



## **Managed Investment Series**

Annual Report

Authorised Corporate Director's Short Report

**Issued July 2013**

For the period 1 June 2012 to 31 May 2013



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## Contents

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<b>01</b>	<b>Invesco Perpetual Managed Growth Fund</b>
<b>09</b>	<b>Invesco Perpetual Managed Income Fund</b>
<b>17</b>	<b>Invesco Perpetual Money Fund</b>

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### Further information

This Short Report, which is unaudited, has been prepared in accordance with the Financial Services (Open-Ended Investment Companies) Regulations 2001. The Authorised Corporate Director's Long Form Financial Statements and the Prospectus, which contains a written statement of the Terms and Conditions of the Company, can be obtained using the contact details shown on the back cover.

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### Launch of new 'Z' share classes on 12 November 2012

New 'Z' share classes, accumulation shares and income shares, were launched at 200p per share for the Invesco Perpetual Managed Growth Fund and Invesco Perpetual Managed Income Fund.

Further details can be obtained from the most up to date relevant fund and share class specific Key Investor Information Document(s).

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**Change of Investment objective of the Invesco Perpetual Money Fund**

We recently amended the investment objective of the Invesco Perpetual Money Fund. This change came into effect 12 November 2012.

This change has been made to bring the Invesco Perpetual Money Fund into line with amendments to the FCA Rules which were brought into force in 2012.

A consequence of these amendments is that the investment objectives of the funds like the Invesco Perpetual Money fund must be more prescriptively worded. However, these changes have not, and will not, affect the fund manager's investment approach and there has not been, and nor will there be, any impact on your investment.

The previous objective and the new objectives are detailed below:

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**Previous objective:**

The fund aims to produce a high level of income return combined with a high degree of security. The fund intends to invest in Sterling based or related money market fund assets.

In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions as detailed in Appendix 2 of the most recent Full Prospectus.

So that dealing in shares in the fund will not be subject to stamp duty or stamp duty reserve tax, the fund will hold only investments which are 'exempt investments' within the meaning of s.99 (5B) Finance Act 1999. In particular, the fund will not hold any investment in respect of which a charge to ad valorem stamp duty or stamp duty reserve tax would arise on its transfer or on an agreement for its transfer to the fund.

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**New objective:**

The Invesco Perpetual Money Fund is a money market fund as defined in the COLL Sourcebook which aims to produce a level of income return in line with money market rates combined with maintenance of capital. The fund intends to invest in Sterling based or related money market fund assets.

In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions as detailed in Appendix 2 of the most recent Full Prospectus.

So that dealing in shares in the fund will not be subject to stamp duty or stamp duty reserve tax, the fund will hold only investments which are 'exempt investments' within the meaning of schedule 19 of the Finance Act 1999. In particular, the fund will not hold any investment in respect of which a charge to ad valorem stamp duty or stamp duty reserve tax would arise on its transfer or on an agreement for its transfer to the fund.

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## Managed Growth Fund

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### Investment objective

The fund aims to achieve capital growth from a portfolio primarily of Qualifying Funds. In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions as detailed in Appendix 2 of the most recent Full Prospectus.

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### Risk profile

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested. Over time, inflation may erode the value of investments. The fund may use derivatives (complex instruments) in an attempt to reduce the overall risk of its investments, reduce the costs of investing or generate additional capital or income, although this may not be achieved. The use of such complex instruments may result in greater fluctuations of the value of the fund. The managers, however, will ensure that the use of derivatives within the fund does not materially alter the overall risk profile of the fund. The fund's underlying investments may contain emerging market, smaller company and concentrated funds, for which investors should be prepared to accept a higher degree of risk than for a fund with a broader investment mandate. The fund's performance may be adversely affected by variations in the relative strength of world currencies or if Sterling strengthens against those currencies.

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### Strategy, review and outlook

The fund returned 32.8% over the 12 months to the end of May 2013, compared to the benchmark FTSE World Index which returned 29.4%. This placed the fund in the first quartile of its peer group, the IMA Flexible Investment sector, which returned an average of 22.4%.

Fund and sector average performance data source: Lipper, mid-to-mid (excluding the entry charge), in Sterling, with net income reinvested. FTSE World Index data source: Thomson Reuters Datastream, total return, in Sterling.

Past performance is not a guide to future returns.

A profound change in mood has swept through global equity markets since the summer of 2012. Comments in July 2012 by European Central Bank (ECB) President Mario Draghi that the ECB would do "whatever it takes to save the euro" boosted markets and forced down Spain and Italy's borrowing costs.

In Q1 2013, the lessening of a number of risks, notably slowing Chinese growth, the European financial crisis and the US fiscal negotiations, continued to support global equity markets. At a time when many investors were caught too defensive being heavily exposed to bonds, leading equity indices have so far this year reached multi-year highs, although it is yet to become clear just how much steam there is left.

The unprecedented level of liquidity pumped into the financial system by central banks has had unintended consequences for financial markets, the full extent of which is only beginning to be felt. The recent market rally has been fuelled by central bank stimulus measures, such as quantitative easing (QE), along with low interest rates, which have been used to stimulate national economies. In Japan, the centrepiece of 'Abenomics', the policy creed of new prime minister Shinzo Abe, is the implementation of QE on a scale approaching that of the Bank of England and the US Federal Reserve. However, it is these large-scale purchases of government bonds against a backdrop of ultra-low interest rates, which have led to fluctuations in financial markets in recent weeks.

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## Managed Growth Fund

Risk appetite continued to grow during the period under review helping to extend the equity market rally which began in the summer of 2012. We continue to believe that there is value in global equity markets with earnings yields, dividend yields and balance sheets looking attractive to us.

