Invesco Perpetual UK Smaller Companies Investment Trust plc

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

KEY FACTS

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

Investment Objective and Policy of the Company

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

Full details of the Company's investment policy and risk and investment limits can be found in the annual financial report for the year ended 31 January 2013.

Performance Statistics

The Benchmark Index of the Company is the ***Numis Smaller Companies Index (excluding Investment Companies)*** *on a total return basis.*

	AT 31 JULY 2013	AT 31 JANUARY 2013	% CHANGE
Net asset value and share price:			
Net asset value per share:			
– balance sheet	326.2p	285.7p	+14.2%
– after charging proposed dividends (capital NAV)	324.6p	281.3p	+15.4%
Shareholders' funds (£'000)	173,556	152,034	+14.2%
Mid-market price per share	280.5p	246.5p	+13.8%
Discount per share based on balance sheet NAV	14.0%	13.7%	

Total return (all income reinvested) for the six months ended 31 July 2013:	
Net asset value*	+16.3%
Benchmark Index*	+16.1%
FTSE All-Share Index*	+8.9%
Capital return:	
Net asset value*	
Benchmark Index*	+14.4%
FTSE All-Share Index*	+6.8%

**Source: Thomson Reuters Datastream*

	AT 31 JULY 2013	AT 31 JANUARY 2013
Gearing		
– gross gearing(1)	nil	nil
– net gearing(2)	nil	nil
– maximum permissible gearing(3)	11.5%	13.2%
– net cash(4)	0.8%	5.1%

	SIX MONTHS ENDED 31 JULY 2013	SIX MONTHS ENDED 31 JULY 2012
Return and dividend per share:		
Revenue return	3.6 p	3.2 p
Capital return	41.2 p	8.3 p
Total return	44.8 p	11.5 p
Interim dividend	1.6p	1.6p

Notes:

1. Gross gearing: borrowings ÷ shareholders' funds.
2. Net gearing: borrowings less cash ÷ shareholders' funds.
3. Maximum permissible gearing: maximum permissible borrowings as laid down in the investment policy and covenants under the borrowing facility ÷ shareholders' funds.
4. Net cash: net exposure to cash and cash equivalents ÷ shareholders' funds.

CHAIRMAN'S STATEMENT INCORPORATING THE INTERIM MANAGEMENT REPORT

Chairman's Statement

During the six months to 31 July 2013, your Company delivered a total return of 16.3%, marginally outperforming its benchmark, the Numis Smaller Companies Index (ex Investment Companies) which rose by 16.1%. By contrast, your Company significantly outperformed the wider UK market, as measured by the FTSE All-Share Index, which rose by 8.9% over the same period.

The mid-market price of the Company's shares rose from 246.5p to 280.5p per ordinary share during the six months to 31 July 2013, an increase of 13.8%. The Company's discount to NAV widened marginally from 13.7% at the beginning of the period to 14.0% as at 31 July 2013 (par value, cum-income). At the date of this Report the discount had narrowed to 11.4%.

This return was achieved through the consistent approach applied by the Company's investment managers of investing in good quality, cash-generative businesses that have the resilience and competitiveness to withstand the difficult market conditions that have continued, a full six years after the onset of this unprecedented economic crisis. As the figures show, smaller companies have outperformed their larger counterparties and have proved themselves to be agile and quick to react to these challenging circumstances, keeping costs down and maintaining or even enhancing their profitability.

Discount Control

Whilst the Company has not conducted any buy back transactions during the period, your Board believes that targeted buy backs can, in certain circumstances, help to reduce the discount to NAV at which the Company's shares trade. For this reason the authority to conduct market purchases of the Company's own shares will be used under appropriate circumstances, if thought fit by your Board.

As explained in my Chairman's Statement to the 2013 annual financial report, on or around the Company's Annual General Meeting in 2017 shareholders will be able to decide whether to continue their investment in the Company, to rollover into a similar investment vehicle or to realise their investment for cash at a price close to net asset value (NAV). One of the benefits the Board hopes to achieve, in time, by this initiative – together with occasional buy backs as explained above – is a permanent narrowing of the discount to NAV at which the shares trade.

Interim Dividend

The Board is pleased to declare an interim dividend of 1.6p per share to be paid on 24 October 2013 to shareholders on the register on 27 September 2013. The shares will go ex-dividend on 25 September 2013. During the year to date the Company has been in receipt of special dividends of £0.4 million. Future dividends, will, as always, depend on market conditions and investment performance.

