Invesco Smaller Companies and Markets Investment Series

Annual Report Including Long Form Financial Statements

Issued October 2019

For the year 1 August 2018 to 31 July 2019

Contents

Invesco Smaller Companies and Markets Investment Series (the "Company")
02 Report of the Authorised Corporate Director (the "Manager")*
06 Notes applicable to the financial statements of all Funds

16 Invesco Emerging European Fund (UK)
17 Strategy, review and outlook*
18 Comparative tables
22 Portfolio statement*
25 Financial statements
33 Distribution table

34 Invesco European Smaller Companies Fund (UK)
35 Strategy, review and outlook*
36 Comparative tables
38 Portfolio statement*
43 Financial statements
52 Distribution table

53 Invesco Global Emerging Markets Fund (UK)
54 Strategy, review and outlook*
55 Comparative tables
59 Portfolio statement*
63 Financial statements
71 Distribution table

72 Invesco Global Smaller Companies Fund (UK)
73 Strategy, review and outlook*
74 Comparative tables
78 Portfolio statement*
88 Financial statements
97 Distribution table

98 Invesco Japanese Smaller Companies Fund (UK)
99 Strategy, review and outlook*
100 Comparative tables
102 Portfolio statement*
105 Financial statements
112 Distribution table

113 Invesco UK Smaller Companies Equity Fund (UK)
114 Strategy, review and outlook*
115 Comparative tables
119 Portfolio statement*
122 Financial statements
131 Distribution table

132 Regulatory Statements
132 Statement of Manager's responsibilities
132 Statement of Depositary's responsibilities
132 Depositary's Report to Shareholders

133 Independent Auditors' Report

135 General Information

* These collectively comprise the Authorised Corporate Director's Report.

Invesco Smaller Companies and Markets Investment Series (the "Company")

Report of the Authorised Corporate Director (the "Manager")

The Company

The Invesco Smaller Companies and Markets Investment Series is an investment company with variable capital, incorporated in England and Wales on 8 May 2003.

The Company is a "UCITS Scheme" and an "Umbrella Company" (under the OEIC Regulations) and therefore new Funds may be formed by the Manager, subject to regulatory approval. Any changes to Funds or share classes will be included in an updated Prospectus.

The Company is a Financial Conduct Authority (FCA) authorised scheme complying with the FCA's Collective Investment Schemes sourcebook.

Terms used in this report shall have the same meaning as defined in the Prospectus.

At 31 July 2019, the Company consisted of six Funds:
Invesco Emerging European Fund (UK)
Invesco European Smaller Companies Fund (UK)
Invesco Global Emerging Markets Fund (UK)
Invesco Global Smaller Companies Fund (UK)
Invesco Japanese Smaller Companies Fund (UK)
Invesco UK Smaller Companies Equity Fund (UK)

Accounting Periods

Annual accounting date	31 July
Interim accounting date	31 January
Distribution payable on	30 September

Should expenses and taxation exceed revenue in a distribution period for a share class, no distribution will be payable for that class.

Securities Financing Transactions Regulation

This Regulation requires the Manager to provide investors with information on the use of securities financing transactions (SFTs) and total return swaps (TRS) by the Company in all interim and annual reports for the Company.

During the year from 1 August 2018 to 31 July 2019, none of the Funds entered into any SFTs and/or TRS. Should this change in the future, the interim and annual reports for the Company will disclose all required information on the use of SFTs and TRS by the Company.

Please refer to the Prospectus for further details on SFTs and TRS.

Fund Name Changes

Effective 1 October 2018, the Manager has renamed the range of UK domiciled ICVC funds it operates. The move to a unified global brand – Invesco – causes "Invesco Perpetual" products to now be referred to as "Invesco" products. To implement this, each of the ICVC Series managed by the Manager, including the Company, have been renamed to remove the word "Perpetual". Each of the Funds within each Company has been renamed to remove the word "Perpetual" and to add the suffix "(UK)". The suffix "(UK)" only relates to the domicile of the Fund and is unrelated to their investment strategy.

Fund Events

On the 7 August 2019 there was an update to the Prospectus for the various ICVC funds. As part of this update, various changes were implemented regarding investment objectives, investment policies, investment strategies and benchmark disclosures, all for clarification purposes only. There has been no changes to the way the Funds are managed. The updated prospectus is available at www.invesco.co.uk. The objectives currently shown within these financial statements are those objectives that were in place as at 31 July 2019.

Remuneration Policy (Unaudited)

On 18 March 2016, Invesco Fund Managers Limited (the "Manager") adopted a remuneration policy consistent with the principles outlined in the European Securities and Markets Authority (ESMA) Guidelines, on sound remuneration policies under the UCITS Directive (the "Remuneration Policy").

The policy was revised in 2018, to include specificities for some Invesco EU regulated Management Companies. The Manager was not impacted by the changes.

The purpose of the Remuneration Policy is to ensure the remuneration of the staff of the Manager is consistent with and promotes sound and effective risk management, does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Manager and of the UCITS it manages and does not impair the Manager's compliance with its duty to act in the best interests of the UCITS it manages. The Manager's summary Remuneration Policy is available from the corporate policies section of our website (www.invesco.co.uk). Paper copies of the full Remuneration Policy can be obtained for free from the registered office of the Manager, Invesco Fund Managers Limited, Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire, RG9 1HH, UK upon request.

The Remuneration Policy is reviewed annually by the Compliance, Human Resources and Risk Management functions, who recommend any adjustments to ensure continued alignment of the policy with sound risk management. The board of directors of the Manager are responsible for the oversight of remuneration and for ensuring adherence to this policy through the Human Resources function.

The Internal Audit function conducts regular testing of administration of the Remuneration Policy to assess its ongoing compliance with the Invesco Group's remuneration policies and procedures.

The Manager does not employ any direct staff. The aggregate total remuneration of Invesco staff involved in UCITS related activities of the Manager in respect of performance year (1 January 2018 to 31 December 2018) is £76.21m of which £44.70m is fixed remuneration and £31.51m is variable remuneration. The number of beneficiaries is 379.

Remuneration Policy (Unaudited) continued
The Manager has identified individuals considered to have a material impact on the risk profile of the Manager or the UCITS it manages ("Identified Staff"), who include board members of the Manager, senior management, heads of control functions, other risk takers and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers. Identified Staff of the Manager are employed by Invesco.

The aggregate total remuneration paid to the Identified Staff of the Manager for UCITS related activities for the performance year (1 January 2018 to 31 December 2018) is £18.62m of which £4.16m is paid to Senior Management and £14.46m is paid to other Identified Staff.

Share Classes Available

Invesco Emerging European Fund (UK)
Accumulation shares
Accumulation shares (No Trail)
Z Accumulation shares
Y Accumulation shares
Income shares
Income shares (No Trail)
Z Income shares
Y Income shares

Invesco European Smaller Companies Fund (UK)
Accumulation shares
Accumulation shares (No Trail)
Z Accumulation shares
Y Accumulation shares

Invesco Global Emerging Markets Fund (UK)
Accumulation shares
Accumulation shares (No Trail)
Z Accumulation shares
Y Accumulation shares
Income shares
Income shares (No Trail)
Z Income shares
Y Income shares

Invesco Global Smaller Companies Fund (UK)
Accumulation shares
Accumulation shares (No Trail)
Z Accumulation shares
Y Accumulation shares
Income shares
Income shares (No Trail)
Z Income shares
Y Income shares

Invesco Japanese Smaller Companies Fund (UK)
Accumulation shares
Accumulation shares (No Trail)
Z Accumulation shares
Y Accumulation shares

Invesco UK Smaller Companies Equity Fund (UK)
Accumulation shares
Accumulation shares (No Trail)
Z Accumulation shares
Y Accumulation shares
Income shares
Income shares (No Trail)
Z Income shares
Y Income shares

The prices of shares will appear on our website (www.invesco.co.uk). This is the primary method of price publication. The prices of shares may also be obtained by calling 0800 085 8677 during the Manager's normal business hours.

Risk Profile
Shareholders should be aware of the risks inherent in investing in securities and other financial instruments. Financial markets can be vulnerable to unpredictable price movements and are affected by a number of factors, both political and economic.

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 Funds may use derivatives (complex instruments) in an attempt to reduce the overall risk of their investments, reduce the costs of investing and/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 Funds. The Manager, however, will ensure that the use of derivatives within the Funds does not materially alter the overall risk profile of the Funds.

The Invesco Emerging European Fund (UK) and the Invesco Global Emerging Markets Fund (UK) 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. There may also be difficulties in dealing and settlement, and custody problems could arise. The Invesco Global Emerging Markets Fund (UK) and the Invesco Global Smaller Companies Fund (UK) may invest to a limited extent in certain securities listed in China, which can involve significant regulatory constraints that may affect the liquidity and/or the investment performance of the Fund. The Invesco Emerging European Fund (UK) will invest directly in Russia, which can involve significant risks to capital. Although the Invesco Emerging European Fund (UK) does not actively pursue a concentrated portfolio, it may have a concentrated number of holdings on occasions. Accordingly, the Fund may carry a higher degree of risk than a Fund which invests in a broader range of companies or takes smaller positions in a relatively large number of holdings. Although the Invesco Global Smaller Companies Fund (UK) 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. There may also be difficulties in dealing and settlement, and custody problems could arise. The performance of the Invesco Emerging European Fund (UK), Invesco European Smaller Companies Fund (UK), Invesco Global Emerging Markets Fund (UK), Invesco Global Smaller Companies Fund (UK) and Invesco Japanese Smaller Companies Fund (UK) may be adversely affected by variations in the relative strength of world currencies or if Sterling strengthens against those currencies.

Invesco Smaller Companies and Markets Investment Series (the "Company")

Report of the Authorised Corporate Director (the "Manager")

Risk Profile continued

The Invesco European Smaller Companies Fund (UK), Invesco Global Smaller Companies Fund (UK), Invesco Japanese Smaller Companies Fund (UK) and Invesco UK Smaller Companies Equity Fund (UK) invests in smaller companies which may result in a higher level of risk then a fund that invests in larger companies. Securities of smaller companies may be subject to abrupt price movements and may be less liquid, which may mean they are not easy to buy or sell.

All risks are contained within the Prospectus.

Brexit

On 31 October 2019 the UK is due to leave the EU, an event commonly referred to as Brexit. The current exit date may be shortened or extended upon agreement between the UK and EU27. At the date of this report, discussions remain ongoing between the UK and EU27 as to the precise nature of the future relationship. It is unclear at this stage whether a withdrawal agreement will be reached or if the UK will leave the EU under a no-deal scenario. The Authorised Corporate Director does not believe that Brexit under any of these scenarios will present significant issues that cannot be mitigated given that no Fund is passported into Europe, Shareholders are predominantly UK-based and core counterparties of and service providers to the Company have contingency arrangements available as necessary to ensure that activities can continue with minimal disruption. In addition, on 30 January 2019, EU27 national regulators and the UK's Financial Conduct Authority agreed Memoranda of Understanding in the event of a no-deal Brexit scenario on various matters related to the conduct of financial services and trading activities.

The Company's Manager, Invesco Fund Managers Limited "IFML", is part of a global group and has been committed for many years to meeting clients' needs across Europe in both EU and non-EU countries. The change in the UK's status from an EU to a non-EU country will not change the group's focus or commitment to serve its clients across Europe. IFML is monitoring developments closely, through a Brexit Steering Committee, and will take advantage of the Memoranda of Understanding to ensure that the impact on clients and the Company is minimal.

Holdings in other Funds of the Company

As at 31 July 2019, no Funds held shares in any other Fund of the Company.

Liability

The Company is structured by having different Funds. The assets and liabilities of each Fund are segregated in accordance with the law of England and Wales. As a consequence the assets of a Fund will not be available to meet the liabilities of another Fund within the Company.

The Shareholders are not liable for the debts of the Company.

ISA Eligibility

All the Company's Funds qualify for stocks and shares ISA investment. None of the Funds qualify for cash ISA investment.

Certification of the Annual Report by the Manager

In accordance with the requirements of the Open-Ended Investment Companies Regulations 2001, we hereby certify these financial statements on behalf of the Directors of Invesco Fund Managers Limited.

Director – Alan Trotter

Director – Hayley Norford

7 October 2019

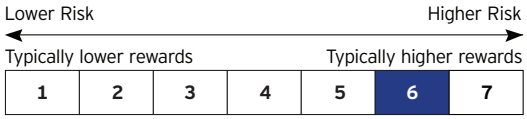
Invesco Smaller Companies and Markets Investment Series (the "Company")

Report of the Authorised Corporate Director (the "Manager")

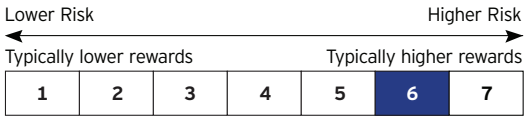
Risk and Reward Profiles

for the year 1 August 2018 to 31 July 2019

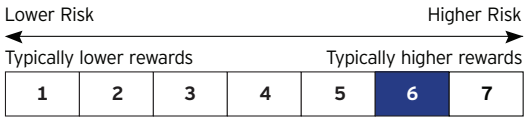
Invesco Emerging European Fund (UK)



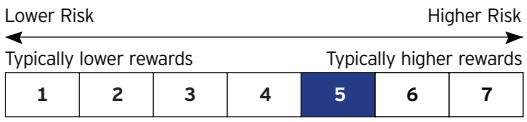
Invesco European Smaller Companies Fund (UK)[1]



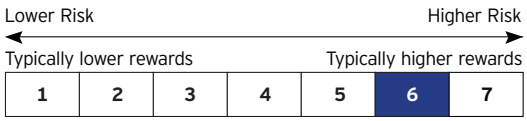
Invesco Global Emerging Markets Fund (UK)



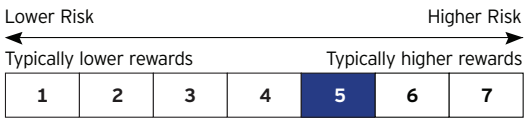
Invesco Global Smaller Companies Fund (UK)



Invesco Japanese Smaller Companies Fund (UK)



Invesco UK Smaller Companies Equity Fund (UK)



[1] The risk category for this Fund changed from 5 to 6 on 30 April 2019.

The risk categories shown are not a measure of capital losses or gains, but of how significant the rises and falls in the share class prices have been historically. For example a share class whose price has experienced significant rises and falls will be in a higher risk category, whereas a share class whose price has experienced less significant rises and falls will be in a lower risk category. As the Share Class risk category has been calculated using historical data, it may not be a reliable indication of the Share Class future risk profile. Please note that the Share Class risk category may change in the future and is not guaranteed. The lowest risk category does not mean a risk free investment.

