Invesco Perpetual Select Trust plc

Half-Yearly Financial Report
Six Months Ended 30 November 2017

The Company in Brief

Nature of the Company

Invesco Perpetual Select Trust plc (the 'Company') is a public listed Investment Company 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 www.invescoperpetual.co.uk/selectuk
- Global Equity Income www.invescoperpetual.co.uk/selectglobal
- Balanced Risk www.invescoperpetual.co.uk/selectbr
- Managed Liquidity www.invescoperpetual.co.uk/selectml

Investment Policy

The Company's Investment Policy, which includes the investment objectives, policies, risks and investment limits for the Company and the separate Portfolios, is disclosed in full on pages 28 to 31 of the 2017 annual financial report, which is available to view at or download from each of the above websites. Within this report, the investment objective of each Portfolio is shown at the start of the applicable Portfolio Manager's Report.

Share Class Conversion

The Company enables shareholders to alter their asset allocation to reflect their view of prevailing markets through the opportunity to convert between share classes every three months 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 days prior to the relevant conversion date. Forms for conversion are available at each of the above websites 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.

The Company's four share classes are each eligible for investment in an ISA and qualify to be considered as mainstream investment products suitable for promotion to retail investors.

If you have any queries about Invesco Perpetual Select Trust plc or any of the other specialist funds managed by Invesco Perpetual, you can contact the Invesco Perpetual Client Services team on

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

Cover: Close up of Mica Crystals

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The Company is a member of

aic

The Association of Investment Companies

FINANCIAL PERFORMANCE

CUMULATIVE TOTAL RETURNS TO 30 NOVEMBER 2017

UK Equity Portfolio

	SIX MONTHS	ONE YEAR	THREE YEARS	FIVE YEARS
Net Asset Value	–2.5%	13.8%	29.1%	100.0%
Share Price	–2.6%	14.3%	28.8%	100.1%
FTSE All-Share Index	–0.2%	13.4%	25.2%	57.1%

Global Equity Income Portfolio

	SIX MONTHS	ONE YEAR	THREE YEARS	FIVE YEARS
Net Asset Value	5.8%	16.6%	47.2%	107.1%
Share Price	5.0%	15.5%	47.2%	117.0%
MSCI World Index (£)	4.5%	14.1%	46.5%	106.4%

Balanced Risk Portfolio

	SIX MONTHS	ONE YEAR	THREE YEARS	FIVE YEARS
Net Asset Value	3.8%	8.9%	15.9%	27.9%
Share Price	3.2%	8.0%	18.8%	35.1%
Merrill Lynch 3 month LIBOR +5% pa	2.6%	5.3%	16.5%	27.6%

Managed Liquidity Portfolio

	SIX MONTHS	ONE YEAR	THREE YEARS	FIVE YEARS
Net Asset Value	0.1%	0.2%	0.0%	0.4%
Share Price	0.5%	0.7%	0.4%	2.5%

Source: Thomson Reuters Datastream.

PERIOD END NET ASSET VALUE, SHARE PRICE AND DISCOUNT

SHARE CLASS	NET ASSET VALUE (PENCE)	SHARE PRICE (PENCE)	DISCOUNT
UK Equity	185.8	184.0	1.0%
Global Equity Income	207.3	204.5	1.4%
Balanced Risk	139.8	137.8	1.4%
Managed Liquidity	103.3	102.0	1.3%

INTERIM MANAGEMENT REPORT INCORPORATING THE CHAIRMAN'S STATEMENT

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 Shares, Balanced Risk Shares and Managed Liquidity Shares, each of which has its own separate portfolio of assets and attributable liabilities.

The Company enables shareholders to alter their asset allocation to reflect their views of prevailing market conditions. Shareholders have the opportunity every three months to convert between share classes free of capital gains tax.

Performance

In NAV terms, with dividends reinvested, the UK Equity Portfolio returned –2.5% over the six months to the end of November 2017 compared with its benchmark, the FTSE All-Share Index's total return of –0.2%. The share price total return was –2.6%. Performance in the period was particularly affected by two specific investments, Provident Financial and Acacia Mining, as described in James Goldstone's report, which follows.

The Global Equity Income Portfolio returned 5.8% in NAV terms, and 5.0% on the share price, compared with its benchmark, the MSCI World Index's total return over the period of 4.5%.

The Balanced Risk Portfolio returned 3.8% in NAV terms, and 3.2% on the share price. The Portfolio's benchmark, three month LIBOR plus 5% p.a., returned 2.6%.

The Managed Liquidity Shares, whose objective is derived from cash returns, had a return of 0.1% based on the NAV and 0.5% based on the share price.

The heady returns of the year to May 2017 have been replaced by rather more sober markets though, helped by a general improvement in economic activity, the underlying mood has remained optimistic. Even where this has been muted, as in the UK, strong employment statistics and better wage growth have been positive influences. In consequence central banks have been confirmed in their policies of gradual reduction or removal of quantitative easing and increases in short term interest rates.

In practice, the period was more notable for what didn't happen, ranging from nuclear war in Korea to a more mundane increase in equity market volatility. The Trump administration and the UK's tangled "Brexit" politics, provided plenty of political excitement though perhaps rather less tangible achievement. Meantime the volatility absent in equity markets surfaced in Bitcoin and other cryptocurrencies, which remain highly controversial.

Historical Fees on Managed Liquidity

We very much regret to report that during the period an historic error was discovered in the fee calculation for the Managed Liquidity share class. The share class should have received rebates of some fees charged to the underlying money market funds which were not in fact paid. This slightly reduced the net income, and thus the potential dividends paid to holders of Managed Liquidity shares, over several years. Invesco has agreed to pay to each shareholder the amounts, as close as can be practicably determined, by which they were disadvantaged over the relevant time period together with interest. A fuller statement will be available once the final calculations have been made and the tax position finalised. The form of the proposed restitution means that historical net asset value records and share conversion calculations are not affected.

Dividends

For both the UK Equity shares and the Global Equity Income shares the Board has declared equal first, second and third quarterly dividends for the current year of 1.45p each. This makes a total declared for both equity share classes of 4.35p to date.

We continue to target annual dividends of at least 6.25p for the UK Equity shares and at least 6.4p for the Global Equity Income shares, these being the levels declared last year. Achieving these targets may require a contribution from capital, as was the case last year.

INTERIM MANAGEMENT REPORT INCORPORATING THE CHAIRMAN'S STATEMENT

continued

It continues to be the case that in order to maximise the capital return on the Balanced Risk Shares, the Directors only intend to declare dividends on the Balanced Risk Shares to the extent required, having taken into account the dividends paid on the other Share classes, to maintain the Company's status as an investment trust. None have been declared to date.

In consequence of the continued very low interest rates prevailing, the cumulative retained net revenue of the Managed Liquidity Portfolio is minimal and the Directors have not declared any dividends on the Managed Liquidity Shares.

Discount, Share Buy Backs and Share Issues

The Company continued to operate a discount control policy for all four share classes through the period and the discounts remained within a tight range throughout.

During the period the Company bought back 535,000 UK Equity shares at an average price of 180.5p, 250,000 Global Equity Income shares at a price of 199.7p, 23,000 Balanced Risk shares at a price of 134.4p and 232,000 Managed Liquidity shares at a price of 101.0p.

Outlook

It is probable that there will be a gradual reduction in liquidity worldwide over the next year or so. Central Banks are keen to restore normality to their balance sheets, possibly in order to be able to fight the next downturn, and rising global economic activity should also reduce surplus liquidity. This isn't usually a particularly supportive environment for securities markets, and especially not for fixed interest. Equities will be helped by rising profits and should perform rather better, though valuations relative to earnings may fall. This seems like a somewhat complacent view of the prospects and the scope for different outcomes, particularly less attractive ones, is considerable. The Trump Presidency is unpredictable and not necessarily benign. The UK continues to have its own parochial political problems with uncertain possible outcomes. Meantime, having experienced a major supportive monetary experiment in the last decade, we must watch nervously as Central Banks experiment with its removal. If they get it wrong, recession, possibly deflation, seems the more likely outcome than inflation. However, even if complacent, the central forecast is well supported by current trends, especially in rising corporate profits, and should produce equity markets in which our portfolio managers can find companies with strong fundamental characteristics at reasonable valuations.

We remain convinced that the Company offers a good mix of strategies and its structure, with quarterly opportunities to convert between share classes, makes it an ideal vehicle for DIY investors who want enhanced control of their investments.

Patrick Gifford
Chairman

2 February 2018

Related Party Transactions

Under United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), the Company has identified the Directors as related parties. No other related parties have been identified during the period. No transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Principal Risks and Uncertainties

Explanations of the Company's principal risks and uncertainties are set out on pages 34 to 37 of the 2017 annual financial report, which is available on the Manager's website.

These are summarised as follows:

- Investment Objectives – the investment policies may not achieve the published investment objectives;
- Market Movements and Portfolio Performance – falls in stock markets will affect the performance of the individual Portfolios and securities held within the Portfolios;
- Risks Applicable to the Company's shares – the prices of shares in the Company may not appreciate and the level of dividends may fluctuate;
- Viability and Compulsory Conversion of a Class of Shares – lack of demand for one of the Company's share classes could result in the relevant portfolio becoming too small to be viable. 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;
- Gearing – borrowing will amplify the effect on shareholders' funds of gains and losses on the underlying securities;
- 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 Balanced Risk Shares – the use of financial derivative instruments, in particular futures, forms part of the investment policy and strategy of the Balanced Risk Portfolio. The degree of leverage inherent in futures trading potentially means that a relatively small price movement in a futures contract may result in an immediate and substantial loss to the Portfolio; and
- Reliance on Third Party Service Providers – the Company has no employees, 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 as equally 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 to be appropriate as the Company has adequate resources to continue in operational existence for the foreseeable future, being 12 months after approval of the financial statements. 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 short-term funding requirements; the liquidity of the investments which could be used to repay the credit facility in the event that the facility could not be renewed or replaced; its revenue; and the ability of the Company in the light of these factors to meet all its liabilities and ongoing expenses.

