FUND SHARE PORTFOLIO INVESTMENT ADVISER'S REPORT
continued

Hedge Fund Strategies

PCAF – Contribution by Strategy
Six months ended 30 November 2011



Macro managers were down in aggregate as some struggled with the sharp reversals in sentiment. The best performer had positions designed to profit from the divergence of Eurozone sovereign credits and despite finding himself wrong-footed by the initial rally in reaction to the Greek bailout package, generated good gains overall. Trading equities proved a thankless task for other managers, while our commodities specialist was down as gains from precious metals positions were subsumed by losses in petrochemicals and soft commodities.

The Fixed Income manager was up, making gains from euro interest rate positions, short euro and trades profiting from the continuing bank stress.

There was a wide range of outcomes for the Equity Hedged managers. Inevitably the performance of those with the highest overall net exposure was dragged down by the drop in the broader indices, but in most cases hedges were able to mitigate the worst of the markets' decline. On the positive side our Technology specialist performed well as low net exposure and good stock selection helped to generate an overall gain. Financials proved troublesome for a couple of managers; for example one was positioned net short of Banks during November, which, as the target of the central banks' concerted intervention, were among the chief beneficiaries of the rally.

Unsurprisingly, the Short Bias managers performed well, demonstrating some most welcome signs of alpha generation.

The Event Driven managers struggled with the market volatility. Special situations equities detracted for one manager, while the longer bias of the activist managers meant that they were more directly impacted by the volatility and ended down slightly.

Credit markets were no less challenging and the Specialist Credit strategy was down. The best performing funds were those managers with low net exposure and defensive names. Special situation and distressed names were amongst the hardest hit in the high-yield sell-off.

The Multiple Strategy managers were also down in aggregate. The best performer made gains predominantly from direct commodity exposure, particularly in precious metals and energy. Losses arose mainly from managers' equity and credit books.

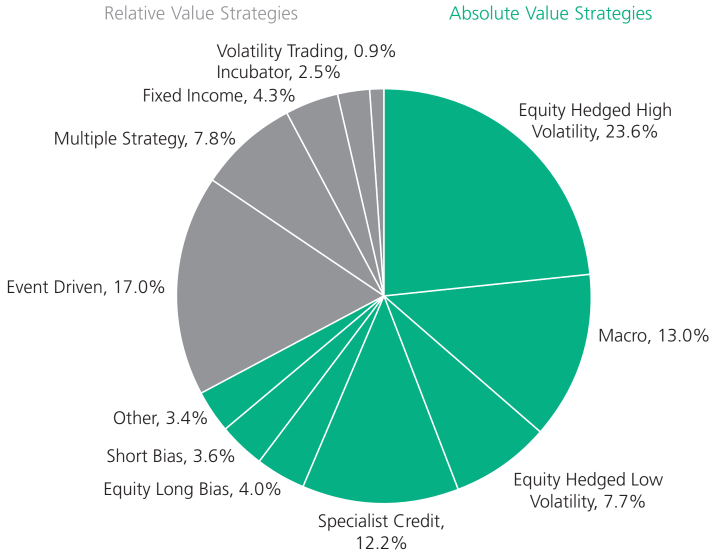
The PCAF Portfolio

During the last 6 months, there have been limited changes to the PCAF portfolio composition. Allocation to Macro and Equity Long Bias has increased by one manager per strategy.

As at 30 November 2011, PCAF had holdings in 34 hedge funds across 11 different strategies. Approximately 67% of the assets were invested in Absolute Value strategies with the balance in

Relative Value strategies. The chart below gives a detailed breakdown of the holdings in PCAF by strategy as at 30 November 2011.

Composition of Portfolio (excluding cash) by Strategy
At 30 November 2011



Fauchier Partners LLP
Investment Adviser

23 January 2012

Outlook

Shareholders approved proposed changes to the Hedge Fund Portfolio at a General Meeting held on 15 November 2011. The Portfolio will be renamed Balanced Risk Portfolio in February 2012 when its new investment objective and policies, which are set out in the appendix to this half-yearly financial report on pages 31 and 32, become effective.

The new strategy, which will be managed by the Invesco Global Asset Allocation investment team, based in Atlanta, USA, is aimed at delivering returns in different economic environments with low volatility. The team seeks to achieve this through investment in three asset classes, being equities, bonds and commodities. The asset class weightings are determined using a proprietary investment process, with assets being selected according to three key criteria: a correlation matrix to ensure diversification, the ability to generate excess returns and specific liquidity and transparency criteria. Exposure to the asset classes is principally obtained through highly liquid and transparently priced exchange-traded futures contracts, with cash and cash equivalents being held as collateral.