A share class in risk category 1 indicates its price has experienced very low rises and falls historically.

A share class in risk category 2 indicates its price has experienced minor rises and falls historically.

A share class in risk category 3 indicates its price has experienced very moderate rises and falls historically.

A share class in risk category 4 indicates its price has experienced moderate rises and falls historically.

A share class in risk category 5 indicates its price has experienced significant rises and falls historically.

A share class in risk category 6 indicates its price has experienced very significant rises and falls historically.

A share class in risk category 7 indicates its price has experienced major rises and falls historically.

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.co.uk or by contacting us.

Invesco Smaller Companies and Markets Investment Series (the "Company")

Notes applicable to the financial statements of all Funds

1 Accounting Policies

a) Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities held at fair value through profit and loss. The financial statements have also been prepared in accordance with the United Kingdom Generally Accepted Accounting Practice (UK GAAP), as defined within the UK Financial Reporting Standard (FRS 102) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' (the "SORP"), issued by the Investment Management Association (now known as the Investment Association) in May 2014.

b) Recognition of revenue

i) Dividends on quoted ordinary shares, collective investment schemes and preference shares are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when they are declared.

ii) Interest on bank balances and deposits is recognised on an accruals basis.

iii) Revenue arising on debt securities is accreted or amortised over the life of such securities and recognised at a consistent rate over the life of the instrument (effective yield accounting). Future cash flows on all debt securities are considered when calculating revenue on an effective yield basis and where purchase costs are considered to reflect incurred credit losses, such losses are taken into account so that interest is recognised at a reasonably expected commercial rate. Accrued interest purchased and sold on interest-bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Company.

iv) All revenue is recognised at a gross amount that includes any withholding taxes but excludes any other taxes, such as attributable tax credits.

c) Stock dividends

Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the dates they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares on the date they are quoted ex-dividend exceeds the cash dividend is taken to capital.

d) Special dividends and share buy-backs

The underlying circumstances behind both special dividends and the proceeds from share buybacks are reviewed on a case by case basis in determining whether the amount is capital or revenue in nature. Amounts recognised as revenue will form part of the Company's distribution. Any tax treatment thereon will follow the accounting treatment of the principal amount.

e) Underwriting commission

Underwriting commission is wholly recognised as revenue when the issue takes place, except where the Company is required to take up all or some of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of those shares.

f) Expenses

All expenses, except for those relating to the purchase and sale of investments, are charged initially against revenue and are accounted for on an accruals basis.

g) Revenue allocation to share classes

Revenue is allocated each day pro rata to the capital value of assets attributable to each class and taxation is computed by reference to the net revenue after expenses and tax attributable to each class.

h) Measurement basis

The measurement basis used in preparing the financial statements is fair value for investments and historical cost for all other assets and liabilities.

Invesco Smaller Companies and Markets Investment Series (the "Company")

Notes applicable to the financial statements of all Funds

1 Accounting Policies continued

i) Basis of valuation of investments

All investments are valued at their fair value as at the balance sheet date.

All investments have been valued on the last business day of the year at bid market value net of any accrued revenue, at close of business. Where there is no price source from an active market for an investment, the Manager will assess any information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Manager of the Company also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Manager with particular attention paid to the carrying value of the investments.

j) Exchange rates

Assets and liabilities in foreign currencies are translated into Sterling at the exchange rates ruling at close of business on the last business day of the period. Revenue items denominated in foreign currencies are translated into Sterling at the exchange rates ruling at the times of the transactions.

k) Taxation and deferred taxation

Provision is made for corporation tax at the current rate on the excess of taxable revenue over allowable expenses. Provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that there will be taxable profits in the future against which the asset can be offset. Overseas capital gains tax is accounted for on a cash basis.

l) Efficient portfolio management

Where appropriate, certain permitted transactions such as derivatives or forward currency transactions are used for efficient portfolio management. Where such transactions are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in 'Revenue' or 'Expenses' in the Statement of Total Return. Where such transactions are used to protect or enhance capital, the gains and losses derived therefrom are included in 'Net capital gains/losses' in the Statement of Total Return. Any positions on such transactions open at the year end are reflected in the Balance Sheet at their marked to market value.

m) Dilution adjustment

The need to apply a dilution adjustment will depend on the volume of sales (where they are issued) or redemptions (where they are cancelled) of shares. The Manager may apply a dilution adjustment on the issue and redemption of such shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected, and if applying a dilution adjustment, so far as practicable, is fair to all Shareholders and potential Shareholders. In particular, the dilution adjustment may be applied in the following circumstances for all Funds in the Invesco Smaller Companies and Markets Investment Series:

- where over a dealing period a Fund has experienced a large level of net issues or redemptions relative to its size. For these purposes a large level of net dealing is defined as 1% or more of the net asset value of the Fund in question (as calculated at the last valuation point); or
- where the Manager considers it necessary to protect the interests of the Shareholders of the Company.

On the occasions that the dilution adjustment is not applied there may be an adverse impact on the total assets of the Fund which may otherwise constrain the future growth of the Fund in question.

Please refer to Appendix 6 of the Prospectus which shows the size of typical dilution adjustments by Fund and an indication of the frequency of application of such adjustments.

2 Distribution Policies

The Funds will distribute all revenue disclosed in the annual financial statements (less expenses and taxation). The ordinary element of stock dividends is treated as revenue and forms part of the Company's distribution. Should expenses and taxation exceed revenue for a share class, there will be no distribution for that share class and the shortfall will be met from capital. All Fund accumulations and distributions are paid as dividend distributions.

Distributions which have remained unclaimed by Shareholders for more than six years are credited to the capital property of the Fund.

3 Dealing Charges and Research Payments

The cost of the execution service provided by brokers may be included as part of the spread between the bid and offer price or paid through a separate dealing commission. Dealing commissions are used in the equity securities market, whilst the fixed income market includes the cost of execution in the spread. Prior to 3 January 2018, it was market practice for investment managers to enter into dealing commission arrangements under which as well as paying for execution, part of the commission would be used to pay for research services. This was in accordance with regulation.

The European Union legal framework governing financial markets, known as the Markets in Financial Instruments Directive (MiFID I), has been replaced by a revised Directive (the recast MiFID) and new Regulation (MiFIR) – referred to together as MiFID II. MiFID II became effective on 3 January 2018. MiFID II changes the way investment managers operate their businesses. In particular, under MiFID II firms can either pay for research material/services out of their own resources or from a separate research payment account (RPA). From 3 January 2018, the Manager, the Investment Adviser and any sub-adviser pay for all external research materials/services procured for the Funds out of their own resources across equity, fixed income, derivatives and currency securities. They do not operate a RPA.

4 Shareholders' Funds

The Manager's entry charge and Fund Management Fee (FMF) are as follows:

		Entry Charge %	Fund Management Fee %
Invesco Emerging European Fund (UK)	- Trail classes	5.0	1.92
	- No Trail classes	0.0	1.42
	- Z classes	0.0	1.17
	- Y classes	0.0	1.12
Invesco European Smaller Companies Fund (UK)	- Trail class	5.0	1.70
	- No Trail class	0.0	1.20
	- Z class	0.0	0.95
	- Y class	0.0	0.90
Invesco Global Emerging Markets Fund (UK)	- Trail classes	5.0	1.75
	- No Trail classes	0.0	1.25
	- Z classes	0.0	1.00
	- Y classes	0.0	0.95
Invesco Global Smaller Companies Fund (UK)	- Trail classes	5.0	1.70
	- No Trail classes	0.0	1.20
	- Z classes	0.0	0.95
	- Y classes	0.0	0.90
Invesco Japanese Smaller Companies Fund (UK)	- Trail class	5.0	1.74
	- No Trail class	0.0	1.24
	- Z class	0.0	0.99
	- Y class	0.0	0.94
Invesco UK Smaller Companies Equity Fund (UK)	- Trail classes	5.0	1.67
	- No Trail classes	0.0	1.17
	- Z classes	0.0	0.92
	- Y classes	0.0	0.87

References in this report to Trail classes mean the Accumulation Shares and Income Shares.

The net assets attributable to each share class, the net assets value per share and the number of shares in issue of each share class are shown in the comparative tables of each Fund. These can be found on:

Invesco Emerging European Fund (UK)	pages 18 to 21
Invesco European Smaller Companies Fund (UK)	pages 36 to 37
Invesco Global Emerging Markets Fund (UK)	pages 55 to 58
Invesco Global Smaller Companies Fund (UK)	pages 74 to 77
Invesco Japanese Smaller Companies Fund (UK)	pages 100 to 101
Invesco UK Smaller Companies Equity Fund (UK)	pages 115 to 118

Each share class has the same rights on a winding up of the Company.

5 Generic Risk Factors

In pursuing their investment objectives, the Funds of the Company hold a number of financial instruments that may comprise securities and other investments, cash balances and debtors and creditors that arise directly from its operations.

Political and economic events in the major economies of the world, such as the United States, Japan and the European Union, will influence stock and securities markets worldwide.

The main risks from the Funds' holding of financial instruments are set out below together with the Manager's policy for managing these risks.

Investing in Financial Derivative Instruments
There are certain investment risks which apply in relation to the use of derivatives. Derivatives may be used to provide protection for an investment or as a cheaper or more liquid alternative for an investment. However, should the Manager's expectations in employing such techniques and instruments be incorrect, a Fund may suffer a substantial loss, having an adverse effect on the net asset value of shares. Such instruments may cause greater fluctuations of the net asset value of the Fund concerned. Transactions in derivatives are used in the Funds for efficient portfolio management and investment purposes. Derivatives exposure is managed within the investment limits set by the Manager to ensure that the use of derivatives does not materially alter the overall risk profile of the Fund.

Market price risk
The Funds are exposed to the risks normally associated with investment in stocks and shares such as general economic conditions, market events or the performance of underlying stocks. As such, the prices of and the income generated by the Funds' securities may go down as well as up and an investor may not get back the full amount invested.

Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can mitigate market risk.

Currency exchange risk
The Funds may invest in securities denominated in currencies other than Sterling. As a result, changes in exchange rates may adversely affect the value of any investment, which will have a related effect on the price of shares.

Currency exchange risk may be mitigated by hedging the exposure through the use of forward currency contracts.

Custody risk
The assets owned by each Fund are held on trust for the Fund by a custodian that is also regulated by the Financial Conduct Authority. The Financial Conduct Authority requires that the custodian ensures that there is legal separation of non-cash assets held under custody and that records are maintained that clearly identify the nature and amount of all assets under custody, the ownership of each asset and where the documents of title to that asset are located. In case of a potential bankruptcy of the custodian, cash positions in the Funds are not protected and there may be a delay in regaining full control of the non-cash assets.

Liquidity risk
The Funds may be affected by a decrease in market liquidity for the securities in which it invests, which may mean that the Funds may not be able to sell some securities at a fair price in a timely manner.

In order to mitigate this risk, a substantial proportion of the Funds' assets consist of readily realisable assets.

Counterparty risk
The Funds may enter into derivatives transactions or place cash in bank deposit accounts, which would expose the Funds to the credit of its counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, the Funds could experience delays in liquidating positions and significant losses, including declines in the value of investments during the period in which the Funds seek to enforce its rights, inability to realise any gains on its investments during such period and fees and expenses incurred in enforcing its rights.

In order to mitigate this risk, the Funds conduct trades through reputable counterparties.

5 Generic Risk Factors continued

Investing in a Concentrated Portfolio
Certain Funds may have concentrated portfolios (holding a limited number of investments and/or large positions in relatively small number of stocks). If one or more of those investments decline or are otherwise adversely affected, it may have a more pronounced effect on the Fund's net asset value than if a larger number of investments were held or if the Fund had fewer larger positions. Accordingly they may carry a higher degree of risk and NAV volatility than a Fund which invests in a broad range of companies and/or does not take large positions in a relatively small number of stocks.

Investment in Emerging Markets
Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets. The following is a brief summary of some of the more common risks associated with emerging markets investment:

- **Lack of Liquidity**
  The acquisition and disposal of securities may be more expensive, time consuming and generally more difficult than in more developed markets. Many emerging markets are small, have low trading volumes, low liquidity and significant price volatility.

- **Settlement and Custody Risks**
  Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be a risk that settlement could be delayed and that cash or securities could be disadvantaged.

- **Investment and Remittance Restrictions**
  In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Fund because the maximum permitted number of or investment by foreign Shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval and there can be no guarantee that additional restrictions will not be imposed.

- **Accounting**
  Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

Investment in Smaller Companies
Funds investing in smaller companies invest in transferable securities which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.

5 Generic Risk Factors continued

Calculation methods of the Risk Exposure
Following the assessment of the investment policy of each Fund of the Company, Invesco Fund Managers Limited has decided to use Value at Risk (VaR) for the assessment of the global exposure of each Fund.

Value-at-Risk (VaR) is a statistical measurement. It intends to measure the maximum potential loss at a given confidence level (probability) over a specific time period under normal market conditions. All of the positions within the portfolio are taken into account for the VaR calculation, not just derivatives.

Absolute and Relative VaR are calculated daily using a VaR risk model based on a two years historical simulation methodology. This method for calculating VaR contains no standard distribution assumption and assumes that history repeats itself.

Under the relative VaR approach, the VaR of the Fund is compared to that of a benchmark or reference portfolio. With this approach the choice of benchmark is important and hence the Manager will choose a leverage free benchmark with similar risks to the Fund.

The calculation standards used for the VaR model are in compliance with the provisions in box 15 of ESMA Guidelines on Risk Measurement and the calculation of Global Exposure and Counterparty Risk for UCITS (Ref: 10-788) ("ESMA Guidelines").

The Absolute VaR of a UCITS cannot be greater than 20% of its NAV. The Relative VaR of a UCITS cannot be more than two times the VaR of the reference portfolio. Invesco Fund Managers Limited monitors that the (VaR of the UCITS)/(2* VaR of the reference portfolio) is not greater than 100%.

The calculation of the Absolute and Relative VaR is carried out in accordance with the following parameters:

- one-tailed confidence interval of 99%;
- holding period equivalent to one month (i.e. 20 business days);
- effective observation period (history) of risk factors of two years;
- daily calculation.

In line with box 25 of ESMA Guidelines, as the Funds use the VaR approach to monitor the global exposure, Invesco Fund Managers Limited calculates the leverage for each Fund on a daily basis, as the sum of the absolute value of the notionals of the derivatives used. With respect to financial derivative instruments which do not have a notional value attached to them, the calculation of the value is based upon the market value of the equivalent position of the underlying asset that is attached to the financial derivative instrument and applied consistently and appropriately.

5 Generic Risk Factors continued

Calculation methods of the Risk Exposure continued
The average level of leverage figures provided below does not take into account any netting and hedging arrangements that the Funds may have in place at any time even though these netting and hedging arrangements are used for risk reduction purpose.