The fund's overweight position in Japan relative to the benchmark index was a positive for fund performance. Japan had struggled in the early part of the review period but towards the end of 2012 and into 2013, Japanese market strength had increased, driven by new prime minister Shinzo Abe, who has been vocal in his desire to aggressively pursue policies aimed at kick-starting the economy.

In May 2013, the Bank of Japan announced that it would maintain its ambitious QE programme aimed at helping to achieve the 2% inflation target projected by the Bank of Japan for 2015. More cyclical areas of the market (those more sensitive to the economic cycle) rallied on this news and the fund benefited from its exposure to Japanese exporters and other cyclical areas of the market.

The fund's overweight exposure to Europe also benefited from a perceived change in sentiment. The shift away from an 'austerity-first' approach to a greater focus on economic growth helped to underpin European equity markets further.

In the UK, the fund's largely equity income exposure initially hurt fund performance as cyclical stocks rallied on Draghi's "whatever it takes" pledge. However, for the most part, the equity market rally of 2013 has been led by defensive stocks (typically considered as stable, dividend-paying stocks, regardless of the economic backdrop), which has been of benefit to the businesses in which the majority of the fund's UK equity exposure is invested.

On the negative side, our overweight exposure to Asia detracted from performance. Asian equities have struggled over concerns surrounding Chinese growth prospects and competition from Japan including a weakening yen which has made Japanese exports relatively more attractive than parts of the rest of Asia.

In terms of activity, the fund moved to a 5% cash position which we are looking to deploy strategically. We have reduced the fund's exposure to Latin America given concerns over inflation.

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### **Invesco Perpetual Multi Asset Group**

Where Invesco Perpetual Multi Asset Group have expressed opinions, they are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco Perpetual investment professionals.

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## Managed Growth Fund

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### Fund facts

Launch date		15 November 1997
Fund size at 31.5.13		£374 million
Accounting date		31 May
Ex-dividend date		1 June
Distribution payable		31 July
ACD's annual management charge	- Trail classes	1.50% per annum
	- No Trail classes	1.00% per annum
	- Z classes	0.75% per annum
Entry charge		5%
Ongoing charges figure for the year ended 31.5.13	- Trail classes	1.87%
	- No Trail classes	1.37%
	- Z classes	1.12%
Ongoing charges figure for the year ended 31.5.12	- Trail classes	1.90%
	- No Trail classes	1.40%
	- Z classes	-

The ongoing charges figure (OCF) represents the annual operating expenses of the fund expressed as a percentage of average net assets for the period – it does not include entry charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the fund: Registration Fee, Depositary Fee, Custody Fee, Audit Fee, FCA Fee, Price Publication Fee, Report production and transaction expenses, less: VAT recoverable where applicable. The OCF also includes a synthetic element which represents the ongoing charges of those authorised collective schemes in which the fund invests. The synthetic element has been reduced accordingly to take account of the rebate arrangements in place. The OCF is expressed as an annual percentage rate.

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## Managed Growth Fund

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### KIID Risk and Reward Profiles

Invesco Perpetual introduced Key Investor Information Documents (KIIDs) for all its funds and share classes on 20 February 2012 which include Risk and Reward numerical indicators.

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	<b>Risk and Reward Numerical Indicator Published in the KIID for the period 01.6.12 to 31.5.13</b>
<b>Invesco Perpetual Managed Growth Fund</b>	
Accumulation shares	6
Accumulation shares (No Trail)	6
Z Accumulation shares <sup>1</sup>	6
Income shares	6
Income shares (No Trail)	6
Z Income shares <sup>1</sup>	6

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<sup>1</sup> from 12 November 2012

For more information on our funds risk and reward profiles, please refer to the most up to date relevant fund and share class specific Key Investor Information Documents (KIIDs), which are available at [www.invescoperpetual.co.uk](http://www.invescoperpetual.co.uk) or by contacting us.

## Managed Growth Fund

<b>Distributions</b>	<b>01.6.12 to 31.5.13 p</b>	<b>01.6.11 to 31.5.12 p</b>
<b>Distribution payable 31 July 2013</b>		
Accumulation shares	1.2611	1.4591
Accumulation shares (No Trail)	2.1512	3.2653
Z Accumulation shares	3.0108	-
Income shares	1.0743	1.2594
Income shares (No Trail)	2.0500	3.1960
Z Income shares	3.0101	-

As the Z accumulation shares and Z income shares were issued on 12 November 2012, there are no prior year comparatives for these share classes.

## Managed Growth Fund

### Price and revenue record by share class

Calendar year	Highest share price p	Lowest share price p	Net revenue per share p
<b>Accumulation shares</b>			
2008	111.17	69.69	1.0127
2009	103.59	69.22	1.6264
2010	117.75	98.85	1.2976
2011	121.06	98.40	1.1973
2012	120.19	105.37	1.4591
2013 <sup>1</sup>	145.63	119.38	1.2611
<b>Accumulation shares (No Trail)</b>			
2009 <sup>2</sup>	122.23	95.81	0.0000
2010	138.97	116.66	1.5678
2011	142.88	116.14	1.4136
2012	143.88	125.82	3.2653
2013 <sup>1</sup>	174.64	142.91	2.1512
<b>Z Accumulation shares</b>			
2012 <sup>3</sup>	210.25	197.86	0.0000
2013 <sup>1</sup>	255.40	208.84	3.0108
<b>Income shares</b>			
2008	101.12	62.78	0.9211
2009	91.51	62.36	1.4651
2010	102.73	86.24	1.1463
2011	104.55	84.98	1.0448
2012	102.39	89.75	1.2594
2013 <sup>1</sup>	124.04	101.68	1.0743
<b>Income shares (No Trail)</b>			
2009 <sup>2</sup>	122.24	95.81	0.0000
2010	137.24	115.18	1.5680
2011	139.76	113.59	1.4000
2012	138.33	119.89	3.1960
2013 <sup>1</sup>	166.41	136.17	2.0500
<b>Z Income shares</b>			
2012 <sup>3</sup>	210.25	197.86	0.0000
2013 <sup>1</sup>	255.40	208.84	3.0101

<sup>1</sup> to 31 May

<sup>2</sup> from 12 June

<sup>3</sup> from 12 November

Accumulation shares (No Trail) and income shares (No Trail) were issued at 100p on 12 June 2009. Z accumulation shares and Z income shares were issued at 200p on 12 November 2012.