UK EQUITY SHARE PORTFOLIO PERFORMANCE RECORD

Total Return

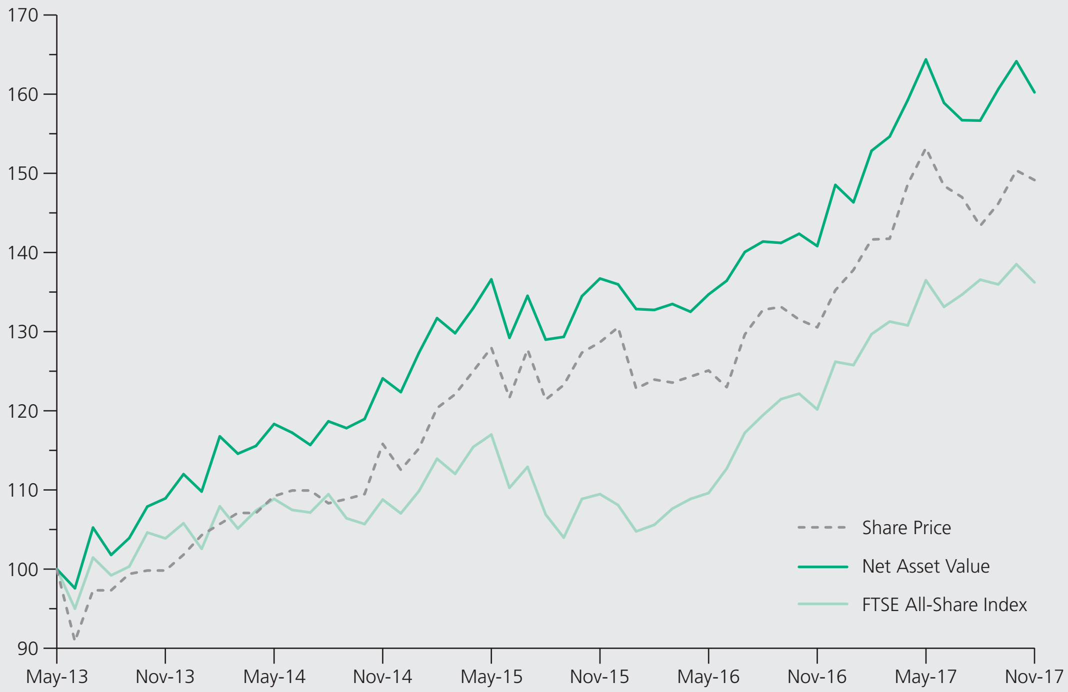
	SIX MONTHS TO 30 NOV 2017	YEAR TO 31 MAY 2017	YEAR TO 31 MAY 2016	YEAR TO 31 MAY 2015	YEAR TO 31 MAY 2014
Net Asset Value	–2.5%	22.0%	–1.4%	15.3%	18.3%
Share Price	–2.6%	22.5%	–2.2%	17.2%	9.2%
FTSE All-Share Index	–0.2%	24.5%	–6.3%	7.5%	8.9%

Source: Thomson Reuters Datastream.

Revenue return per share	2.58p	5.38p	5.81p	6.38p	5.40p
Dividends paid	2.90p	6.25p	6.15p	6.15p	5.30p

Total Return Graph

Rebased to 100 at 31 May 2013



UK EQUITY SHARE PORTFOLIO MANAGER'S REPORT

This is only my second report to shareholders on my management of this portfolio since I took over responsibility for it in October 2016 and I have elected to provide a rather more extensive account of my views than may be typical in future reports.

Investment Objective

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

Market and Economic Review

The UK equity market fell during the six months under review, a period characterised by strengthening commodity prices, a recovery in the sterling/dollar exchange rate and global monetary tightening. The FTSE 100 index reached a record high in early June, led by a rally in the oil and mining sectors and a temporary sell off in sterling in response to the surprise outcome of the UK general election. Through the summer, however, growing tensions between the US and North Korea hit market sentiment globally, with fears compounded by President Trump's threats of "fire and fury" and North Korea's launch of a ballistic missile over Japan towards the end of August.

Renewed strength in sterling further dampened UK market performance in September; sterling strengthened materially against the Euro and US dollar after rhetoric from the Bank of England (BoE) suggested the bank would "ease its foot off the accelerator" by raising interest rates at its November 2017 meeting.

In September, Theresa May's speech in Florence made clear that the UK Government anticipates a two-year transitional period between leaving the EU in March 2019 and the start of any new trading relationship. An agreement along these lines would avoid the cliff-edge feared by the market and so the Prime Minister's more emollient tone was well received.

Market performance came under further pressure as negotiations continued into the Autumn and with continued uncertainty weighing on confidence in the UK's economic outlook. October data from the all-sector Purchasing Manager's Index saw business activity across services, manufacturing and construction grow at its fastest rate for six months, but UK retail sales growth weakened as in-store sales of non-food items fell sharply, partially offset by a strong rise in food prices. UK inflation remained at its highest level in five years, with the consumer price index rising 3% over the year to October. In the Autumn Budget, Chancellor Phillip Hammond announced that the Office of Budget Responsibility had revised down the UK economic growth outlook for this year and for the next five years.

At the start of November the BoE implemented the first interest rate rise in a decade; the central bank's Monetary Policy Committee voted seven to two to increase the UK interest rate to 0.5%, prompting some UK high street banks to increase charges on mortgages and loan products. Sterling strengthened against the US dollar, while oil prices continued to rise after breaking through the US$60 barrier in October.

Portfolio Performance and Review

The Company's net asset value, including reinvested dividends, fell by –2.5% during the period under review, compared with a fall of –0.2% by the FTSE All-Share Index.

Victoria was the top contributor to performance in the six months under review; the carpet manufacturing business completed two European tile acquisitions that are expected to be significantly accretive to earnings as the company continues consolidation of the floor coverings sector.

Holdings in the oil & gas sector also contributed positively against a backdrop of rising oil prices. BP reported strong results for the third quarter of the year, more than doubling profits year-on-year as the higher oil price flowed through to improve earnings in its fuels, petrochemicals and refining businesses.

Elsewhere, Ashtead was a beneficiary of hurricane damage wrought by Harvey and Irma; the company derives more than 90% of earnings from its US division Sunbelt, which was well positioned to assist in both immediate disaster recovery and longer-term rebuilding activity.

Provident Financial was the single largest source of underperformance in the period. The sub-prime lender has delivered strongly in the portfolio over many years, but the business was hit by significant operational disruption following the introduction of a new operating model in its Home Collected Credit Division. On 22 August the company issued a major profits warning including guidance that the

UK EQUITY SHARE PORTFOLIO MANAGER'S REPORT

continued

division that had previously been expected to deliver a £60 million profit would in fact lose circa £100 million in the year to December 2017. Additionally, its Vanquis Bank subsidiary was co-operating with an FCA investigation into its ROP (Repayment Option Plan) ancillary product. Given these circumstances, the chief executive resigned. The Provident Financial board determined that it should protect the company's capital base by withdrawing its interim dividend declared on 25 July 2017 and the payment of a full year dividend appears unlikely. In combination, this prompted a 70% intra-day decline in the company's share price. Subsequent to the initial sell-off, the share price showed some recovery, albeit from a low base, and I sold the holding.

Acacia Mining also hurt performance. The gold miner presented a compelling investment opportunity, offering a 10% free cash flow yield at the then prevailing gold price, and also the potental to provide the portfolio with some downside protection in an uncertain market environment. Acacia conducts the bulk of its exploration and extraction in Tanzania, which has traditionally been a business-friendly environment. Unfortunately, the company has found itself mired in a dispute with the Tanzanian government, who have alleged historic underdeclaration of exports and therefore tax payments and have, as a result, suspended exports of gold in concentrate. The situation has been difficult to analyse, but given the importance of the company to the nation's economy – it constitutes 2% of the total tax receipts – and after extensive dialogue with the board and with Barrick, who set up Acacia and still own 64% of the equity, I remain hopeful that a satisfactory resolution will be reached.

Relative performance was also affected by the portfolio's underweight positioning in the mining sector generally, which performed strongly through the period.

New investments have been made in Agnico Eagle Mines. Cranswick, Electra Private Equity, Lancashire, MJ Gleeson, Newmont Mining, Royal Dutch Shell 'B' shares, Standard Life Aberdeen, Tesco and Ultra Electronics.

The holdings in Aldermore Group, Centrica, esure, Novartis, Provident Financial, Rentokil Initial, Smith & Nephew, SSE and Thomas Cook were sold.

Strategy and Outlook

Six months on from my first update to shareholders, the UK equity market continues to push higher. This is despite a growing list of things worth worrying about. In no particular order and to name but four, these include geopolitics (North Korea), domestic politics (Corbyn), monetary policy (global QE tapering/reversal and rising base rate) and the uncertainties of Brexit. Whilst the headline valuation of the FTSE All-Share looks reasonable at around 14 times 12-month forward earnings, that average conceals some stark valuation differences between stocks, sectors and "styles" that by historical standards look extreme and have thrown up some compelling opportunities. Accordingly, I have reshaped the portfolio over the past 12 months and tilted it towards select domestic cyclicals and financials where the risk versus reward looks most favourable.

Whilst my investment process revolves heavily around stock picking, I have made these changes to the portfolio in the context of a number of top-down working assumptions about how the world will look over the next few years.

The most important of these is around inflation and the likely trajectory of interest rate policy. The sharp fall in sterling in the wake of the EU referendum flowed through quickly to the prices of food, energy and fuel and the tail-end of this move was still being felt in November with the consumer prices index (CPI) at 2.8%. However, the recent recovery in sterling against the dollar (and on a trade-weighted basis) means the rate of change of CPI is likely to be at or close to a short term peak and is a factor in the market's view that interest rates will rise only very gradually. This potentially misses the significance of wage inflation. Private sector wage growth is already above 3% and the 1% cap on public sector pay has now been lifted. Wages at the bottom end of the pay scale will continue to accelerate thanks not just to the pre-determined increases in the national living wage, but also to ample anecdotal evidence from management teams we meet of a very tight labour market. Since being given independence, the Bank of England has signalled consistently that inflation expectations, rather than current rates of inflation, drive policy and wage inflation is surely the biggest driver of those expectations.