The table below details the VaR approach for each Fund and, for those Funds utilising the relative VaR methodology, it details the reference portfolio. The table also details the minimum, maximum and average daily VaR utilisation that occurred during the one year period ending 31 July 2019, as well as the daily average level of leverage for each Fund during the one year period ending 31 July 2019.

		Global Exposure								Leverage	
		Method used to calculate Global exposure (Commitment, Absolute VaR, Relative VaR)	Method used to calculate VaR		Reference portfolio for using Relative VaR	VaR limits reached for last financial year			VaR limits	Leverage level reached during the financial year (Average levels as a % of NAV, calculated at least twice per month)	Leverage calculation method used
Fund name	Period of Observation		Type of model (Historical simulation, Monte Carlo)	Parameters (Confidence Interval, holding period, observation period)		Lowest	Highest	Average (based on daily data)	Regulatory limits		
Invesco Emerging European Fund (UK)	1 August 2018 - 31 July 2019	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	MSCI Emerging Markets Eastern Europe Index	39.8%	48.5%	42.3%	100%	0%	Sum of the Notional of the derivatives
Invesco European Smaller Companies Fund (UK)	1 August 2018 - 31 July 2019	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	EMIX Smaller European Companies Ex UK Index	39.3%	65.4%	50.3%	100%	64.2%	Sum of the Notional of the derivatives
Invesco Global Emerging Markets Fund (UK)	1 August 2018 - 31 July 2019	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	MSCI Emerging Markets Index	43.0%	47.7%	45.5%	100%	0%	Sum of the Notional of the derivatives
Invesco Global Smaller Companies Fund (UK)	1 August 2018 - 31 July 2019	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	MSCI AC World Small Cap Index	42.6%	50.2%	47.7%	100%	0%	Sum of the Notional of the derivatives
Invesco Japanese Smaller Companies Fund (UK)	1 August 2018 - 31 July 2019	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	Russell Nomura Small-Cap Index	51.4%	70.2%	57.7%	100%	0%	Sum of the Notional of the derivatives
Invesco UK Smaller Companies Equity Fund (UK)	1 August 2018 - 31 July 2019	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	Numis Smaller Companies Extended (ex Investment Companies) Index	43.0%	54.4%	47.0%	100%	0%	Sum of the Notional of the derivatives

5 Generic Risk Factors continued

Calculation methods of the Risk Exposure continued
The table below details the VaR approach for each Fund and, for those Funds utilising the relative VaR methodology, it details the reference portfolio. The table also details the minimum, maximum and average daily VaR utilisation that occurred during the one year period ending 31 July 2018, as well as the daily average level of leverage for each Fund during the one year period ending 31 July 2018.

		Global Exposure								Leverage	
		Method used to calculate Global exposure (Commitment, Absolute VaR, Relative VaR)	Method used to calculate VaR		Reference portfolio for using Relative VaR	VaR limits reached for last financial year			VaR limits	Leverage level reached during the financial year (Average levels as a % of NAV, calculated at least twice per month)	Leverage calculation method used
Fund name	Period of Observation		Type of model (Historical simulation, Monte Carlo)	Parameters (Confidence Interval, holding period, observation period)		Lowest	Highest	Average (based on daily data)	Regulatory limits		
Invesco Emerging European Fund (UK)	1 August 2017 - 31 July 2018	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	MSCI Emerging Markets Eastern Europe Index	38.2%	43.1%	40.9%	100%	0%	Sum of the Notional of the derivatives
Invesco European Smaller Companies Fund (UK)	1 August 2017 - 31 July 2018	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	EMIX Smaller European Companies Ex UK Index	41.9%	55.5%	47.4%	100%	63.5%	Sum of the Notional of the derivatives
Invesco Global Emerging Markets Fund (UK)	1 August 2017 - 31 July 2018	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	MSCI Emerging Markets Index	41.4%	52.7%	48.0%	100%	0%	Sum of the Notional of the derivatives
Invesco Global Smaller Companies Fund (UK)	1 August 2017 - 31 July 2018	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	MSCI AC World Small Cap Index	40.0%	48.0%	44.0%	100%	0%	Sum of the Notional of the derivatives
Invesco Japanese Smaller Companies Fund (UK)	1 August 2017 - 31 July 2018	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	Russell Nomura Small-Cap Index	50.1%	64.8%	59.5%	100%	0%	Sum of the Notional of the derivatives
Invesco UK Smaller Companies Equity Fund (UK)	1 August 2017 - 31 July 2018	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	Numis Smaller Companies Extended (ex Investment Companies) Index	41.9%	55.4%	47.8%	100%	0%	Sum of the Notional of the derivatives

Invesco Smaller Companies and Markets Investment Series (the "Company")

Notes applicable to the financial statements of all Funds

6 Investment Objective and Policy

The investment objective and policy of each Fund can be found on:

Invesco Emerging European Fund (UK)	page 16
Invesco European Smaller Companies Fund (UK)	page 34
Invesco Global Emerging Markets Fund (UK)	page 53
Invesco Global Smaller Companies Fund (UK)	page 72
Invesco Japanese Smaller Companies Fund (UK)	page 98
Invesco UK Smaller Companies Equity Fund (UK)	page 113

The Funds may also hold cash and near cash assets only to the extent that this may reasonably be regarded as necessary for the pursuit of the Fund's investment objective, to fund redemptions of shares in that Fund, for the efficient management of the Fund in accordance with its investment objective or for other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund. They may also borrow, provided such borrowing is on a temporary basis and does not exceed the limits laid down in the regulations.

7 Base Currency

The base currency of the Company is Sterling and is taken to be the 'functional currency' of the Company.

8 Bank Balances and Overdrafts

Bank balances and overdrafts are held by the Custodian, and are subject to the Custodian's variable credit and debit interest rates respectively.

9 Borrowings

The borrowing facilities available to the Company as at 31 July 2019 comprise a bank overdraft facility of up to 10% of the value of the Company (31 July 2018 - 10%).

10 Transactions and Balances with Related Parties

Invesco Fund Managers Limited (and its associates), as Manager, is a related party and acts as principal in respect of all transactions in the shares of the Company.

Amounts payable to Invesco Fund Managers Limited in respect of Fund Management Fees are disclosed in note 4, within each Fund. Management fee rebates are disclosed in notes 2 and 3 within each Fund. Amounts due at the end of the accounting year for Fund Management Fees are disclosed in note 10 within accrued expenses, within each Fund.

Invesco Fund Managers Limited and its associates (including other authorised investment companies managed by Invesco Fund Managers Limited) held the following shareholdings in the Funds:

	Held at 31.7.19	Change in year	Held at 31.7.18
Invesco Emerging European Fund (UK) Accumulation shares	2,528,086	(1,213,489)	3,741,575
Invesco Emerging European Fund (UK) Income shares	1,126,267	(2,222,364)	3,348,631
Invesco Emerging European Fund (UK) Income shares (No Trail)	1,024	-	1,024
Invesco Emerging European Fund (UK) Z Accumulation shares	8,105	8,105	-
Invesco Emerging European Fund (UK) Y Accumulation shares	260,483	(185,028)	445,511
Invesco Emerging European Fund (UK) Y Income shares	-	(5,000)	5,000
Invesco European Smaller Companies Fund (UK) Accumulation shares	-	(16,007)	16,007
Invesco Global Emerging Markets Fund (UK) Accumulation shares	-	(36,030)	36,030
Invesco Global Emerging Markets Fund (UK) Income shares (No Trail)	500	-	500
Invesco Global Emerging Markets Fund (UK) Z Accumulation shares	134,080	134,080	-
Invesco Global Emerging Markets Fund (UK) Y Accumulation shares	93,826	(11,312)	105,138
Invesco Global Smaller Companies Fund (UK) Accumulation shares	929,007	(7,133)	936,140
Invesco Global Smaller Companies Fund (UK) Income shares	579,214	(116,866)	696,080
Invesco Japanese Smaller Companies Fund (UK) Accumulation shares	11,915	(47,530)	59,445
Invesco UK Smaller Companies Equity Fund (UK) Accumulation shares	556,355	27,815	528,540
Invesco UK Smaller Companies Equity Fund (UK) Z Accumulation shares	46,520	46,520	-
Invesco UK Smaller Companies Equity Fund (UK) Y Accumulation shares	20,613,490	(1,399,030)	22,012,520

Invesco Emerging European Fund (UK)
Investment report for the year

The Investment Objective and Policy of the Invesco Emerging European Fund (UK)
The Fund aims to achieve long-term capital growth from investment primarily in shares of companies in emerging European countries, which includes Russia. 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.

Invesco Perpetual Emerging European Fund changed its name to Invesco Emerging European Fund (UK) effective 1 October 2018. The Fund objective and strategy remain unchanged at this time. On the 7 August 2019 there was an update to the Prospectus for the various ICVC funds. As part of this update, various changes were implemented regarding investment objectives, investment policies, investment strategies and benchmark disclosures, all for clarification purposes only. There has been no changes to the way the Funds are managed. The updated prospectus is available at www.invesco.co.uk. The objectives currently shown within these financial statements are those objectives that were in place as at 31 July 2019.

Performance
to 31 July 2019

	Since 31.1.19 %	Since 31.7.18 %	Since 31.7.16 %	Since 31.7.14 %	Since 31.7.09 %
					Percentage growth
Invesco Emerging European Fund (UK) (Z Accumulation shares)[1]	17.00	18.39	68.80	81.65	148.14
MSCI Emerging Markets Eastern Europe Index NR[2]	17.27	22.77	75.95	73.00	104.89

No suitable IA peer group exists for this Fund.

Standardised rolling 12 month performance

	30.6.14 30.6.15 %	30.6.15 30.6.16 %	30.6.16 30.6.17 %	30.6.17 30.6.18 %	30.6.18 30.6.19 %
					Percentage growth
Invesco Emerging European Fund (UK) (Z Accumulation shares)[1]	-14.5	14.6	29.7	10.5	18.6
MSCI Emerging Markets Eastern Europe Index NR[2]	-18.1	8.2	22.8	13.6	26.4

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.invesco.co.uk or by contacting us.

Fund performance data source: Lipper, in Sterling, with income reinvested and net of the ongoing charge and portfolio transaction costs. This may differ from the performance figure shown on page 19 for Z Accumulation shares as the figure above is based on the quoted 12pm price and the figure shown on page 19 is based on the close of business bid price. MSCI Emerging Markets Eastern Europe Index NR[2] data source: Lipper, 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.

1 Effective 18 April 2016, the primary share class changed from Accumulation share class to Z Accumulation share class. Performance figures are based on the Z Accumulation share class. As this was launched on 12 November 2012, for the years prior to this launch date, performance figures are based on the Accumulation share class, without any adjustment for fees.
2 Reference benchmark for performance comparison purposes only.

Invesco Emerging European Fund (UK)
Investment report for the year

Strategy, review and outlook
The Fund increased by 18.4% over the twelve months to the end of July 2019, compared to a 22.8% gain in the benchmark MSCI Emerging Markets Eastern Europe Index NR[1].

Fund performance data source: Lipper, in Sterling, with income reinvested and net of the ongoing charge and portfolio transaction costs. Performance figures are based on the Z Accumulation share class. MSCI Emerging Markets Eastern Europe Index NR[1] data source: Lipper, total return, in Sterling.

Past performance is not a guide to future returns.

Emerging European equity markets registered healthy gains over the review period. The biggest driver of Fund performance came from our holdings in Russian oil and gas companies with Gazprom, Novatek and LUKOIL being our largest stock contributors. Banking stocks led by Sberbank of Russia also did reasonably well along with metal and mining companies such as MMC Norilsk Nickel. Outside of Russia, Greece and Hungary contributed positively although positions held in Turkey and Poland detracted from performance.

Relative returns to the benchmark's significant strength were a result of the index's concentration in the Russian energy sector. In contrast, the Fund seeks to diversify risk by investing across a wider variety of emerging countries in the region, including Turkey, Israel and Kazakhstan. We believe the different growth drivers and factor exposures from investing in these countries will provide a better risk-adjusted return for investors in the long run.

We believe the region of emerging Europe is home to some well-run and cash generative companies with strong earnings potential, operating in markets that are underpinned by the growing affluence of a widening consumer base.

Our largest country exposure is in Russia, where equity valuations remain cheap in historical terms in our view, trading below their long-term averages, as measured by traditional metrics such as price-to-book and price earnings ratios. Earnings estimate revisions continue to be positive and the country has healthy fiscal balances. Russia also offers the best dividend yield of any major emerging market country. After being in the works for several months the US administration finally announced fresh sanctions on Russia during July. These were less severe and narrower in scope than widely expected.

The Fund also has significant investments in Poland but not in local banks. This is on the grounds that their valuations are too demanding when taking into account the competitive nature of the domestic market, which compresses bank margins and limits profitability in our view. Instead, we selectively invest in businesses that are more exposed to the country's strong economic growth, for example retailers.

From a sector perspective the Fund is tilted towards industrials, real estate as well as consumer-related stocks. The Fund maintains significant exposure to financials and energy companies, which together comprise more than half of the portfolio, though these two sectors represent our largest underweight positions versus the benchmark.

Nicholas Mason, Fund Manager
Where Nicholas Mason has expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice.

[1] Reference benchmark for performance comparison purposes only.

