



UK 2 Investment Series

Interim Report

Authorised Corporate Director's Short Report

Issued November 2013

For the period 1 April 2013 to 30 September 2013



Contents

01	Invesco Perpetual Income Fund
09	Invesco Perpetual UK Enhanced Index Fund
16	Invesco Perpetual UK Strategic Income Fund

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.

Income Fund

Investment objective

The fund aims to achieve a reasonable level of income, together with capital growth. The fund intends to invest primarily in companies listed in the UK, with the balance invested internationally. 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.

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. 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 in value by 5.3% over the six months to 30 September 2013, compared to a return of 3.8% for the FTSE All-Share Index. This placed the fund in the third quartile of its peer group, the IMA UK Equity Income Sector, which rose by an average of 5.8%.

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

Past performance is not a guide to future returns.

UK equity markets ended their record breaking run of twelve consecutive months of positive returns with a sharp sell-off in June, but then resumed their upward progress, albeit with some significant volatility in performance. Generally improving UK economic news was offset by the Syrian crisis and by the expectation of the US Federal Reserve "tapering" or moderating its monetary stimulus package, as well as by concerns over slowing economic growth in China. The period concluded with stalemate over the US spending bill, with October starting with not only a partial government shutdown but also concerns over the country's debt ceiling.

A positive contribution to the fund's performance again came from BT Group, which continues to benefit from the roll out of its broadband offering and also from its new sports tv channel. Other holdings that performed strongly over the period were defence group BAE Systems, outsourcing business Capita and the pharmaceutical companies Roche and Elan. Weighing on performance were the holdings in British American Tobacco, support services groups G4S and Serco Group, pharmaceutical company Sanofi and household products group Reckitt Benckiser.

Further confirmation of the extent to which the stock market's progress has been driven by quantitative easing came with the market's positive reaction to the news of no imminent tapering in the US and then the subsequent reversal in sentiment on comments that this could yet come in

Income Fund

October. There are many explanations as to why the Federal Reserve chose not to commence tapering in September, as had been widely expected, but the most popular view suggests that the Fed was concerned that the political impasse could have an increasingly negative impact on economic confidence and market sentiment. The withdrawal of extraordinary monetary policy in the US is, however, ultimately inevitable and, while we expect the pace of withdrawal to be gradual, we do worry about the near-term implications of tapering for UK equity markets.

It is even more difficult than usual to predict the path that the UK equity market will take over the next few months but the fund is positioned such that it has the potential to deliver an attractive positive return over more sensible, longer time horizons. We would caution, however, that returns over the next three years are likely

to be somewhat lower than over the last three years, purely as a consequence of the higher valuations that we now see in our market.

Neil Woodford, Fund Manager

Where Neil Woodford 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.

After 25 years¹, Neil Woodford - Head of UK Equities and fund manager of the Invesco Perpetual Income Fund - will be leaving Invesco Perpetual on 29 April 2014. Fund Manager Mark Barnett will then take over as Head of UK Equities and fund manager of the Invesco Perpetual Income Fund.

¹ As at 30 September 2013
(source: Invesco Perpetual).

Fund facts

Launch date	16 June 1979
Fund size at 30.9.13	£10,508 million
Accounting date	31 March
Ex-dividend date	1 April and 1 October
Distribution payable	31 May and 30 November
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 period ended 30.9.13	- Trail classes 1.68%
	- No Trail classes 1.18%
	- Z classes 0.93%
Ongoing charges figure (OCF) for the year ended 31.3.13	- Trail classes 1.68%
	- No Trail classes 1.18%
	- Z classes 0.93%

The 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.

Income Fund

IIID 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 period 01.4.13 to 30.9.13
Invesco Perpetual 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 Z share class launched 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.invescopetperpetual.co.uk or by contacting us.

Income Fund

Distributions	01.4.13 to 30.9.13 p	01.4.12 to 30.9.12 p
Accumulation shares		
Payable 30 November 2013	45.3114	42.1544
Accumulation shares (No Trail)		
Payable 30 November 2013	2.4643	2.2778
Z Accumulation shares		
Payable 30 November 2013	4.2815	-
Income shares		
Payable 30 November 2013	27.2917	26.3193
Income shares (No Trail)		
Payable 30 November 2013	1.9532	1.8719
Z Income shares		
Payable 30 November 2013	4.2290	-

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.