Outlook

Recent comments from Central Bankers – the Bank of England's Mark Carney in particular – have reminded investors that economic resolution is still some years away. The decent run-up in markets that has been experienced in 2013, particularly in smaller companies, may pause as the year progresses and indicators of sustained improvement are increasingly sought by market participants. In this environment, your Board continues to believe in adhering to the portfolio managers' long-held principles of selecting a portfolio of good quality companies with sound balance sheets, little debt and with the ability to compete successfully for market share.

Ian Barby
Chairman
17 September 2013

Investment Review

The six month period under review provided good returns for equity investors. Stock markets were buoyed by a combination of continued monetary expansion from central banks and some more encouraging economic data from western economies. It was not all plain sailing in the first half however, with faltering growth in China causing a substantial fall in commodity markets, which in turn sent many emerging country stock markets into reverse. Also, talk of the Federal Reserve tapering its monetary stimulus in the US resulted in a short term setback in bond and stock markets, which was of sufficient magnitude to prompt soothing words from the Chairman. Typically when the market is in an optimistic mood, smaller companies tend to outperform. This was the case again in the first half of the year, with smaller companies, as measured by the Numis Smaller Companies Index (ex Investment Companies), rising 16.1%, versus the wider equity market, as measured by the FTSE All-Share Index rising by 8.9%, both in total return terms.

Portfolio Strategy and Review

Against this background, your Company increased its net asset value by 16.3% for the half-year, in total return terms. The portfolio benefited from overweight positions in the Support Services and Housebuilding sectors but was hurt by its exposure to the Oil & Gas and its, albeit modest, exposure to Mining. At the individual stock level, the best performers included: prefabricated kitchen wholesaler Howden Joinery (+54.3%) which continued to prosper in an unhelpful environment; digital print-head manufacturer Xaar (+192.7%), which saw strong demand from Chinese tile manufacturers and significant upgrades to earnings estimates; and home shopping company Brown (N) (+46.4%). While contributors to performance substantially outweighed detractors, there were disappointments from IQE (-33.8%) which saw new competition enter one of its markets and African Barrick Gold (-67.6%), which has continued to experience production issues at some of its mines. The Company no longer owns either of these two stocks.

At the start of the period, the looming issue for the global economy was the risk of "sequestration", an automatic across the board 10% reduction in the US Federal budget, which posed a potential significant headwind for the world's largest economy. In the event, the US economy shrugged off the budget reduction and continued to grow at a modest rate, in contrast to many other developed countries. The resilient performance of the US is in part due to an energy cost advantage from shale oil and gas, a housing market which has fully corrected in terms of affordability and is now recovering, and a banking system which is functional again having substantially dealt with its bad debts.

The on-going issues in Europe have largely been glossed over and investors have been keen to seize on positive data points as evidence that the Eurozone is recovering from its 18 month recession. Whilst evidence of this recovery is hard to see in the trading of companies exposed to the region, some of the leading indicators have started to improve. Business confidence surveys are showing some improvement, manufacturing and services data is less negative than it was and there has been an improvement in the balance of trade, although this has been as a result of lower imports rather than higher exports. Unemployment remains a significant problem for the region and the political situation continues to be fragile, with the electorates in many countries showing signs of rebellion against austerity measures which seem to favour investors in banks at the expense of the people at large. The confiscation of bank deposits in Cyprus is the most extreme example of this, but more generally European politicians seem more concerned with the perpetuation of the European "project" than the shorter term livelihoods of their own countrymen.

Elsewhere in the world, the weaknesses inherent in a central command economy are starting to reveal themselves in China, where a colossal misallocation of capital appears to have occurred in the real estate and infrastructure sectors. The construction boom is showing signs of ending, with many underutilised projects failing to provide sufficient returns to service their debt. Ultimately this will lead to problems in the Chinese banking system, but the level of vested interest, both on a political and financial level, means that the current situation could be perpetuated for some time. Markets, however, are beginning to discount an end to the boom, with commodity prices declining rapidly. The effect of this is being felt in commodity based economies, notably Australia and Emerging markets but, for the rest of the world, the lower commodity prices are helpful in keeping inflation in check.