The Fund's ten largest investments are	%
Sberbank of Russia	9.12
LUKOIL	8.93
Novatek	8.37
Gazprom	7.74
Rosneft	4.88
MMC Norilsk Nickel	4.87
Powszechny Zaklad Ubezpieczen	4.10
Tatneft	4.00
OTP Bank	3.90
Mobile TeleSystems	2.67

Comparative tables

Year ended Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	58.38	52.22	41.22
Return before operating charges*	10.31	7.26	11.95
Operating charges	(1.12)	(1.10)	(0.95)
Return after operating charges	9.19	6.16	11.00
Distributions	(2.31)	(1.33)	(1.08)
Retained distributions on accumulation shares	2.31	1.33	1.08
Closing net asset value per share	**67.57**	**58.38**	**52.22**
*After direct transaction costs of	(0.03)	(0.04)	(0.08)
Performance			
Return after charges	15.74%	11.80%	26.69%
Other information			
Closing net asset value (£'000)	10,431	16,741	15,903
Closing number of shares	15,436,938	28,677,151	30,453,643
Operating charges	1.92%	1.92%	1.92%
Direct transaction costs	0.05%	0.07%	0.17%
Performance fee	-	-	-
Prices			
Highest share price	68.11	61.30	54.26
Lowest share price	53.57	52.23	40.69

Year ended Accumulation shares (No Trail)	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	123.01	109.53	86.05
Return before operating charges*	21.63	15.18	24.95
Operating charges	(1.75)	(1.70)	(1.47)
Return after operating charges	19.88	13.48	23.48
Distributions	(5.48)	(3.34)	(2.72)
Retained distributions on accumulation shares	5.48	3.34	2.72
Closing net asset value per share	**142.89**	**123.01**	**109.53**
*After direct transaction costs of	(0.06)	(0.08)	(0.17)
Performance			
Return after charges	16.16%	12.31%	27.29%
Other information			
Closing net asset value (£'000)	150	103	46
Closing number of shares	104,795	83,344	41,795
Operating charges	1.42%	1.42%	1.42%
Direct transaction costs	0.05%	0.07%	0.17%
Performance fee	-	-	-
Prices			
Highest share price	144.04	128.93	113.57
Lowest share price	112.94	109.91	84.95

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Comparative tables continued

Year ended Z Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	299.50	265.85	208.18
Return before operating charges*	54.16	37.06	60.60
Operating charges	(3.53)	(3.41)	(2.93)
Return after operating charges	50.63	33.65	57.67
Distributions	(14.17)	(8.79)	(7.13)
Retained distributions on accumulation shares	14.17	8.79	7.13
Closing net asset value per share	**350.13**	**299.50**	**265.85**
*After direct transaction costs of	(0.15)	(0.21)	(0.42)
Performance			
Return after charges	16.90%	12.66%	27.70%
Other information			
Closing net asset value (£'000)	2,687	2,203	2,082
Closing number of shares	767,338	735,411	783,014
Operating charges	1.17%	1.17%	1.17%
Direct transaction costs	0.05%	0.07%	0.17%
Performance fee	-	-	-
Prices			
Highest share price	352.95	313.46	275.18
Lowest share price	275.06	267.29	205.52

Year ended Y Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	312.30	277.05	216.85
Return before operating charges*	56.58	38.65	63.13
Operating charges	(3.53)	(3.40)	(2.93)
Return after operating charges	53.05	35.25	60.20
Distributions	(14.94)	(9.30)	(7.54)
Retained distributions on accumulation shares	14.94	9.30	7.54
Closing net asset value per share	**365.35**	**312.30**	**277.05**
*After direct transaction costs of	(0.15)	(0.21)	(0.43)
Performance			
Return after charges	16.99%	12.72%	27.76%
Other information			
Closing net asset value (£'000)	10,383	22,426	17,763
Closing number of shares	2,842,039	7,180,899	6,411,248
Operating charges	1.12%	1.12%	1.12%
Direct transaction costs	0.05%	0.07%	0.17%
Performance fee	-	-	-
Prices			
Highest share price	368.29	326.78	286.71
Lowest share price	286.83	278.68	214.07

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Comparative tables continued

Year ended Income shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	50.04	45.79	36.89
Return before operating charges*	8.84	6.37	10.72
Operating charges	(0.96)	(0.96)	(0.85)
Return after operating charges	7.88	5.41	9.87
Distributions	(1.98)	(1.16)	(0.97)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**55.94**	**50.04**	**45.79**
*After direct transaction costs of	(0.02)	(0.04)	(0.07)
Performance			
Return after charges	15.75%	11.81%	26.76%
Other information			
Closing net asset value (£'000)	716	1,762	1,629
Closing number of shares	1,280,532	3,522,230	3,557,497
Operating charges	1.92%	1.92%	1.92%
Direct transaction costs	0.05%	0.07%	0.17%
Performance fee	-	-	-
Prices			
Highest share price	58.38	53.77	48.58
Lowest share price	45.91	45.81	36.43

Year ended Income shares (No Trail)	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	100.92	92.33	74.35
Return before operating charges*	17.74	12.85	21.60
Operating charges	(1.44)	(1.44)	(1.27)
Return after operating charges	16.30	11.41	20.33
Distributions	(4.50)	(2.82)	(2.35)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**112.72**	**100.92**	**92.33**
*After direct transaction costs of	(0.05)	(0.07)	(0.15)
Performance			
Return after charges	16.15%	12.36%	27.34%
Other information			
Closing net asset value (£'000)	7	22	19
Closing number of shares	6,468	21,354	20,636
Operating charges	1.42%	1.42%	1.42%
Direct transaction costs	0.05%	0.07%	0.17%
Performance fee	-	-	-
Prices			
Highest share price	118.16	108.70	98.16
Lowest share price	92.65	92.66	73.42

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Comparative tables continued

Year ended Z Income shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	251.94	230.34	185.26
Return before operating charges*	45.53	32.17	54.04
Operating charges	(2.97)	(2.96)	(2.61)
Return after operating charges	42.56	29.21	51.43
Distributions	(11.92)	(7.61)	(6.35)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**282.58**	**251.94**	**230.34**
*After direct transaction costs of	(0.12)	(0.18)	(0.37)
Performance			
Return after charges	16.89%	12.68%	27.76%
Other information			
Closing net asset value (£'000)	832	678	508
Closing number of shares	294,269	269,086	220,728
Operating charges	1.17%	1.17%	1.17%
Direct transaction costs	0.05%	0.07%	0.17%
Performance fee	-	-	-
Prices			
Highest share price	296.87	271.66	244.97
Lowest share price	231.35	231.66	182.97

Year ended Y Income shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	268.94	245.85	197.73
Return before operating charges*	48.67	34.36	57.67
Operating charges	(3.04)	(3.02)	(2.67)
Return after operating charges	45.63	31.34	55.00
Distributions	(12.87)	(8.25)	(6.88)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**301.70**	**268.94**	**245.85**
*After direct transaction costs of	(0.13)	(0.19)	(0.40)
Performance			
Return after charges	16.97%	12.75%	27.82%
Other information			
Closing net asset value (£'000)	748	906	767
Closing number of shares	247,998	337,071	311,966
Operating charges	1.12%	1.12%	1.12%
Direct transaction costs	0.05%	0.07%	0.17%
Performance fee	-	-	-
Prices			
Highest share price	317.10	290.05	261.54
Lowest share price	246.97	247.35	195.28

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Invesco Emerging European Fund (UK)
Investment report for the year

Portfolio Statement as at 31 July 2019 Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Canada 0.67% (31.7.18 - 0.48%)			
Valeura Energy	122,500	175	0.67
Czech Republic 0.63% (31.7.18 - 0.99%)			
Philip Morris (CZ)	344	164	0.63
Greece 3.31% (31.7.18 - 3.46%)			
Motor Oil Hellas Corinth Refineries	17,700	361	1.39
Mytilineos	41,000	410	1.58
Piraeus Bank	31,750	89	0.34
Hungary 5.37% (31.7.18 - 4.73%)			
OTP Bank	29,400	1,012	3.90
Wizz Air	10,800	382	1.47
Israel 1.58% (31.7.18 - 1.01%)			
Bank Leumi Le-Israel	68,500	410	1.58
Jersey 1.25% (31.7.18 - 1.23%)			
Atrium European Real Estate	97,000	325	1.25
Kazakhstan 1.56% (31.7.18 - 2.76%)			
KAZ Minerals	60,500	350	1.35
Nostrum Oil & Gas	123,500	54	0.21
Netherlands 0.83% (31.7.18 - 1.11%)			
DP Eurasia	258,000	215	0.83
Poland 9.35% (31.7.18 - 11.55%)			
CCC	11,300	359	1.38
CD Projekt	3,250	158	0.61
KRUK	11,500	452	1.74
Polenergia	12,800	75	0.29
Powszechny Zaklad Ubezpieczen	120,000	1,064	4.10
Warsaw Stock Exchange	38,600	319	1.23
Portugal 2.02% (31.7.18 - 1.82%)			
Jeronimo Martins	39,500	524	2.02
Russia 71.25% (31.7.18 - 65.80%)			
Alrosa	477,000	501	1.93
Detsky Mir	177,000	203	0.78
Etalon GDR	139,400	252	0.97
Gazprom ADR	335,000	2,009	7.74
Gazprom Neft ADR	19,800	542	2.09
Globaltrans Investment GDR	46,000	329	1.27
LUKOIL ADR	34,500	2,319	8.93
Magnitogorsk Iron & Steel Works GDR Reg. S	48,400	345	1.33
MMC Norilsk Nickel ADR	67,000	1,265	4.87
Mobile TeleSystems	203,500	694	2.67
Moscow Exchange MICEX-RTS	250,000	301	1.16
Novatek GDR	12,700	2,172	8.37
Obuv Rossii	83,000	67	0.26
Phosagro GDR	21,000	213	0.82
Rosneft GDR	234,000	1,266	4.88
Sberbank of Russia ADR	194,000	2,368	9.12
Surgutneftegas pref.	979,000	392	1.51
Tatneft ADS	18,200	1,037	4.00
TCS GDR	35,500	578	2.23
TMK GDR	117,100	345	1.33
United Company	940,000	352	1.36
X5 Retail	21,500	586	2.26
Yandex 'A'	11,070	355	1.37

Portfolio Statement continued
as at 31 July 2019

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Turkey 1.36% (31.7.18 - 3.10%)			
Coca-Cola Icecek	41,500	203	0.78
Turkiye Sinai Kalkinma Bankasi	1,225,001	149	0.58
Portfolio of investments (31.7.18 - 98.04%)		**25,741**	**99.18**
Net other assets (31.7.18 - 1.96%)		**213**	**0.82**
Net assets		**25,954**	**100.00**

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

Invesco Emerging European Fund (UK)
Investment report for the year

Summary of Material Portfolio Changes
for the year 1 August 2018 to 31 July 2019

	Cost £'000
Total purchases	**6,152**
Largest purchases:	
Canada	
Valeura Energy	207
Greece	
Mytilineos	128
Hungary	
OTP Bank	148
Israel	
Bank Leumi Le-Israel	134
Kazakhstan	
KAZ Minerals	171
Poland	
Powszechny Zaklad Ubezpieczen	170
Russia	
Surgutneftegas pref.	749
Rosneft GDR	464
United Company	357
Gazprom ADR	354
Moscow Exchange MICEX-RTS	300
LUKOIL ADR	258
Sberbank of Russia ADR	256
Novatek GDR	238
Phosagro GDR	168
Tatneft ADS	164
TCS GDR	134
TMK GDR	126
MMC Norilsk Nickel ADR	114
Turkey	
Coca-Cola Icecek	439

	Proceeds £'000
Total sales	**26,060**
Largest sales:	
Greece	
Motor Oil Hellas Corinth Refineries	676
Hungary	
OTP Bank	824
Poland	
Powszechny Zaklad Ubezpieczen	1,307
Warsaw Stock Exchange	562
CCC	442
Portugal	
Jeronimo Martins	421
Russia	
LUKOIL ADR	2,957
Novatek GDR	2,497
Sberbank of Russia ADR	1,718
MMC Norilsk Nickel ADR	1,289
Gazprom ADR	1,275
Rosneft GDR	948
Tatneft ADS	901
Alrosa	704
Gazprom Neft ADR	659
Evraz	554
Mobile TeleSystems	495
X5 Retail	477
TCS GDR	462
Moscow Exchange MICEX-RTS	450

Invesco Emerging European Fund (UK)
Financial Statements

Statement of Total Return for the year 1 August 2018 to 31 July 2019	Notes	£'000	01.8.18 to 31.7.19 £'000	£'000	01.8.17 to 31.7.18 £'000
Income					
Net capital gains	2		1,686		3,563
Revenue	3	1,906		1,978	
Expenses	4	(465)		(636)	
Interest payable and similar charges	5	(1)		-	
Net revenue before taxation		1,440		1,342	
Taxation	6	(182)		(124)	
Net revenue after taxation			1,258		1,218
Total return before distributions			2,944		4,781
Distributions	7		(1,258)		(1,218)
Change in net assets attributable to Shareholders from investment activities			**1,686**		**3,563**

Statement of Change in Net Assets Attributable to Shareholders for the year 1 August 2018 to 31 July 2019	£'000	01.8.18 to 31.7.19 £'000	£'000	01.8.17 to 31.7.18 £'000
Opening net assets attributable to Shareholders		**44,841**		**38,717**
Amounts received on issue of shares	6,459		9,097	
Amounts paid on redemption of shares	(27,967)		(7,663)	
		(21,508)		1,434
Dilution adjustment		40		11
Change in net assets attributable to Shareholders from investment activities		1,686		3,563
Retained distribution on accumulation shares		895		1,116
Closing net assets attributable to Shareholders		**25,954**		**44,841**

Invesco Emerging European Fund (UK)
Financial Statements

Balance Sheet as at 31 July 2019	**Notes**	**£'000**	**31.7.19 £'000**	**£'000**	**31.7.18 £'000**
Assets					
Fixed assets					
Investments			25,741		43,963
Current assets					
Debtors	8	394		520	
Cash and bank balances	9	56		609	
Total other assets			450		1,129
Total assets			26,191		45,092
Liabilities					
Investment liabilities			-		-
Creditors					
Distribution payable		93		90	
Other creditors	10	144		161	
Total other liabilities			237		251
Total liabilities			237		251
Net assets attributable to Shareholders			**25,954**		**44,841**

Invesco Emerging European Fund (UK)
Notes to the financial statements

Refer to pages 06 to 15 for notes applicable to the financial statements of all Funds.

1 Accounting policies

The Fund's Accounting Policies, Distribution Policies and Generic Risk Factors are set out on pages 06 to 07 and 09 to 13.

2 Net capital gains

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Foreign currency losses	(4)	(9)
Forward currency contracts	3	–
Non-derivative securities	1,687	3,572
Net capital gains	1,686	3,563

3 Revenue

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Bank interest	1	–
Non-taxable overseas dividends	458	575
Taxable overseas dividends	1,386	1,353
UK dividends	61	50
	1,906	1,978

4 Expenses

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee[1]	466	636
	466	636
Other expenses:		
VAT - prior period adjustment	(1)	–
	(1)	–
Total expenses	465	636

[1] Total audit fees of £8,250 (2018 - £6,866) exclusive of VAT payable to the auditors for the year ended 31 July 2019 are borne out of the Fund Management Fee.

5 Interest payable and similar charges

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Interest	1	–

6 Taxation

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
a) Analysis of charge for the year		
Corporation tax	62	–
Deferred tax	26	–
Double taxation relief	(62)	–
Overseas tax	156	124
Total tax charge	182	124

b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2018 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Net revenue before taxation	1,440	1,342
Corporation tax at 20% (2018 - 20%)	288	268
Effects of:		
Double taxation relief	(88)	–
Movement in excess expenses	(76)	(116)
Overseas tax[1]	156	124
Relief for overseas tax treated as an expense	6	(27)
Revenue not subject to tax	(104)	(125)
Total tax charge	182	124

[1] Includes amounts for the recovery of excess withholding tax suffered on dividends received in prior accounting periods.