Income 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	1,888.64	1,292.55	62.3783
2009	1,673.43	1,264.82	63.3969
2010	1,858.83	1,580.22	70.2801
2011	1,994.93	1,730.37	74.4444
2012	2,186.34	1,971.64	79.8832
2013 ¹	2,641.67	2,170.14	85.2155
Accumulation shares (No Trail)			
2008	99.71	68.48	3.2975
2009	89.21	67.18	3.3667
2010	99.69	84.51	3.7679
2011	107.54	93.09	3.9977
2012	118.41	106.33	4.3115
2013 ¹	143.51	117.57	4.6269
Z Accumulation shares			
2012 ²	206.02	196.89	0.0000
2013 ¹	250.28	204.57	8.0423
Income shares			
2008	1,419.10	931.96	46.3977
2009	1,156.01	913.23	45.1679
2010	1,231.07	1,070.28	47.9960
2011	1,291.76	1,124.04	48.8076
2012	1,358.37	1,235.51	50.3136
2013 ¹	1,591.13	1,328.55	51.7205
Income shares (No Trail)			
2008	98.51	64.97	3.2268
2009	81.05	63.76	3.1562
2010	86.90	75.32	3.3864
2011	91.43	79.60	3.4506
2012	96.69	87.86	3.5748
2013 ¹	113.78	94.75	3.6961
Z Income shares			
2012 ²	206.02	196.89	0.0000
2013 ¹	246.24	204.59	7.9912

¹ to 30 September

² from 12 November

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

Income Fund

Net asset value	Net asset value per share 30.9.13 p	Net asset value per share 31.3.13 p	Percentage growth %
Accumulation shares	2,579.71	2,451.67	5.2
Accumulation shares (No Trail)	140.26	132.97	5.5
Z Accumulation shares	244.72	231.68	5.6
Income shares	1,526.58	1,476.46	3.4
Income shares (No Trail)	109.24	105.43	3.6
Z Income shares	236.55	227.79	3.8

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

Performance to 30 September 2013	Since 31.3.13 %	Since 30.9.12 %	Since 30.9.10 %	Percentage growth Since 30.9.08 %	Since 30.9.03 %
Income Fund (income shares)	5.34	20.07	46.28	71.43	213.89
FTSE All-Share Index	3.84	18.93	33.36	66.21	140.24
IMA UK Equity Income Sector	5.79	20.54	36.92	66.01	119.54
Fund Ranking	51/97	47/95	16/84	30/69	2/51

Standardised rolling 12 month performance	30.9.08 30.9.09 %	30.9.09 30.9.10 %	30.9.10 30.9.11 %	Percentage growth 30.9.11 30.9.12 %	30.9.12 30.9.13 %
Income Fund (income shares)	5.8	10.8	5.2	15.8	20.1

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 All-Share 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.

Income Fund

Portfolio classification	As at 30.9.13 %	As at 31.3.13 %
Investment		
Finland		
Health Care	0.10	0.11
France		
Health Care	2.10	1.91
Luxembourg		
Industrials	0.22	0.24
Republic of Ireland		
Health Care	-	1.65
Financials	0.02	0.02
Switzerland		
Health Care	7.22	7.40
United Kingdom		
Oil & Gas	0.08	0.09
Basic Materials	0.15	0.15
Industrials	20.47	19.62
Consumer Goods	15.11	14.98
Health Care	21.83	22.00
Consumer Services	1.69	1.73
Telecommunications	7.28	6.16
Utilities	7.66	7.49
Financials	8.90	8.51
Technology	0.05	0.05
Bonds	-	0.07
United States		
Basic Materials	0.70	0.77
Industrials	0.09	0.09
Consumer Goods	4.45	5.16
Health Care	1.09	1.20
Financials	0.67	0.41
Technology	0.08	0.08
Futures and Derivatives		
Forward Foreign Currency Positions	-	0.05
Total investments	99.96	99.94
Net other assets	0.04	0.06
Net assets	100.00	100.00

For the period ended 30 September 2013 unquoted securities amounted to 4.78% (31 March 2013 - 5.56%) of the Net Asset Value of the Fund.