This leads to several conclusions: firstly that the risk to UK base-rates and market rates of interest is clearly to the upside (against a similar backdrop globally). Secondly, that in the near-term, the recent decline in real disposable income is set to reverse and boost UK consumption and in turn, the revenues and margins of companies exposed to the UK consumer. Thirdly that the pound, still well below purchasing power parity, could see substantial upside and in the process dent the earnings of export-led and internationally-based businesses at the same time as expanding disposable incomes further.

The impact of all this could be very significant indeed, not least given the current valuation disparity between the potential winners and losers. The momentum that has characterised the last several years in the equity market has left the share prices of companies exhibiting "value" characteristics, relative to those exhibiting "growth" characteristics, at levels rarely seen in the last 40 years; money has poured into so called "bond proxies" offering an income stream and into shares of companies perceived as capable of growing in a low growth environment. As an example, shares in UK Financials are still very close to their post-referendum twenty year low relative to Consumer Staples. If the received wisdom that the low growth, low interest rate environment is permanent proves erroneous, sector rotation and the resultant correction in share prices could be dramatic.

The principal risk to all this is the outcome of the Brexit negotiations and, in the shorter-term, the perception of the likely outcome. Whilst the process will inevitably continue to generate headlines about the two sides' positions and the economic impact of a good deal or of no deal, I believe that in time an agreement will be reached that avoids unnecessary mutual pain. An intervening period of brinksmanship will of course bring volatility to the UK stock market, but in time I expect this to be seen to have presented unusually attractive investment opportunities.

The second risk to a domestic resurgence is the rise of the Labour party under Jeremy Corbyn, who has successfully identified a number of serious societal and generational issues and capitalised upon them in the face of a Conservative party weakened and distracted by Brexit and the surprise general election result. Whilst a Labour majority in the House of Commons would turn the scenario discussed above on its head, it is difficult to envisage a set of conditions under which the Conservative party would risk another General Election in the next 24 months. I am therefore watching the domestic political situation extremely closely but don't view the threat as imminent.

So with the risks either overstated or sufficiently distant, I have angled the portfolio towards companies that offer undervalued exposure to a better domestic out-turn than is generally expected. This has resulted in significant holdings in domestically focused UK banks and life insurers, where the market has priced in such a negative view that valuations are very depressed. Barclays, Lloyds, Legal & General and Aviva would all be beneficiaries of any upside to interest rates but, crucially, this is not currently priced into the shares. In the case of Barclays and Lloyds, they simply need to continue to deliver on cost reductions, whilst delivering only very modest volume/revenue growth and the current share prices will look unreasonably cheap; with any move up in interest rates they will look even more so. Legal & General should continue to consolidate its position as global market leader in the bulk annuity market, while Aviva is starting to see the benefits of management's strategy coming through with better execution across its digital platforms driving cross-selling from life and pensions into general insurance products. As with banks, if rates rise more quickly than the market is currently anticipating, earnings will surprise to the upside, but this is not required to justify my view that the shares are very undervalued.

Beyond Financials, I have invested in a number of UK companies which are exposed to UK consumption and stand to benefit if the consensus outlook for continuing decline in real wages and resultant weak demand fails to materialise. From Next (already outperforming very depressed expectations) to JD Sports, Hollywood Bowl, Howden Joinery and Safestyle UK, I have acquired selected exposure to the consumer across small and big ticket, Leisure, Retail and Repairs, Maintenance and Improvement, but in all cases at very attractive valuations and backed by strong balance sheets and disciplined management teams.

Diversification of the portfolio of course remains key; while I have increased the portfolio's domestic and financials exposure, I have retained – and in some areas increased – broad exposure to international earnings where valuations remain appealing. This has been the case with BP, which is now the second biggest position in the portfolio. Management have successfully adapted the business to the reality of a lower oil price and are now covering an optically high but scrip-assisted historic dividend with free cash flow. BP have achieved cash flow breakeven at a $50 oil price and guided that they could achieve this at $35 in due course; management have also signalled plans not just to neutralise future scrip issuance but also to neutralise $5 billion of historic scrip through share

UK EQUITY SHARE PORTFOLIO MANAGER'S REPORT

continued

buybacks. This would be a very significant event that would underline management's commitment to shareholder value and to an appropriate capital allocation framework. Royal Dutch Shell have gone one step further and confirmed plans to restore an all-cash dividend, cancelling its scrip programme altogether. The company's commitment to buy back $25 billion of shares by the end of 2020, a pledge made in 2015 at the acquisition of BG, provides further evidence of its capital discipline.

To conclude, the world feels an increasingly uncertain place but, with the transition of the portfolio since I took over largely complete, I believe I have a portfolio of investments at attractive valuations which is both very well positioned to navigate what lies ahead and has the potential to deliver a compelling total return, comprising both income and capital growth. I have tilted the portfolio towards domestic cyclicals and financials by investing in businesses, often at depressed valuations, where I believe there is considerable potential upside to earnings.

James Goldstone
Portfolio Manager

2 February 2018

UK EQUITY SHARE PORTFOLIO
LIST OF INVESTMENTS

AT 30 NOVEMBER 2017

Ordinary shares listed in the UK unless stated otherwise

COMPANY	SECTOR†	MARKET VALUE £'000	% OF PORTFOLIO
Barclays	Banks	3,637	4.5
BP	Oil & Gas Producers	3,445	4.3
British American Tobacco	Tobacco	2,717	3.4
Lloyds Bank	Banks	2,602	3.2
Royal Dutch Shell – *B shares*	Oil & Gas Producers	2,441	3.0
Legal & General	Life Insurance	2,407	3.0
Aviva	Life Insurance	2,398	3.0
RELX	Media	2,259	2.8
Shire	Pharmaceuticals & Biotechnology	2,206	2.7
Next	General Retailers	2,188	2.7
Coats	General Industrials	1,748	2.2
Imperial Brands	Tobacco	1,603	2.0
Tesco	Food & Drug Retailers	1,521	1.9
McBride	Household Goods & Home Construction	1,491	1.9
– *B shares*		19	
Ashtead	Support Services	1,451	1.8
Cairn Homes	Household Goods & Home Construction	1,427	1.8
Victoria	Household Goods & Home Construction	1,400	1.7
HomeServe	Support Services	1,391	1.7
JD Sports Fashion	General Retailers	1,341	1.7
Johnson Service	Support Services	1,307	1.6
Summit Germany	Real Estate Investment & Services	1,219	1.5
N Brown	General Retailers	1,216	1.5
TP ICAP	Financial Services	1,200	1.5
Saga	General Retailers	1,179	1.5
easyJet	Travel & Leisure	1,165	1.4
Dairy Crest	Food Producers	1,163	1.4
BCA Marketplace	Financial Services	1,142	1.4
BT	Fixed Line Telecommunications	1,141	1.4
BTG	Pharmaceuticals & Biotechnology	1,095	1.4
Micro Focus	Software & Computer Services	1,039	1.3
Hollywood Bowl	Travel & Leisure	1,038	1.3
Safestyle UK	General Retailers	1,023	1.3
Derwent London	Real Estate Investment Trusts	1,016	1.3
Babcock International	Support Services	977	1.2
A J Bell – *Unquoted*	Financial Services	968	1.2
Chesnara	Life Insurance	962	1.2
Xafinity	Financial Services	937	1.2
Sigma Capital	Financial Services	929	1.2
MJ Gleeson	Household Goods & Home Construction	856	1.1
Just Eat	General Retailers	835	1.0
Acacia Mining	Mining	821	1.0
Standard Life Aberdeen	Financial Services	804	1.0
Secure Trust Bank	Banks	784	1.0
Randgold Resources	Mining	776	1.0
Howden Joinery	Support Services	760	0.9
Sherborne Investors (Guernsey) *C*	Financial Services	756	0.9
International Consolidated Airlines	Travel & Leisure	742	0.9
Hibernia REIT	Real Estate Investment Trusts	740	0.9
Newmont Mining – *US common stock*	Mining	729	0.9
P2P Global Investments	Equity Investment Instruments	728	0.9
Harworth	Real Estate Investment & Services	728	0.9
Gamma Communications	Mobile Telecommunications	726	0.9
Balfour Beatty	Construction & Materials	699	0.9
Drax	Electricity	697	0.9
Melrose Industries	Construction & Materials	687	0.9
Agnico Eagle Mines – *Canadian common stock*	Mining	666	0.8
Compass	Travel & Leisure	663	0.8
BAE Systems	Aerospace & Defence	650	0.8
Mears	Support Services	601	0.7
Hadrian's Wall Secured Investments	Equity Investment Instruments	479	0.7
– *C shares*		106	
Lancashire	Non-life Insurance	517	0.6
Cranswick	Food Producers	505	0.6
Vectura	Pharmaceuticals & Biotechnology	470	0.6
PRS REIT	Real Estate Investment Trusts	462	0.6
Zegona Communications	Non-equity Investment Instruments	420	0.5
Ultra Electronics	Aerospace & Defence	418	0.5
Electra Private Equity	Equity Investment Instruments	390	0.5
Tungsten	Financial Services	387	0.5
Sherborne Investors (Guernsey) *B – A shares*	Financial Services	181	0.3
GAME Digital	General Retailers	148	0.2
Circassia Pharmaceuticals	Pharmaceuticals & Biotechnology	128	0.2
Nimrod Sea Assets	Equity Investment Instruments	3	–
Barclays Bank – *Nuclear Power Notes 28 Feb 2019*	Non-equity Investment Instruments	3	–
HaloSource	Chemicals	2	–
Total investments (76)		80,475	100.0

†FTSE Industry Classification Benchmark.

