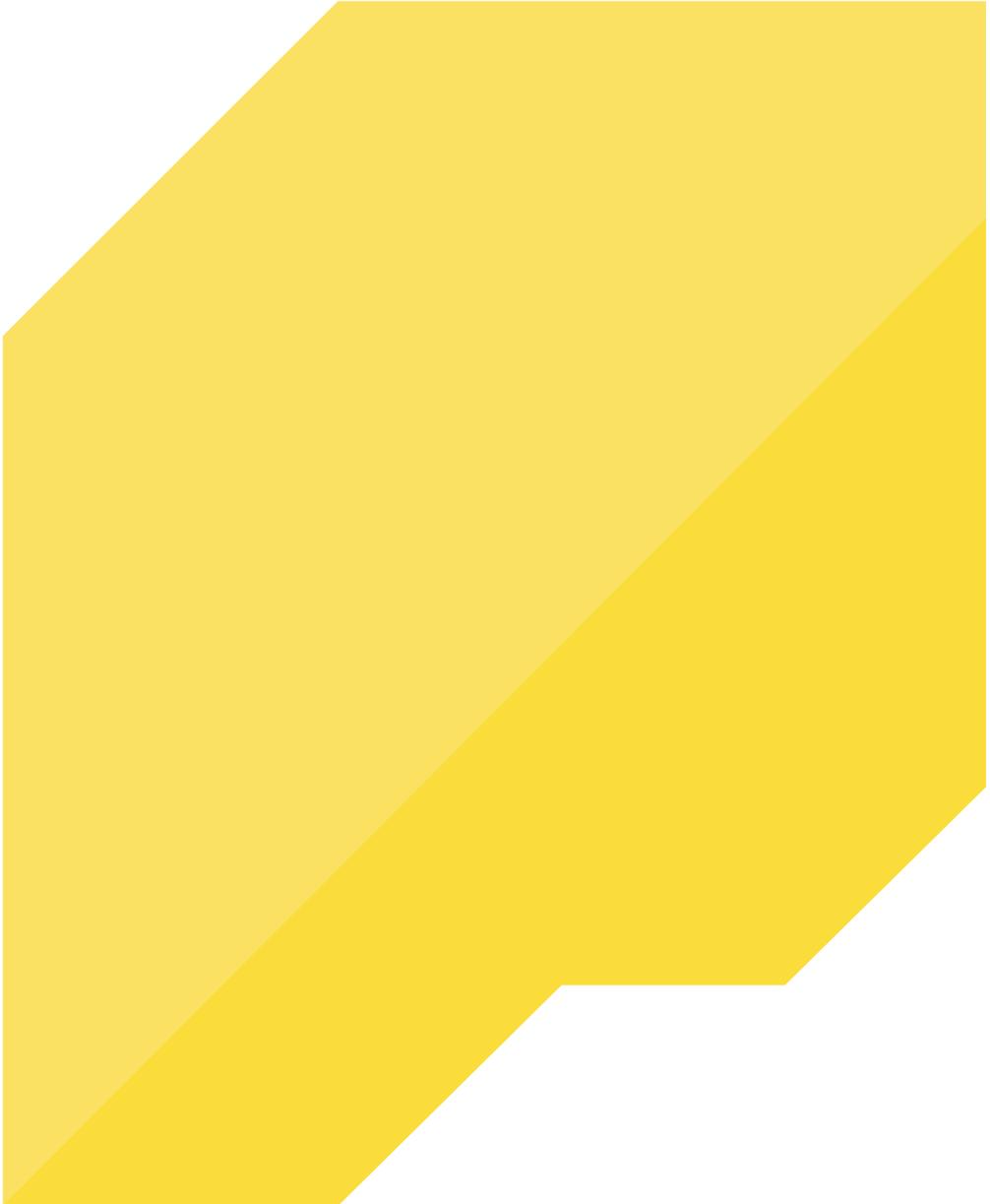




European Investment Series
Annual Report
Authorised Corporate Director's Short Report

Issued December 2013
For the year 1 November 2012 to 31 October 2013



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Further information

This Short Report, which is unaudited, has been prepared in accordance with the 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.