The last few months have seen some tentative signs that the UK economy is on an improving trend. Survey data relating to services, manufacturing and construction have all improved over recent months. Employment data has continued to be better than expected, possibly due to labour pricing itself back into work, as wage rates continue to lag general inflation. Whilst helpful for job numbers, the continued squeeze on the standard of living for UK households is a drag on consumption, which is the largest component of UK GDP. The government initiatives to re-ignite the housing market are having a clear effect on house prices in the short term, and the wealth effect from this should be supportive of future growth in consumer spending. The outlook for the public sector, which is the other major component of GDP, is less attractive. Despite all the talk of austerity, 2013 will be the first year that sees real reductions in the level of public expenditure. We continue to believe that the pace of recovery in the UK will continue to be modest but, with 2 years until the next general election, the government will be keen to generate more optimism around the economy and, in particular, this should be supportive of the consumer and housing sectors.

The improvement in economic data has, on the whole, failed to manifest itself in company earnings. The UK small and mid-cap sector has suffered 16 months in a row of net downgrades to earnings estimates. Despite this lengthy run of deteriorating profit expectations, the market as measured by the Numis Smaller Companies Index (ex Investment Companies) has risen 45.9% over that period. In part this is due to the market discounting improved economic conditions over the next year or so but, more importantly, it is a reflection of the relative value to be found in equities when compared to other asset classes, particularly fixed income. With bond yields reaching an all-time low during the period and the prospect of a slowdown in quantitative easing, there has been a trend for new investment to be directed at equities rather than bonds. The expectation that bond yields will return to more normal levels over time – and indeed they have risen sharply of late – should result in equities being seen as the primary asset class on a long term view.

The current market could best be termed a stock pickers market. Many of the so-called recovery stocks are now trading on relatively high multiples of partially recovered earnings and, in the absence of a more distinct economic recovery over the next 6 months, appear to offer little in the way of value. The stocks which are of more interest to us are the higher quality ones which have continued to take market share through the recession. In many cases these stocks trade at discounts to the "recovery" stocks but will still be beneficiaries of an improving economy. Companies such as Diploma, a high margin distribution business with operations in North America and Europe and Euromoney, a media business specialising in subscription services to financial markets, offer the kind of long term growth potential that form the cornerstone of the portfolio. These companies traded well through the recession, generating significant amounts of cash, but should also deliver substantial growth in an improved economic environment.

In anticipation of government initiatives to stimulate the economy ahead of the general election in 2015, we have added to positions in the Travel & Leisure and Retail sectors, as well as housing related stocks and financials. We have reduced our weightings in the mining, industrial and technology sectors.

Outlook

We are encouraged by the tentative signs of economic recovery across a number of developed countries, which bodes well for improved levels of company profitability over the next few years. The consumer environment in the UK should be underpinned by government initiatives over the next couple of years and there are hopes that some modest weakening in sterling will result in a stronger outlook for export led businesses. However, recovering economic activity will prompt a scaling back of quantitative easing which has undoubtedly been a strong support and stimulus for stock markets. In addition deleveraging is still in progress and will continue to inhibit the pace of economic recovery. On balance we remain positive for the UK stock market, despite the strength of the market in recent years. However, we also remain vigilant should the current rise in bond yields extend further than expected and result in a more pronounced setback in markets.

Richard Smith Jonathan Brown
Portfolio Managers
17 September 2013

Related Party Transactions and Transactions with the Manager

Invesco Asset Management Limited (IAML), a wholly owned subsidiary of Invesco Limited, acts as Manager, Company Secretary and Administrator to the Company. Details of IAML's services and fees are given in the 2013 annual financial report which is available on the Manager's website.

Principal Risks and Uncertainties

- Investment Objective – there can be no guarantee that the Company will achieve its published investment objective.
- Market Movements and Portfolio Performance – a fall in the stock markets and/or a prolonged period of decline in the markets relative to other forms of investment as well as bad performance of individual companies.
- Ordinary Shares – the market value of the shares in the Company may not reflect their underlying net asset value. Whilst it is the Directors' intention to pay a dividend, the ability to do so and its quantum will depend upon the income received from securities.
- Regulatory Risk – the Company is subject to various laws and regulations by virtue of its status as an investment trust. Control failures by the Managers or third party service providers may result in operational or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations.
- Gearing – The Company may borrow money for investment purposes. If the investments fall in value, any borrowings will magnify any loss. If borrowing facilities could not be renewed, the company might have to sell investments to repay borrowings.
- Reliance on Third Party Service Providers – failure by any service provider to carry out its obligations to the Company could have a materially detrimental impact on the operation of the Company and affect the ability of the Company to successfully pursue its investment policy.