## Managed Growth Fund

Net asset value	Net asset value per share 31.5.13 p	Net asset value per share 31.5.12 p	Percentage growth %
Accumulation shares	141.50	106.61	32.7
Accumulation shares (No Trail)	169.70	127.30	33.3
Z Accumulation shares	248.19	-	-
Income shares	119.45	90.81	31.5
Income shares (No Trail)	159.65	121.32	31.6
Z Income shares	245.17	-	-

Net asset value per share calculated on the last business day of the period at bid market value at 4.30pm.

Performance to 31 May 2013	Since 30.11.12 %	Since 31.5.12 %	Since 31.5.10 %	Percentage growth Since 31.5.08 %	Since 31.5.03 %
Managed Growth Fund (accumulation shares)	20.94	32.81	35.55	34.43	167.32
FTSE World Index	19.10	29.40	39.40	43.61	149.37
IMA Flexible Investment Sector	13.74	22.43	28.94	22.18	110.73
Fund Ranking	6/122	6/120	26/106	21/86	9/49

Standardised rolling 12 month performance	31.3.08 31.3.09 %	31.3.09 31.3.10 %	31.3.10 31.3.11 %	Percentage growth 31.3.11 31.3.12 %	31.3.12 31.3.13 %
Managed Growth Fund (accumulation shares)	-24.1	46.9	6.4	-1.4	17.0

This standardised past performance information is updated on a quarterly basis. Should you require up to date past performance information, this is available on our website [www.invescopetperpetual.co.uk](http://www.invescopetperpetual.co.uk) or by contacting us.

Fund and sector average performance data source: Lipper, mid-to-mid (excluding the entry charge), in Sterling, with net income reinvested. FTSE World Index data source: Thomson Reuters Datastream, total return, in Sterling.

The value of investments and any income from them will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Past performance is not a guide to future returns. Current tax levels and reliefs may change. Depending on individual circumstances, this may affect investment returns.

## Managed Growth Fund

Portfolio classification		
	As at 31.5.13 %	As at 31.5.12 %
<b>Investment</b>		
<b>Authorised Investment Companies</b>		
Invesco Perpetual Asian Fund	18.86	16.29
Invesco Perpetual US Equity Fund	16.11	18.72
Invesco Perpetual Income Fund	16.04	18.32
Invesco Perpetual European Equity Fund	13.07	11.20
Invesco Perpetual Japan Fund	6.15	7.32
Invesco Perpetual UK Strategic Income Fund	5.69	3.71
Invesco Perpetual Global Smaller Companies Fund	4.49	5.12
Invesco Perpetual UK Growth Fund	2.61	3.94
Invesco Perpetual Latin American Fund	2.08	3.23
Invesco Perpetual European Opportunities Fund	1.79	1.71
Invesco Perpetual UK Smaller Companies Equity Fund	1.18	3.12
Invesco Perpetual Emerging European Fund	0.67	1.41
Invesco Perpetual UK Aggressive Fund	0.34	1.54
Invesco Perpetual European High Yield Fund	-	2.06
Invesco US Structured Equity Fund	-	1.07
Invesco Perpetual European Equity Income Fund	-	0.87
<b>Equities</b>	<b>4.99</b>	<b>-</b>
<b>Total investments</b>	<b>94.07</b>	<b>99.63</b>
<b>Net other assets</b>	<b>5.93</b>	<b>0.37</b>
<b>Net assets</b>	<b>100.00</b>	<b>100.00</b>

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## Managed Income Fund

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### Investment objective

The fund aims to achieve capital growth and a higher than average level of income from a portfolio primarily of Qualifying Funds. In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions as detailed in Appendix 2 of the most recent Full Prospectus.

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### Risk profile

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested. Over time, inflation may erode the value of investments. The fund may use derivatives (complex instruments) in an attempt to reduce the overall risk of its investments, reduce the costs of investing or generate additional capital or income, although this may not be achieved. The use of such complex instruments may result in greater fluctuations of the value of the fund. The managers, however, will ensure that the use of derivatives within the fund does not materially alter the overall risk profile of the fund. As one of the key objectives of the fund is to provide income, the annual management charge is taken from capital rather than income. This can erode capital and reduce the potential for capital growth. The fund's underlying investments may contain emerging market, smaller company and concentrated funds, for which investors should be prepared to accept a higher degree of risk than for a fund with a broader investment mandate. The fund's performance may be adversely affected by variations in the relative strength of world currencies or if Sterling strengthens against those currencies.

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### Strategy, review and outlook

The fund returned 29.8% over the 12 months to the end of May 2013, compared to the benchmark FTSE World Index which returned 29.4%. This placed the fund in the first quartile of its peer group, the IMA Mixed Investment 40-85% Shares sector, which returned an average of 21.4%.

Fund and sector average performance data source: Lipper, mid-to-mid (excluding the entry charge), in Sterling, with net income reinvested. FTSE World Index data source: Thomson Reuters Datastream, total return, in Sterling.