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 European Equity Fund, Invesco Perpetual European Equity Income Fund and Invesco Perpetual European Opportunities Fund.

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

European Equity Fund

Investment objective

The fund aims to achieve capital growth in Continental Europe. The fund intends to invest primarily in shares in companies in Continental Europe, although it may include other European related investments. 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 Prospectus.

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. Although the fund invests mainly in established markets, it can invest in emerging and developing markets, where there is potential for a decrease in market liquidity, which may mean that it is not easy to buy or sell securities, as well as operational difficulties. The fund's performance may be adversely affected by variations in the relative strength of world currencies or if Sterling strengthens against those currencies.

Strategy, review and outlook

The fund rose by 46.2% for the twelve months to the end of October 2013, compared to a gain of 32.5% from the benchmark FTSE World Europe (ex UK)

Index. This placed the fund in the first quartile of its peer group, the IMA Europe (ex UK) Sector, which rose by an average of 31.1%.

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

Past performance is not a guide to future returns.

European equity markets enjoyed a particularly strong rally over the last twelve months as the sovereign and political risks associated with the Eurozone continued to diminish. Furthermore the macroeconomic situation is improving with GDP numbers showing the Eurozone officially moved out of recession in the second quarter. Ongoing structural reforms (labour market for example) in the peripheral European countries as well as actions taken by the European Central Bank have also helped the economic picture.

Key areas of outperformance of the fund, relative to the benchmark, came from sectors including financials, industrials and consumer services. Within financials both banks (Bankinter, BBVA, BNP Paribas) and insurers (Ageas, ING and AXA) performed particularly well, while aerospace & defence holdings EADS and Thales both contributed to performance from within the industrials sector. Media was a key performer within consumer services while our underweight exposure to consumer staples also assisted relative performance. Importantly, positive relative returns came from all sectors apart from telecoms, where it was only very marginally negative. On a country level, the fund's large exposure to Spain in particular, as well as other peripheral countries, has been a key contributor to outperformance.

European Equity Fund

As always we remain very focused on valuation, built on bottom up fundamental research. Bearing that in mind, in portfolio activity terms this led us to take profits from our exposure to some of the very strong performers, such as Spanish financials name Bankinter, and use the proceeds to buy what we believe to be attractively valued opportunities elsewhere. Examples of opportunities initiated during the period include new positions in Siemens and Orange.

Looking ahead, the rehabilitation phase of the European equity asset class remains in its infancy. Despite recent excellent gains in European equity markets, forward earnings multiples e.g. price/earnings and cyclically adjusted valuations for the market as a whole still remain well below their long term averages. We also believe that we have still not seen the end of the market's move away from expensive defensive stocks (which did benefit when

the Euro crisis was ongoing) towards cheaper stocks geared to the improving dynamics of the financial sector, economic recovery and restructuring. Therefore in terms of positioning, we continue to believe many financial companies, cyclical stocks (those stocks more exposed to the economic cycle) and peripheral countries are attractive relative to their historic long term valuations. One area we do not like is the consumer staples sector where we believe that despite there being some very good quality companies, their valuations have become stretched and are not sustainable by their earnings.

Jeffrey Taylor, Fund Manager

Where Jeffrey Taylor 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.

Fund facts

Launch date		18 January 1986
Fund size at 31.10.13		£1,282 million
Accounting date		31 October
Ex-dividend date		1 November
Distribution payable		31 December
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 (OCF) for the year ended 31.10.13	- Trail classes	1.70%
	- No Trail classes	1.20%
	- Z classes	0.95%
Ongoing charges figure (OCF) for the year ended 31.10.12	- Trail classes	1.71%
	- No Trail classes	1.21%
	- Z classes	-

The OCF represents the annual operating expenses of the fund expressed as a percentage of average net assets for the year – it does not include entry charges. 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.

European Equity Fund

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.