Income Fund

10 largest investments

As at 30 September 2013:		As at 31 March 2013:	
	%		%
AstraZeneca	8.65	AstraZeneca	9.19
GlaxoSmithKline	8.48	GlaxoSmithKline	8.51
BT	6.93	BT	5.85
Roche Holding	5.59	Roche Holding	5.49
BAE Systems	5.40	Reynolds American	5.16
British American Tobacco	5.04	Reckitt Benckiser	4.91
Imperial Tobacco	4.88	British American Tobacco	4.83
Reynolds American	4.45	BAE Systems	4.80
Reckitt Benckiser	4.38	Imperial Tobacco	4.48
Capita	4.16	Rolls-Royce	4.05

UK Enhanced Index Fund

Investment objective

The fund aims to achieve long term capital growth from investment primarily through a portfolio of investments in UK companies. In pursuing this objective, the fund managers may include other 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.

Risk profile

The value of investments and 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. 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 2.4% over the six months to the end of September 2013, compared to a rise of 3.9% for the FTSE All-Share (ex Investment Trusts) Index. This placed the fund in the fourth quartile of its peer group, the IMA UK All Companies Sector, which ended the period on average 6.2% higher.

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

Past performance is not a guide to future returns.

After an increase of 0.7%, quarter-on-quarter, in real GDP in the second quarter of 2013, the UK economy showed numerous further signs of improvement across several sectors. This upswing in momentum is expected to continue through to year end. However, despite this, the level of activity still languishes below its pre-crisis peak, and recovery is still in its very early stages. The manufacturing purchasing managers' index points to a strong recovery, while improving mortgage lending suggests government measures to support the housing market are beginning to bear fruit. However, the underlying problem for the UK and other euro-area economies remains sub-par growth due to on-going deleveraging efforts, although both areas have seen a modest recovery during the past few months, albeit not to normal growth rates.

The fund's performance is generated through a quantitative bottom-up investment process driven by stock selection and based on four concepts: Earnings Momentum, Price Trend, Management Action and Relative Value. Relative risk is controlled with the help of an optimiser, an analysis tool that recommends trades to maximise portfolio exposure to the selected stocks within pre-determined risk/return parameters. In terms of portfolio construction, we tightly constrain the risk taken in sectors and industries.

UK Enhanced Index Fund

Our stock selection model evaluates the attractiveness of stocks based on these four concepts. We determine the correlation between our return forecasts and the actual returns the stocks achieved over the previous month for each concept separately as well as for all concepts combined, which enables us to continually assess the predictive ability of our model.

Our diversified and disciplined approach to stock selection favours companies that, in our view, are attractively valued, have good earnings and price momentum and have management acting in the interest of shareholders. We believe that we can add value through the systematic application of fundamental and behavioural insights. Disciplined portfolio construction and cost effective trading are integral to our investment process, which we believe should help us preserve value added from stock selection and reduce the probability of significant underperformance.

In terms of stock performance, overweight positions in Mondi, WH Smith and Next compared to the benchmark FTSE All-Share (ex Investment Trusts) Index added value over the last six months. Conversely, underweight positions in Lloyds Banking and Vodafone and an overweight position in Rio Tinto compared to the benchmark FTSE All-Share (ex Investment Trusts) Index detracted from fund performance. Over the period, we made a number of stock adjustments to the fund: we increased our positions in Centrica and Legal & General Group. Conversely, we decreased our holdings in National Grid, Aberdeen Asset management and Barclays.

Michael Fraikin, Fund Manager

Where Michael Fraikin 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	16 February 1993
Fund size at 30.9.13	£71.9 million
Accounting date	31 March
Ex-dividend date	1 April and 1 October
Distribution payable	31 May and 30 November
ACD's annual management charge	0.20% per annum
Entry charge	5%
Ongoing charges figure (OCF) for the period ended 30.9.13	0.41%
Ongoing charges figure (OCF) for the year ended 31.3.13	0.42%

The 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.