Past performance not a guide to future returns.

A profound change in mood has swept through global equity markets since the summer of 2012. Comments in July 2012 by European Central Bank (ECB) President Mario Draghi that the ECB would do "whatever it takes to save the euro" boosted markets and forced down Spain and Italy's borrowing costs.

In Q1 2013, the lessening of a number of risks, notably slowing Chinese growth, the European financial crisis and the US fiscal negotiations, continued to support global equity markets. At a time when many investors were caught too defensive being heavily exposed to bonds, leading equity indices have so far this year reached multi-year highs, although it is yet to become clear just how much steam there is left.

The unprecedented level of liquidity pumped into the financial system by central banks has had unintended consequences for financial markets, the full extent of which is only beginning to be felt. The recent market rally has been fuelled by central bank stimulus measures, such as quantitative easing (QE), along with low

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## Managed Income Fund

interest rates, which have been used to stimulate national economies. In Japan, the centrepiece of 'Abenomics', the policy creed of new prime minister Shinzo Abe, is the implementation of QE on a scale approaching that of the Bank of England and the US Federal Reserve. However, it is these large-scale purchases of government bonds against a backdrop of ultra-low interest rates, which have led to fluctuations in financial markets in recent weeks.

Risk appetite continued to grow during the period under review helping to extend the equity market rally which began in the summer of 2012. The fund's overweight exposure to global equity markets relative to the benchmark was a positive for fund performance. We continue to believe that there is value in global equity markets with earnings yields, dividend yields and balance sheets looking attractive to us. This is in contrast to most bond markets, especially non-financial corporate bonds and core government bonds, where we believe that it is increasingly hard to find real value. The fund had no exposure to global bonds, which was another positive for performance, as was its overweight position in Japan.

Japan had struggled in the early part of the review period but towards the end of 2012 and into 2013, Japanese market strength had increased, driven by new prime minister Shinzo Abe, who has been vocal in his desire to aggressively pursue policies aimed at kick-starting the economy. In May 2013, the Bank of Japan announced that it would maintain its ambitious QE programme aimed at helping to achieve the 2% inflation target projected by the Bank of Japan for 2015. More cyclical areas of the market (those more sensitive to the economic cycle) rallied on this news and the fund benefited from its exposure to Japanese exporters and other cyclical areas of the market.

The fund's overweight exposure to Europe also benefited from a perceived change in sentiment. The shift away from an 'austerity-first' approach to a greater focus on economic growth helped to underpin European equity markets further.

In the UK, the fund's largely equity income exposure initially hurt fund performance as cyclical stocks rallied on Draghi's "whatever it takes" pledge. However, for the most part, the equity market rally of 2013 has been led by defensive stocks (typically considered as stable, dividend-paying stocks, regardless of the economic backdrop), which has been of benefit to the businesses in which the majority of the fund's UK equity exposure is invested.

On the negative side, our overweight exposure to Asia detracted from performance. Asian equities have struggled over concerns surrounding Chinese growth prospects and competition from Japan including a weakening yen which has made Japanese exports relatively more attractive than parts of the rest of Asia.

In terms of activity, the fund moved to a 5% cash position which we are looking to deploy strategically. We have reduced the fund's exposure to Latin America given concerns over inflation.

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### **Invesco Perpetual Multi Asset Group**

Where Invesco Perpetual Multi Asset Group have expressed opinions, they are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco Perpetual investment professionals.

## Managed Income Fund

### Fund facts

Launch date	15 February 1997
Fund size at 31.5.13	£218 million
Accounting date	31 May
Ex-dividend date	Quarterly on 1 June, 1 September, 1 December and 1 March
Distribution payable	Quarterly on 31 July, 31 October, 31 January and 30 April
ACD's annual management charge	- Trail classes 1.50% per annum
	- No Trail classes 1.00% per annum
	- Z classes 0.75% per annum
Entry charge	5%
Ongoing charges figure for the year ended 31.5.13	- Trail classes 1.88%
	- No Trail classes 1.38%
	- Z classes 1.13%
Ongoing charges figure for the year ended 31.5.12	- Trail classes 1.90%
	- No Trail classes 1.40%
	- Z classes -

The ongoing charges figure (OCF) represents the annual operating expenses of the fund expressed as a percentage of average net assets for the period – it does not include entry charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the fund: Registration Fee, Depositary Fee, Custody Fee, Audit Fee, FCA Fee, Price Publication Fee, Report production and transaction expenses, less: VAT recoverable where applicable. The OCF also includes a synthetic element which represents the ongoing charges of those authorised collective schemes in which the fund invests. The synthetic element has been reduced accordingly to take account of the rebate arrangements in place. The OCF is expressed as an annual percentage rate.

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## Managed Income Fund

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### KIID Risk and Reward Profiles

Invesco Perpetual introduced Key Investor Information Documents (KIIDs) for all its funds and share classes on 20 February 2012 which include Risk and Reward numerical indicators.

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	<b>Risk and Reward Numerical Indicator Published in the KIID for the period 01.6.12 to 31.5.13</b>
<b>Invesco Perpetual Managed Income</b>	
Accumulation shares	5
Accumulation shares (No Trail)	5
Z Accumulation shares <sup>1</sup>	5
Income shares	5
Income shares (No Trail)	5
Z Income shares <sup>1</sup>	5

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<sup>1</sup> from 12 November 2012

For more information on our funds risk and reward profiles, please refer to the most up to date relevant fund and share class specific Key Investor Information Documents (KIIDs), which are available at [www.invescopetperual.co.uk](http://www.invescopetperual.co.uk) or by contacting us.