UK EQUITY SHARE PORTFOLIO INCOME STATEMENT

	SIX MONTHS ENDED 30 NOVEMBER 2017			SIX MONTHS ENDED 30 NOVEMBER 2016		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
(Losses)/gains on investments	–	(3,062)	(3,062)	–	1,951	1,951
Foreign exchange (losses)/gains	–	(15)	(15)	–	7	7
Income	1,155	427	1,582	1,066	23	1,089
Management fee – note 2	(57)	(132)	(189)	(65)	(152)	(217)
Performance fee – note 2	–	4	4	–	284	284
Other expenses	(97)	–	(97)	(102)	–	(102)
Net return before finance costs and taxation	1,001	(2,778)	(1,777)	899	2,113	3,012
Finance costs	(21)	(48)	(69)	(16)	(37)	(53)
Return before taxation	980	(2,826)	(1,846)	883	2,076	2,959
Taxation on ordinary activities – note 3	(11)	–	(11)	(14)	–	(14)
Return after taxation for the financial period	969	(2,826)	(1,857)	869	2,076	2,945
Basic return per ordinary share – note 4	2.58p	(7.52)p	(4.94)p	2.20p	5.24p	7.44p

SUMMARY OF NET ASSETS

	AT 30 NOVEMBER 2017 £'000	AT 31 MAY 2017 £'000
Fixed assets	80,475	84,734
Current assets	1,026	602
Creditors falling due within one year, excluding borrowings	(740)	(1,195)
Bank loan	(12,050)	(10,600)
Provision for performance fee	–	(4)
Net assets	68,711	73,537
Net asset value per share – note 5	185.8p	193.5p
Gearing:		
– gross	17.5%	14.4%
– net	17.3%	14.2%

GLOBAL EQUITY INCOME SHARE PORTFOLIO PERFORMANCE RECORD

Total Return

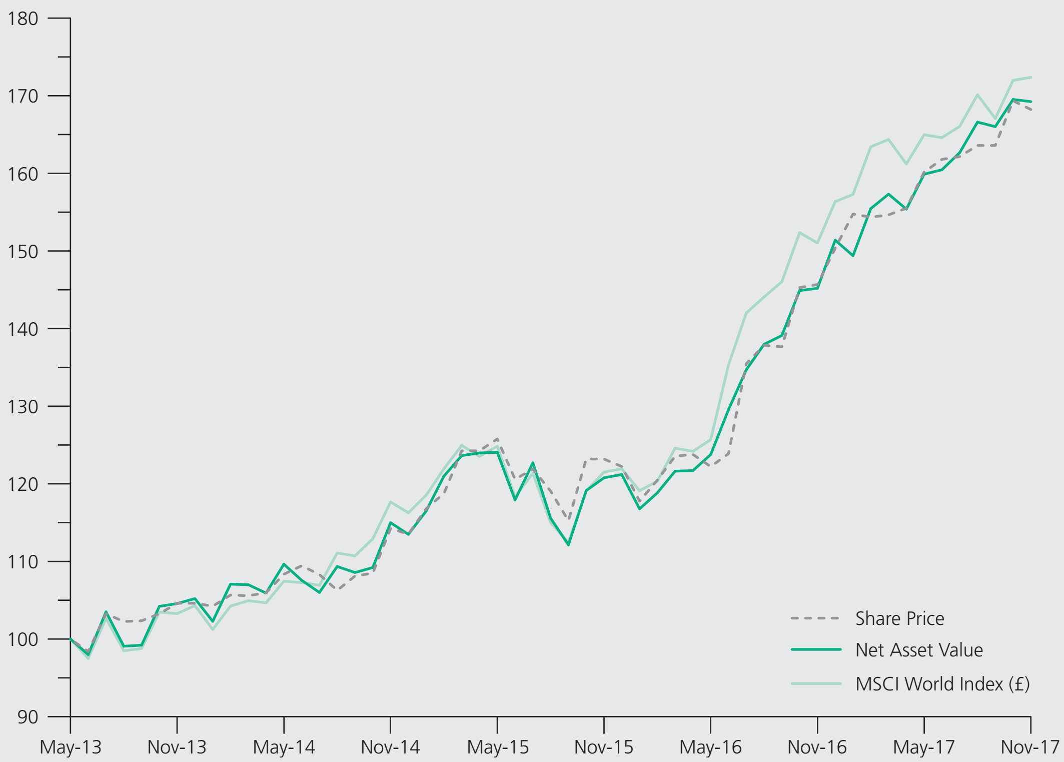
	SIX MONTHS TO 30 NOV 2017	YEAR TO 31 MAY 2017	YEAR TO 31 MAY 2016	YEAR TO 31 MAY 2015	YEAR TO 31 MAY 2014
Net Asset Value	5.8%	29.2%	–0.2%	13.1%	9.6%
Share Price	5.0%	31.1%	–2.8%	16.1%	8.3%
MSCI World Index (£)	4.5%	31.3%	0.7%	16.2%	7.4%

Source: Thomson Reuters Datastream.

Revenue return per share	2.54p	5.62p	5.51p	4.68p	4.22p
Dividends paid	2.90p	6.40p	6.00p	4.60p	3.55p

Total Return Graph

Rebased to 100 at 31 May 2013



GLOBAL EQUITY INCOME SHARE PORTFOLIO MANAGER'S REPORT

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.

Market and Economic Review

Global equity markets delivered strong returns over the review period, reaching historic highs in November amid solid corporate earnings and synchronised global economic growth. US Federal Reserve (Fed) chair, Janet Yellen, told the Joint Economic Committee: "The economic expansion is increasingly broad based across (US) sectors as well as across much of the global economy." The process of interest-rate normalisation continued to gather steam. The Bank of England raised interest rates for the first time in 10 years and joined the Fed in increasing short term borrowing costs. Meanwhile, markets had also largely priced in a December interest rate hike in the US. As we go into 2018 it seems that a key issue for equity markets will be the modest but steady tightening by central banks around the world.

Portfolio Strategy and Review

On a total return basis, the Portfolio's net asset value increased by 5.8% over the six months to the end of November 2017, compared to a rise of 4.5% in the MSCI World index (£, total return, net of withholding tax).

The portfolio's outperformance versus the benchmark MSCI World index was mainly attributable to our positions in the energy, financials and technology sectors.

From September onwards we saw a resurgence in the energy sector, helped by a sharp rise in the oil price. Brent Crude, the international benchmark, has continued to rise since hitting a near term low on 21 June 2017. The portfolio's overweight exposure to energy was positive for performance, as was stock selection. Statoil, Royal Dutch Shell, Chevron and Canadian Natural Resources were among the strongest individual performers. We believe energy companies are making significant progress in reducing costs and improving free cashflow generation. The rising oil price amplifies these positive trends.

Furthermore, we believe that the continued extreme pessimism towards the energy sector coupled with low current valuations make it a highly compelling store of value for long-term investors. For us, valuation is a very important part of our investment philosophy and energy is one of the sectors where we continue to see considerable opportunity. In fact, using analysis from Citigroup, it is the only sector in the US market, for example, that trades below its 10 year Price to Book average.

As an interest-rate sensitive sector, financials rallied on expectations around the Fed's forecast for another interest-rate rise in 2017. Financials also received a boost when progress over US tax reform promoted a rotation out of technology stocks, the year's best performing sector, and into firms expected to benefit the most from a potential reduction in the corporate tax rate, such as banks. As such, the portfolio's overweight exposure to financials, as well as strong stock selection within the technology sector, were both positive for performance. Within financials, JPMorgan Chase, Citigroup and Intesa Sanpaolo were among the portfolio's strongest individual performers.

By December, the US Congress had approved the Tax Reform Bill that includes a broad reduction in the domestic tax rate paid by companies to 21% from 35%. Other measures include changes to how companies can deduct interest on debt and expense spending. While the Tax Reform Bill still needs to be signed by President Trump before it becomes law, the expectation is that certain companies would get a big earnings boost from the lower tax rate. JPMorgan Chase and Citigroup are likely to benefit.

The share price of Intesa Sanpaolo, Italy's largest bank, benefited from renewed confidence in the sector, particularly peripheral European lenders. Intesa Sanpaolo expects significant savings over the coming years from job cuts following a deal to acquire the good assets of two failed banks in the Veneto region of Italy. Intesa Sanpaolo's takeover of the two Veneto banks was part of a €5 billion effort from the Italian government to shore up confidence in a banking sector that has been beset with bad loans that have held back the country's sluggish economic recovery.

The portfolio's telecoms exposure was an area of weakness, BT and Orange in particular. In the case of BT, its share price has struggled to recover from the profit warning at the beginning of 2017, due to fraud at an Italian subsidiary, with ongoing concerns around its large pension deficit and its enterprise broadband business. Its management, however, is committed to maintaining or growing the dividend, cost savings are ongoing, and there is potential upside from the EE integration. Orange subsequently sold down its stake in BT. But it is in France, Orange's domestic market, where its revenues have fallen. Heavy promotions have hit its sales and margins since the arrival of a low-cost competitor in 2012.

Portfolio Changes

We switched out of Honda, which we believe remains a high quality business though in our view it is held back by a lack of scale and ongoing product recall issues, and moved the assets into Toyota Motor, which was more attractively priced and appeared to offer better long-term prospects. The company is extremely well capitalised, with more than 50% of its market cap as net cash on its balance sheet. It yields around 3% and we expect the dividend to grow 5-10% over the next three years. Toyota Motor is also one of the global leaders in electric and hybrid vehicles and we believe this is under appreciated by the market. The other new holding purchased in the period was TE Connectivity, a US-listed Swiss company which provides connectors and sensors to many industries worldwide and has major exposure to the auto and general industrials and technology sectors. We consider that the company is a beneficiary of both the electrification of cars, the automation of factories, and the general trend towards greater integration between machines and computers. The business in our view trades at an unjustifiable discount to peers and we believe continued good execution by management will see that discount close.

Another position sold was PNC Financial Services. This US regional bank has been held for a number of years and has performed extremely well. In our view it had become expensive compared to peers and, although the company is still well positioned strategically, there is better value elsewhere in the market.

We sold out of a further three positions towards the end of the review period: Centrica, London Stock Exchange and Deutsche Boerse. We reviewed our investment case for Centrica and decided that we had insufficient conviction going forward in view of a range of regulatory and operational issues. In the case of London Stock Exchange and Deutsche Boerse, we sold out of our positions after strong share price growth. We continue to like the characteristics of these companies but now believe that the valuations more than discount their attractive prospects.

Outlook

Our global outlook remains one of continued economic growth. With the European economic recovery continuing to gain ground, we remain optimistic that a number of European companies offer compelling relative valuation opportunities and should benefit from the loose monetary policy in the region. In Asia, we see positive signs of structural reform in a number of countries. In the US, it seems that President Trump's tax reform plan will be adopted. The lowering of the effective corporate tax rate and other measures seem likely to increase capital spending and boost GDP, at least in the short term. Despite this we believe many sectors of the US equity market look expensive and we therefore remain underweight. After so many years of worrying about deflation, perhaps 2018 will be the year that investors must seriously consider the prospect of rising global inflation.