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

c) Deferred tax

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Deferred tax charge	26	–
Deferred tax at the end of the year	26	–

At the year end there is no potential deferred tax asset (2018 - £78,000) due to no losses (2018 - £391,000). Accordingly, no tax assets have been recognised (2018 - Nil).

7 Distributions

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Accumulations and distributions payable 30 September 2019	988	1,206
Amounts deducted on redemption of shares	426	116
Amounts received on issue of shares	(156)	(104)
	1,258	1,218
The distributable amount has been calculated as follows:		
Net revenue after taxation	1,258	1,218
	1,258	1,218

8 Debtors	31.7.19 £'000	31.7.18 £'000
Accrued revenue	272	354
Amounts receivable for issue of shares	58	113
Overseas tax recoverable	64	53
	394	520

9 Cash and bank balances	31.7.19 £'000	31.7.18 £'000
Cash and bank balances	56	609

10 Other creditors	31.7.19 £'000	31.7.18 £'000
Accrued expenses	32	54
Amounts payable for redemption of shares	86	107
Deferred taxation	26	-
	144	161

11 Contingent assets, liabilities and outstanding commitments
There were no commitments or contingent liabilities at the balance sheet date (2018 - Nil).

12 Related parties
Related party interests in the Fund are disclosed in note 10 of the notes applicable to the financial statements of all Funds on page 15. Amounts payable to Invesco Fund Managers Limited in respect of Fund Management Fees are disclosed in note 4. Amounts due at the end of the accounting year for Fund Management Fees of £32,000 (2018 - £54,000) are disclosed in note 10 within accrued expenses.

13 Generic Risk factors
As the Fund invests in emerging and developing markets, investors should be prepared to accept a higher degree of risk than for a Fund with a broader investment mandate as there is the potential for a decrease in market liquidity, which may mean that it is not easy to buy or sell securities. There may also be difficulties in dealing and settlement, and custody problems could arise. The Fund has a large exposure to Russia, which can involve significant risks to capital as a result from current or potential economic sanctions from the US or the EU, in addition to other risks associated with emerging and developing markets. As the Fund has a concentrated number of holdings, investors should be prepared to accept higher risks.

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

The generic risk factors relating to the Fund are discussed more fully in note 5 of the notes applicable to the financial statements of all Funds on pages 09 to 13.

a) Counterparty risk
The Fund was not exposed to any counterparty risk as at the balance sheet date (2018 - Nil).

13 Generic Risk factors continued

b) Valuation of financial investments

The categorisation of financial investments in the tables below reflect the basis of valuation of investments used to measure their fair value.

	Assets £'000	Liabilities £'000
31.7.19		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	25,741	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	25,741	**-**
31.7.18		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	43,963	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	43,963	**-**

All financial investments are classified as level 1: Unadjusted quoted price in an active market for an identical instrument.

14 Portfolio transaction costs

for the year 1 August 2018 to 31 July 2019

Purchases (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	6,147	3	0.05	2	0.03
Total purchases	**6,147**	**3**		**2**	
Total purchases including transaction costs	**6,152**				

Sales (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	26,070	10	0.04	-	0.00
Total sales	**26,070**	**10**		**-**	
Total sales net of transaction costs	**26,060**				
Derivative transaction costs		**-**		**-**	
Total transaction costs		**13**		**2**	
Total transaction costs as a % of average net assets		**0.04%**		**0.01%**	

14 Portfolio transaction costs continued

for the year 1 August 2017 to 31 July 2018

Purchases (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	11,373	14	0.12	5	0.04
Total purchases	**11,373**	**14**		**5**	
Total purchases including transaction costs	**11,392**				

Sales (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	8,901	11	0.12	-	0.00
Total sales	**8,901**	**11**		**-**	
Total sales net of transaction costs	**8,890**				
Derivative transaction costs		**-**		**-**	
Total transaction costs		**25**		**5**	
Total transaction costs as a % of average net assets		**0.06%**		**0.01%**	

The above analysis covers any direct transaction costs suffered by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments, cash and short-term collective investment schemes utilised as part of a daily sweep to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying Funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.15% (2018 - 0.16%).

15 Share movement

for the year 1 August 2018 to 31 July 2019

	Accumulation shares	Accumulation shares (No Trail)	Z Accumulation shares	Y Accumulation shares
Opening shares	28,677,151	83,344	735,411	7,180,899
Shares issued	1,649,784	23,244	229,449	1,296,445
Shares redeemed	(14,818,356)	(1,793)	(206,244)	(5,640,242)
Shares converted	(71,641)	-	8,722	4,937
Closing shares	**15,436,938**	**104,795**	**767,338**	**2,842,039**

	Income shares	Income shares (No Trail)	Z Income shares	Y Income shares
Opening shares	3,522,230	21,354	269,086	337,071
Shares issued	24,645	2,729	105,358	153,091
Shares redeemed	(2,246,715)	(17,615)	(80,175)	(245,781)
Shares converted	(19,628)	-	-	3,617
Closing shares	**1,280,532**	**6,468**	**294,269**	**247,998**

16 Post balance sheet events

There are no post balance sheet events that require disclosure or adjustments to the financial statements.

Invesco Emerging European Fund (UK)
Distribution table

Distribution table
for the year 1 August 2018 to 31 July 2019

Distribution payable 30 September 2019	Net revenue pence per share	Equalisation pence per share	Net distribution payable 30.9.19 pence per share	Net distribution paid 30.9.18 pence per share
Accumulation shares				
Group 1	2.3080	-	2.3080	1.3264
Group 2	1.5608	0.7472	2.3080	1.3264
Accumulation shares (No Trail)				
Group 1	5.4828	-	5.4828	3.3378
Group 2	3.9905	1.4923	5.4828	3.3378
Z Accumulation shares				
Group 1	14.1728	-	14.1728	8.7868
Group 2	9.0170	5.1558	14.1728	8.7868
Y Accumulation shares				
Group 1	14.9406	-	14.9406	9.2991
Group 2	10.2347	4.7059	14.9406	9.2991
Income shares				
Group 1	1.9786	-	1.9786	1.1631
Group 2	1.4284	0.5502	1.9786	1.1631
Income shares (No Trail)				
Group 1	4.4998	-	4.4998	2.8150
Group 2	3.1558	1.3440	4.4998	2.8150
Z Income shares				
Group 1	11.9223	-	11.9223	7.6134
Group 2	7.5257	4.3966	11.9223	7.6134
Y Income shares				
Group 1	12.8658	-	12.8658	8.2506
Group 2	9.3215	3.5443	12.8658	8.2506

Group 1: shares purchased prior to 1 August 2018
Group 2: shares purchased on or after 1 August 2018

Equalisation applies only to shares purchased during the distribution period (Group 2). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax. Instead, it must be deducted from the cost of shares for capital gains purposes.

Invesco European Smaller Companies Fund (UK)
Investment report for the year

The Investment Objective and Policy of the Invesco European Smaller Companies Fund (UK)
The Fund aims to achieve capital growth through a portfolio of investments primarily in smaller 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.

Invesco Perpetual European Smaller Companies Fund changed its name to Invesco European Smaller Companies Fund (UK) effective 1 October 2018. The Fund objective and strategy remain unchanged at this time. On the 7 August 2019 there was an update to the Prospectus for the various ICVC funds. As part of this update, various changes were implemented regarding investment objectives, investment policies, investment strategies and benchmark disclosures, all for clarification purposes only. There has been no changes to the way the Funds are managed. The updated prospectus is available at www.invesco.co.uk. The objectives currently shown within these financial statements are those objectives that were in place as at 31 July 2019.

Performance
to 31 July 2019

	Since 31.1.19 %	Since 31.7.18 %	Since 31.7.16 %	Since 31.7.14 %	Since 31.7.09 %
					Percentage growth
Invesco European Smaller Companies Fund (UK) (Z Accumulation shares)[1]	4.82	-8.91	17.36	45.21	191.69
EMIX Smaller European Companies Ex UK Index TR[2]	12.21	-1.22	37.82	76.36	218.98
IA European Smaller Companies Sector NR	12.43	-2.80	36.48	78.43	258.87
Fund Ranking	14/14	13/14	13/13	12/12	11/12

Standardised rolling 12 month performance

	30.6.14 30.6.15 %	30.6.15 30.6.16 %	30.6.16 30.6.17 %	30.6.17 30.6.18 %	30.6.18 30.6.19 %
					Percentage growth
Invesco European Smaller Companies Fund (UK) (Z Accumulation shares)[1]	1.0	9.2	26.2	6.8	-10.6
EMIX Smaller European Companies Ex UK Index TR[2]	-0.3	14.2	35.8	6.9	0.6
IA European Smaller Companies Sector NR	5.8	10.0	34.5	10.0	-2.7

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.invesco.co.uk or by contacting us.

Fund and sector average performance data source: Lipper, in Sterling, with income reinvested and net of the ongoing charge and portfolio transaction costs. This may differ from the performance figure shown on page 37 for Z Accumulation shares as the figure above is based on the quoted 12pm price and the figure shown on page 37 is based on the close of business bid price. EMIX Smaller European Companies Ex UK Index TR[2] data source: Lipper, 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.

1 Effective 18 April 2016, the primary share class changed from Accumulation share class to Z Accumulation share class. Performance figures are based on the Z Accumulation share class. As this was launched on 12 November 2012, for the years prior to this launch date, performance figures are based on the Accumulation share class, without any adjustment for fees.
2 Reference benchmark for performance comparison purposes only.

Invesco European Smaller Companies Fund (UK)
Investment report for the year

Strategy, review and outlook
The Fund returned -8.9% in the twelve months ending 31 July 2019, while the EMIX Smaller European Companies Ex UK Index TR[1] benchmark returned -1.2%, and the IA European Smaller Companies Sector NR averaged a return of -2.8%, placing the Fund in the fourth quartile of its peer group.

Fund and sector average performance data source: Lipper, in Sterling, with income reinvested and net of the ongoing charge and portfolio transaction costs. Performance figures are based on the Z Accumulation share class. EMIX Smaller European Companies Ex UK Index TR[1] source: Lipper, total return, in Sterling.

Past performance is not a guide to future returns.

So why has performance been poor over the period?

Firstly, we have had a few key holdings perform poorly – Energy stocks (e.g. Borr Drilling, Golar, Wentworth Resources) in particular have detracted most. Falling oil prices over the period led to a sell-off in related names making Energy one of the worst performing sectors in the market. Given the sector makes up approximately a quarter of the Fund, this has been a significant drag to performance.

Other notable underperformers include; Biom'Up, a biotech firm specialising in developing and manufacturing medical devices; AMG Advanced Metallurgical, specialty metals producer; Basware, a cloud-software company. Despite some of the short-term headwinds that these companies have faced, we remain confident in the long-term prospects.

Secondly, taking their lead from bond markets, most equity investors have only been interested in what they perceive to be "safety", i.e. high quality/growth companies and sectors with low volatility of earnings and strong balance sheets - in short, those companies not correlated with the economy. We have chosen – for valuation reasons – to tilt our portfolio towards cyclical companies (companies whose performance is more closely linked to the business cycle) as this is where we are finding the most attractive valuations. This has been unfavourable in the current climate where uncertainty and fear (Brexit, US-China trade wars, recession fears, etc.) have been the driving force in investor sentiment.

Our conviction remains extremely high that following a valuation discipline is the best way to control long-term risk for our clients. As doubt in the market seems to reflect excessive fear rather than reality, we must ask ourselves what constitutes true investment risk? If assets perceived to be 'low risk' are trading at all time high relative valuations, are they really 'defensive'? Equally, if cyclical stocks are trading at historically low valuations, does that constitute risk or opportunity?

Our investment approach is based on individual stock picking and driven by valuation. We continue to look for robust businesses that can withstand any volatility in global activity levels and possess strong fundamentals. We favour companies which have good growth prospects and have what we view as competitive advantages relative to peers. Many of the companies we hold in the Fund are considered to be disruptive and innovative in their sectors, offering an attractiveness which is not priced into valuations in our view.

Adrian Bignell, Fund Manager
Where Adrian Bignell has expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice.

[1] Reference benchmark for performance comparison purposes only.

The Fund's ten largest investments are	%
Eurazeo	3.98
Ocean Yield	3.76
Energean Oil & Gas	3.42
NOS	3.26
SIG Combibloc	3.23
Vopak	2.75
Africa Oil	2.56
Voltalia	2.53
SOITEC	2.49
Vermatrix	2.49

Comparative tables

Year ended Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	262.40	251.06	206.93
Return before operating charges*	(22.54)	15.78	48.04
Operating charges	(4.03)	(4.44)	(3.91)
Return after operating charges	(26.57)	11.34	44.13
Distributions	(0.54)	(0.61)	(0.44)
Retained distributions on accumulation shares	0.54	0.61	0.44
Closing net asset value per share	**235.83**	**262.40**	**251.06**
*After direct transaction costs of	(0.49)	(0.33)	(0.59)
Performance			
Return after charges	(10.13%)	4.52%	21.33%
Other information			
Closing net asset value (£'000)	101,604	127,086	130,949
Closing number of shares	43,083,694	48,431,820	52,159,508
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.21%	0.12%	0.26%
Performance fee	-	-	-
Prices			
Highest share price	264.29	275.72	252.15
Lowest share price	216.14	246.02	203.02

Year ended Accumulation shares (No Trail)	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	326.66	310.98	255.04
Return before operating charges*	(28.05)	19.57	59.35
Operating charges	(3.55)	(3.89)	(3.41)
Return after operating charges	(31.60)	15.68	55.94
Distributions	(2.16)	(2.39)	(1.96)
Retained distributions on accumulation shares	2.16	2.39	1.96
Closing net asset value per share	**295.06**	**326.66**	**310.98**
*After direct transaction costs of	(0.61)	(0.41)	(0.73)
Performance			
Return after charges	(9.67%)	5.04%	21.93%
Other information			
Closing net asset value (£'000)	781	869	803
Closing number of shares	264,859	266,100	258,087
Operating charges	1.20%	1.20%	1.20%
Direct transaction costs	0.21%	0.12%	0.26%
Performance fee	-	-	-
Prices			
Highest share price	329.06	342.32	312.31
Lowest share price	269.60	305.77	250.24

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Comparative tables continued

Year ended Z Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	482.96	458.63	375.18
Return before operating charges*	(41.48)	28.88	87.43
Operating charges	(4.16)	(4.55)	(3.98)
Return after operating charges	(45.64)	24.33	83.45
Distributions	(4.29)	(4.72)	(3.94)
Retained distributions on accumulation shares	4.29	4.72	3.94
Closing net asset value per share	**437.32**	**482.96**	**458.63**
*After direct transaction costs of	(0.90)	(0.61)	(1.08)
Performance			
Return after charges	(9.45%)	5.30%	22.24%
Other information			
Closing net asset value (£'000)	7,823	11,429	11,751
Closing number of shares	1,788,761	2,366,408	2,562,217
Operating charges	0.95%	0.95%	0.95%
Direct transaction costs	0.21%	0.12%	0.26%
Performance fee	-	-	-
Prices			
Highest share price	486.53	505.42	460.57
Lowest share price	398.99	451.71	368.12