## Managed Income Fund

Distributions	01.6.12 to 31.5.13 p	01.6.11 to 31.5.12 p
<b>Accumulation shares</b>		
Paid 31 October 2012	0.3746	0.3175
Paid 31 January 2013	1.6117	1.4576
Paid 30 April 2013	0.5725	0.6849
Payable 31 July 2013	1.3143	1.2812
<b>Total for the period</b>	<b>3.8731</b>	<b>3.7412</b>
<b>Accumulation shares (No Trail)</b>		
Paid 31 October 2012	0.4420	0.3742
Paid 31 January 2013	1.9094	1.7196
Paid 30 April 2013	0.6782	0.8081
Payable 31 July 2013	1.5592	1.5135
<b>Total for the period</b>	<b>4.5888</b>	<b>4.4154</b>
<b>Z Accumulation shares</b>		
Paid 31 October 2012	-	-
Paid 31 January 2013	2.7668	-
Paid 30 April 2013	0.9756	-
Payable 31 July 2013	2.2534	-
<b>Total for the period</b>	<b>5.9958</b>	<b>-</b>
<b>Income shares</b>		
Paid 31 October 2012	0.2526	0.2223
Paid 31 January 2013	1.0823	1.0135
Paid 30 April 2013	0.3792	0.4703
Payable 31 July 2013	0.8666	0.8738
<b>Total for the period</b>	<b>2.5807</b>	<b>2.5799</b>
<b>Income shares (No Trail)</b>		
Paid 31 October 2012	0.4000	0.3480
Paid 31 January 2013	1.7192	1.6040
Paid 30 April 2013	0.6026	0.7431
Payable 31 July 2013	1.3795	1.3860
<b>Total for the period</b>	<b>4.1013</b>	<b>4.0811</b>
<b>Z Income shares</b>		
Paid 31 October 2012	-	-
Paid 31 January 2013	2.7668	-
Paid 30 April 2013	0.9717	-
Payable 31 July 2013	2.2152	-
<b>Total for the period</b>	<b>5.9537</b>	<b>-</b>

As the Z accumulation shares and Z income shares were issued on 12 November 2012, there are no prior year comparatives for these share classes.

## Managed Income Fund

Price and revenue record by share class	Highest share price p	Lowest share price p	Net revenue per share p
<b>Calendar year</b>			
<b>Accumulation shares</b>			
2008	105.45	72.87	2.8894
2009	103.25	72.82	3.4643
2010	114.47	99.27	3.4568
2011	118.93	100.03	3.4691
2012	121.85	107.00	3.9524
2013 <sup>1</sup>	143.73	121.19	1.8868
<b>Accumulation shares (No Trail)</b>			
2009 <sup>2</sup>	120.85	97.38	1.8640
2010	134.57	116.45	4.0659
2011	140.07	117.93	4.0822
2012	144.35	126.48	4.6730
2013 <sup>1</sup>	170.55	143.57	2.2374
<b>Z Accumulation shares</b>			
2012 <sup>3</sup>	208.52	198.31	2.7668
2013 <sup>1</sup>	246.57	207.40	3.2290
<b>Income shares</b>			
2008	82.87	56.30	2.2480
2009	75.50	54.83	2.5957
2010	81.05	71.43	2.4985
2011	82.94	69.54	2.4330
2012	80.71	72.08	2.6790
2013 <sup>1</sup>	94.80	80.27	1.2458
<b>Income shares (No Trail)</b>			
2009 <sup>2</sup>	118.82	97.38	1.8600
2010	127.81	112.57	3.9551
2011	130.97	109.95	3.8455
2012	128.23	114.25	4.2483
2013 <sup>1</sup>	150.85	127.53	1.9821
<b>Z Income shares</b>			
2012 <sup>3</sup>	205.70	198.31	2.7668
2013 <sup>1</sup>	242.20	204.59	3.1869

<sup>1</sup> to 31 May

<sup>2</sup> from 12 June

<sup>3</sup> from 12 November

Accumulation shares (No Trail) and income shares (No Trail) were issued at 100p on 12 June 2009.  
Z Accumulation shares and Z income shares were issued at 200p on 12 November 2012.

## Managed Income Fund

Net asset value	Net asset value per share 31.5.13 p	Net asset value per share 31.5.12 p	Percentage growth %
Accumulation shares	140.30	108.06	29.8
Accumulation shares (No Trail)	166.48	127.72	30.3
Z Accumulation shares	240.68	-	-
Income shares	91.66	72.79	25.9
Income shares (No Trail)	145.87	115.38	26.4
Z Income shares	234.21	-	-

Net asset value per share calculated on the last business day of the period at bid market value at 4.30pm.

### Performance

to 31 May 2013

	Since 30.11.12 %	Since 31.5.12 %	Since 31.5.10 %	Percentage growth Since 31.5.08 %	Since 31.5.03 %
Managed Income Fund (income shares)	17.57	29.83	35.91	39.50	146.25
FTSE World Index	19.10	29.40	39.40	43.61	149.37
IMA Mixed Investment 40-85% Shares Sector	12.66	21.44	28.89	25.57	102.17
Fund Ranking	5/142	3/140	22/122	13/94	13/53

### Standardised rolling 12 month performance

	31.3.08 31.3.09 %	31.3.09 31.3.10 %	31.3.10 31.3.11 %	Percentage growth 31.3.11 31.3.12 %	31.3.12 31.3.13 %
Managed Income Fund (income shares)	-19.8	41.2	5.8	0.5	16.7

This standardised past performance information is updated on a quarterly basis. Should you require up to date past performance information, this is available on our website [www.invescopetperpetual.co.uk](http://www.invescopetperpetual.co.uk) or by contacting us.