Overall, our strategy remains consistent: to invest in high quality companies at attractive valuations. We view such companies as those that can sustain profit margins and deliver positive returns through the economic cycle. We see growing and sustainable dividends as clear evidence of these sorts of companies. In aggregate, therefore, we target companies that offer attractive yields, sustainable income and capital upside.

Nick Mustoe
Portfolio Manager

2 February 2018

GLOBAL EQUITY INCOME SHARE PORTFOLIO LIST OF INVESTMENTS

AT 30 NOVEMBER 2017

Ordinary shares unless stated otherwise

COMPANY	INDUSTRY GROUP†	COUNTRY	MARKET VALUE £'000	% OF PORTFOLIO
JPMorgan Chase	Banks	US	2,691	3.7
Microsoft	Software & Services	US	2,200	3.0
Chevron	Energy	US	2,074	2.9
Airbus	Capital Goods	France	1,957	2.7
ING	Banks	Netherlands	1,948	2.7
Orange	Telecommunication Services	France	1,918	2.6
Taiwan Semiconductor Manufacturing	Semiconductors & Semiconductor Equipment	Taiwan	1,797	2.5
Novartis	Pharmaceuticals Biotechnology & Life Sciences	Switzerland	1,788	2.5
Deutsche Post	Transportation	Germany	1,785	2.5
Caixabank	Banks	Spain	1,785	2.5
BP	Energy	UK	1,780	2.5
Pfizer	Pharmaceuticals Biotechnology & Life Sciences	US	1,772	2.4
Royal Dutch Shell – *A shares*	Energy	Netherlands	1,750	2.4
Statoil	Energy	Norway	1,684	2.3
Total	Energy	France	1,674	2.3
Intesa Sanpaolo	Banks	Italy	1,645	2.3
Canadian Natural Resources	Energy	Canada	1,634	2.3
British American Tobacco	Food Beverage & Tobacco	UK	1,625	2.2
Citigroup	Banks	US	1,591	2.2
RELX	Commercial & Professional Services	Netherlands	1,575	2.2
United Technologies	Capital Goods	US	1,573	2.2
Wells Fargo	Banks	US	1,562	2.2
Koninklijke Ahold Delhaize	Food & Staples Retailing	Netherlands	1,558	2.1
BASF	Materials	Germany	1,545	2.1
Legal & General	Insurance	UK	1,523	2.1
Roche	Pharmaceuticals Biotechnology & Life Sciences	Switzerland	1,510	2.1
Allianz	Insurance	Germany	1,430	2.0
Aon – *A shares*	Insurance	US	1,362	1.9
Gilead Sciences	Pharmaceuticals Biotechnology & Life Sciences	US	1,337	1.8
Nasdaq	Diversified Financials	US	1,332	1.8
Hiscox	Insurance	UK	1,285	1.8
Booker	Food & Staples Retailing	UK	1,258	1.7
Amgen	Pharmaceuticals Biotechnology & Life Sciences	US	1,243	1.7
easyJet	Transportation	UK	1,199	1.7
BT	Telecommunication Services	UK	1,194	1.6
Adecco	Commercial & Professional Services	Switzerland	1,185	1.6
Nielsen	Commercial & Professional Services	US	1,166	1.6
Las Vegas Sands	Consumer Services	US	1,141	1.6
Nexon	Software & Services	Japan	1,074	1.5
Amcor	Materials	Australia	1,063	1.5
China Mobile – R	Telecommunication Services	Hong Kong	1,045	1.4
Toyota Motor	Automobiles & Components	Japan	1,029	1.4
Nordea	Banks	Sweden	1,020	1.4
BAE Systems	Capital Goods	UK	947	1.3
Williams-Sonoma	Retailing	US	941	1.3
Union Pacific	Transportation	US	939	1.3
Hyundai Motor – *preference shares*	Automobiles & Components	South Korea	921	1.3
TE Connectivity	Technology Hardware & Equipment	Switzerland	811	1.1
Yue Yuen Industrial	Consumer Durables & Apparel	Hong Kong	601	0.8
Kangwon Land	Consumer Services	South Korea	551	0.8
Zhejiang Expressway – H	Transportation	Hong Kong	495	0.6
			72,513	100.0

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

H: H-Shares – shares issued by companies incorporated in the People's Republic of China (PRC) and listed on the Hong Kong Stock Exchange.

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

GLOBAL EQUITY INCOME SHARE PORTFOLIO INCOME STATEMENT

	SIX MONTHS ENDED 30 NOVEMBER 2017			SIX MONTHS ENDED 30 NOVEMBER 2016		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Gains on investments	–	3,108	3,108	–	8,389	8,389
Foreign exchange losses	–	(1)	(1)	–	(7)	(7)
Income	1,083	–	1,083	909	–	909
Management fee – note 2	(56)	(131)	(187)	(57)	(134)	(191)
Other expenses	(90)	(1)	(91)	(87)	(1)	(88)
Net return before finance costs and taxation	937	2,975	3,912	765	8,247	9,012
Finance costs	(10)	(23)	(33)	(11)	(25)	(36)
Return before taxation	927	2,952	3,879	754	8,222	8,976
Taxation on ordinary activities – note 3	(93)	–	(93)	(81)	–	(81)
Return after taxation for the financial period	834	2,952	3,786	673	8,222	8,895
Basic return per ordinary share – note 4	2.54p	9.00p	11.54p	2.07p	25.25p	27.32p

SUMMARY OF NET ASSETS

	AT 30 NOVEMBER 2017 £'000	AT 31 MAY 2017 £'000
Fixed assets	72,513	69,290
Current assets	512	618
Creditors falling due within one year, excluding borrowings	(163)	(259)
Bank loan	(4,500)	(4,600)
Net assets	68,362	65,049
Net asset value per share – note 5	207.3p	198.6p
Gearing:		
– gross	6.6%	7.1%
– net	6.2%	6.8%

BALANCED RISK SHARE PORTFOLIO PERFORMANCE RECORD

Total Return

	SIX MONTHS TO 30 NOVEMBER 2017	YEAR TO 31 MAY 2017	YEAR TO 31 MAY 2016	YEAR TO 31 MAY 2015	YEAR TO 31 MAY 2014
Net Asset Value	3.8%	9.7%	–0.3%	4.1%	5.5%
Share Price	3.2%	11.9%	–2.1%	5.0%	4.5%
3 month LIBOR +5% pa	2.6%	5.5%	5.6%	5.6%	5.5%

Source: Thomson Reuters Datastream.

Total Return Graph

Rebased to 100 at 31 May 2013

BALANCED RISK SHARE PORTFOLIO MANAGER'S REPORT

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.

Market and Economic Review

Equities started the period with mixed performance as European and UK shares fell in June, while US and Asian share prices pushed higher. However, equity markets then rallied throughout the remainder of the reporting period, setting new highs amidst low volatility, despite a slate of geopolitical issues.

Government bonds experienced a rough start to the period. Bond prices were down across the board in June, as fears of central banks finally removing accommodation took hold, and prices continued to struggle through the third quarter on a combination of diminished safe-haven demand and reaction to continued pronouncements from central banks about the need to remove policy accommodation. Bond prices rebounded in October and November, but not enough to make up the losses from the first four months of the period.

Commodities also suffered at the beginning of the period, from conditions of oversupply, with three of the four complexes experiencing price retrenchment in June. However, prices rebounded in aggregate in the third quarter, with energy and industrial metals enjoying strong results, while precious metals generated minor gains and agricultural commodities fell. Commodities continued to post gains through October and November.

Portfolio Strategy and Review

The Balanced Risk Shares Portfolio outperformed the benchmark. The Portfolio return for the six months was 3.8%, compared with the benchmark, 3 month LIBOR plus 5%, return of 2.6%.

Strategic exposure to equities led results for the reporting period. Asian equities (Hong Kong and Japan) led the asset class over the six months. Several markets hit new highs in the third quarter of 2017 in an environment of uncommonly low volatility, which was surprising given the pace of geopolitical events transpiring around the world. This momentum was maintained through October and November as stock markets continued their climb despite concerns about central bank tightening, lack of progress in enacting policy changes in the US and elevated valuations. Only UK equities detracted slightly for the reporting period, as sterling rose.

Strategic positioning within commodities also contributed positively to results. The asset class started the period on a weak note, with three of the four complexes experiencing declines in June. Energy was the worst performer as the complex continued to struggle with oversupply across crudes and distillates. However, commodities rebounded in the third quarter with the energy complex leading results for the quarter. Crude prices rebounded and distillates saw prices jump, in part due to the shuttering of refining capabilities in the wake of Hurricane Harvey. Energy prices continued their positive trend through November as optimism on an extension of the Organisation of the Petroleum Export Countries (OPEC) production cuts aided sentiment and a cold blast of weather in the US created the expectation of higher demand for heating. Industrial metals enjoyed positive momentum through the third quarter as both aluminium and copper posted handsome gains on better-than-expected demand and in the case of aluminium, concerns over supply shortages as China curtails production to deal with pollution. However, the prices of both were hit in November on weaker-than-expected manufacturing data out of China. Within precious metals, gold posted gains through the third quarter, largely on safe-haven demand in response to geopolitical tensions, while silver posted mild losses. Silver prices declined further in November in sympathy with industrial metals while gold managed slight gains despite some strengthening of the US dollar. Agriculture struggled with oversupply through the third quarter which depressed prices for wheat, corn, sugar, coffee and soybean oil. Agricultural prices in aggregate then rebounded in October and November. Corn, wheat and cocoa continued to struggle with oversupply, but there was notable strength in cotton, soymeal and sugar in November which helped performance.

Strategic exposure to fixed income detracted from performance for the reporting period. German government bonds were the top contributor followed by Australian and US bonds. Canadian and UK government bonds detracted from performance. Canadian yields spiked in September in response

BALANCED RISK SHARE PORTFOLIO MANAGER'S REPORT

continued

to a surprise rate hike by the central bank of Canada, which noted a desire to begin removing considerable monetary stimulus that had built up since the global financial crisis. German bunds and US Treasuries started the period on a positive note as demand for safe havens in the face of tensions between North Korea and the rest of the world was able to offset pressure of the central banks pushing for higher rates. German bund prices slightly retracted in November due to fears around the tapering of asset purchases by the European Central Bank (ECB).