	Risk and Reward Numerical Indicator Published in the KIID for the year 01.11.12 to 31.10.13
<hr/>	
Invesco Perpetual European Equity Fund	
Accumulation shares	6
Accumulation shares (No Trail)	6
Z Accumulation shares ¹	6
Income shares	6
Income shares (No Trail)	6
Z Income shares ¹	6

¹ 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 or by contacting us.

European Equity Fund

Distributions	01.11.12 to 31.10.13	01.11.11 to 31.10.12
	p	p
Accumulation shares		
Payable 31 December 2013	8.9810	11.1111
Accumulation shares (No Trail)		
Payable 31 December 2013	2.1335	2.3589
Z Accumulation shares		
Payable 31 December 2013	5.3537	-
Income shares		
Payable 31 December 2013	7.8597	9.9326
Income shares (No Trail)		
Payable 31 December 2013	1.8816	2.1373
Z Income shares		
Payable 31 December 2013	5.3529	-

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.

European Equity Fund

Price and revenue record by share class			
Calendar year	Highest share price p	Lowest share price p	Net revenue per share p
Accumulation shares			
2008	606.93	371.80	7.8864
2009	587.91	362.91	9.9283
2010	598.51	502.15	7.8559
2011	635.45	441.62	10.8481
2012	567.94	440.01	11.1111
2013 ¹	784.63	569.63	8.9810
Accumulation shares (No Trail)			
2008	103.03	63.42	1.7938
2009	100.59	62.01	2.0883
2010	103.00	86.28	1.8165
2011	109.65	76.36	2.3668
2012	98.83	76.34	2.3589
2013 ¹	137.12	99.14	2.1335
Z Accumulation shares			
2012 ²	219.88	198.45	0.0000
2013 ¹	305.77	220.58	5.3537
Income shares			
2008	584.57	358.07	7.5959
2009	555.06	342.60	9.3745
2010	554.75	465.44	7.2817
2011	581.02	394.94	9.9221
2012	496.94	393.32	9.9326
2013 ¹	686.59	498.45	7.8597
Income shares (No Trail)			
2008	102.72	63.23	1.7884
2009	97.66	60.20	2.0275
2010	97.73	81.88	1.7249
2011	102.14	69.21	2.2051
2012	87.15	69.11	2.1373
2013 ¹	120.92	87.42	1.8816
Z Income shares			
2012 ²	219.88	198.45	0.0000
2013 ¹	305.77	220.58	5.3529

¹ to 31 October

² from 12 November

Z accumulation shares and Z income shares were issued at 200p on 12 November 2012.

European Equity Fund

Net asset value	Net asset value	Net asset value	Percentage growth
	per share	per share	
	31.10.13	31.10.12	%
	p	p	
Accumulation shares	772.19	526.75	46.6
Accumulation shares (No Trail)	134.95	91.59	47.3
Z Accumulation shares	300.94	-	-
Income shares	667.89	460.93	44.9
Income shares (No Trail)	117.13	80.77	45.0
Z Income shares	295.57	-	-

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

Performance to 31 October 2013	Since	Since	Since	Percentage growth	
	30.4.13	31.10.12	31.10.10	Since	Since
	%	%	%	31.10.08	31.10.03
				%	%
European Equity Fund (accumulation shares)	22.26	46.21	33.81	93.87	165.76
FTSE World Europe (ex UK) Index	11.03	32.52	27.80	83.21	157.93
IMA Europe (ex UK) Sector	11.40	31.08	30.42	91.07	148.46
Fund Ranking	3/98	3/96	29/90	31/80	21/61

Standardised rolling 12 month performance	30.9.08	30.9.09	30.9.10	Percentage growth	
	30.9.09	30.9.10	30.9.11	30.9.11	30.9.12
	%	%	%	30.9.12	30.9.13
				%	%
European Equity Fund (accumulation shares)	18.7	-0.1	-14.3	8.3	38.2

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.invescopetual.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 Europe (ex UK) 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.