Year ended Y Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	301.22	285.89	233.76
Return before operating charges*	(25.87)	18.02	54.48
Operating charges	(2.46)	(2.69)	(2.35)
Return after operating charges	(28.33)	15.33	52.13
Distributions	(2.82)	(3.09)	(2.58)
Retained distributions on accumulation shares	2.82	3.09	2.58
Closing net asset value per share	**272.89**	**301.22**	**285.89**
*After direct transaction costs of	(0.56)	(0.38)	(0.67)
Performance			
Return after charges	(9.41%)	5.36%	22.30%
Other information			
Closing net asset value (£'000)	30,956	37,992	38,393
Closing number of shares	11,343,704	12,612,699	13,429,157
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.21%	0.12%	0.26%
Performance fee	-	-	-
Prices			
Highest share price	303.45	315.14	287.10
Lowest share price	248.89	281.68	229.36

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Invesco European Smaller Companies Fund (UK)
Investment report for the year

Portfolio Statement as at 31 July 2019 Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Equities 95.50% (31.7.18 - 94.69%)			
Austria 1.09% (31.7.18 - 2.03%)			
Lenzing	18,482	1,538	1.09
Belgium 3.47% (31.7.18 - 4.34%)			
Ackermans & van Haaren	14,364	1,721	1.22
Biocartis	97,389	953	0.68
Euronav	76,231	527	0.37
Shurgard Self Storage	59,463	1,700	1.20
Bermuda 1.88% (31.7.18 - 5.06%)			
Borr Drilling	38,181	302	0.21
Golar	169,993	2,350	1.67
Canada 3.91% (31.7.18 - 2.65%)			
Africa Oil	4,904,396	3,616	2.56
Eco Atlantic Oil & Gas	1,356,688	963	0.68
International Petroleum	264,463	938	0.67
Denmark 0.00% (31.7.18 - 0.92%)			
OW Bunker[1]	155,297	-	0.00
Finland 1.92% (31.7.18 - 1.84%)			
Kamux	214,607	1,030	0.73
Neste	61,519	1,678	1.19
France 20.70% (31.7.18 - 15.46%)			
Altran Technologies	174,174	2,266	1.61
Biom'Up	375,877	614	0.43
CGG	694,966	1,263	0.90
Eurazeo	101,887	5,619	3.98
FFP	7,414	620	0.44
Focus Home Interactive	62,345	1,386	0.98
Francaise Energie	55,054	896	0.63
Getlink	150,331	1,784	1.26
Imerys	53,427	1,837	1.30
Orchestra-Premaman	1,330,990	483	0.34
Prodways	232,008	553	0.39
Rubis	15,479	716	0.51
SOITEC	40,870	3,516	2.49
Vermatrix	1,882,686	3,509	2.49
Voltalia	370,694	3,573	2.53
Wallix	55,006	586	0.42
Germany 9.40% (31.7.18 - 13.20%)			
Cancom	17,978	833	0.59
Corestate Capital	59,187	1,779	1.26
Evotec	41,583	972	0.69
JDC	126,502	667	0.47
Nabaltec	97,012	2,876	2.04
NFON	231,415	2,410	1.71
Serviceware	70,865	1,160	0.82
Sixt pref.	25,295	1,380	0.98
va-Q-tec	139,717	1,179	0.84

Portfolio Statement continued
as at 31 July 2019

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Ghana 1.54% (31.7.18 - Nil)			
Tullow Oil	1,124,687	2,179	1.54
Italy 5.18% (31.7.18 - 1.59%)			
Anima	484,560	1,467	1.04
Iren	879,632	1,888	1.34
Nexi	206,342	1,809	1.28
Saras Raffinerie	1,581,838	2,142	1.52
Netherlands 8.43% (31.7.18 - 11.98%)			
AMG Advanced Metallurgical	141,453	3,351	2.37
B&S	135,848	1,803	1.28
BE Semiconductor Industries	37,081	909	0.65
Kiadis Pharma	69,672	316	0.22
Van Lanschot	97,287	1,642	1.16
Vopak	95,801	3,885	2.75
Norway 7.01% (31.7.18 - 16.28%)			
Hexagon Composites	388,337	1,246	0.88
Hunter	2,755,747	876	0.62
Magnora	1,259,775	761	0.54
Magseis	917,468	930	0.66
Ocean Yield	1,090,958	5,306	3.76
Shelf Drilling	330,591	781	0.55
Portugal 4.11% (31.7.18 - 2.03%)			
NOS	897,893	4,593	3.26
Sonae	1,568,201	1,203	0.85
Republic of Ireland 3.67% (31.7.18 - 3.07%)			
FBD Holdings	260,447	2,250	1.59
Greencoat Renewables	2,958,237	2,932	2.08
Spain 7.04% (31.7.18 - 2.69%)			
Applus Services	144,982	1,680	1.19
Cia de Distribucion Integral Logista	88,281	1,516	1.07
Gestamp Automocion	228,132	982	0.70
Laboratorios Farmacéuticos Rovi	151,863	2,886	2.04
Solarpack Tecnologica	282,445	2,876	2.04
Sweden 4.78% (31.7.18 - 5.91%)			
BioArctic	133,917	807	0.57
Hansa Biopharma	153,353	2,533	1.80
Q-Linea	216,340	1,197	0.85
SAAB	32,343	839	0.59
SSAB 'B'	654,063	1,373	0.97
Switzerland 3.23% (31.7.18 - 0.26%)			
SIG Combibloc	455,954	4,566	3.23
United Kingdom 7.62% (31.7.18 - 4.76%)			
Accsys Technologies	3,173,400	3,348	2.37
Energean Oil & Gas	452,436	4,823	3.42
FLEX LNG	195,012	2,013	1.42
Kenmare Resources warrants 16/11/2019[1]	685	-	0.00
Wentworth Resources (UK Regd.)	2,889,270	578	0.41

Portfolio Statement continued
as at 31 July 2019

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
United States 0.52% (31.7.18 - 0.62%)			
Navios Maritime Acquisition	142,289	739	0.52
Futures and Derivatives 0.39% (31.7.18 - 0.53%)			
Options 0.39% (31.7.18 - 0.53%)			
DAX Put Options 20/9/2019 10800	2,280	239	0.17
DAX Put Options 20/12/2019 11350	320	304	0.22
Portfolio of investments (31.7.18 - 95.22%)		**135,361**	**95.89**
Net other assets (31.7.18 - 4.78%)		**5,803**	**4.11**
Net assets		**141,164**	**100.00**

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

[1] Unquoted securities - for the year ended 31 July 2019 these amount to 0.00% (31 July 2018 - 0.00%) of the Net Asset Value of the Fund.

Invesco European Smaller Companies Fund (UK)
Investment report for the year

Summary of Material Portfolio Changes
for the year 1 August 2018 to 31 July 2019

	Cost £'000
Total purchases	**137,431**
Largest purchases:	
Finland	
Neste	3,293
France	
Eurazeo	5,729
Sanofi	3,128
Getlink	2,503
SOITEC	2,456
Germany	
Cancom	2,901
Evotec	2,530
Cyan	2,266
Continental	2,246
Ghana	
Tullow Oil	6,250
Netherlands	
Vopak	3,563
AMG Advanced Metallurgical	2,734
Argenx ADR	2,355
Spain	
Solarpack Tecnologica	2,464
Laboratorios Farmacéuticos Rovi	2,404
Masmovil Ibercom	2,244
Sweden	
Lundin Petroleum	2,463
Hansa Biopharma	2,427
Switzerland	
SIG Combibloc	4,130
United Kingdom	
FLEX LNG	2,580

Summary of Material Portfolio Changes continued
for the year 1 August 2018 to 31 July 2019

	Proceeds £'000
Total sales	**151,581**
Largest sales:	
Belgium	
Euronav	2,973
Mithra Pharmaceuticals	2,690
Bermuda	
Borr Drilling	2,746
France	
CGG	4,029
Sanofi	3,165
Icade	3,066
Germany	
Corestate Capital	3,197
Ghana	
Tullow Oil	3,936
Netherlands	
Gemalto	4,850
AMG Advanced Metallurgical	3,582
Argenx ADR	3,415
Intertrust	2,978
Royal Dutch Shell 'A'	2,586
Norway	
Spectrum	4,361
Europris	2,996
Evry	2,912
Storebrand 'A'	2,585
Republic of Ireland	
Applegreen	2,744
Sweden	
Hansa Biopharma	5,206
Lundin Petroleum	2,919

Invesco European Smaller Companies Fund (UK)
Financial Statements

Statement of Total Return for the year 1 August 2018 to 31 July 2019	Notes	£'000	01.8.18 to 31.7.19 £'000	£'000	01.8.17 to 31.7.18 £'000
Income					
Net capital (losses)/gains	2		(18,114)		7,728
Revenue	3	2,984		3,651	
Expenses	4	(2,234)		(2,724)	
Interest payable and similar charges	5	(1)		(1)	
Net revenue before taxation		749		926	
Taxation	6	(114)		(132)	
Net revenue after taxation			635		794
Total return before distributions			(17,479)		8,522
Distributions	7		(641)		(799)
Change in net assets attributable to Shareholders from investment activities			**(18,120)**		**7,723**

Statement of Change in Net Assets Attributable to Shareholders for the year 1 August 2018 to 31 July 2019	£'000	01.8.18 to 31.7.19 £'000	£'000	01.8.17 to 31.7.18 £'000
Opening net assets attributable to Shareholders		**177,376**		**181,896**
Amounts received on issue of shares	950		5,869	
Amounts paid on redemption of shares	(19,749)		(18,945)	
		(18,799)		(13,076)
Dilution adjustment		71		31
Change in net assets attributable to Shareholders from investment activities		(18,120)		7,723
Retained distribution on accumulation shares		636		802
Closing net assets attributable to Shareholders		**141,164**		**177,376**

Invesco European Smaller Companies Fund (UK)
Financial Statements

Balance Sheet as at 31 July 2019	**Notes**	**£'000**	**31.7.19 £'000**	**£'000**	**31.7.18 £'000**
Assets					
Fixed assets					
Investments			135,361		168,899
Current assets					
Debtors	8	4,731		2,484	
Cash and bank balances	9	5,399		8,327	
Total other assets			10,130		10,811
Total assets			145,491		179,710
Liabilities					
Investment liabilities			-		-
Creditors					
Distribution payable		-		-	
Other creditors	10	4,327		2,334	
Total other liabilities			4,327		2,334
Total liabilities			4,327		2,334
Net assets attributable to Shareholders			**141,164**		**177,376**

Invesco European Smaller Companies Fund (UK)
Notes to the financial statements

Refer to pages 06 to 15 for notes applicable to the financial statements of all Funds.

1 Accounting policies

The Fund's Accounting Policies, Distribution Policies and Generic Risk Factors are set out on pages 06 to 07 and 09 to 13.

2 Net capital (losses)/gains

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Derivative securities	161	(3,258)
Foreign currency (losses)/gains	(5)	20
Forward currency contracts	(2)	1
Non-derivative securities	(18,268)	10,965
Net capital (losses)/gains	(18,114)	7,728

3 Revenue

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Bank interest	35	9
Non-taxable overseas dividends	2,652	3,443
Taxable overseas dividends	253	199
UK dividends	44	-
	2,984	3,651

4 Expenses

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee[1]	2,236	2,724
	2,236	2,724
Other expenses:		
VAT - prior period adjustment	(2)	-
	(2)	-
Total expenses	2,234	2,724

[1] Total audit fees of £8,250 (2018 - £6,206) exclusive of VAT payable to the auditors for the year ended 31 July 2019 are borne out of the Fund Management Fee.

5 Interest payable and similar charges

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Interest	1	1

6 Taxation

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
a) Analysis of charge for the year		
Overseas tax	114	132
Total tax charge	114	132

There is no corporation tax charge for the year (2018 - Nil).

b) Factors affecting the tax charge for the year
The tax assessed for the year is lower (2018 -lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Net revenue before taxation	749	926
Corporation tax at 20% (2018 - 20%)	150	185
Effects of:		
Movement in excess expenses	397	509
Overseas tax[1]	114	132
Relief for overseas tax treated as an expense	(8)	(6)
Revenue not subject to tax	(539)	(688)
Total tax charge	114	132

[1] Includes amounts for the recovery of excess withholding tax suffered on dividends received in prior accounting periods.

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

c) Deferred tax
At the year end the Fund had surplus management expenses of £34,421,000 (2018 - £32,436,000). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £6,884,000 (2018 - £6,487,000) has not been recognised.

7 Distributions

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Accumulations and distributions paid 30 September 2019	636	802
Amounts deducted on redemption of shares	7	(8)
Amounts received on issue of shares	(2)	5
	641	799
The distributable amount has been calculated as follows:		
Net revenue after taxation	635	794
Equalisation on conversions	6	5
	641	799

8 Debtors	31.7.19 £'000	31.7.18 £'000
Accrued revenue	-	33
Amounts receivable for issue of shares	-	5
Foreign currency contracts awaiting settlement	1,218	924
Overseas tax recoverable	341	297
Sales awaiting settlement	3,172	1,225
	4,731	2,484

9 Cash and bank balances	31.7.19 £'000	31.7.18 £'000
Cash and bank balances	5,399	8,327

10 Other creditors	31.7.19 £'000	31.7.18 £'000
Accrued expenses	177	223
Amounts payable for redemption of shares	312	719
Foreign currency contracts awaiting settlement	1,209	923
Purchases awaiting settlement	2,629	467
VAT payable	-	2
	4,327	2,334

11 Contingent assets, liabilities and outstanding commitments
There were no commitments or contingent liabilities at the balance sheet date (2018 - Nil).

12 Related parties
Related party interests in the Fund are disclosed in note 10 of the notes applicable to the financial statements of all Funds on page 15. Amounts payable to Invesco Fund Managers Limited in respect of Fund Management Fees are disclosed in note 4. Amounts due at the end of the accounting year for Fund Management Fees of £177,000 (2018 - £223,000) are disclosed in note 10 within accrued expenses.

13 Generic Risk factors

As this is a smaller companies fund, investors should be prepared to accept a higher degree of risk than funds that can invest in larger company sizes. Market conditions, such as a decrease in market liquidity, may mean that it is not easy to buy or sell securities.