Fund and sector average performance data source: Lipper, mid-to-mid (excluding the entry charge), in Sterling, with net income reinvested. FTSE World Index data source: Thomson Reuters Datastream, total return, in Sterling.

The value of investments and any income from them will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Past performance is not a guide to future returns. Current tax levels and reliefs may change. Depending on individual circumstances, this may affect investment returns.

## Managed Income Fund

<b>Portfolio classification</b>		
	<b>As at 31.5.13 %</b>	<b>As at 31.5.12 %</b>
<b>Investment</b>		
Invesco Perpetual Income Fund	17.80	18.89
Invesco Perpetual Asian Fund	14.82	12.89
Invesco Perpetual US Equity Fund accumulation shares	13.91	14.07
Invesco Perpetual Corporate Bond Fund	13.80	16.12
Invesco Perpetual UK Strategic Income Fund	6.87	4.65
Invesco Perpetual European Equity Fund	6.20	6.51
Invesco Perpetual European Equity Income Fund	6.16	4.69
Invesco Perpetual Global Smaller Companies Fund	4.58	4.73
Invesco Perpetual Japan Fund accumulation shares	4.54	4.40
Invesco Perpetual UK Growth Fund	1.93	5.10
Invesco Perpetual Asian Equity Income Fund	1.83	1.75
Invesco Perpetual Latin American Fund	1.17	0.97
Invesco Perpetual Emerging European Fund	0.69	0.75
Invesco Perpetual European High Yield Fund	-	2.26
Invesco Pan European High Income Fund 'A'	-	1.71
<b>Total investments</b>	<b>94.30</b>	<b>99.49</b>
<b>Net other assets</b>	<b>5.70</b>	<b>0.51</b>
<b>Net assets</b>	<b>100.00</b>	<b>100.00</b>

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## Money Fund

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### Investment objective

The fund aims to produce a level of income return in line with money market rates combined with maintenance of capital. The fund intends to invest in Sterling based or related money market fund assets. In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions as detailed in Appendix 2 of the most recent Full Prospectus.

So that dealing in shares in the fund will not be subject to stamp duty or stamp duty reserve tax, the fund will hold only investments which are 'exempt investments' within the meaning of schedule 19 of the Finance Act 1999. In particular, the fund will not hold any investment in respect of which a charge to ad valorem stamp duty or stamp duty reserve tax would arise on its transfer or on an agreement for its transfer to the fund.

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### Risk profile

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested. Over time, inflation may erode the value of investments. The fund may use derivatives (complex instruments) in an attempt to reduce the overall risk of its investments, reduce the costs of investing or generate additional capital or income, although this may not be achieved. The use of such complex instruments may result in greater fluctuations of the value of the fund. The manager, however, will ensure that the use of derivatives within the fund does not materially alter the overall risk profile of the fund. Since 1 February 2010 fund charges (excluding AMC) are paid directly by the Manager and will not be deducted from the fund. This is subject to change. This will have a positive impact on the fund's performance and its distribution yield.

The fund's performance may be adversely affected by variations in the relative strength of world currencies or if Sterling strengthens against those currencies.

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### Strategy, review and outlook

The fund rose by 0.5% over the twelve months to the end of May 2013. This placed the fund in the second quartile of its peer group, the IMA Money Market Sector, which returned an average of 0.5%.

Fund and sector average performance data source: Lipper, mid-to-mid, in Sterling, with net income reinvested.

Past performance is not a guide to future returns.

The UK economic recovery remains weak by historical standards. Domestic demand increased slightly over this period but that was largely offset by a pronounced fall in exports. GDP increased by 0.3% in Q1 2013 (+0.6% year on year) and is expected to strengthen a little over the course of 2013. Demand is being depressed by weak labour market conditions. Unemployment remained high, at 7.8% in April 2013, and earnings growth weak, at just 1.3% in April, well below the rate of inflation.

UK inflation (annual change in the Consumer Price Index) fell from 2.8% in May 2012 to 2.4% in May 2013, above the 2% target of the Bank of England. The bank's Monetary Policy Committee (MPC) maintained the bank's interest rate at a record low of 0.5% throughout the period, judging that this balanced the need to meet the inflation target in the medium term with providing continuing near-term support to the economy. The committee agreed in July 2012 to extend the bank's asset purchasing programme by £50bn to a total of £375bn.

Continued low UK interest rates resulted in low but positive returns for the fund.

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## Money Fund

The 2 year Gilt yield rose from 0.24% at the end of May 2012 to 0.37% at the end of May 2013 (equating to a price fall of around 2.4%), while the 10 year Gilt yield rose from 1.57% to 2.00%. These rises in yield in part reflect the greater investor appetite for lower credit quality assets such as corporate bonds. In interbank lending markets, over the last 12 months to the end of May, Sterling three-month LIBOR, the interest rate at which the largest banks lend money to one another, fell by 49 basis points to close on 0.51%.

In terms of strategy, we have maintained holdings in floating-rate notes (FRNs) where yields are reset every three months to reflect changes in LIBOR. As we continue to believe that UK interest rates will remain near their current low levels for a considerable time - because we think any policy adjustments will be gradual and drawn out - the fund also has positions in a number of government, quasi-government and corporate bonds. These have higher

interest coupons than those currently available on FRNs. In order to limit risk exposure, these bonds are both short dated and of high quality.

The MPC continues to look through any shorter term inflation to the underlying weakness of the economy. We expect that ongoing deleveraging and negative real earnings growth will exert downward pressure on prices and so we do not expect domestically generated inflation to rise significantly from here. Nor do we expect interest rates to rise quickly from current record low levels.