European Equity Fund

Portfolio classification	As at 31.10.13 %	As at 31.10.12 %
Investment		
Equities		
Austria	0.61	1.37
Belgium	3.25	3.38
Denmark	4.91	3.82
Finland	6.27	6.24
France	21.20	14.13
Germany	11.38	12.47
Italy	6.76	7.64
Luxembourg	2.18	-
Netherlands	8.70	13.65
Norway	1.86	3.47
Portugal	2.37	2.30
Spain	15.15	12.66
Sweden	1.28	0.58
Switzerland	13.66	18.18
Total investments	99.58	99.89
Net other assets	0.42	0.11
Net assets	100.00	100.00

European Equity Fund

10 largest investments

As at 31 October 2013:	%	As at 31 October 2012:	%
Novartis	5.90	Novartis	7.98
ING Groep	5.47	Roche Holding	7.64
Roche Holding	4.43	ING Groep	5.08
Atlantia	3.65	Allianz	4.01
UPM-Kymmene	3.50	Repsol YPF	3.87
Ageas	3.25	Atlantia	3.42
Repsol YPF	3.09	Ageas	3.38
Siemens	2.99	Bayer	3.18
BNP Paribas	2.92	Deutsche Boerse	2.82
AP Moller-Maersk	2.72	UPM-Kymmene	2.75

European Equity Income Fund

Investment objective

The fund aims to generate a rising level of income, together with long-term capital growth investing primarily into European equities, excluding the United Kingdom. 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 Prospectus.

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. 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. Although the fund invests mainly in established markets, it can invest in emerging and developing markets, where there is potential for a decrease in market liquidity, which may mean that it is not easy to buy or sell securities, as well as operational difficulties. The fund's performance may be adversely affected by variations in the relative strength of world currencies or if Sterling strengthens against those currencies.

Strategy, review and outlook

The fund rose by 48.5 % for the twelve months to the end of October 2013, compared to a gain of 32.5% from the benchmark FTSE World Europe (ex UK) Index. This placed the fund in the first quartile of its peer group, the IMA Europe (ex UK) Sector, which rose by an average of 31.1%.

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

Past performance is not a guide to future returns.

European equity markets enjoyed a particularly strong rally over the last twelve months as the sovereign and political risks associated with the Eurozone continued to diminish. Furthermore the macroeconomic situation is improving with GDP numbers showing the Eurozone officially moved out of recession in the second quarter. Ongoing structural reforms (labour market for example) in the peripheral European countries as well as actions taken by the European Central Bank have also helped the economic picture.

Positive fund performance in both absolute and relative terms was driven primarily by our large exposure to the financial sector. More specifically, Belgian firm Ageas and Italian holding Fondiaria-Sai were standout performers among insurers, while banking names Bankinter, BBVA and BNP Paribas all added to relative outperformance when compared to the benchmark. Other notable performance relative to the benchmark came from industrials positions in Randstad and DCC (support services), EADS (aerospace & defence), OHL (motorway/ concessions business in Spain), while our large holdings in media names RTL and Mediaset were also beneficial to relative returns.

European Equity Income Fund

In portfolio activity terms, changes made during the period have reflected our view that there are attractive opportunities within financials and selected peripheral areas. In more detail, our financial weighting was increased with new positions in Nordea, AXA, Zurich Insurance Group, Credit Suisse, Bankinter and Societe Generale while our Spanish country weighting was significantly increased, post a research trip to the country in December 2012.

Despite good recent gains, valuations in European equity markets remain attractive at current levels, in our view, even more so when one considers that European company earnings are still well below their peak of five years ago. We remain of the view that we are in the early stages of an economic recovery in Europe - a mild recovery, not a v-shaped recovery - but in that context we believe many analysts are underestimating earnings potential for some cyclical (those stocks more exposed to the economic cycle) and financial sectors, whilst consumer staples sectors

are in our view vulnerable at current ratings to earnings downgrades.

Consequently, areas of focus for the fund include the financial sector, where we believe dividend growth will be an important theme in a number of cases, alongside selected holdings within support services, telecoms and media sectors where good sustainable dividend yields are available at attractive valuations, in our opinion. Conversely, we think valuations are stretched in the consumer staples sector, where earnings revisions have now turned negative. We believe the pharmaceutical sector offers similar cashflow and business characteristics with more attractive valuations.