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

The generic risk factors relating to the Fund are discussed more fully in note 5 of the notes applicable to the financial statements of all Funds on pages 09 to 13.

a) Counterparty risk

The Fund was not exposed to any counterparty risk as at the balance sheet date (2018 - Nil).

b) Valuation of financial investments

The categorisation of financial investments in the tables below reflect the basis of valuation of investments used to measure their fair value.

	Assets £'000	Liabilities £'000
31.7.19		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	135,361	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	135,361	**-**
31.7.18		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	168,899	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	168,899	**-**

All financial investments are classified as level 1: Unadjusted quoted price in an active market for an identical instrument.

14 Portfolio transaction costs

for the year 1 August 2018 to 31 July 2019

Purchases (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	137,233	58	0.04	140	0.10
Total purchases	**137,233**	**58**		**140**	
Total purchases including transaction costs	**137,431**				

Sales (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	151,654	73	0.05	0	0.00
Total sales	**151,654**	**73**		**0**	
Total sales net of transaction costs	**151,581**				
Derivative transaction costs		**40**		**-**	
Total transaction costs		**171**		**140**	
Total transaction costs as a % of average net assets		**0.12%**		**0.09%**	

14 Portfolio transaction costs continued
for the year 1 August 2017 to 31 July 2018

Purchases (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	139,169	76	0.05	42	0.03
Total purchases	**139,169**	**76**		**42**	
Total purchases including transaction costs	**139,287**				

Sales (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	164,093	99	0.06	0	0.00
Total sales	**164,093**	**99**		**0**	
Total sales net of transaction costs	**163,994**				
Derivative transaction costs		**19**		**-**	
Total transaction costs		**194**		**42**	
Total transaction costs as a % of average net assets		**0.10%**		**0.02%**	

The above analysis covers any direct transaction costs suffered by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments, cash and short-term collective investment schemes utilised as part of a daily sweep to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying Funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

During the year the Fund utilised derivative instruments including options covering different underlying asset classes. The settlement values for opening and closing derivative positions are not comparable to principal values for transactions in direct holding investments and therefore purchase and sale amounts for derivative transactions are not quantified in the analysis above. Transaction costs for derivatives positions will be either suffered as direct costs or form part of the dealing spread for the instruments. Any direct costs are identified in the analysis above.

Dealing spread costs suffered by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.46% (2018 - 0.60%).

15 Share movement

for the year 1 August 2018 to 31 July 2019

	Accumulation shares	Accumulation shares (No Trail)	Z Accumulation shares	Y Accumulation shares
Opening shares	48,431,820	266,100	2,366,408	12,612,699
Shares issued	99,829	21,578	60,240	153,751
Shares redeemed	(4,916,613)	(30,111)	(634,864)	(1,880,221)
Shares converted	(531,342)	7,292	(3,023)	457,475
Closing shares	**43,083,694**	**264,859**	**1,788,761**	**11,343,704**

16 Post balance sheet events

There are no post balance sheet events that require disclosure or adjustments to the financial statements.

Invesco European Smaller Companies Fund (UK)
Distribution table

Distribution table
for the year 1 August 2018 to 31 July 2019

Distribution paid 30 September 2019	Net revenue pence per share	Equalisation pence per share	Net distribution paid 30.9.19 pence per share	Net distribution paid 30.9.18 pence per shares
Accumulation shares				
Group 1	0.5428	–	0.5428	0.6074
Group 2	0.5428	0.0000	0.5428	0.6074
Accumulation shares (No Trail)				
Group 1	2.1616	–	2.1616	2.3850
Group 2	1.8347	0.3269	2.1616	2.3850
Z Accumulation shares				
Group 1	4.2922	–	4.2922	4.7197
Group 2	2.9676	1.3246	4.2922	4.7197
Y Accumulation shares				
Group 1	2.8165	–	2.8165	3.0933
Group 2	2.0427	0.7738	2.8165	3.0933

Group 1: shares purchased prior to 1 August 2018
Group 2: shares purchased on or after 1 August 2018

Equalisation applies only to shares purchased during the distribution period (Group 2). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax. Instead, it must be deducted from the cost of shares for capital gains purposes.

Invesco Global Emerging Markets Fund (UK)
Investment report for the year

The Investment Objective and Policy of the Invesco Global Emerging Markets Fund (UK)
The Fund aims to achieve capital growth primarily through a portfolio of shares in companies established and/or operating in countries where, in the opinion of the Manager, there is an emerging market. Exposure to such markets will partially be obtained through indirect investment in securities traded on other markets. 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.

Invesco Perpetual Global Emerging Markets Fund changed its name to Invesco Global Emerging Markets Fund (UK) effective 1 October 2018. The Fund objective and strategy remain unchanged at this time. On the 7 August 2019 there was an update to the Prospectus for the various ICVC funds. As part of this update, various changes were implemented regarding investment objectives, investment policies, investment strategies and benchmark disclosures, all for clarification purposes only. There has been no changes to the way the Funds are managed. The updated prospectus is available at www.invesco.co.uk. The objectives currently shown within these financial statements are those objectives that were in place as at 31 July 2019.

Performance
to 31 July 2019

	Since 31.1.19 %	Since 31.7.18 %	Since 31.7.16 %	Since 31.7.14 %	Since 31.7.09 %
					Percentage growth
Invesco Global Emerging Markets Fund (UK) (Z Accumulation shares)[1]	7.63	3.90	34.70	55.59	134.94
MSCI Emerging Markets Index NR[2]	7.90	4.80	38.19	51.07	111.44
IA Global Emerging Markets Sector NR	11.07	7.67	37.42	52.70	105.10
Fund Ranking	53/62	54/62	35/56	19/51	7/24

Standardised rolling 12 month performance

	30.6.14 30.6.15 %	30.6.15 30.6.16 %	30.6.16 30.6.17 %	30.6.17 30.6.18 %	30.6.18 30.6.19 %
					Percentage growth
Invesco Global Emerging Markets Fund (UK) (Z Accumulation shares)[1]	3.7	8.7	28.9	4.4	4.2
MSCI Emerging Markets Index NR[2]	3.2	3.5	27.4	6.5	5.0
IA Global Emerging Markets Sector NR	0.3	5.8	27.7	4.5	7.1

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.invesco.co.uk or by contacting us.

Fund and sector average performance data source: Lipper, in Sterling, with income reinvested and net of the ongoing charge and portfolio transaction costs. This may differ from the performance figure shown on page 56 for Z Accumulation shares as the figure above is based on the quoted 12pm price and the figure shown on page 56 is based on the close of business bid price. MSCI Emerging Markets Index NR[2] data source: Lipper, 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.

1 Effective 18 April 2016, the primary share class changed from Accumulation share class to Z Accumulation share class. Performance figures are based on the Z Accumulation share class. As this was launched on 12 November 2012, for the years prior to this launch date, performance figures are based on the Accumulation share class, without any adjustment for fees.
2 Reference benchmark for performance comparison purposes only.

Invesco Global Emerging Markets Fund (UK)
Investment report for the year

Strategy, review and outlook
The Fund increased by 3.9% over the twelve months to the end of July 2019, compared to a 4.8% gain for the benchmark MSCI Emerging Markets Index TR[1]. This placed the Fund in the fourth quartile of its peer group, the IA Global Emerging Markets Sector NR, which rose by an average of 7.7%.

Fund and sector average performance data source: Lipper, in Sterling, with income reinvested and net of the ongoing charge and portfolio transaction costs. Performance figures are based on the Z Accumulation share class. MSCI Emerging Markets Index NR[1] source: Lipper, total return, in Sterling.

Past performance is not a guide to future returns.

Our holdings in India and Russia drove absolute performance with Brazil and Taiwan other notable contributors. Financials, especially banks, and technology stocks generated healthy returns. By contrast, our holdings in communication services detracted from performance. From a stock perspective, India's ICICI Bank, Banco do Brasil and Taiwan's MediaTek were our largest contributors.

Relative performance was held back by the disappointing returns generated by a couple of our Chinese holdings; Baidu and non-index stock BitAuto. However, some of this impact was negated by favourable stock selection in India and having an overweight position in Russia versus its benchmark weighting.

Trade dissonance and a murkier global growth outlook are providing fresh challenges for equity markets. While trade talks are set to resume between the US and China, uncertainty over tariffs and future trading relationships look likely to persist for the foreseeable future. With forward-looking indicators in many countries showing signs of weakening, several central banks have cut interest rates.

To ensure growth stability, we believe that the People's Bank of China has scope to ease monetary policy on an incremental basis in 2019. However, there is a risk that trade tensions could spill over into deeper aspects of China's bilateral relationship with the US. This uncertainty could prompt the authorities in China to further support economic activity.

We seek to invest in companies whose share prices are substantially below our estimate of fair value. We continue to look for new ideas in unloved areas of the market. While there is continuing uncertainty over trade tensions and the strength of the global economy, Asia remains the biggest driver of global growth, with solid economic and corporate fundamentals. We believe there is an impressive trend of greater capital discipline being displayed by companies across the region and that balance sheets on the whole remain strong.

In terms of Fund positioning we favour financials and technology stocks. We have exposure to banks across several countries, including India, Russia and Korea but are underweight financials in China. In the latter we are tilted more towards companies in the communication services sector, for example NetEase and Baidu.

William Lam and Ian Hargreaves, Fund Managers
Where William Lam and Ian Hargreaves have expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice.

Effective 31 December 2018, William Lam and Ian Hargreaves became joint-managers of the Fund.

[1] Reference benchmark for performance comparison purposes only.

The Fund's ten largest investments are	%
Samsung Electronics	6.45
Taiwan Semiconductor Manufacturing	4.99
Naspers	4.87
ICICI Bank	3.58
Sberbank of Russia	3.40
Alibaba	3.02
MediaTek	3.02
Tencent	2.83
China Pacific Insurance	2.57
HDFC Bank	2.54

Comparative tables

Year ended Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	368.85	362.59	287.02
Return before operating charges*	13.96	12.80	81.27
Operating charges	(6.20)	(6.54)	(5.70)
Return after operating charges	7.76	6.26	75.57
Distributions	(2.99)	(1.47)	(2.04)
Retained distributions on accumulation shares	2.99	1.47	2.04
Closing net asset value per share	**376.61**	**368.85**	**362.59**
*After direct transaction costs of	(0.54)	(0.49)	(0.66)
Performance			
Return after charges	2.10%	1.73%	26.33%
Other information			
Closing net asset value (£'000)	63,092	70,733	77,055
Closing number of shares	16,752,735	19,176,785	21,251,490
Operating charges	1.75%	1.75%	1.75%
Direct transaction costs	0.15%	0.13%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	383.41	401.09	365.68
Lowest share price	323.58	354.05	283.66

Year ended Accumulation shares (No Trail)	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	245.06	239.70	188.80
Return before operating charges*	9.30	8.46	53.58
Operating charges	(2.95)	(3.10)	(2.68)
Return after operating charges	6.35	5.36	50.90
Distributions	(3.11)	(2.22)	(2.42)
Retained distributions on accumulation shares	3.11	2.22	2.42
Closing net asset value per share	**251.41**	**245.06**	**239.70**
*After direct transaction costs of	(0.36)	(0.33)	(0.44)
Performance			
Return after charges	2.59%	2.24%	26.96%
Other information			
Closing net asset value (£'000)	1,454	61,523	63,648
Closing number of shares	578,374	25,105,157	26,553,416
Operating charges	1.25%	1.25%	1.25%
Direct transaction costs	0.15%	0.13%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	255.95	265.81	241.73
Lowest share price	215.18	235.12	186.60

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Comparative tables continued

Year ended Z Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	356.65	347.97	273.40
Return before operating charges*	13.68	12.28	77.68
Operating charges	(3.44)	(3.60)	(3.11)
Return after operating charges	10.24	8.68	74.57
Distributions	(5.48)	(4.12)	(4.29)
Retained distributions on accumulation shares	5.48	4.12	4.29
Closing net asset value per share	**366.89**	**356.65**	**347.97**
*After direct transaction costs of	(0.53)	(0.48)	(0.63)
Performance			
Return after charges	2.87%	2.49%	27.28%
Other information			
Closing net asset value (£'000)	49,265	63,179	60,453
Closing number of shares	13,428,007	17,714,478	17,373,029
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	0.15%	0.13%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	373.51	386.36	350.91
Lowest share price	313.35	342.12	270.21

Year ended Y Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	326.70	318.59	250.19
Return before operating charges*	12.56	11.24	71.11
Operating charges	(3.00)	(3.13)	(2.71)
Return after operating charges	9.56	8.11	68.40
Distributions	(5.18)	(3.94)	(4.07)
Retained distributions on accumulation shares	5.18	3.94	4.07
Closing net asset value per share	**336.26**	**326.70**	**318.59**
*After direct transaction costs of	(0.48)	(0.44)	(0.58)
Performance			
Return after charges	2.93%	2.55%	27.34%
Other information			
Closing net asset value (£'000)	105,438	149,569	147,291
Closing number of shares	31,356,453	45,782,097	46,232,251
Operating charges	0.95%	0.95%	0.95%
Direct transaction costs	0.15%	0.13%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	342.32	353.83	321.28
Lowest share price	287.06	313.37	247.27

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Comparative tables continued

Year ended Income shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	327.37	323.09	257.18
Return before operating charges*	12.40	11.41	72.85
Operating charges	(5.51)	(5.83)	(5.11)
Return after operating charges	6.89	5.58	67.74
Distributions	(2.65)	(1.30)	(1.83)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**331.61**	**327.37**	**323.09**
*After direct transaction costs of	(0.48)	(0.44)	(0.59)
Performance			
Return after charges	2.10%	1.73%	26.34%
Other information			
Closing net asset value (£'000)	9,086	10,825	13,685
Closing number of shares	2,740,003	3,306,561	4,235,565
Operating charges	1.75%	1.75%	1.75%
Direct transaction costs	0.15%	0.13%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	340.30	357.39	327.69
Lowest share price	287.20	315.49	254.19

Year ended Income shares (No Trail)	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	221.04	218.18	173.58
Return before operating charges*	8.39	7.69	49.29
Operating charges	(2.66)	(2.82)	(2.47)
Return after operating charges	5.73	4.87	46.82
Distributions	(2.80)	(2.01)	(2.22)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**223.97**	**221.04**	**218.18**
*After direct transaction costs of	(0.33)	(0.30)	(0.40)
Performance			
Return after charges	2.59%	2.23%	26.97%
Other information			
Closing net asset value (£'000)	106	142	238
Closing number of shares	47,497	64,153	109,103
Operating charges	1.25%	1.25%	1.25%
Direct transaction costs	0.15%	0.13%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	230.87	241.95	222.27
Lowest share price	194.11	214.01	171.58

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Comparative tables continued