It is hoped that this will provide shareholders with an attractive total return in differing economic and inflationary environments, and with low correlation to equity and bond market indices. The US based Premia Plus Fund, which launched the strategy in 2008, has produced encouraging returns over a range of economic and market conditions with an annualised total return from inception to 30 November 2011 of 13.55% (before fees), compared with a traditional balanced portfolio benchmark (60% MSCI World Index/40% Barclays Aggregate Bond Index) over the same period of 5.02% (all expressed in US dollar terms).

Invesco Asset Management Ltd

23 January 2012

HEDGE FUND SHARE PORTFOLIO LIST OF INVESTMENTS

AT 30 NOVEMBER 2011

Hedge Fund Investments

At 30 November 2011 the investments of the Hedge Fund Share Portfolio consisted principally of two Certificates, the performance of each of which is linked to the performance of Paragon Capital Appreciation Fund ('PCAF'). PCAF is an open-ended investment company domiciled in Guernsey and listed on the Irish Stock Exchange. Fauchier Partners act as investment manager to PCAF.

STRATEGY	FUND NAME	% OF PORTFOLIO
Underlying investments of PCAF		
Macro	COMAC Global Macro Fund	4.0
	Fortress Macro Fund	3.2
	Wexford Offshore Spectrum Fund	2.8
	Fortress Commodities Offshore Fund	2.0
	Drawbridge Global Macro Fund	0.1
	Drawbridge Global Alpha Fund V	–
		12.1
Equity Long Bias	Bay Resource Partners Offshore Fund	3.7
Equity Hedged High Volatility	Dabroes Offshore Investment Fund	4.5
	Elm Ridge Value Partners Offshore Fund	3.9
	Criterion Capital Partners	3.8
	Brahman Partners II Offshore	3.4
	Lansdowne Global Financials Fund	3.2
	Lansdowne UK Equity Fund	3.0
		21.8
Equity Hedged Low Volatility	Alydar Fund	2.6
	Walker Smith International Fund	2.4
	Ascend Fund II FP	2.1
		7.1
Short Bias	Fauchier Partners Counterpoint Fund	3.3
Specialist Credit	CFIP Overseas Fund	3.7
	Knighthead Offshore Fund	3.4
	Riva Ridge Overseas Fund	3.1
	Claren Road Credit Fund	1.1
		11.3
Event Driven	Empyrean Capital Overseas Fund	3.7
	RoundKeep Icho Global Fund	3.5
	Trian Partners	3.5
	Pershing Square International	3.0
	Harbinger Capital Partners Offshore Fund I	1.9
	Perry Partners International	0.1
		15.7
Volatility Trading	Vicis Capital Fund (International)	0.8
Fixed Income	Brevan Howard Fund	3.9
Multiple Strategy	Sunbeam Opportunities Offshore	3.9
	OZ Europe Overseas Fund II	2.8
	Shepherd Select Asset	0.5
	Highbridge Asia Opportunities Fund	0.1
		7.3
Incubator	Fauchier Partners Incubator Fund	2.3
Other	Jubilee Special Situations Fund	3.0
Cash		5.9
Assets Held Directly	Plainfield 2009 Liquidating	1.1
	Harbinger Class PE Holdings	0.5
	CCM SPV III	0.1
	Indus Pacific Opportunities Distribution	0.1
	Harbinger Class L Holdings	–
		1.8
Total Fixed Assets		100.0

HEDGE FUND SHARE PORTFOLIO INCOME STATEMENT

	SIX MONTHS ENDED 30 NOVEMBER 2011			SIX MONTHS ENDED 30 NOVEMBER 2010			YEAR ENDED 31 MAY 2011
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000	TOTAL £'000
Losses on investments	–	(803)	(803)	–	(44)	(44)	(17)
Net losses on foreign currency	–	(1)	(1)	–	–	–	(20)
Income	–	–	–	–	–	–	–
Management fees – note 2	–	(14)	(14)	–	(18)	(18)	(34)
Other expenses	(28)	(25)	(53)	(41)	(29)	(70)	(64)
Return on ordinary activities before finance costs	(28)	(843)	(871)	(41)	(91)	(132)	(135)
Finance costs	–	(11)	(11)	–	(8)	(8)	(15)
Return on ordinary activities before tax	(28)	(854)	(882)	(41)	(99)	(140)	(150)
Tax on ordinary activities	–	–	–	–	–	–	–
Return on ordinary activities after tax for the financial period	(28)	(854)	(882)	(41)	(99)	(140)	(150)
Basic return per ordinary share – note 4	(0.3)p	(8.0)p	(8.3)p	(0.3)p	(0.7)p	(1.0)p	(1.2)p