A detailed explanation of these principal risks and uncertainties can be found on pages 17 to 19 of the Company's 2013 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.

Going Concern

The financial statements have been prepared on a going concern basis. The Directors consider this is the appropriate basis, as the Company has adequate resources to continue in operational existence for the foreseeable future. In considering this, the Directors took into account the diversified portfolio of readily realisable securities which can be used to meet funding commitments, and the ability of the Company to meet all of its liabilities, including bank overdraft and ongoing expenses from its assets.

DIRECTORS, ADVISERS AND PRINCIPAL SERVICE PROVIDERS

Directors

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

Manager, Company Secretary and Registered Office

Invesco Asset Management Limited
30 Finsbury Square
London EC2A 1AG
Authorised and regulated by the Financial Conduct Authority
☎ 020 7065 4000
Company Secretarial contact: Kevin Mayger

Company Number

Registered in England and Wales No. 2129187

Invesco Perpetual Investor Services

Invesco Perpetual has an Investor Services Team, available from 8.30 am to 6 pm, Monday to Friday (excluding UK bank holidays). Please feel free to take advantage of their expertise.
☎ 0800 085 8677
www.invescoperpetual.co.uk/investmenttrusts

Savings Scheme and ISA Administration

For queries relating to both the Invesco Perpetual Investment Trust Saving Scheme and ISA please contact:

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

Registrars

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

If you hold your shares direct and not through either a Savings Scheme or ISA and have queries relating to your shareholding, you should contact the Registrars' on:
☎ 0871 664 0300
Calls cost 10p per minute plus network charges.
From outside the UK: +44 20 8639 3399.
Lines are open from 9.00 am to 5.30 pm, Monday to Friday (excluding UK bank holidays).
Capita Registrars provide a telephone and an online share dealing service to existing shareholders who are not seeking advice on buying or selling. This service is available at www.capitadeal.com or ☎ 0871 664 0364
From outside the UK: +44 20 3367 2691.

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

THIRTY LARGEST HOLDINGS AT 31 JULY 2013

Ordinary shares unless stated otherwise

COMPANY	ACTIVITY BY SECTOR	VALUE £'000	% OF PORTFOLIO
Synergy Health	Health Care Equipment & Services	6,148	3.6
Dechra Pharmaceuticals	Pharmaceuticals & Biotechnology	5,813	3.4
Howden Joinery	Support Services	4,702	2.7
Senior	Aerospace & Defence	4,145	2.4
Greene King	Travel & Leisure	3,386	2.0
Jupiter Fund Management	Financial Services	3,299	1.9
Bellway	Household Goods & Home Construction	3,235	1.9
Diploma	Support Services	3,197	1.9
Brown (N)	General Retailers	3,035	1.8
Premier Oil	Oil & Gas Producers	3,022	1.8
LSL Property Services	Real Estate Investment & Services	2,986	1.7
Euromoney Institutional Investor	Media	2,978	1.7
RPC	General Industrials	2,912	1.7
Essentra	Support Services	2,869	1.7
Bovis Homes	Household Goods & Home Construction	2,820	1.7
Micro Focus International	Software & Computer Services	2,736	1.6
Thomas Cook	Travel & Leisure	2,728	1.6
Mears	Support Services	2,717	1.6
Dunelm	General Retailers	2,633	1.5
PayPoint	Support Services	2,553	1.5
RWS[AIM]	Support Services	2,548	1.5
International Personal Finance	Financial Services	2,528	1.5
IG Group	Financial Services	2,419	1.4
Carphone Warehouse	General Retailers	2,375	1.4
Brewin Dolphin	Financial Services	2,362	1.4
Rentokil Initial	Support Services	2,236	1.3
Workspace	Real Estate Investment Trusts	2,196	1.3
RPS	Support Services	2,136	1.2
Elementis	Chemicals	2,067	1.2
CVS[AIM]	General Retailers	2,044	1.2
		90,825	53.1
Other Investments (73)		80,212	46.9
Total Investments (103)		**171,037**	**100.0**