Stephanie Butcher, Fund Manager

Where Stephanie Butcher 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.

Fund facts

Launch date	12 December 2007
Fund size at 31.10.13	£167 million
Accounting date	31 October
Ex-dividend date	1 May and 1 November
Distribution payable	30 June and 31 December
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 (OCF) for the year ended 31.10.13	- Trail classes 1.72%
	- No Trail classes 1.22%
	- Z classes 0.97%
Ongoing charges figure (OCF) for the year ended 31.10.12	- Trail classes 1.73%
	- No Trail classes 1.23%
	- Z classes -

The OCF represents the annual operating expenses of the fund expressed as a percentage of average net assets for the year – it does not include entry charges. 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.

European Equity Income Fund

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.

	Risk and Reward Numerical Indicator Published in the KIID for the year 01.11.12 to 31.10.13
<hr/>	
Invesco Perpetual European Equity Income Fund	
Accumulation shares	6
Accumulation shares (No Trail)	6
Z Accumulation shares ¹	6
Income shares	6
Income shares (No Trail)	6
Z Income shares ¹	6

¹ 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 or by contacting us.

European Equity Income Fund

Distributions	01.11.12 to 31.10.13	01.11.11 to 31.10.12
	p	p
Accumulation shares		
Paid 30 June 2013	0.9861	0.9757
Payable 31 December 2013	0.7958	0.8124
Accumulation shares (No Trail)		
Paid 30 June 2013	2.0048	1.9739
Payable 31 December 2013	1.6201	1.6487
Z Accumulation shares		
Paid 30 June 2013	4.3400	-
Payable 31 December 2013	3.4957	-
Income shares		
Paid 30 June 2013	0.8205	0.8452
Payable 31 December 2013	0.6506	0.6879
Income shares (No Trail)		
Paid 30 June 2013	1.6682	1.7102
Payable 31 December 2013	1.3245	1.3965
Z Income shares		
Paid 30 June 2013	4.3413	-
Payable 31 December 2013	3.4378	-

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.

European Equity Income Fund

Price and revenue record by share class	Highest share price p	Lowest share price p	Net revenue per share p
Calendar year			
Accumulation shares			
2008	52.50	33.13	1.2843
2009	48.48	33.59	1.4896
2010	49.07	41.33	1.4964
2011	52.65	38.25	1.9290
2012	50.35	38.60	1.7881
2013 ¹	69.98	50.50	1.7819
Accumulation shares (No Trail)			
2008	105.18	65.90	2.5500
2009	96.95	66.97	3.0213
2010	98.60	82.91	2.9810
2011	106.06	77.21	3.8811
2012	102.25	78.17	3.6226
2013 ¹	142.72	102.57	3.6249
Z Accumulation shares			
2012 ²	220.40	197.77	0.0000
2013 ¹	308.29	221.07	7.8357
Income shares			
2008	51.94	32.77	1.2759
2009	46.04	32.51	1.4278
2010	45.79	38.04	1.3862
2011	46.92	33.16	1.7298
2012	41.89	32.68	1.5331
2013 ¹	57.21	42.01	1.4711
Income shares (No Trail)			
2008	104.11	65.23	2.5345
2009	92.03	64.85	2.8962
2010	91.72	76.28	2.7437
2011	94.50	67.00	3.4740
2012	85.08	66.20	3.1067
2013 ¹	116.69	85.34	2.9927
Z Income shares			
2012 ²	220.40	197.77	0.0000
2013 ¹	302.94	221.07	7.7791

¹ to 31 October

² from 12 November

Z accumulation shares and Z income shares were issued at 200p on 12 November 2012.