SUMMARY OF NET ASSETS

	AT 30 NOVEMBER 2011 £'000	AT 30 NOVEMBER 2010 £'000	AT 31 MAY 2011 £'000
Fixed assets	10,873	14,647	13,412
Current assets	210	1,005	40
Creditors falling due within one year, excluding borrowings	(26)	(47)	(38)
Overdraft	–	–	(124)
Bank loan	–	(1,525)	(950)
Net assets	11,057	14,080	12,340
Net asset value per share – note 5	104.2p	111.8p	112.1p
Gearing:			
Gross	0.0%	10.8%	8.7%
Net	(1.9)%	4.1%	8.7%

MANAGED LIQUIDITY SHARE PORTFOLIO MANAGER'S REPORT

Market and Economic Review

UK interest rates have remained unchanged at 0.5% throughout the last six months and the Monetary Policy Committee ('MPC') of the Bank of England has extended quantitative easing to loosen monetary conditions in the face of persistently weak economic growth in the UK and a deepening sovereign debt crisis in the Eurozone. In May the nine-member committee was split 6:3 in favour of maintaining the 0.5% rate, with the minority preferring rate rises. One of these three, Andrew Sentance, retired after this meeting and the other two, Spencer Dale and Martin Weale, changed their position during the summer as indicators for UK growth weakened. In the August meeting the committee was unanimous on holding rates steady. Believing that the downside risks to future growth and inflation were growing, the committee then voted in October to extend its programme of asset purchases (quantitative easing) from £200 billion to £275 billion. Both of these policies retain unanimous support to date. As headline inflation was 5% in October, this policy appears inconsistent with the bank's medium term target of 2%. However, the committee remains confident that disinflationary pressures in the economy together with the diminishing influence of oil price increases and the VAT hike in January 2011 will lead to lower inflation in the coming quarters. Slack in the economy is not being eroded quickly as growth remains low. Quarterly growth was 0.1% in the second quarter of 2011 and 0.5% in the third, leaving the annual rate at 0.5%. Indications of consumption are also weak. The unemployment rate rose from 7.7% in April to 8.3% in October and wage growth remains low at an annual rate of 2.3%. Consumer confidence has fallen over the period and is now considerably below 2010 levels. Retail sales growth is weak, rising just 0.8% in volume terms in the year to October.

The 2 year Gilt yield fell from 0.92% at the end of May to 0.46% at the end of November. Ongoing concerns about bank exposure to the sovereign debt crisis meant that sterling three-month interbank lending rates rose over the same period from 0.83% to 1.04%. Corporate bond yields rose in a market environment of risk aversion.

Portfolio Strategy and Review

The investment strategy is achieved by investing in the Invesco Perpetual Money Fund and, to a lesser extent, in Short-Term Investments Company (Global Series) plc, which invests in a diversified portfolio of high quality Sterling denominated short-term money market instruments. The Invesco Perpetual Money Fund ('Fund') has maintained holdings in floating-rate notes ('FRNs') where yields are reset every three months to reflect changes in the London Interbank Offered Rate ('LIBOR'), the rate at which the largest banks lend money to one another. As UK interest rates are widely expected to remain near their current low level for a considerable time, the Fund also holds a number of government, quasi-government and corporate bonds. These have higher interest coupons than those currently available on FRNs. In order to limit risk exposure, these bonds are both short dated and of high quality.

Outlook

The portfolio manager shares the Bank of England's view that inflation will moderate from here as poor earnings growth and limited credit availability retard consumption. Therefore it is not expected that UK interest rates will move significantly higher over the next year.

Stuart Edwards
Portfolio Manager
Invesco Asset Management Limited

23 January 2012

MANAGED LIQUIDITY SHARE PORTFOLIO INVESTMENTS

FUND	AT 30 NOVEMBER 2011 MARKET VALUE £'000	AT 30 NOVEMBER 2010 MARKET VALUE £'000	AT 31 MAY 2011 MARKET VALUE £'000
Invesco Perpetual Money Fund	8,285	9,998	8,277
Short-Term Investments Company (Global Series)	95	415	340
	8,380	10,413	8,617

MANAGED LIQUIDITY SHARE PORTFOLIO INCOME STATEMENT

	SIX MONTHS ENDED 30 NOVEMBER 2011			SIX MONTHS ENDED 30 NOVEMBER 2010			YEAR ENDED 31 MAY 2011
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000	TOTAL £'000
Losses on investments	–	(14)	(14)	–	–	–	(3)
Income	28	–	28	39	–	39	81
Management fees – note 2	–	–	–	(1)	–	(1)	–
Other expenses	(17)	–	(17)	(21)	–	(21)	(30)
Net return before finance costs and taxation	11	(14)	(3)	17	–	17	48
Tax on ordinary activities	–	–	–	–	–	–	–
Return on ordinary activities after tax for the financial period	11	(14)	(3)	17	–	17	48
Basic return per ordinary share – note 4	0.1p	(0.1)p	–	0.1p	–	0.1p	0.5p