Outlook

Markets are focused on the impact of actions from central banks. Equity investors have shown nervousness about the reduction of asset purchases in Europe and expectations for rate hikes in the UK. In the US, following on from the widely expected 0.25% rate hike in December, four additional hikes are expected through 2018. In contrast, expectations in Japan are for continued low rates for the foreseeable future. The recent weakness in Chinese economic data will be something investors will focus on, looking for potential trend change. All of this activity comes at a time where equity prices have enjoyed a tremendous run and may be susceptible to a retreat if investor sentiment turns negative on the outcome of these actions.

Scott Wolle
Portfolio Manager

2 February 2018

TARGET ANNUALISED RISK

The targeted annualised risk (volatility of monthly returns) for the portfolio as listed above is analysed as follows:

ASSET CLASS	RISK	CONTRIBUTION
Bonds	1.9%	19.8%
Equities	4.1%	43.9%
Commodities	3.4%	36.3%
	9.4%	100.0%

Derivative instruments held in the Balanced Risk Share Portfolio are shown on the next page. At the period end all derivative instruments held in this Portfolio were exchange traded futures contracts. Holdings in futures contracts that are not exchange traded are permitted as explained in the investment policy which is disclosed in full on page 30 of the 2017 annual financial report.

BALANCED RISK SHARE PORTFOLIO
LIST OF INVESTMENTS

AT 30 NOVEMBER 2017

	YIELD %	MARKET VALUE £'000	% OF PORTFOLIO
Short Term Investments			
Short-Term Investment Company (Global Series)	0.39	2,300	26.8
UK Treasury Bill 19 Feb 2018	0.35	1,499	17.4
UK Treasury Bill 5 Mar 2018	0.18	399	4.6
UK Treasury Bill 21 May 2018	0.44	2,993	34.8
UK Treasury Bill 29 May 2018	0.43	1,397	16.2
Total Short Term Investments		8,588	99.8
Hedge Funds[1]			
Harbinger Class PE Holdings		17	0.2
Harbinger Class L Holdings		2	–
Total Hedge Funds		19	0.2
Total Fixed Asset Investments		8,607	100.0

[1]The hedge fund investments are residual holdings of the previous investment strategy, which are awaiting realisation of underlying investments.

LIST OF DERIVATIVE INSTRUMENTS

AT 30 NOVEMBER 2017

	NOTIONAL EXPOSURE £'000	NOTIONAL EXPOSURE AS % OF NET ASSETS
Government Bond Futures		
Australia	1,904	19.5
Canada	1,652	17.0
UK	989	10.2
Germany	861	8.9
US	674	6.9
Total Bond Futures (5)	6,080	62.5
Equity Futures		
UK	733	7.5
Japan	711	7.3
Hong Kong	695	7.2
Europe	693	7.2
US large cap	587	6.0
US small cap	516	5.3
Total Equity Futures (6)	3,935	40.5
Commodity Futures		
Agriculture		
Cotton	295	3.0
Sugar	276	2.8
Soybean meal	266	2.7
Soy bean	264	2.7
Coffee	72	0.7
Corn	69	0.7
Wheat	69	0.7
Soybean oil	61	0.6
Energy		
Gasoline	268	2.8
Brent crude	185	1.9
WTI crude	126	1.3
Gas-oil (diesel)	123	1.3
New York Harbor ultra-low sulphur diesel	117	1.2
Natural gas	93	1.0
Precious Metals		
Gold	378	3.9
Silver	243	2.5
Industrial Metals		
Copper	375	3.9
Aluminium	229	2.4
Total Commodity Futures (18)	3,509	36.1
Total Derivative Instruments (29)	13,524	139.1

BALANCED RISK SHARE PORTFOLIO INCOME STATEMENT

	SIX MONTHS ENDED 30 NOVEMBER 2017			SIX MONTHS ENDED 30 NOVEMBER 2016		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Gains on derivative instruments	23	400	423	15	307	322
Foreign exchange (losses)/gains	–	(23)	(23)	–	118	118
Gains on investments	–	3	3	–	4	4
Income	8	–	8	16	–	16
Management fee – note 2	(11)	(25)	(36)	(10)	(24)	(34)
Other expenses	(19)	–	(19)	(21)	–	(21)
Return before taxation	1	355	356	–	405	405
Taxation on ordinary activities	–	–	–	–	–	–
Return after taxation for the financial period	1	355	356	–	405	405
Basic return per ordinary share – note 4	0.01p	5.07p	5.08p	–	5.67p	5.67p

SUMMARY OF NET ASSETS

	AT 30 NOVEMBER 2017 £'000	AT 31 MAY 2017 £'000
Fixed assets	8,607	8,352
Derivative assets held at fair value through profit or loss	258	209
Current assets	974	1,105
Derivative liabilities held at fair value through profit or loss	(90)	(142)
Other creditors excluding borrowings	(27)	(39)
Net assets	9,722	9,485
Net asset value per share – note 5	139.8p	134.7p
Notional exposure as % of net assets	139.1%	159.7%

MANAGED LIQUIDITY SHARE PORTFOLIO PERFORMANCE RECORD

Total Return

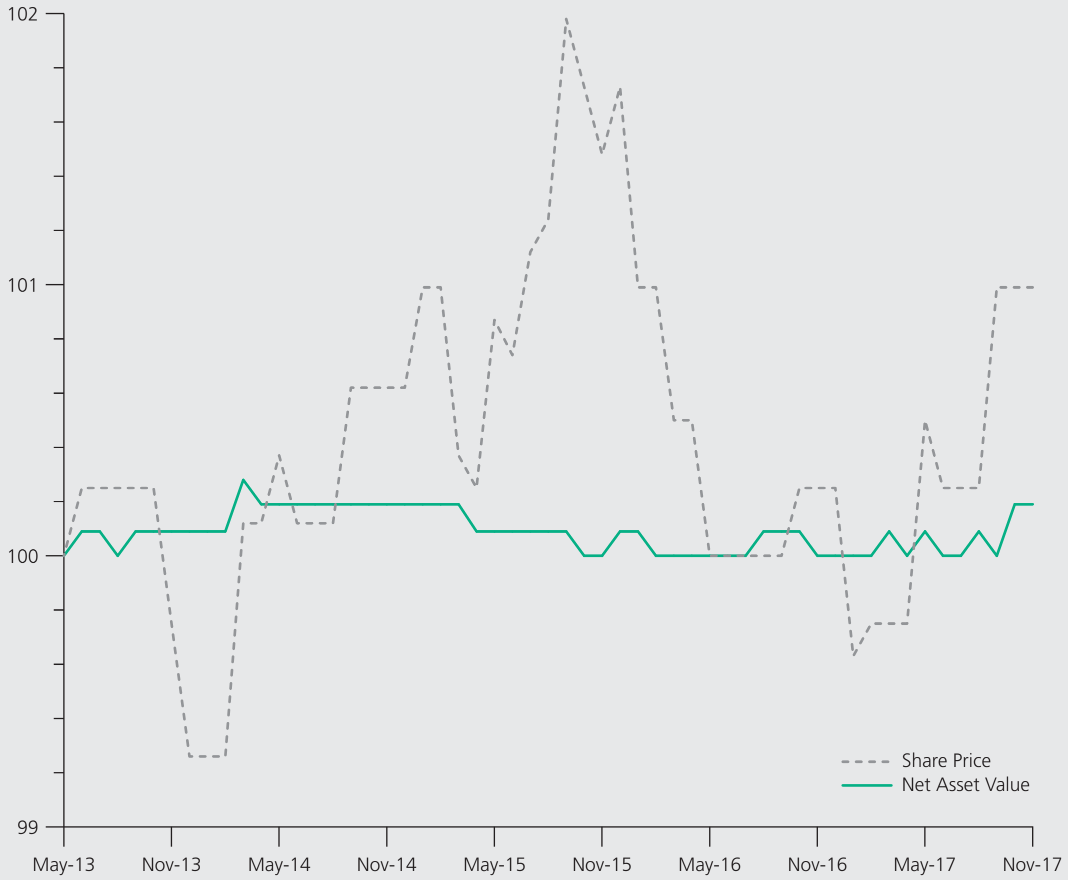
	SIX MONTHS TO 30 NOV 2017	YEAR TO 31 MAY 2017	YEAR TO 31 MAY 2016	YEAR TO 31 MAY 2015	YEAR TO 31 MAY 2014
Net Asset Value	0.1%	0.0%	–0.1%	–0.1%	0.2%
Share Price	0.5%	0.5%	–0.9%	0.5%	0.4%

Source: Thomson Reuters Datastream.

Revenue return per share	0.08p	(0.04)p	(0.14)p	(0.12)p	0.02p
Dividend	nil	nil	nil	nil	nil

Total Return Graph

Rebased to 100 at 31 May 2013



MANAGED LIQUIDITY SHARE PORTFOLIO MANAGER'S REPORT

Investment Objective

The investment objective of the Managed Liquidity Share Portfolio is to produce an appropriate level of income return combined with a high degree of security.

Market and economic review

For short dated sterling bond markets, the key influence on returns over the six months to 30 November 2017 was the shifting expectations about the timing of any change in UK Bank rate.

At the start of the period UK consumer price inflation was 2.9%, well above the Bank of England's (BoE's) 2% target. Given its elevated level, the BoE had announced that there were limits to the extent to which above target inflation could be tolerated. This more "hawkish" stance from the BoE led bond markets to start pricing in the possibility of a rise in the UK Bank rate. However, inflation data declined modestly over the summer helping to temper expectations. This led to a rally in short dated bonds, with the 2-year Gilt yield, for example, which is heavily influenced by Central Bank policy, falling to 0.16%.

The market's view shifted again in late summer following comments from the BoE that suggested the Bank rate would be increased at its 2 November meeting, when the latest inflation forecasts would also be published. By the time of the meeting the market attached a 90% probability of the Bank rate being hiked. 2-year Gilt yields had risen from their low in early September to 0.49%, while 3 month LIBOR (the interest rate at which the largest banks lend to one another) had risen from a low of 0.28% to 0.45%. The subsequent decision to increase the rate saw three month LIBOR climb to 0.52%. However, it had little impact on the 2-year Gilt, with the yield climbing only to 0.52% by 30 November.