European Equity Income Fund

Net asset value	Net asset value	Net asset value	Percentage growth %
	per share 31.10.13 p	per share 31.10.12 p	
Accumulation shares	68.88	46.26	48.9
Accumulation shares (No Trail)	140.46	93.87	49.6
Z Accumulation shares	303.43	-	-
Income shares	55.66	38.48	44.6
Income shares (No Trail)	113.53	78.10	45.4
Z Income shares	294.74	-	-

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

Performance to 31 October 2013	Since 30.4.13	Since 31.10.12	Since 31.10.10	Percentage growth	
	%	%	%	Since 31.10.08 %	Since launch 12.12.07 %
European Equity Income Fund (accumulation shares)	21.92	48.48	45.82	96.96	38.62
FTSE World Europe (ex UK) Index	11.03	32.52	27.80	83.21	21.69
IMA Europe (ex UK) Sector	11.40	31.08	30.42	91.07	23.76
Fund Ranking	4/98	1/96	6/90	28/80	17/81

Standardised rolling 12 month performance	30.9.08	30.9.09	30.9.10	Percentage growth	
	30.9.09 %	30.9.10 %	30.9.11 %	30.9.11 %	30.9.12 %
European Equity Income Fund (accumulation shares)	12.8	-0.9	-9.9	9.2	40.5

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 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 Europe (ex UK) 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.

European Equity Income Fund

Portfolio classification	As at 31.10.13 %	As at 31.10.12 %
Investment		
Equities		
Austria	1.91	-
Belgium	1.79	2.45
Denmark	2.92	3.14
Finland	3.79	3.93
France	12.81	14.77
Germany	11.10	10.17
Italy	7.97	5.38
Luxembourg	4.02	-
Netherlands	8.90	14.86
Norway	1.45	1.87
Portugal	1.46	1.90
Republic of Ireland	2.13	8.84
Spain	16.98	10.23
Sweden	6.47	5.16
Switzerland	13.88	16.25
Bonds	0.22	1.00
Futures and Derivatives		
Options	0.03	-
Total investments	97.83	99.95
Net other assets	2.17	0.05
Net assets	100.00	100.00

European Equity Income Fund

10 largest investments

As at 31 October 2013:	%	As at 31 October 2012:	%
Novartis	5.41	Novartis	7.16
Roche Holding	3.43	Roche Holding	5.84
Nordea Bank	2.89	ING Groep	3.62
RTL	2.84	UBS	3.25
ING Groep	2.74	BBVA	3.21
Atlantia	2.73	BNP Paribas	3.13
Deutsche Telekom	2.68	Obrascon Huarte Lain	3.03
BBVA	2.61	Repsol YPF	2.93
UPM-Kymmene	2.51	Atlantia	2.91
UBS	2.47	Allianz	2.72

European Opportunities Fund

Investment objective

The fund aims to achieve capital growth through a portfolio of investments primarily in European companies, excluding the United Kingdom. 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 Prospectus.

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. Although the fund invests mainly in established markets, it can invest in emerging and developing markets, where there is potential for a decrease in market liquidity, which may mean that it is not easy to buy or sell securities, as well as operational difficulties. The fund's performance may be adversely affected by variations in the relative strength of world currencies or if Sterling strengthens against those currencies.

Strategy, review and outlook

The fund rose by 44.5% for the twelve months to the end of October 2013, compared to a gain of 32.5% from the benchmark FTSE World Europe (ex UK) Index. This placed the fund in the first

quartile of its peer group, the IMA Europe (ex UK) Sector, which rose by an average of 31.1%.

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

Past performance is not a guide to future returns.

European equity markets have enjoyed a particularly strong rally over the last twelve months as the risks associated with the Eurozone continued to diminish. It was not straight line upward progress however, as momentum was briefly punctured by the Italian election stalemate (February) and the poor handling of the Cypriot bailout (March). From mid-May and throughout June markets retreated on the back of comments from the Federal Reserve in the US as they indicated they may start tapering their bond purchases over the coming months - something which has yet to materialise. Elsewhere, the macroeconomic situation is improving with GDP numbers showing the Eurozone moved out of recession in the second quarter.

Areas which enhanced relative performance compared to the benchmark over the period included our large exposure to the financials and oil & gas sector. Financial services name Leonteq proved to be the relative performer versus the benchmark within financials, while Italian holding Fondiaria-Sai along with Belgian name Ageas were standout performers within the insurance sector and Banca Generali and Caixabank were strongest within our banking exposure. Norwegian firms Awilco Drilling and FLEX LNG were key positives within the oil & gas sector. Elsewhere there was strong performance from French carmaker Renault and Swiss watchmaker Swatch within the consumer goods sector.