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### Stuart Edwards, Fund Manager

Where Stuart Edwards has expressed opinions, they are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco Perpetual investment professionals.

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## Fund facts

Launch date	25 July 1994
Fund size at 31.5.13	£56.7 million
Accounting date	31 May
Ex-dividend date	Monthly on first day of the month
Distribution payable	Last day of the month, in the month following ex-dividend date
ACD's annual management charge	0.50% per annum
Entry charge	0%
Ongoing charges figure for the year ended 31.5.13	0.50%
Ongoing charges figure for the year ended 31.5.12	0.50%

The ongoing charges figure (OCF) represents the annual operating expenses of the fund expressed as a percentage of average net assets for the period – it does not include entry charges or performance fees. The OCF includes the annual management charge and also the following charges which are deducted directly from the fund: Registration Fee, Depositary Fee, Custody Fee, Audit Fee, FCA Fee, Price Publication Fee, Report production and transaction expenses, less: VAT recoverable where applicable. The OCF is expressed as an annual percentage rate.

With effect from 1 February 2010, fund charges, excluding annual management charge, are temporarily paid directly by the Manager and are not deducted from the fund.

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## Money Fund

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### KIID Risk and Reward Profiles

Invesco Perpetual introduced Key Investor Information Documents (KIIDs) for all its funds and share classes on 20 February 2012 which include Risk and Reward numerical indicators.

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**Risk and Reward Numerical  
Indicator Published in the KIID  
for the period 01.6.12 to 31.5.13**

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#### **Invesco Perpetual Money Fund**

Accumulation shares	2
Accumulation shares (Gross)	2

For more information on our funds risk and reward profiles, please refer to the most up to date relevant fund and share class specific Key Investor Information Documents (KIIDs), which are available at [www.invescopetperpetual.co.uk](http://www.invescopetperpetual.co.uk) or by contacting us.

## Money Fund

### Distributions

	Accumulation p	Accumulation (Gross) p
For the month ended 30 June 2012	0.0345	0.0456
For the month ended 31 July 2012	0.0365	0.0482
For the month ended 31 August 2012	0.0366	0.0482
For the month ended 30 September 2012	0.0359	0.0476
For the month ended 31 October 2012	0.0344	0.0454
For the month ended 30 November 2012	0.0302	0.0397
For the month ended 31 December 2012	0.0296	0.0391
For the month ended 31 January 2013	0.0198	0.0262
For the month ended 28 February 2013	0.0181	0.0240
For the month ended 31 March 2013	0.0225	0.0307
For the month ended 30 April 2013	0.0215	0.0286
For the month ended 31 May 2013	0.0203	0.0266
<b>Year to 31 May 2013</b>	<b>0.3399</b>	<b>0.4499</b>
<b>Year to 31 May 2012</b>	<b>0.5260</b>	<b>0.6922</b>

### Price and revenue record by share class

Calendar year	Highest share price p	Lowest share price p	Net revenue per share p
<b>Accumulation shares</b>			
2008	85.63	83.32	3.5277
2009	88.28	85.25	1.0484
2010	88.64	88.25	0.4376
2011	89.04	88.64	0.4968
2012	89.56	89.05	0.4801
2013 <sup>1</sup>	89.74	89.50	0.1022
<b>Accumulation shares (Gross)</b>			
2008	89.47	86.41	4.5961
2009	92.77	89.35	1.3767
2010	93.27	92.75	0.5778
2011	93.83	93.28	0.6521
2012	94.50	93.84	0.6348
2013 <sup>1</sup>	94.72	94.45	0.1361

<sup>1</sup> to 31 May

## Money Fund

Net asset value	Net asset value per share 31.5.13 p	Net asset value per share 31.5.12 p	Percentage growth %
Accumulation shares	89.68	89.28	0.4
Accumulation shares (Gross)	94.66	94.15	0.5

Net asset value per share calculated on the last business day of the period at bid market value at 4.30pm.

Performance to 31 May 2013	Since 30.11.12 %	Since 31.5.12 %	Since 31.5.10 %	Percentage growth Since 31.5.08 %	Since 31.5.03 %
Money Fund (accumulation shares)	0.20	0.45	1.57	6.11	24.47
IMA Money Market Sector	0.17	0.49	1.09	2.37	18.24
Fund Ranking	3/10	5/10	5/10	3/10	3/7

Standardised rolling 12 month performance	31.3.08 31.3.09 %	31.3.09 31.3.10 %	31.3.10 31.3.11 %	Percentage growth 31.3.11 31.3.12 %	31.3.12 31.3.13 %
Money Fund (accumulation shares)	2.1	3.0	0.5	0.5	0.5

This standardised past performance information is updated on a quarterly basis. Should you require up to date past performance information, this is available on our website [www.invescopetperpetual.co.uk](http://www.invescopetperpetual.co.uk) or by contacting us.

Fund and sector average performance data source: Lipper, mid-to-mid (excluding the entry charge), in Sterling, with net income reinvested.