UK Enhanced Index 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 period 01.4.13 to 30.9.13
Invesco Perpetual UK Enhanced Index Fund	
Accumulation shares (No Trail)	6
Income shares (No Trail)	6

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.invesco-perpetual.co.uk or by contacting us.

UK Enhanced Index Fund

Distributions

	01.4.13 to 30.9.13 p	01.4.12 to 30.9.12 p
Accumulation shares (No Trail)		
Payable 30 November 2013	6.5182	5.3171
Income shares (No Trail)		
Payable 30 November 2013	4.4133	3.7169

UK Enhanced Index 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 (No Trail)			
2008	268.45	160.61	8.8674
2009	241.95	152.07	7.7879
2010	274.92	219.74	7.2348
2011	288.45	236.25	8.0304
2012	309.80	263.00	10.4041
2013 ¹	363.79	312.51	11.2895
Income shares (No Trail)			
2008	220.22	126.59	7.2017
2009	182.84	119.87	6.0563
2010	201.93	163.68	5.4309
2011	209.06	168.15	5.8559
2012	212.69	183.86	7.3377
2013 ¹	246.32	214.55	7.6889

¹ to 30 September

UK Enhanced Index Fund

Net asset value	Net asset value per share 30.9.13 p	Net asset value per share 31.3.13 p	Percentage growth %
Accumulation shares (No Trail)	352.79	342.75	2.9
Income shares (No Trail)	234.45	232.04	1.0

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

Performance to 30 September 2013	Since 31.3.13 %	Since 30.9.12 %	Since 30.9.10 %	Percentage growth Since 30.9.08 %	Since 30.9.03 %
UK Enhanced Index Fund (accumulation shares (No Trail))	2.38	19.62	38.79	71.73	129.62
FTSE All-Share (ex Investment Trusts) Index	3.87	18.92	33.45	66.26	139.66
FTSE All-Share Index	3.84	18.93	33.36	66.21	140.24
IMA UK All Companies Sector	6.20	22.44	36.11	70.60	126.44
Fund Ranking	233/270	150/267	101/256	99/236	77/172

Standardised rolling 12 month performance	30.9.08 30.9.09 %	30.9.09 30.9.10 %	30.9.10 30.9.11 %	Percentage growth 30.9.11 30.9.12 %	30.9.12 30.9.13 %
UK Enhanced Index Fund (accumulation shares (No Trail))	11.6	10.9	-3.5	20.3	19.6

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.invescopetpetual.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 All-Share (ex Investment Trusts) 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.

UK Enhanced Index Fund

Portfolio classification		
	As at 30.9.13 %	As at 31.3.13 %
Investment		
Oil & Gas	15.27	16.24
Basic Materials	9.42	10.33
Industrials	8.86	8.61
Consumer Goods	12.89	14.11
Health Care	7.71	7.25
Consumer Services	11.22	10.53
Telecommunications	6.58	5.79
Utilities	2.78	2.92
Financials	20.49	19.46
Technology	2.73	1.92
Futures and Derivatives		
Futures	(0.04)	(0.02)
Total investments	97.91	97.14
Net other assets	2.09	2.86
Net assets	100.00	100.00

10 largest investments

As at 30 September 2013:		%	As at 31 March 2013:		%
Royal Dutch Shell	8.00		Royal Dutch Shell	8.39	
HSBC	6.13		HSBC	6.17	
BP	5.52		BP	4.98	
British American Tobacco	4.47		British American Tobacco	4.79	
Vodafone	4.38		Vodafone	3.88	
GlaxoSmithKline	3.72		GlaxoSmithKline	3.66	
AstraZeneca	3.45		AstraZeneca	3.59	
BHP Billiton	3.34		Diageo	3.39	
Diageo	3.23		Rio Tinto	3.23	
Rio Tinto	2.26		BHP Billiton	2.81	

UK Strategic Income Fund

Investment objective

The fund aims to produce an above average income with capital growth primarily through a portfolio of investments in UK companies. In pursuing this objective, the fund managers may include other 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.

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. As one of the key objectives of the fund is to provide income, the annual charge is taken from capital rather than income. This can erode capital and reduce the potential for capital growth. 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. 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 in value by 7.6% during the six months to the end of September 2013, compared to a return of 3.8% by the FTSE All-Share Index. This placed the fund in the second quartile of its peer group, the IMA UK Equity Income Sector, which increased by an average of 5.8%.