European Opportunities Fund

In terms of fund activity, after a good period of performance we have reduced our weighting in the oil & gas sector quite significantly while increasing our financial sector exposure where we continue to see attractive opportunities.

Looking forward, we see more gentle headwinds for European GDP going into 2014. Macroeconomic data such as Organisation for Economic Co-operation and Development (OECD) leading indicators show signs of bottoming, while monetary policy is very accommodative and austerity implementation is also being scaled back somewhat. Against this less negative macro-economic environment in Europe and better growth prospects in the rest of the world, we believe European companies should fare better. The rate of analyst earnings downgrades is already starting to slow, which is normally an encouraging sign for the future.

Given this backdrop, we remain focused on finding companies which we believe can do well in a low-growth environment. This can include companies with strong growth in returns on capital employed or restructuring stories. Furthermore we are looking for cash generative companies with shareholder-friendly management, while central to all of this is valuation. In our opinion, the attractive valuations being offered at current levels underestimate the ability of European companies to deliver healthy returns to shareholders over the longer term.

Adrian Bignell, Fund Manager

Where Adrian Bignell 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.

Fund facts

Launch date		12 December 2007
Fund size at 31.10.13		£51.3 million
Accounting date		31 October
Ex-dividend date		1 November
Distribution payable		31 December
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 (OCF) for the year ended 31.10.13	- Trail classes	1.78%
	- No Trail classes	1.28%
	- Z classes	1.03%
Ongoing charges figure (OCF) for the year ended 31.10.12	- Trail classes	1.79%
	- No Trail classes	1.29%
	- Z classes	-

The OCF represents the annual operating expenses of the fund expressed as a percentage of average net assets for the year – it does not include entry charges. 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.

European Opportunities Fund

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.

	Risk and Reward Numerical Indicator Published in the KIID for the year	
	01.11.12 to 30.9.13	01.10.13 to 31.10.13
Invesco Perpetual European Opportunities Fund		
Accumulation shares	7	6
Accumulation shares (No Trail)	7	6
Z Accumulation shares ¹	7	6
Income shares	7	6
Income shares (No Trail)	7	6
Z Income shares ¹	7	6

¹ 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 or by contacting us.

European Opportunities Fund

Distributions	01.11.12 to 31.10.13 p	01.11.11 to 31.10.12 p
Accumulation shares		
Payable 31 December 2013	0.3221	0.2249
Accumulation shares (No Trail)		
Payable 31 December 2013	1.3443	0.9846
Z Accumulation shares		
Payable 31 December 2013	3.0781	-
Income shares		
Payable 31 December 2013	0.3158	0.2219
Income shares (No Trail)		
Payable 31 December 2013	1.2950	0.9582
Z Income shares		
Payable 31 December 2013	3.0780	-

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.

European Opportunities Fund

Price and revenue record by share class	Highest share price p	Lowest share price p	Net revenue per share p
Calendar year			
Accumulation shares			
2008	52.27	22.07	0.0000
2009	46.22	20.77	0.2406
2010	58.16	42.34	0.4088
2011	63.70	45.13	0.0000
2012	56.66	46.09	0.2249
2013 ¹	76.89	56.74	0.3221
Accumulation shares (No Trail)			
2008	104.79	44.63	0.0000
2009	93.91	42.07	0.8696
2010	118.85	86.33	1.3703
2011	130.41	92.57	0.4676
2012	116.92	94.89	0.9846
2013 ¹	159.35	117.11	1.3443
Z Accumulation shares			
2012 ²	213.98	195.33	0.0000
2013 ¹	292.30	214.35	3.0781
Income shares			
2008	52.27	22.07	0.0000
2009	45.95	20.77	0.2406
2010	57.37	42.10	0.4067
2011	62.85	44.52	0.0000
2012	55.66	45.47	0.2219
2013 ¹	75.53	55.74	0.3158
Income shares (No Trail)			
2008	104.79	44.63	0.0000
2009	92.94	42.07	0.8696
2010	116.11	85.44	1.3583
2011	127.41	90.45	0.4569
2012	112.69	92.29	0.9582
2013 ¹	153.57	112.88	1.2950
Z Income shares			
2012 ²	213.98	195.33	0.0000
2013 ¹	292.29	214.35	3.0780

¹ to 31 October

² from 12 November

Z accumulation shares and Z income shares were issued at 200p on 12 November 2012.