[AIM]*Investments quoted on AIM (formerly the Alternative Investment Market).*

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	SIX MONTHS TO 31 JUL 2013 REVENUE £'000	SIX MONTHS TO 31 JUL 2013 CAPITAL £'000	SIX MONTHS TO 31 JUL 2013 TOTAL £'000	SIX MONTHS TO 31 JUL 2012 REVENUE £'000	SIX MONTHS TO 31 JUL 2012 CAPITAL £'000	SIX MONTHS TO 31 JUL 2012 TOTAL £'000	YEAR ENDED 31 JAN 2013 TOTAL £'000
Profits on investments at fair value	—	22,215	22,215	—	4,937	4,937	25,353
Losses on derivative instruments	—	—	—	—	—	—	(45)
Income							
UK dividends	2,174	—	2,174	1,963	—	1,963	3,859
UK unfranked investment income	—	—	—	41	—	41	76
Overseas dividends	155	—	155	81	—	81	188
Gross profit	2,329	22,215	24,544	2,085	4,937	7,022	29,431
Investment management fee — note 2	(267)	(267)	(534)	(221)	(221)	(442)	(902)
Performance fee — note 2	—	—	—	—	(258)	(258)	—
Other expenses	(149)	(2)	(151)	(142)	(2)	(144)	(292)
Profit before finance costs and tax	1,913	21,946	23,859	1,722	4,456	6,178	28,237
Finance costs — note 2	—	—	—	(7)	(29)	(36)	(36)
Profit before tax	1,913	21,946	23,859	1,715	4,427	6,142	28,201
Taxation	—	—	—	(3)	—	(3)	(5)
Profit after tax	1,913	21,946	23,859	1,712	4,427	6,139	28,196
Return per ordinary share							
Basic — note 3	3.6p	41.2p	44.8p	3.2p	8.3p	11.5p	53.0p

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

CONDENSED BALANCE SHEET

Registered number 2129187	AT 31 JUL 2013 £'000	AT 31 JUL 2012 £'000	AT 31 JAN 2013 £'000
Non-current assets			
Investments at fair value through profit or loss	171,037	131,705	146,338
Current assets			
Amounts due from brokers	1,859	409	687
Prepayments and accrued income	489	472	263
Cash and cash equivalents	1,363	—	7,742
	3,711	881	8,692
Total assets	174,748	132,586	155,030
Current liabilities			
Amounts due to brokers	(1,045)	(230)	(2,840)
Bank overdraft	—	(1,152)	—
Accruals	(147)	(116)	(156)
	(1,192)	(1,498)	(2,996)
Total assets less current liabilities	173,556	131,088	152,034
Provision for performance fee — note 2	—	(258)	—
Net assets	173,556	130,830	152,034
Issued capital and reserves			
Share capital	10,642	10,642	10,642
Share premium	21,244	21,244	21,244
Capital redemption reserve	3,386	3,386	3,386
Capital reserves	133,793	91,449	111,847
Revenue reserve	4,491	4,109	4,915
Total Shareholders' funds	173,556	130,830	152,034
Net asset value per ordinary share			
Basic — see note 5	326.2p	245.9p	285.7p

CONDENSED STATEMENT OF CASH FLOW

	SIX MONTHS TO 31 JUL 2013 £'000	SIX MONTHS TO 31 JUL 2012 £'000	YEAR TO 31 JAN 2013 £'000
Cash flow from operating activities			
Profit before tax	23,859	6,142	28,201
Taxation	—	(3)	(5)
Adjustments for:			
Purchases of investments	(39,300)	(19,206)	(33,823)
Sales of investments	33,849	27,865	50,595
	(5,451)	8,659	16,772
Profit on investments	(22,215)	(4,937)	(25,353)
Finance costs	—	36	36
Operating cash flows before movements in working capital	(3,807)	9,897	19,651
Increase in receivables	(226)	(271)	(62)
Decrease in payables	(9)	(161)	(378)
Net cash flows from operating activities after tax	(4,042)	9,465	19,211
Cash flows from financing activities			
Interest paid	—	(36)	(36)
Shares repurchased and cancelled	—	(280)	(280)
Equity dividends paid	(2,337)	(1,803)	(2,655)
Net cash used in financing activities	(2,337)	(2,119)	(2,971)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts	(6,379)	7,346	16,240
Cash, cash equivalents and bank overdraft at the beginning of the period	7,742	(8,498)	(8,498)
Cash, cash equivalents and bank overdraft at the end of the period	1,363	(1,152)	7,742