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

Past performance is not a guide to future returns.

UK equity markets ended their record breaking run of twelve consecutive months of positive returns with a sharp sell-off in June, but then resumed their upward progress, albeit with some significant volatility in performance. Generally improving UK economic news was offset by the Syrian crisis and by the expectation of the US Federal Reserve "tapering" or moderating its monetary stimulus package, as well as by concerns over slowing economic growth in China. The period concluded with stalemate over the US spending bill, with October starting with not only a partial government shutdown but also concerns over the country's debt ceiling.

The fund's holding in travel group Thomas Cook again provided a particularly strong contribution to performance as the company continued its financial rehabilitation with a well received fund raising via a right issue. Other notable positive contributions came from BT Group, which continues to confirm good operational and strategic progress, particularly for its BT Sport proposition and the roll-out of its fibre network, and from defence business BAE Systems and from Swiss pharmaceutical company Roche.

UK Strategic Income Fund

Weighing on returns were Ladbroke's, which saw decline in first half profits as it migrates its online business to the Playtech platform and due to the lack of a major football tournament this summer, along with British American Tobacco and support services business Serco Group.

The UK stock market's recent volatility has confirmed our concerns about how it will handle the transition from a market driven by quantitative easing, or monetary stimulus, to one driven by the strength of the underlying economy. The strong performance of the UK stock market of the past 15 months has not been matched by a commensurate improvement in the economic outlook and hence we anticipate that it is likely to remain volatile in the near term as it adjusts to the expectation of the gradual withdrawal of extraordinary monetary policy, at least in the US. We also remain cautious about financial conditions in China and the slowdown that is evident across many parts of the emerging world.

Despite these factors, we remain positive on the attractions of UK equities. But we also remain concerned about the strength and durability of the economic outlook and about the ability of companies to grow revenues consistently. The fund strategy therefore remains largely unchanged from the recent past, with a strong preference for companies that have proven ability to grow revenues, profits and free cash flow in this low growth world, coupled with management teams that are fully cognisant of the need to deliver sustainable, long term, dividend growth. It is this type of investment opportunity that forms the majority of the portfolio and that we believe offers the potential to deliver positive returns over the long term.

Mark Barnett, Fund Manager

Where Mark Barnett 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.

UK Strategic Income Fund

Fund facts

Launch date		25 June 1971
Fund size at 30.9.13		£294 million
Accounting date		31 March
Ex-dividend date		1 April and 1 October
Distribution payable		31 May and 30 November
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 period ended 30.9.13	- Trail classes	1.70%
	- No Trail classes	1.20%
	- Z classes	0.95%
Ongoing charges figure (OCF) for the year ended 31.3.13	- Trail classes	1.70%
	- No Trail classes	1.20%
	- Z classes	0.95%

The 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.

UK Strategic Income Fund

IIID 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 period 01.4.13 to 30.9.13
Invesco Perpetual UK Strategic 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 Z share class launched 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.invescopetperpetual.co.uk or by contacting us.

UK Strategic Income Fund

Distributions	01.4.13 to 30.9.13 p	01.4.12 to 30.9.12 p
Accumulation shares		
Payable 30 November 2013	2.6621	2.3822
Accumulation shares (No Trail)		
Payable 30 November 2013	10.4479	9.3048
Z accumulation shares		
Payable 30 November 2013	4.6164	-
Income shares		
Payable 30 November 2013	2.1363	1.9851
Income shares (No Trail)		
Payable 30 November 2013	8.3857	7.7514
Z Income shares		
Payable 30 November 2013	4.5421	-