SUMMARY OF NET ASSETS

	AT 30 NOVEMBER 2011 £'000	AT 30 NOVEMBER 2010 £'000	AT 31 MAY 2011 £'000
Fixed assets	8,380	10,413	8,617
Current assets	68	80	64
Creditors falling due within one year, excluding borrowings	(162)	(329)	(161)
Overdraft	(99)	–	(3)
Net assets	8,187	10,164	8,517
Net asset value per share – note 5	102.4p	102.2p	102.3p

CONDENSED INCOME STATEMENT

	SIX MONTHS ENDED 30 NOVEMBER 2011			SIX MONTHS ENDED 30 NOVEMBER 2010			YEAR ENDED 31 MAY 2011
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000	TOTAL £'000
(Losses)/gains on investments	–	(7,080)	(7,080)	–	2,714	2,714	10,632
Foreign exchange losses	–	(77)	(77)	–	(14)	(14)	(52)
Income	1,404	–	1,404	1,254	–	1,254	3,231
Management fees – note 2	(82)	(207)	(289)	(80)	(203)	(283)	(580)
Performance fees	–	(217)	(217)	–	–	–	(111)
Other expenses	(210)	(26)	(236)	(217)	(30)	(247)	(379)
Net return before finance costs and taxation	1,112	(7,607)	(6,495)	957	2,467	3,424	12,741
Finance costs	(20)	(58)	(78)	(19)	(50)	(69)	(143)
Return on ordinary activities before tax	1,092	(7,665)	(6,573)	938	2,417	3,355	12,598
Tax on ordinary activities	(40)	–	(40)	(40)	–	(40)	(105)
Return on ordinary activities after tax for the financial period	1,052	(7,665)	(6,613)	898	2,417	3,315	12,493
Basic return per ordinary share – note 4							
UK Equity Share Portfolio	2.1p	(5.5)p	(3.4)p	1.8p	6.3p	8.1p	23.6p
Global Equity Income Share Portfolio	0.8p	(14.6)p	(13.8)p	0.7p	0.2p	0.9p	10.5p
Hedge Fund Share Portfolio	(0.3p)	(8.0)p	(8.3)p	(0.3)p	(0.7)p	(1.0)p	(1.2)p
Managed Liquidity Share Portfolio	0.1p	(0.1)p	–	0.1p	–	0.1p	0.5p

The total column of this statement represents the Company's profit and loss account, prepared in accordance with UK Accounting Standards. 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 and the Company has no other gains or losses, therefore no statement of recognised gains or losses is presented. No operations were acquired or discontinued in the period. Income Statements for the different share classes are shown on pages 11, 15, 20 and 22 for the UK Equity, Global Equity Income, Hedge Fund and Managed Liquidity Share Portfolios respectively.

CONDENSED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	SHARE CAPITAL £'000	SHARE PREMIUM £'000	SPECIAL RESERVE £'000	CAPITAL REDEMPTION RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
SIX MONTHS ENDED 30 NOVEMBER 2011							
At 31 May 2011	1,071	1,290	89,617	324	9,403	7	101,712
Share buy backs	–	–	(1,723)	–	–	–	(1,723)
Net return on ordinary activities	–	–	–	–	(7,665)	1,052	(6,613)
Interim dividend for 2012	–	–	(48)	–	–	(1,059)	(1,107)
At 30 November 2011	1,071	1,290	87,846	324	1,738	–	92,269
YEAR ENDED 31 MAY 2011							
At 31 May 2010	1,071	1,290	96,896	323	(872)	–	98,708
Cancellation of deferred shares	–	–	(1)	1	–	–	–
Shares bought back and held in treasury	–	–	(7,278)	–	–	–	(7,278)
Realised gains on disposal of investments	–	–	–	–	2,261	–	2,261
Movement in investment holding gains	–	–	–	–	8,371	–	8,371
Foreign exchange losses	–	–	–	–	(52)	–	(52)
Special dividend taken to capital	–	–	–	–	328	–	328
Charged to capital:							
– management fees	–	–	–	–	(416)	–	(416)
– performance fees	–	–	–	–	(111)	–	(111)
– other expenses	–	–	–	–	(2)	–	(2)
– finance costs	–	–	–	–	(104)	–	(104)
Revenue return on ordinary activities per the income statement	–	–	–	–	–	2,218	2,218
Dividends	–	–	–	–	–	(2,111)	(2,211)
At 31 May 2011	1,071	1,290	89,617	324	9,403	7	101,712
SIX MONTHS ENDED 30 NOVEMBER 2010							
At 31 May 2010	1,071	1,290	96,896	323	(872)	–	98,708
Cancellation of deferred shares	(1)	–	–	1	–	–	–
Share buy backs	–	–	(4,170)	–	–	–	(4,170)
Net return on ordinary activities	–	–	–	–	2,417	898	3,315
Interim dividend for 2011	–	–	–	–	–	(776)	(776)
At 30 November 2010	1,070	1,290	92,726	324	1,545	122	97,077