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## Money Fund

### Investment Portfolio

As at 31 May 2013:	%	As at 31 May 2012:	%
ASB Finance 3.25% 09/12/2013	5.27	Bank of America FRN 11/6/2012	3.47
Barclays Bank 0.35% 13/6/2013	8.82	Barclays Bank 0.45% 11/6/2012	6.48
Daimler International Finance 2.125% 10/12/2013	4.30	BG Energy Capital 5.875% 13/11/2012	3.22
Deutsche Telekom 5.625% 19/7/2013	4.05	Carrefour 5.375% 19/12/2012	3.49
E.ON International Finance 5.125% 27/1/2014	5.25	Centrica 5.875% 02/11/2012	3.21
European Investment Bank 1.06869% FRN 14/6/2013	4.41	Dexia Credit 1.3175% FRN 14/1/2013	4.24
Experian Finance 5.625% 12/12/2013	3.97	European Investment Bank 1.06869% FRN 14/6/2013	3.94
GE Capital UK Funding 5.25% 10/12/2013	2.22	European Investment Bank 2.875% 07/3/2013	1.60
JPMorgan Chase 5.375% 18/10/2013	4.43	European Investment Bank 4.5% 14/1/2013	3.23
Metropolitan Life Global Funding I 5.25% 09/1/2014	4.16	European Investment Bank 4.75% 06/6/2012	3.79
Morgan Stanley 5.375% 14/11/2013	4.49	General Electric 5.875% 01/11/2012	4.84
National Grid 5.5% 24/7/2013	4.37	HSBC Bank 1.60906% FRN 10/9/2012	4.26
Nationwide Building Society 0.44% 28/6/2013	6.18	JP Morgan Chase FRN 27/6/2012	4.02
Nationwide Building Society 0.5% 15/7/2013	8.53	KFW 4.75% 07/12/2012	3.22
RWE Finance 6.375% 03/6/2013	4.95	Lloyds Bank 0.99% 03/8/2012	6.94
SSE 5.75% 05/2/2014	4.44	Nationwide Building Society 0.98% 14/6/2012	7.56
Tesco 5% 24/2/2014	5.39	Nationwide Building Society 1.09% 24/8/2012	3.18
UK Treasury 2.25% 07/3/2014	5.37	New York Life Global Funding 4.5% 17/1/2013	4.73
Volkswagen Financial Services 2.5% 07/10/2013	5.07	Prudential 3.375% 28/1/2013	2.55
		Royal Bank of Scotland 1.23% 15/8/2012	4.83
		UBS FRN 28/9/2012	3.15
		UK Treasury 4.5% 07/3/2013	7.16
		UK Treasury 5.25% 07/6/2012	2.36

## Money Fund

<b>Portfolio classification</b>	<b>As at 31.5.13 %</b>	<b>As at 31.5.12 %</b>
<b>Investment</b>		
Fixed Rate Deposits	23.53	28.99
Bonds	72.14	66.48
<b>Total investments</b>	<b>95.67</b>	<b>95.47</b>
<b>Net other assets</b>	<b>4.33</b>	<b>4.53</b>
<b>Net assets</b>	<b>100.00</b>	<b>100.00</b>

<b>Portfolio Statement Credit Ratings Breakdown</b>	<b>31.5.13 %</b>	<b>31.5.12 %</b>
as at 31 May 2013		
AAA	4.43	25.70
AA	9.63	13.33
A	26.20	21.36
BBB	27.87	7.04

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**Authorised Corporate Director**

Invesco Fund Managers Limited

Registered Office: 30 Finsbury Square, London EC2A 1AG, UK

Registered in England No. 898166

The Company is an investment company with variable capital under Regulation 12 of the Open-Ended Investment Companies Regulations 2001 and is a wider-range investment for the purposes of the Trustee Investment Act 2000.

The Authorised Corporate Director's investment adviser is:

Invesco Asset Management Limited, 30 Finsbury Square, London EC2A 1AG, UK

Registered in England No. 949417

Invesco Asset Management Limited and Invesco Fund Managers Limited are authorised and regulated by the Financial Conduct Authority.

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**Registrar**

Invesco Administration Services Limited

Registered Office: 30 Finsbury Square, London EC2A 1AG, UK

For registration enquiries please call free on 0800 085 8571 or write to us at:

Invesco Perpetual, PO Box 11150, Chelmsford CM99 2DL, UK

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**Depository**

Citibank International plc

Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, UK

(Authorised and regulated by the Financial Conduct Authority).

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**Auditors**

Ernst & Young LLP

1 More London Place, London SE1 2AF, UK

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## Further information

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### General enquiries

Investor Services Team 0800 085 8677  
Broker Services Team 0800 028 2121  
International calls +44 (0)1491 417000

Lines are open 8.30am to 6pm, Monday to Friday, excluding UK Bank Holidays.

[www.invescoperpetual.co.uk](http://www.invescoperpetual.co.uk)  
[enquiry@invescoperpetual.co.uk](mailto:enquiry@invescoperpetual.co.uk)

Fax 01491 416000

Post:

Invesco Perpetual, PO Box 11150, Chelmsford CM99 2DL, UK

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### To invest

ISA Dealing Line 0800 917 7581  
ICVC Dealing Line 0800 085 8571

Clients must confirm that they have been provided with the most up to date relevant fund and share class specific Key Investor Information Document(s) prior to investing.

We will record telephone calls to our Dealing Line.

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### Valuations

Automated Valuation Service 0800 028 4050  
Lines are open 24 hours a day.

Further information on our products, including the most up to date relevant fund and share class specific Key Investor Information Document(s) and the Supplementary Information Document, is available using the contact details above.

The Prospectus, which contains a written statement of the terms and conditions of the Company, can be obtained from the ACD, as can copies of Interim and Annual Reports. Please call our Literature Request Line on 0800 085 8677 (for clients) and 0800 028 2121 (for intermediaries) or log onto our website ([www.invescoperpetual.co.uk](http://www.invescoperpetual.co.uk)).

Telephone calls may be recorded.

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Invesco Perpetual is a business name of Invesco Fund Managers Limited  
Authorised and regulated by the Financial Conduct Authority, FCA Registered No. 119298  
Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK  
Registered in England No. 898166  
Registered address: 30 Finsbury Square, London EC2A 1AG, UK

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