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

UK Strategic Income 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	98.82	66.85	3.1245
2009	90.19	67.16	3.2632
2010	102.63	86.56	3.3792
2011	110.73	96.39	3.9242
2012	120.27	104.69	4.1838
2013 ¹	153.29	120.40	4.9454
Accumulation shares (No Trail)			
2008	377.59	256.46	11.9659
2009	347.85	258.13	12.5553
2010	397.85	334.51	13.0524
2011	430.45	374.86	15.2360
2012	470.86	408.11	16.3256
2013 ¹	602.03	471.51	19.3915
Z Accumulation shares			
2012 ²	207.76	197.51	0.0000
2013 ¹	266.13	208.08	8.5691
Income shares			
2008	97.76	63.69	3.0638
2009	82.41	64.01	3.0730
2010	90.39	77.86	3.0582
2011	95.94	83.30	3.4253
2012	98.14	87.54	3.5108
2013 ¹	123.05	98.24	4.0000
Income shares (No Trail)			
2008	373.59	244.33	11.7357
2009	317.98	246.02	11.8258
2010	350.45	301.04	11.8161
2011	372.95	324.47	13.2964
2012	384.25	341.88	13.6971
2013 ¹	483.27	384.78	15.6871
Z Income shares			
2012 ²	207.76	197.51	0.0000
2013 ¹	261.79	208.08	8.4909

¹ to 30 September

² from 12 November

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

UK Strategic Income Fund

Net asset value	Net asset value per share 30.9.13 p	Net asset value per share 31.3.13 p	Percentage growth %
Accumulation shares	148.27	138.58	7.0
Accumulation shares (No Trail)	582.73	543.30	7.3
Z Accumulation shares	257.69	239.96	7.4
Income shares	116.87	111.22	5.1
Income shares (No Trail)	459.40	436.06	5.4
Z Income shares	248.96	236.01	5.5

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

Performance to 30 September 2013	Since 31.3.13 %	Since 30.9.12 %	Since 30.9.10 %	Percentage growth Since 30.9.08 %	Since 30.9.03 %
UK Strategic Income Fund (income shares (No Trail))	7.57	29.03	56.58	89.74	197.23
FTSE All-Share Index	3.84	18.93	33.36	66.21	140.24
IMA UK Equity Income Sector	5.79	20.54	36.92	66.01	119.54
Fund Ranking	28/97	11/95	7/84	8/69	3/51

Standardised rolling 12 month performance	30.9.08 30.9.09 %	30.9.09 30.9.10 %	30.9.10 30.9.11 %	Percentage growth 30.9.11 30.9.12 %	30.9.12 30.9.13 %
UK Strategic Income Fund (income shares (No Trail))	7.2	13.0	5.4	15.2	29.0

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.invescopetpetual.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 All-Share 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.

UK Strategic Income Fund

Portfolio classification	As at 30.9.13 %	As at 31.3.13 %
Investment		
United Kingdom		
Basic Materials	0.04	0.01
Industrials	15.17	13.60
Consumer Goods	11.03	12.10
Health Care	11.31	12.73
Consumer Services	12.02	12.68
Telecommunications	9.69	9.66
Utilities	5.04	4.88
Financials	17.52	16.61
Technology	0.26	0.27
Bonds	-	0.13
Guernsey		
Real Estate	1.13	-
Financial Services	1.73	1.36
Israel		
Health Care	0.01	0.01
Sweden		
Health Care	0.08	0.19
Switzerland		
Health Care	8.97	8.92
United States		
Basic Materials	0.14	0.18
Consumer Goods	3.37	4.24
Health Care	1.37	1.45
Financial Services	0.21	-
Total investments	99.09	99.02
Net other assets	0.91	0.98
Net assets	100.00	100.00

For the period ended 30 September 2013 unquoted securities amounted to 3.28% (31 March 2013 - 1.93%) of the Net Asset Value of the Fund.

UK Strategic Income Fund

10 largest investments

As at 30 September 2013:	%	As at 31 March 2013:	%
BT	5.87	BT	6.06
Novartis	4.69	Imperial Tobacco	4.69
British American Tobacco	4.53	AstraZeneca	4.64
Roche Holding	4.28	Novartis	4.62
BAE Systems	4.09	Roche Holding	4.30
Thomas Cook	4.04	Reynolds American	4.24
Imperial Tobacco	3.80	BAE Systems	4.01
AstraZeneca	3.68	British American Tobacco	3.96
GlaxoSmithKline	3.44	Thomas Cook	3.50
Reynolds American	3.37	GlaxoSmithKline	3.40

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

Depository

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
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

54142/PRG/141113