CONDENSED BALANCE SHEET

REGISTERED NUMBER 5916642

	UK EQUITY £'000	GLOBAL EQUITY INCOME £'000	HEDGE FUND £'000	MANAGED LIQUIDITY £'000	TOTAL £'000
AT 30 NOVEMBER 2011					
Fixed assets					
Investments held at fair value through profit or loss	45,529	32,772	10,873	8,380	97,554
Current assets					
Debtors	279	238	3	68	588
Cash and short-term deposits	83	559	207	–	849
	362	797	210	68	1,437
Creditors: amounts falling due within one year	(6,250)	(185)	(26)	(261)	(6,722)
Net current (liabilities)/assets	(5,888)	612	184	(193)	(5,285)
Net assets	39,641	33,384	11,057	8,187	92,269
Shareholders' funds					
Share capital	458	359	137	117	1,071
Share premium	–	–	1,290	–	1,290
Special reserve	40,263	30,840	9,086	7,657	87,846
Capital redemption reserve	73	78	19	154	324
Capital reserve	(1,391)	1,987	909	233	1,738
Revenue reserve	238	120	(384)	26	–
Shareholders' funds	39,641	33,384	11,057	8,187	92,269
Net asset value per ordinary share					
Basic – note 5	100.1p	106.1p	104.2p	102.4p	
AT 31 MAY 2011					
Fixed assets					
Investments held at fair value through profit or loss	49,734	38,170	13,412	8,617	109,933
Current assets					
Debtors	560	225	40	64	889
Cash and short-term deposits	36	364	–	–	400
	596	589	40	64	1,289
Creditors: amounts falling due within one year	(8,113)	(121)	(1,112)	(164)	(9,510)
Net current (liabilities)/assets	(7,517)	468	(1,072)	(100)	(8,221)
Net assets	42,217	38,638	12,340	8,517	101,712
Shareholders' funds					
Share capital	457	362	136	116	1,071
Share premium	–	–	1,290	–	1,290
Special reserve	40,750	31,394	9,488	7,985	89,617
Capital redemption reserve	73	78	19	154	324
Capital reserve	773	6,620	1,763	247	9,403
Revenue reserve	164	184	(356)	15	7
Shareholders' funds	42,217	38,638	12,340	8,517	101,712
Net asset value per ordinary share					
Basic – note 5	105.3p	120.9p	112.1p	102.3p	

CONDENSED BALANCE SHEET

REGISTERED NUMBER 5916642

continued

AT 30 NOVEMBER 2010	UK EQUITY £'000	GLOBAL EQUITY INCOME £'000	HEDGE FUND £'000	MANAGED LIQUIDITY £'000	TOTAL £'000
Fixed assets					
Investments held at fair value through profit or loss	43,346	36,319	14,647	10,413	104,725
Current assets					
Debtors	137	140	61	72	410
Cash and short-term deposits	–	477	944	8	1,429
	137	617	1,005	80	1,839
Creditors: amounts falling due within one year	(7,471)	(115)	(1,572)	(329)	(9,487)
Net current (liabilities)/assets	(7,334)	502	(567)	(249)	(7,648)
Net assets	36,012	36,821	14,080	10,164	97,077
Shareholders' funds					
Share capital	441	360	144	125	1,070
Share premium	–	–	1,290	–	1,290
Special reserve	39,627	32,281	11,210	9,608	92,726
Capital redemption reserve	73	78	19	154	324
Capital reserve	(4,394)	3,939	1,750	250	1,545
Revenue reserve	265	163	(333)	27	122
Shareholders' funds	36,012	36,821	14,080	10,164	97,077
Net asset value per ordinary share					
Basic – note 5	92.4p	112.4p	111.8p	102.2p	