The decision to increase the Bank rate was accompanied by negative revisions to the BoE's forecasts for UK economic growth. These revisions in turn helped the market form a "dovish" view of the hike. By 30 November, no further UK Bank rate increase was expected until late 2018.

Portfolio strategy and review

The Portfolio had a low but positive return over the six months in an environment of continued very low UK interest rates.

Our investment strategy is achieved by investing in the Invesco Perpetual Money Fund and the Sterling Liquidity Portfolio of Short-Term Investments Company (Global Series) plc, each of which invests in a diversified portfolio of high quality sterling denominated short-term money market instruments.

The Invesco Perpetual Money Fund has positions in a number of government, quasi-government and corporate bonds. In order to limit the exposure to interest rate risk and credit risk (the likelihood of an issuer defaulting), these bonds are both short dated and of high quality. The fund also holds some floating rate notes, debt instruments whose interest rates are reset at regular intervals.

The Sterling Liquidity Portfolio of the Short-Term Investments Company (Global Series) plc invests in high quality sterling denominated money market instruments such as commercial paper, certificates of deposit, time deposits and floating rate notes. At 30 November 2017 the Sterling Liquidity Portfolio was rated AAAm by Standard and Poor's and AAAmmf by Fitch Ratings.

Outlook

Looking ahead the macro-economic picture and therefore the prospect for UK interest rates is mixed. On the one hand, the high level of inflation would normally be supportive of some further rate increases, but this needs to be weighed against Brexit uncertainties and pressures on the economy. Our expectation is that the BoE will continue on its very gradual path of tightening monetary policy while ensuring that any change is communicated well in advance.

Stuart Edwards
Portfolio Manager

2 February 2018

MANAGED LIQUIDITY SHARE PORTFOLIO LIST OF INVESTMENTS

	AT 30 NOVEMBER 2017 MARKET VALUE £'000	AT 31 MAY 2017 MARKET VALUE £'000
Invesco Perpetual Money Fund†	4,899	4,900
Short-Term Investments Company (Global Series)	348	548
	5,247	5,448

†At the period end the Managed Liquidity Share Portfolio held 4.95% (May 2017: 5.85%) of the shares in issue of the Invesco Perpetual Money Fund.

MANAGED LIQUIDITY SHARE PORTFOLIO INCOME STATEMENT

	SIX MONTHS ENDED 30 NOVEMBER 2017			SIX MONTHS ENDED 30 NOVEMBER 2016		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Losses on investments	–	(2)	(2)	–	–	–
Income	13	–	13	13	–	13
Management fee– note 2	(3)	–	(3)	(3)	–	(3)
Other expenses	(6)	–	(6)	(10)	–	(10)
Return before taxation	4	(2)	2	–	–	–
Taxation on ordinary activities	–	–	–	–	–	–
Return after taxation for the financial period	4	(2)	2	–	–	–
Basic return per ordinary share – note 4	0.08p	(0.04)p	0.04p	–	–	–

SUMMARY OF NET ASSETS

	AT 30 NOVEMBER 2017 £'000	AT 31 MAY 2017 £'000
Fixed assets	5,247	5,448
Current assets	39	53
Creditors falling due within one year, excluding borrowings	(143)	(142)
Net assets	5,143	5,359
Net asset value per share– note 5	103.3p	103.2p

CONDENSED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 NOVEMBER

	2017 REVENUE £'000	2017 CAPITAL £'000	2017 TOTAL £'000	2016 REVENUE £'000	2016 CAPITAL £'000	2016 TOTAL £'000
Gains on investments	–	47	47	–	10,344	10,344
Gains on derivative instruments	23	400	423	15	307	322
Foreign exchange (losses)/gains	–	(39)	(39)	–	118	118
Income	2,259	427	2,686	2,004	23	2,027
Management fees – note 2	(127)	(288)	(415)	(135)	(310)	(445)
Performance fees – note 2	–	4	4	–	284	284
Other expenses	(212)	(1)	(213)	(220)	(1)	(221)
Net return before finance costs and taxation	1,943	550	2,493	1,664	10,765	12,429
Finance costs	(31)	(71)	(102)	(27)	(62)	(89)
Return before taxation	1,912	479	2,391	1,637	10,703	12,340
Taxation on ordinary activities – note 3	(104)	–	(104)	(95)	–	(95)
Return after taxation for the financial period	1,808	479	2,287	1,542	10,703	12,245
Basic return per ordinary share – note 4						
UK Equity Share Portfolio	2.58p	(7.52)p	(4.94)p	2.20p	5.24p	7.44p
Global Equity Income Share Portfolio	2.54p	9.00p	11.54p	2.07p	25.25p	27.32p
Balanced Risk Share Portfolio	0.01p	5.07p	5.08p	–	5.67p	5.67p
Managed Liquidity Share Portfolio	0.08p	(0.04)p	0.04p	–	–	–

The total column of this statement represents the Company's profit and loss account, prepared in accordance with UK Accounting Standards. The return after taxation is the total comprehensive income and therefore no statement of comprehensive income is presented. The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies. All items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the period. Income Statements for the different Share classes are shown on pages 12, 17, 22 and 25 for the UK Equity, Global Equity Income, Balanced Risk and Managed Liquidity Share Portfolios respectively.

CONDENSED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE SIX MONTHS ENDED 30 NOVEMBER

	SHARE CAPITAL £'000	SHARE PREMIUM £'000	SPECIAL RESERVE £'000	CAPITAL REDEMPTION RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
At 31 May 2017	1,060	1,290	80,542	347	69,608	583	153,430
Cancellation of deferred shares	–	–	(2)	2	–	–	–
Shares bought back and held in treasury	–	–	(1,739)	–	–	–	(1,739)
Share conversions	(1)	–	1	–	–	–	–
Return per the income statement	–	–	–	–	479	1,808	2,287
Dividends – note 9	–	–	–	–	–	(2,040)	(2,040)
At 30 November 2017	1,059	1,290	78,802	349	70,087	351	151,938
At 31 May 2016	1,062	1,290	85,252	345	44,073	576	132,598
Cancellation of deferred shares	–	–	(2)	2	–	–	–
Shares bought back and held in treasury	–	–	(2,039)	–	–	–	(2,039)
Share conversions	(1)	–	1	–	–	–	–
Return per the income statement	–	–	–	–	10,703	1,542	12,245
Dividends – note 9	–	–	–	–	–	(2,017)	(2,017)
At 30 November 2016	1,061	1,290	83,212	347	54,776	101	140,787

CONDENSED BALANCE SHEET

AS AT 30 NOVEMBER 2017

REGISTERED NUMBER 5916642

	UK EQUITY £'000	GLOBAL EQUITY INCOME £'000	BALANCED RISK £'000	MANAGED LIQUIDITY £'000	TOTAL £'000
Fixed assets					
Investments held at fair value through profit or loss	80,475	72,513	8,607	5,247	166,842
Current assets					
Derivative assets held at fair value through profit or loss	–	–	258	–	258
Debtors	871	277	282	4	1,434
Cash and cash equivalents	155	235	692	35	1,117
	1,026	512	1,232	39	2,809
Creditors: amounts falling due within one year					
Derivative liabilities held at fair value through profit or loss	–	–	(90)	–	(90)
Other creditors	(12,790)	(4,663)	(27)	(143)	(17,623)
Net current (liabilities)/assets	(11,764)	(4,151)	1,115	(104)	(14,904)
Net assets	68,711	68,362	9,722	5,143	151,938
Shareholders' funds					
Share capital	450	373	113	123	1,059
Share premium	–	–	1,290	–	1,290
Special reserve	35,936	33,303	4,958	4,605	78,802
Capital redemption reserve	74	78	24	173	349
Capital reserve	32,123	34,290	3,434	240	70,087
Revenue reserve	128	318	(97)	2	351
Shareholders' funds	68,711	68,362	9,722	5,143	151,938
Net asset value per ordinary share					
Basic – note 5	185.8p	207.3p	139.8p	103.3p	

CONDENSED BALANCE SHEET

AS AT 31 MAY 2017

	UK EQUITY £'000	GLOBAL EQUITY INCOME £'000	BALANCED RISK £'000	MANAGED LIQUIDITY £'000	TOTAL £'000
Fixed assets					
Investments held at fair value through profit or loss	84,734	69,290	8,352	5,448	167,824
Current assets					
Derivative assets held at fair value through profit or loss	–	–	209	–	209
Debtors	454	451	479	2	1,386
Cash and cash equivalents	148	167	626	51	992
	602	618	1,314	53	2,587
Creditors: amounts falling due within one year					
Derivative liabilities held at fair value through profit or loss	–	–	(142)	–	(142)
Other creditors	(11,795)	(4,859)	(39)	(142)	(16,835)
Net current (liabilities)/assets	(11,193)	(4,241)	1,133	(89)	(14,390)
Provision	(4)	–	–	–	(4)
Net assets	73,537	65,049	9,485	5,359	153,430
Shareholders' funds					
Share capital	455	368	114	123	1,060
Share premium	–	–	1,290	–	1,290
Special reserve	37,810	32,832	5,076	4,824	80,542
Capital redemption reserve	73	78	24	172	347
Capital reserve	34,949	31,338	3,079	242	69,608
Revenue reserve	250	433	(98)	(2)	583
Shareholders' funds	73,537	65,049	9,485	5,359	153,430
Net asset value per ordinary share					
Basic – note 5	193.5p	198.6p	134.7p	103.2p	

INVESCO PERPETUAL SELECT TRUST PLC
CONDENSED CASH FLOW STATEMENT

	SIX MONTHS ENDED 30 NOVEMBER 2017 £'000	SIX MONTHS ENDED 30 NOVEMBER 2016 £'000
Cash flows from operating activities		
Net return before finance costs and taxation	2,493	12,429
Tax on overseas income	(104)	(95)
Adjustments for:		
Purchase of investments	(26,243)	(40,068)
Sale of investments	27,229	40,954
Sale of futures	296	447
	1,282	1,333
Gains on investments	(47)	(10,344)
Gains on derivatives	(423)	(322)
Decrease in debtors	24	349
Decrease in creditors and provision	(493)	(305)
Scrip dividends	(73)	(23)
Foreign exchange differences	39	(118)
Net cash inflow from operating activities	2,698	2,904
Cash flows from financing activities		
Interest paid on loan	(105)	(92)
Increase/(decrease) in bank borrowing	1,350	(350)
Share buy back costs	(1,739)	(2,039)
Equity dividends paid– note 9	(2,040)	(2,017)
Net cash outflow from financing activities	(2,534)	(4,498)
Net increase/(decrease) in cash and cash equivalents	164	(1,594)
Cash and cash equivalents at the start of the year	992	2,901
Foreign exchange differences	(39)	118
Cash and cash equivalents at the end of the period	1,117	1,425
Reconciliation of cash and cash equivalents to the Balance Sheet is as follows:		
Cash held at custodian	1,117	1,425
Cash flow from operating activities includes:		
Dividends received	2,673	2,316
Interest received	28	38

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Accounting Policies

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

The accounting policies applied to these condensed financial statements are consistent with those applied in the financial statements for the year ended 31 May 2017.