European Opportunities Fund

Net asset value	Net asset value	Net asset value	Percentage growth
	per share	per share	
	31.10.13	31.10.12	%
	p	p	
Accumulation shares	75.85	52.70	43.9
Accumulation shares (No Trail)	157.19	108.68	44.6
Z Accumulation shares	288.34	-	-
Income shares	74.20	51.77	43.3
Income shares (No Trail)	150.21	104.75	43.4
Z Income shares	285.28	-	-

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

Performance to 31 October 2013	Percentage growth				
	Since	Since	Since	Since	Since launch
	30.4.13	31.10.12	31.10.10	31.10.08	12.12.07
	%	%	%	%	%
European Opportunities Fund (accumulation shares)	20.07	44.46	47.81	219.09	52.78
FTSE World Europe (ex UK) Index	11.03	32.52	27.80	83.21	21.69
IMA Europe (ex UK) Sector	11.40	31.08	30.42	91.07	23.76
Fund Ranking	6/98	6/96	3/90	1/80	9/81

Standardised rolling 12 month performance	Percentage growth				
	30.9.08	30.9.09	30.9.10	30.9.11	30.9.12
	30.9.09	30.9.10	30.9.11	30.9.12	30.9.13
	%	%	%	%	%
European Opportunities Fund (accumulation shares)	26.1	19.2	-3.6	10.2	37.4

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 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 Europe (ex UK) 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.

European Opportunities Fund

Portfolio classification	As at 31.10.13 %	As at 31.10.12 %
Investment		
Equities		
Austria	3.66	-
Belgium	-	0.78
Canada	4.76	2.05
Cyprus	-	3.06
Denmark	1.15	1.26
Finland	1.91	-
France	9.66	22.08
Germany	19.86	15.16
Italy	4.84	8.18
Luxembourg	2.33	0.58
Netherlands	6.11	4.91
Norway	10.60	18.21
Portugal	2.53	-
Republic of Ireland	1.83	2.20
Spain	4.78	2.15
Sweden	1.06	1.63
Switzerland	14.82	16.40
United Kingdom	2.87	5.00
United States	3.11	-
Futures and Derivatives		
Options	0.12	-
Total investments	96.00	103.65
Net other assets/(liabilities)	4.00	(3.65)
Net assets	100.00	100.00

European Opportunities Fund

10 largest investments

As at 31 October 2013:	%	As at 31 October 2012:	%
Africa Oil	3.95	Awilco Drilling	4.53
Leonteq	3.45	Deutsche Boerse	3.92
Koninklijke Philips	2.93	Det Norske Oljeselskap	3.21
AXA	2.78	Fondiarria-SAI	3.16
Navios Maritime	3.11	SD Standard Drilling	3.06
Aareal Bank	2.31	Société Générale	2.82
UBS	2.27	Swatch	2.80
AMS	2.11	Eni	2.53
Unipol	2.10	BNP Paribas	2.50
Algeta	2.07	Banca Generali	2.49

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.

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

Depositary

Citibank International plc

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

Authorised and regulated by the Financial Conduct Authority.

Auditors

PricewaterhouseCoopers LLP

7 More London Riverside, London SE1 2RT, UK

Further information

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
enquiry@invescoperpetual.co.uk

Fax 01491 416000

Post:

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

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.

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).

Telephone calls may be recorded.

Invesco Perpetual is a business name of Invesco Fund Managers Limited
Authorised and regulated by the Financial Conduct Authority, FCA Registered No. 119298
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