CONDENSED CASH FLOW STATEMENT

	SIX MONTHS ENDED 30 NOVEMBER 2011 £'000	SIX MONTHS ENDED 30 NOVEMBER 2010 £'000	YEAR ENDED 31 MAY 2011 £'000
Total return before finance costs and tax	(6,495)	3,424	12,741
Adjustment for losses/(gains) on investments	7,080	(2,714)	(10,632)
Adjustment for exchange losses	77	14	52
Scrip dividends received as income	(14)	(6)	(30)
Decrease/(increase) in debtors	160	175	(85)
Increase/(decrease) in creditors	194	(121)	(94)
Tax on unfranked investment income	–	(7)	–
Overseas tax	(40)	(40)	(105)
Net cash inflow from operating activities	962	725	1,847
Servicing of finance	(78)	(69)	(140)
Taxation	15	151	124
Net financial investment	5,362	3,252	5,771
Equity dividends paid	(1,107)	(776)	(2,211)
Net cash inflow before management of liquid resources and financing	5,154	3,283	5,391
Management of liquid resources	–	–	–
Financing			
Shares bought back	(1,725)	(4,989)	(8,238)
Movement in bank borrowings	(2,903)	2,077	2,227
Increase/(decrease) in cash	526	371	(620)
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash	526	371	(620)
Exchange movements	(77)	(14)	(52)
Cash movement from changes in debt	2,903	(2,077)	(2,227)
Movement of debt in period	3,352	(1,720)	(2,899)
Net debt at beginning of year	(8,227)	(5,328)	(5,328)
Net debt at end of period	(4,875)	(7,048)	(8,227)

Analysis of changes in net debt

	31 MAY 2011 £'000	EXCHANGE MOVEMENTS £'000	CASH FLOW £'000	30 NOVEMBER 2011 £'000
Cash	400	(77)	526	849
Overdrafts	(127)	–	28	(99)
Bank loan	(8,500)	–	2,875	(5,625)
Net debt	(8,227)	(77)	3,429	(4,875)

1. **Accounting Policy**

The condensed financial statements have been prepared using the same accounting policies as those adopted in the 2011 annual financial report, which are consistent with applicable United Kingdom Accounting Standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies, in January 2009.

2. **Management Fees**

Basis of Management and Performance Fees

(a) for the six months to 30 November 2011

Invesco Asset Management Limited ('IAML'), is entitled to a basic fee (payable quarterly) in respect of each Portfolio (0.75% per annum of net assets in the case of the UK Equity and Global Equity Portfolios and 0.25% per annum of net assets in the case of the Hedge Fund and Managed Liquidity Portfolios).

IAML is also entitled to receive performance fees in respect of the UK Equity and Global Equity Portfolios of 12.5% of the performance of the net asset value per relevant Share in excess of a hurdle of the relevant benchmark plus 1% per annum. The amount of the performance fee payable in any one year is limited to 0.75% of the net assets of the relevant Portfolio. Any underperformance of the benchmark, or performance above the cap, is carried forward to subsequent periods.

After underperformance brought forward, the UK Equity Portfolio earned a performance fee of £217,000 in the period (six months ended 30 November 2010: none and in the year ended 31 May 2011: £111,000) which is charged wholly to capital.

No performance fee was earned for the Global Equity Portfolio in the period (six months ended 30 November 2010 and in the year ended 31 May 2011: none).

Fauchier Partners Management Limited ('Fauchier') charges the Fauchier Managed Funds an annual management fee of 1% of those funds' net asset values. In addition, the managers of the underlying hedge funds in which Fauchier Managed Funds invest will typically charge an annual management fee (generally 1 to 1.5% of assets) plus a performance fee (generally 20% of any outperformance, subject to a high watermark).

Further details of the above fees are disclosed in the 2011 annual financial report.

(b) for the six months to 31 May 2012

At the General Meeting held on 15 November 2011 shareholders approved changes to the Global Equity and Hedge Fund Portfolios. The new Global Equity Income investment objective and policy were effected by 30 November 2011; the management and performance fee basis remain substantially unchanged. The Hedge Fund Portfolio will be renamed the Balanced Risk Portfolio in February 2012, when its new investment objective and polices become effective. At this time Fauchier will be replaced by IAML as manager. IAML will be entitled to a basic fee (payable quarterly) of 0.75% per annum of net assets of the new Balanced Risk Portfolio). No performance fee will be payable on this Portfolio.

At present, 100% of the management fees and finance costs applicable to the Hedge Fund Portfolio are charged to capital. In accordance with the Board's expected split of long-term returns, in the form of capital gains and income, of the Portfolio following the adoption of the new investment strategy, the Directors intend to charge 70% of the management fees and finance costs applicable to the Balanced Risk Portfolio to capital and the balance to revenue. This change will become effective in February 2012.

3. Tax expense represents the sums of tax currently payable and any deferred tax, with any tax payable being based on the taxable profit for the period.

Investment trusts which have been approved under Section 1158 of the Corporation Tax Act 2010 are not liable for taxation on capital gains.