2. Management Fees and Finance Costs

Basic management fees and finance costs are charged to the applicable Portfolio as follows, in accordance with the Board's expected split of long-term income and capital returns:

PORTFOLIO	REVENUE RESERVE	CAPITAL RESERVE
UK Equity	30%	70%
Global Equity Income	30%	70%
Balanced Risk	30%	70%
Managed Liquidity	100%	–

Any investment performance fee attributable to the UK Equity or Global Equity Income Portfolios is allocated 100% to capital as it is directly attributable to the capital performance of the investments in those Portfolios.

The Manager is entitled to a basic fee which is calculated and payable quarterly. The fee is based on the net assets of each Portfolio, at the following percentages:

- 0.55% from 1 June 2017 (previously 0.65%) per annum in the case of the UK Equity and Global Equity Income Portfolios;
- 0.55% from 1 June 2017 (previously 0.75%) per annum for the Balanced Risk Portfolio; and
- 0.12% per annum for the Managed Liquidity Portfolio.

The Manager is also entitled to receive performance fees in respect of the UK Equity and Global Equity Income Portfolios of 12.5% of the increase in net assets per relevant Share in excess of a hurdle of the relevant benchmark plus 1% per annum. From 1 June 2017, the amount of the performance fee that can be earned in any one year is limited to 0.55% (previously 0.65%) of the net assets of the relevant Portfolio and payment is subject to a high water mark. Any underperformance of the benchmark, or performance above the cap, is carried forward to subsequent periods, and any underperformance must be offset by future overperformance before any performance fee can be paid.

No performance fee was earned by the UK Equity Portfolio for the six months (30 November 2016: nil). The performance fee accrued for past periods amounts to £531,000 and, as it cannot be reduced by future underperformance, remains an obligation of the Company. The Global Equity Income Portfolio generated a performance fee for the six months of £27,000 (30 November 2016: nil).

Underperformance movements in the six months to 30 November 2017 are shown below:

	UK EQUITY £'000	GLOBAL EQUITY INCOME £'000
Underperformance brought forward	–	778
Under or (over) performance in the period	295	(27)
Write off of performance fee provision	(4)	–
Underperformance carried forward	291	751

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

continued

3. Investment Trust Status and Tax

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions for approval as an investment trust company. Any company so approved is not liable for taxation on capital gains.

The tax charge represents withholding tax suffered on overseas income.

4. Basic Return per Ordinary Share

Basic revenue, capital and total return per ordinary share is based on each of the returns 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 average number of shares in issue throughout the period for each applicable Share class:

	WEIGHTED AVERAGE NUMBER OF SHARES	
SHARE	SIX MONTHS ENDED 30 NOVEMBER 2017	SIX MONTHS ENDED 30 NOVEMBER 2016
UK Equity	37,588,931	39,568,327
Global Equity Income	32,797,113	32,554,801
Balanced Risk	7,006,541	7,137,292
Managed Liquidity	5,136,972	5,801,765

5. Net Asset Values per Ordinary Share

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

	AT 30 NOVEMBER 2017 £'000	AT 31 MAY 2017 £'000
PORTFOLIO SHAREHOLDERS' FUNDS		
UK Equity	68,711	73,537
Global Equity Income	68,362	65,049
Balanced Risk	9,722	9,485
Managed Liquidity	5,143	5,359
PORTFOLIO SHARES IN ISSUE AT PERIOD END		
UK Equity	36,991,797	38,009,455
Global Equity Income	32,973,355	32,747,913
Balanced Risk	6,956,002	7,043,885
Managed Liquidity	4,979,386	5,195,265

6. Classification Under Fair Value Hierarchy

FRS 102 as amended for fair value hierarchy disclosures (March 2016) sets out three fair value levels. These are:

Level 1 – The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable (i.e developed using market data) for the asset or liability, either directly or indirectly.

Level 3 – Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

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

	UK EQUITY £'000	GLOBAL EQUITY INCOME £'000	BALANCED RISK £'000	MANAGED LIQUIDITY £'000
AT 30 NOVEMBER 2017				
Financial assets designated at fair value through profit or loss:				
Level 1	79,504	72,513	6,288	–
Level 2	3	–	2,558	5,247
Level 3	968	–	19	–
Total for financial assets	80,475	72,513	8,865	5,247
Financial liabilities:				
Level 2 – Derivative instruments	–	–	90	–
AT 31 MAY 2017				
Financial assets designated at fair value through profit or loss:				
Level 1	84,019	69,290	5,894	–
Level 2	1	–	2,649	5,448
Level 3	714	–	18	–
Total financial assets	84,734	69,290	8,561	5,448
Financial liabilities:				
Level 2 – Derivative instruments	–	–	142	–

Level 1 This is the majority of the Company's investments and comprises all quoted investments and Treasury bills.

Level 2 This comprises the UK Equity Portfolio's holdings of Barclays Bank Nuclear Power Notes, liquidity funds held in the Balanced Risk and Managed Liquidity Portfolios, and any derivative instruments.

Level 3 This includes the UK Equity Portfolio's holding of an unquoted stock, AJ Bell, and the remaining hedge fund investments of the Balanced Risk Portfolio.

7. Movements in Share Capital and Share Class Conversions

IN THE SIX MONTHS ENDED 30 NOVEMBER 2017

	UK EQUITY	GLOBAL EQUITY INCOME	BALANCED RISK	MANAGED LIQUIDITY
Ordinary 1p shares (number)				
At 31 May 2017	38,009,455	32,747,913	7,043,885	5,195,265
Shares bought back into treasury	(535,000)	(250,000)	(23,000)	(232,000)
Arising on share conversion:				
– August 2017	(217,323)	210,498	(29,081)	16,121
– November 2017	(265,335)	264,944	(35,802)	–
At 30 November 2017	36,991,797	32,973,355	6,956,002	4,979,386

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

continued

7. Movements in Share Capital and Share Class Conversions *continued*

	UK EQUITY	GLOBAL EQUITY INCOME	BALANCED RISK	MANAGED LIQUIDITY
Treasury Shares (number)				
At 31 May 2017	7,518,540	4,054,000	4,298,000	7,101,785
Share bought back into treasury	535,000	250,000	23,000	232,000
At 30 November 2017	8,053,540	4,304,000	4,321,000	7,333,785
Total shares in issue at 30 November 2017	45,045,337	37,277,355	11,277,002	12,313,171
Average buy back price	180.5p	199.7p	131.4p	101.0p

As part of the conversion process, 134,262 deferred shares of 1p each were created. All deferred shares are cancelled before the period end and so no deferred shares are in issue at the start or end of the period.

8. Share Prices

PERIOD END	UK EQUITY	GLOBAL EQUITY INCOME	BALANCED RISK	MANAGED LIQUIDITY
30 November 2016	166.8p	183.0p	127.5p	101.3p
31 May 2017	192.0p	197.5p	133.5p	101.5p
30 November 2017	184.0p	204.5p	137.8p	102.0p

9. Dividends on Ordinary Shares

The first and second interim dividends were paid on 15 August 2017 and 17 November 2017 respectively:

PORTFOLIO	NUMBER OF SHARES	DIVIDEND RATE	TOTAL £'000
UK Equity			
First interim	38,009,255	1.45p	551
Second interim	37,256,932	1.45p	540
		2.90p	1,091
Global Equity Income			
First interim	32,747,913	1.45p	475
Second interim	32,708,411	1.45p	474
		2.90p	949

Dividends paid for the six months to 30 November 2017 totalled £2,040,000 (six months to 30 November 2016: £2,017,000).

10. The financial information contained in this half-yearly financial report, which has not been reviewed or audited by the independent auditor, 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 2017 and 30 November 2016 has not been audited. The figures and financial information for the year ended 31 May 2017 are extracted and abridged from the latest published accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and include the Independent Auditor's Report, 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

2 February 2018

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 has been prepared in accordance with the FRC's FRS 104 *Interim Financial Reporting*;

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

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

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

Signed on behalf of the Board of Directors.

Patrick Gifford
Chairman

2 February 2018

DIRECTORS, MANAGER AND ADMINISTRATION

Directors

Patrick Gifford (Chairman of the Board and Nomination Committee)
Sir Michael Bunbury (Chairman of the Management Engagement Committee)
Craig Cleland (Chairman of the Audit Committee)
Alan Clifton (Senior Independent Director)
Victoria Muir

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.

Registered Office and Company Number

Perpetual Park
Perpetual Park Drive
Henley-on-Thames
Oxfordshire RG9 1HH

Registered in England and Wales No. 5916642

Alternative Investment Fund Manager (Manager)

Invesco Fund Managers Limited

Company Secretary

Invesco Asset Management Limited
Company Secretarial contact: Paul Griggs

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Depositary

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1 Canada Square
London E14 5AL

Registrar

Link Asset Services (formerly Capita Asset Services)
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

If you hold shares directly and in your own name and have a query, you should contact the registrar on: ☎ 0371 664 0300.

Calls cost 12p per minute plus your phone company's access charge.

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

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

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

Invesco Perpetual Client Services

The Invesco Perpetual Client Services Team is available from 8.30am to 6pm Monday to Friday (excluding Bank Holidays) on: ☎ 0800 085 8677.
www.invescoperpetual.co.uk/investmenttrusts
No investment advice can be given.

The contents of websites referred to in this document or accessible from links within those websites, are not incorporated into, nor do they form part of, this document.

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