CONDENSED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL £'000	SHARE PREMIUM £'000	CAPITAL REDEMPTION RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
For the six months ended 31 July 2013						
At 31 January 2013	10,642	21,244	3,386	111,847	4,915	152,034
Profit for the year	—	—	—	21,946	1,913	23,859
Dividends paid — note 4	—	—	—	—	(2,337)	(2,337)
At 31 July 2013	10,642	21,244	3,386	133,793	4,491	173,556
For the six months ended 31 July 2012						
At 31 January 2012	10,669	21,244	3,359	87,299	4,200	126,771
Profit for the year	—	—	—	4,427	1,712	6,139
Shares repurchased and cancelled	(27)	—	27	(277)	—	(277)
Dividends paid — note 4	—	—	—	—	(1,803)	(1,803)
At 31 July 2012	10,642	21,244	3,386	91,449	4,109	130,830
For the year ended 31 January 2013						
At 31 January 2012	10,669	21,244	3,359	87,299	4,200	126,771
Profit for the year	—	—	—	24,826	3,370	28,196
Shares repurchased and cancelled	(27)	—	27	(278)	—	(278)
Dividends paid — note 4	—	—	—	—	(2,655)	(2,655)
At 31 January 2013	10,642	21,244	3,386	111,847	4,915	152,034

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation

Accounting Standards and Policies

These condensed financial statements have been prepared using the same accounting policies as those adopted in the 2013 annual financial report, which are consistent with International Financial Reporting Standards (IFRS), and Standard Interpretation Committee and International Financial Reporting Interpretation Committee interpretations issued by the International Accounting Standards Board to the extent adopted by the EU.

2. Management Fee, Performance Fee and Finance Costs

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

Performance-related fees are charged wholly to capital and at the period end, there was no accrual (31 July 2012: £258,000; 31 January 2013: nil).

3. Basis of Returns

	SIX MONTHS TO 31 JUL 2013	SIX MONTHS TO 31 JUL 2012	YEAR TO 31 JAN 2013
Returns after tax:			
Revenue	£1,913,000	£1,712,000	£3,370,000
Capital	£21,946,000	£4,427,000	£24,826,000
Total	£23,859,000	£6,139,000	£28,196,000
Weighted average number of ordinary shares in issue during the period	53,209,084	53,225,507	53,217,249

4. Dividends on Ordinary Shares

	RATE	SIX MONTHS ENDED 31 JUL 2013 £'000	SIX MONTHS ENDED 31 JUL 2012 £'000	YEAR ENDED 31 JAN 2013 £'000
Final 2012	3.4p	—	1,809	1,809
Interim 2013	1.6p	—	—	852
Final 2013	4.4p	2,341	—	—
Return of unclaimed dividends from previous years		(4)	(6)	(6)
Total		2,337	1,803	2,655

An interim dividend of 1.6p per ordinary share (2012: 1.6p) will be paid on 24 October 2013 to shareholders on the register on 27 September 2013.

5. Basis of Net Asset Value per Ordinary Share

	AT 31 JUL 2013	AT 31 JUL 2012	AT 31 JAN 2013
Shareholders' funds	£173,556,000	£130,830,000	£152,034,000
Ordinary shares in issue at period end	53,209,084	53,209,084	53,209,084

6. Movements in Share Capital

	SIX MONTHS TO 31 JUL 2013	SIX MONTHS TO 31 JUL 2012	YEAR TO 31 JAN 2013
Number of ordinary 20p shares:			
Brought forward	53,209,084	53,346,084	53,346,084
Buy backs in period	—	(137,000)	(137,000)
In issue at period end	53,209,084	53,209,084	53,209,084

7. Investment Trust Status

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

8. Status of Half Yearly Financial Report

The financial information contained in this half yearly financial report, which has not been reviewed or audited by the independent auditors, does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The financial information for the half years ended 31 July 2012 and 31 July 2013 has not been audited. The figures and financial information for the year ended 31 January 2013 are extracted and abridged from the latest published accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and include the Report of the Independent Auditor, which was unqualified.

By order of the Board

Invesco Asset Management Limited

Company Secretary

17 September 2013

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

The Directors confirm that to the best of their knowledge:

– the condensed set of financial statements contained within the half-yearly financial report have been prepared in accordance with the International Accounting Standards 34 'Interim Financial Reporting';

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

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

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

Signed on behalf of the Board of Directors.

Ian Barby

Chairman

17 September 2013

Invesco Perpetual

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