4. Basic Return per Ordinary Share

Basic revenue, capital and total return per ordinary share is based on each of the return on ordinary activities after taxation as shown by the income statement for the applicable Share class and on the following number of shares being the weighted number of shares in issue throughout the period for each applicable Share class:

	WEIGHTED AVERAGE NUMBER OF SHARES		
SHARE	SIX MONTHS ENDED 30 NOVEMBER 2011	SIX MONTHS ENDED 30 NOVEMBER 2010	YEAR ENDED 31 MAY 2011
UK Equity	39,710,856	38,837,982	38,981,102
Global Equity Income	31,774,563	32,402,548	32,455,572
Hedge Fund	10,689,872	13,290,668	12,736,626
Managed Liquidity	8,215,987	11,585,057	10,514,144

5. Net Asset Values per Share

The net asset values per share were based on the following Shareholders' funds and shares (excluding treasury shares) in issue at the period end:

	AT 30 NOVEMBER 2011 £'000	AT 30 NOVEMBER 2010 £'000	AT 31 MAY 2011 £'000
PORTFOLIO SHAREHOLDERS' FUNDS			
UK Equity	39,641	36,012	42,217
Global Equity Income	33,384	36,821	38,638
Hedge Fund	11,057	14,080	12,340
Managed Liquidity	8,187	10,164	8,517

	AT 30 NOVEMBER 2011	AT 30 NOVEMBER 2010	AT 31 MAY 2011
PORTFOLIO SHARES IN ISSUE AT PERIOD END			
UK Equity	39,601,495	38,979,957	40,081,381
Global Equity Income	31,454,464	32,759,274	31,971,638
Hedge Fund	10,613,223	12,599,287	11,009,810
Managed Liquidity	7,995,000	9,946,029	8,324,385

6. Movements in Share Capital and Share Class Conversion

IN THE SIX MONTHS ENDED 30 NOVEMBER 2011

	UK EQUITY	GLOBAL EQUITY INCOME	HEDGE FUND	MANAGED LIQUIDITY
Ordinary 1p shares (number)				
At 31 May 2011	40,081,381	31,971,638	11,009,810	8,324,385
Shares bought back into treasury	(598,000)	(272,000)	(497,000)	(366,000)
October 2011 conversion	118,114	(245,174)	100,413	36,615
At 30 November 2011	39,601,495	31,454,464	10,613,223	7,995,000
Treasury shares	6,163,000	4,488,000	3,125,000	3,691,500
Total shares in issue 30 November 2011	45,764,495	35,942,464	13,738,223	11,686,500
Treasury Shares (number)				
At 31 May 2011	5,565,000	4,216,000	2,628,000	3,325,500
Shares bought back into treasury	598,000	272,000	497,000	366,000
At 30 November 2011	6,163,000	4,488,000	3,125,000	3,691,500
Average buy back price	94.8p	102.6p	101.4p	99.1p

As part of the conversion process 6,404 deferred shares of 1p each were created. All deferred shares are cancelled before the year end and so no deferred shares are in issue at the start or end of the year.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

continued

7. Share Prices

PERIOD END	UK EQUITY	GLOBAL EQUITY INCOME	HEDGE FUND	MANAGED LIQUIDITY
30 November 2010	89.5p	108.5p	103.3p	99.5p
31 May 2011	101.0p	114.5p	105.0p	100.0p
30 November 2011	86.5p	97.0p	92.5p	99.5p

8. Dividends on Ordinary Shares

The following interim dividends were paid on 18 November 2011:

PORTFOLIO	NUMBER OF SHARES	DIVIDEND RATE	TOTAL £'000
UK Equity	39,510,181	2.00p	790
Global Equity Income	31,699,638	1.00p	317
			1,107

9. 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 set out in section 1158 of the Corporation Tax Act 2010.

10. 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 30 November 2011 and 30 November 2010 have not been audited. The figures and financial information for the year ended 31 May 2011 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 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

23 January 2012

APPENDIX:
NEW INVESTMENT OBJECTIVES AND POLICIES

Global Equity Income Portfolio

The new Global Equity Income Portfolio investment objective and policy, which were approved by shareholders on 15 November 2011, are as follows:

Investment Objective

The investment objective of the Global Equity Income Portfolio is to provide an attractive and growing level of income return and capital appreciation over the long term, predominantly through investment in a diversified portfolio of equities worldwide.

Investment Policy

The Portfolio will be invested predominantly in a portfolio of listed, quoted or traded equities worldwide, but may also hold other securities from time to time including, *inter alia*, fixed interest securities, preference shares, convertible securities and depositary receipts. Investment may also be made in regulated or authorised collective investment schemes. The Portfolio will not invest in companies which are not listed, quoted or traded at the time of investment, although it may have exposure to such companies where, following investment, the relevant securities cease to be listed, quoted or traded. The Manager will at all times invest and manage the Portfolio's assets in a manner that is consistent with spreading investment risk, but there will be no rigid industry, sector, region or country restrictions.

The Portfolio may utilise derivative instruments including index-linked notes, contracts for differences, covered options and other equity-related derivative instruments for efficient portfolio management and investment purposes. Any use of derivatives for investment purposes will be made on the basis of the same principles of risk spreading and diversification that apply to the Portfolio's direct investments, as described above.

It is expected that, typically, the Portfolio will hold between 55 and 100 securities.

The Directors believe that the use of borrowings (gearing) can enhance returns to Global Equity Income shareholders, and the Global Equity Income Portfolio may use borrowings in pursuing its investment objective.

The Company's foreign currency investments will not be hedged to sterling as a matter of general policy. However, the Manager may employ currency hedging, either back to sterling or between currencies (i.e. cross hedging of portfolio investments).

The Board has prescribed the following limits (measured at the time of investment) on the investment policy of the Global Equity Income Portfolio:

- no more than 20% of the gross assets of the Global Equity Income Portfolio may be invested in fixed interest securities;
- no more than 10% of the gross assets of the Global Equity Income Portfolio may be held in a single investment;
- no more than 10% of the gross assets of the Global Equity Income Portfolio may be held in other listed investment companies; and
- borrowings may be used to raise equity exposure up to a maximum of 20% of the net assets of the Global Equity Income Portfolio, when it is considered appropriate to do so.

APPENDIX:
NEW INVESTMENT OBJECTIVES AND POLICIES
continued

Balanced Risk Portfolio

The Hedge Fund Portfolio will be renamed the Balanced Risk Portfolio in February 2012. Its investment objective and policy, as approved by shareholders on 15 November 2011, will then be as follows:

Investment Objective

The investment objective of the Balanced Risk Portfolio is to provide shareholders with an attractive total return in differing economic and inflationary environments, and with low correlation to equity and bond market indices by gaining exposure to three asset classes: debt securities, equities and commodities.

Investment Policy

The Portfolio utilises two main strategies: the first seeks to balance the risk contribution from each of three asset classes (equities, bonds and commodities), with the aim of reducing the probability, magnitude and duration of capital losses, and the second seeks to shift tactically the allocation among the assets with the aim of improving expected returns.

The Portfolio is constructed so as to balance risk: by asset class (bonds, equities and commodities) and by asset within each asset class. Neutral weighting is achieved when each asset class contributes an equal proportion of the total Portfolio risk and each asset contributes an equal proportion of the total risk for its respective asset class. The Manager is permitted to actively vary asset class weightings, subject to a maximum of 150% and a minimum of 50% of each asset class' neutral weight. The Manager is also permitted to actively vary individual asset weightings, subject to a maximum of 200% and a minimum of 0% of each asset's neutral weight, provided the asset class guidelines are not violated.

The Portfolio will be mainly invested directly in highly liquid and transparently priced exchange-traded futures contracts, with cash and cash equivalents being held as collateral. However, the Portfolio may also be invested in equities, equity-related securities and debt securities (including floating rate notes). Financial derivative instruments (including but not limited to futures and total return swaps) are used only to achieve additional long exposure to the three asset classes. The Portfolio may also use financial derivative instruments, including currency futures and forwards, for efficient portfolio management, hedging and investment purposes. Financial derivative instruments will not be used to create net short positions in any asset class. The Portfolio will comprise between 12 and 20 investments and typically around 16 investments, the majority of which represent diversified equity or bond indices.

It is expected that the Portfolio's investments will mainly be denominated in sterling. Any non-sterling derivative investments may be hedged back into sterling at the discretion of the Manager when it is economic to do so.

The Board has prescribed the following limits (measured at the time of investment) on the investment policy of the Balanced Risk Portfolio:

- the aggregate notional amount of financial derivative instruments positions may not exceed 250% of the net assets of the Balanced Risk Portfolio;
- no more than 10% of the gross assets of the Balanced Risk Portfolio may be held in other listed investment companies; and
- borrowings may be used for short-term purposes up to a maximum of 5% of the net assets of the Balanced Risk Portfolio, where it is considered appropriate.

DIRECTORS, MANAGERS AND ADMINISTRATION

Directors

Patrick Gifford (Chairman of the Board and Nomination Committee)
Sir Michael Bunbury (Chairman of the Audit and Management Engagement Committees)
Alan Clifton (Senior Independent Director)
David Rosier

All the Directors are, in the opinion of the Board, independent of the management company and all Directors are members of the Audit, Management Engagement and Nomination Committees.

Manager, Company Secretary and Registered Office

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Company Number

Registered in England and Wales No. 5916642

Registrars

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

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

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