Year ended Z Income shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	329.59	325.34	258.74
Return before operating charges*	12.65	11.48	73.61
Operating charges	(3.18)	(3.37)	(2.95)
Return after operating charges	9.47	8.11	70.66
Distributions	(5.07)	(3.86)	(4.06)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**333.99**	**329.59**	**325.34**
*After direct transaction costs of	(0.49)	(0.45)	(0.60)
Performance			
Return after charges	2.87%	2.49%	27.31%
Other information			
Closing net asset value (£'000)	8,720	7,669	7,949
Closing number of shares	2,610,779	2,326,682	2,443,336
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	0.15%	0.13%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	345.19	361.23	332.17
Lowest share price	289.58	319.86	255.78

Year ended Y Income shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	305.28	301.34	239.66
Return before operating charges*	11.74	10.64	68.17
Operating charges	(2.80)	(2.96)	(2.59)
Return after operating charges	8.94	7.68	65.58
Distributions	(4.84)	(3.74)	(3.90)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**309.38**	**305.28**	**301.34**
*After direct transaction costs of	(0.45)	(0.41)	(0.55)
Performance			
Return after charges	2.93%	2.55%	27.36%
Other information			
Closing net asset value (£'000)	15,210	16,756	8,910
Closing number of shares	4,916,261	5,488,696	2,956,846
Operating charges	0.95%	0.95%	0.95%
Direct transaction costs	0.15%	0.13%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	319.89	334.68	307.82
Lowest share price	268.24	296.41	236.91

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Invesco Global Emerging Markets Fund (UK)
Investment report for the year

Portfolio Statement as at 31 July 2019 Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Brazil 6.91% (31.7.18 - 6.42%)			
Banco do Brasil	522,100	5,578	2.21
Kroton Educacional	790,700	2,140	0.85
Petroleo Brasileiro pref. ADR	495,800	2,807	1.11
Tupy	743,850	3,102	1.23
Vale ADR	359,074	3,806	1.51
Canada 2.11% (31.7.18 - 3.18%)			
Gran Tierra Energy	2,219,987	2,913	1.15
Methanex	75,023	2,416	0.96
China 16.92% (31.7.18 - 13.84%)			
Alibaba ADS	53,961	7,627	3.02
Baidu ADR	46,498	4,242	1.68
BitAuto ADR	175,217	1,631	0.65
China Pacific Insurance	1,848,600	6,490	2.57
Dongfeng Motor 'H'	5,312,000	3,885	1.54
Industrial and Commercial Bank of China 'H'	8,671,000	4,795	1.90
JD.com ADS	206,257	5,037	1.99
Jiangsu Yanghe Brewery Joint-Stock	302,988	4,183	1.66
NetEase ADS	25,542	4,813	1.91
Greece Nil (31.7.18 - 2.12%)			
Hong Kong 6.73% (31.7.18 - 7.12%)			
AIA	538,600	4,540	1.80
CK Hutchison	279,868	2,150	0.85
Pacific Basin Shipping	18,680,000	3,157	1.25
Tencent	186,200	7,153	2.83
Hungary 1.51% (31.7.18 - 1.04%)			
Wizz Air	107,558	3,801	1.51
India 13.56% (31.7.18 - 7.57%)			
Aurobindo Pharma	457,469	3,085	1.22
HDFC Bank ADS	68,450	6,423	2.54
ICICI Bank ADR	905,990	9,027	3.58
Infosys ADR	620,318	5,720	2.27
Mahindra & Mahindra	168,466	1,099	0.44
Shriram Transport Finance	194,733	2,235	0.89
Sobha Developers	446,856	2,910	1.15
UPL	527,545	3,722	1.47
Indonesia 1.55% (31.7.18 - 1.22%)			
Bank Negara Indonesia	7,923,100	3,901	1.55
Kazakhstan 1.12% (31.7.18 - 1.55%)			
KAZ Minerals	488,067	2,821	1.12
Luxembourg Nil (31.7.18 - 1.20%)			
Mexico 4.01% (31.7.18 - 4.31%)			
Fomento Economico Mexicano ADR	43,441	3,218	1.28
Mexichem	1,951,300	2,940	1.16
Regional	1,007,900	3,973	1.57
Netherlands Nil (31.7.18 - 0.62%)			
Peru 1.04% (31.7.18 - 1.03%)			
Credicorp	14,720	2,618	1.04
Philippines Nil (31.7.18 - 0.62%)			
Poland Nil (31.7.18 - 0.97%)			

Portfolio Statement continued
as at 31 July 2019

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Russia 8.33% (31.7.18 - 6.85%)			
Novatek GDR	32,781	5,606	2.22
Sberbank of Russia ADR	703,784	8,590	3.40
TCS GDR	196,612	3,199	1.27
United Company	9,726,000	3,643	1.44
South Africa 7.64% (31.7.18 - 9.61%)			
KAP Industrial	8,340,157	2,480	0.98
Naspers 'N'	60,782	12,284	4.87
Old Mutual	4,069,321	4,507	1.79
South Korea 15.06% (31.7.18 - 15.11%)			
Hyundai Motor '2' pref.	70,199	3,993	1.58
Hyundai Steel	89,699	2,402	0.95
KB Financial	172,850	5,172	2.05
LG	67,240	3,282	1.30
Samsung Electronics pref.	637,766	16,289	6.45
Samsung Fire & Marine	17,564	3,183	1.26
Shinhan Financial	123,210	3,700	1.47
Taiwan 10.41% (31.7.18 - 10.80%)			
ASUSTeK Computer	603,000	3,516	1.39
Delta Electronics	641,000	2,542	1.01
MediaTek	923,000	7,612	3.02
Taiwan Semiconductor Manufacturing	1,852,274	12,600	4.99
Thailand 1.40% (31.7.18 - 1.47%)			
Bangkok Bank	733,100	3,524	1.40
Turkey Nil (31.7.18 - 0.75%)			
United Arab Emirates 2.21% (31.7.18 - 1.92%)			
NMC Health	104,510	2,585	1.02
DP World	238,373	2,998	1.19
Portfolio of investments (31.7.18 - 99.32%)		**253,665**	**100.51**
Net other (liabilities)/assets (31.7.18 - 0.68%)		**(1,294)**	**(0.51)**
Net assets		**252,371**	**100.00**

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

Invesco Global Emerging Markets Fund (UK)
Investment report for the year

Summary of Material Portfolio Changes
for the year 1 August 2018 to 31 July 2019

	Cost £'000
Total purchases	**109,297**
Largest purchases:	
Brazil	
Vale ADR	3,604
Petroleo Brasileiro pref. ADR	2,730
China	
Industrial and Commercial Bank of China 'H'	5,564
China Pacific Insurance	5,160
JD.com ADS	3,717
Jiangsu Yanghe Brewery Joint-Stock	3,588
Baidu ADR	3,472
Hong Kong	
AIA	5,167
Pacific Basin Shipping	3,146
India	
HDFC Bank ADS	6,217
UPL	4,113
Aurobindo Pharma	3,908
Sobha Developers	2,526
Shriram Transport Finance	2,380
Russia	
United Company	3,590
TCS GDR	3,110
South Africa	
Old Mutual	5,660
Taiwan	
MediaTek	3,993
Thailand	
Bangkok Bank	4,972
United Arab Emirates	
DP World	3,186

Summary of Material Portfolio Changes continued
for the year 1 August 2018 to 31 July 2019

	Proceeds £'000
Total sales	**228,674**
Largest sales:	
Brazil	
Bradespar pref.	4,559
China	
Alibaba ADS	11,162
Bank of China 'H'	6,036
Greece	
Mytilineos	4,639
Motor Oil Hellas Corinth Refineries	3,972
Hong Kong	
China Mobile	6,743
HSBC (Hong Kong listing)	4,974
India	
Housing Development Finance	8,172
ITC GDR	5,810
Poland	
Powszechny Zakład Ubezpieczeń	3,951
Russia	
Novatek GDR	7,144
PJSC Lukoil ADR	5,225
X5 Retail	4,065
South Africa	
Naspers 'N'	5,237
South Korea	
Samsung Electronics pref.	5,508
Korea Electric Power	4,187
Taiwan	
China Life Insurance	6,279
Taiwan Semiconductor Manufacturing	4,812
Thailand	
Kasikornbank	5,331
United Arab Emirates	
First Abu Dhabi Bank	4,126

Invesco Global Emerging Markets Fund (UK)
Financial Statements

Statement of Total Return for the year 1 August 2018 to 31 July 2019	Notes	£'000	01.8.18 to 31.7.19 £'000	£'000	01.8.17 to 31.7.18 £'000
Income					
Net capital (losses)/gains	2		(4,734)		4,824
Revenue	3	8,096		9,146	
Expenses	4	(3,477)		(4,521)	
Interest payable and similar charges	5	(3)		(1)	
Net revenue before taxation		4,616		4,624	
Taxation	6	(932)		(998)	
Net revenue after taxation			3,684		3,626
Total return before distributions			(1,050)		8,450
Distributions	7		(3,787)		(3,626)
Change in net assets attributable to Shareholders from investment activities			**(4,837)**		**4,824**

Statement of Change in Net Assets Attributable to Shareholders for the year 1 August 2018 to 31 July 2019	£'000	01.8.18 to 31.7.19 £'000	£'000	01.8.17 to 31.7.18 £'000
Opening net assets attributable to Shareholders		**380,396**		**379,229**
Amounts received on issue of shares	69,545		52,789	
Amounts paid on redemption of shares	(195,904)		(59,859)	
		(126,359)		(7,070)
Dilution adjustment		292		39
Change in net assets attributable to Shareholders from investment activities		(4,837)		4,824
Retained distribution on accumulation shares		2,879		3,374
Closing net assets attributable to Shareholders		**252,371**		**380,396**

Invesco Global Emerging Markets Fund (UK)
Financial Statements

Balance Sheet as at 31 July 2019	**Notes**	**£'000**	**31.7.19 £'000**	**£'000**	**31.7.18 £'000**
Assets					
Fixed assets					
Investments			253,665		377,817
Current assets					
Debtors	8	1,830		1,475	
Cash and bank balances	9	491		2,201	
Total other assets			2,321		3,676
Total assets			255,986		381,493
Liabilities					
Investment liabilities			-		-
Creditors					
Bank overdrafts		1,214		-	
Distribution payable		444		339	
Other creditors	10	1,957		758	
Total other liabilities			3,615		1,097
Total liabilities			3,615		1,097
Net assets attributable to Shareholders			**252,371**		**380,396**

Invesco Global Emerging Markets Fund (UK)
Notes to the financial statements

Refer to pages 06 to 15 for notes applicable to the financial statements of all Funds.

1 Accounting policies

The Fund's Accounting Policies, Distribution Policies and Generic Risk Factors are set out on pages 06 to 07 and 09 to 13.

2 Net capital (losses)/gains

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Foreign currency contracts	(1)	–
Foreign currency gains/(losses)	77	(335)
Non-derivative securities	(4,810)	5,159
Net capital (losses)/gains	(4,734)	4,824

3 Revenue

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Bank interest	5	2
Non-taxable overseas dividends	6,369	7,426
Stock dividends	119	158
Taxable overseas dividends	1,415	1,259
UK dividends	188	301
	8,096	9,146

4 Expenses

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee[1]	3,477	4,521
	3,477	4,521
Total expenses	3,477	4,521

[1] Total audit fees of £8,250 (2018 - £6,423) exclusive of VAT and non-audit services in relation to tax services of £2,858 (2018 - £3,549) payable to the auditors for the year ended 31 July 2019 are borne out of the Fund Management Fee.

5 Interest payable and similar charges

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Interest	3	1

6 Taxation

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
a) Analysis of charge for the year		
Indian capital gains tax	103	-
Overseas tax	829	998
Total tax charge	932	998

There is no corporation tax charge for the year (2018 - Nil).

b) Factors affecting the tax charge for the year
The tax assessed for the year is higher (2018 - higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Net revenue before taxation	4,616	4,624
Corporation tax at 20% (2018 - 20%)	923	925
Effects of:		
Indian capital gains tax	103	-
Movement in excess expenses	448	681
Overseas tax[1]	829	998
Relief for overseas tax treated as an expense	(36)	(29)
Revenue not subject to tax	(1,335)	(1,577)
Total tax charge	932	998

[1] Includes amounts for the recovery of excess withholding tax suffered on dividends received in prior accounting periods.

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

c) Deferred tax
At the year end the Fund had surplus management expenses of £20,073,000 (2018 - £17,839,000). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £4,015,000 (2018 - £3,567,000) has not been recognised.

7 Distributions

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Accumulations and distributions paid 30 September 2019	3,323	3,713
Amounts deducted on redemption of shares	660	98
Amounts received on issue of shares	(196)	(185)
	3,787	3,626
The distributable amount has been calculated as follows:		
Net revenue after taxation	3,684	3,626
Indian capital gains tax	103	-
	3,787	3,626

8 Debtors	31.7.19 £'000	31.7.18 £'000
Accrued revenue	555	1,005
Amounts receivable for issue of shares	85	100
Foreign currency contracts awaiting settlement	501	54
Overseas tax recoverable	118	76
Sales awaiting settlement	571	240
	1,830	1,475

9 Cash and bank balances	31.7.19 £'000	31.7.18 £'000
Cash and bank balances	491	2,201

10 Other creditors	31.7.19 £'000	31.7.18 £'000
Accrued expenses	260	355
Amounts payable for redemption of shares	838	171
Foreign currency contracts awaiting settlement	498	54
Purchases awaiting settlement	361	178
	1,957	758

11 Contingent assets, liabilities and outstanding commitments
There were no commitments or contingent liabilities at the balance sheet date (2018 - Nil).

12 Related parties
Related party interests in the Fund are disclosed in note 10 of the notes applicable to the financial statements of all Funds on page 15. Amounts payable to Invesco Fund Managers Limited in respect of Fund Management Fees are disclosed in note 4. Amounts due at the end of the accounting year for Fund Management Fees of £260,000 (2018 - £355,000) are disclosed in note 10 within accrued expenses.

13 Generic Risk factors
As the Fund invests in emerging and developing markets, investors should be prepared to accept a higher degree of risk than for a Fund with a broader investment mandate as there is the potential for a decrease in market liquidity, which may mean that it is not easy to buy or sell securities. There may also be difficulties in dealing and settlement, and custody problems could arise.

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

The generic risk factors relating to the Fund are discussed more fully in note 5 of the notes applicable to the financial statements of all Funds on pages 09 to 13.

a) Counterparty risk
The Fund was not exposed to any counterparty risk as at the balance sheet date (2018 - Nil).

13 Generic Risk factors continued

b) Valuation of financial investments
The categorisation of financial investments in the tables below reflect the basis of valuation of investments used to measure their fair value.

	Assets £'000	Liabilities £'000
31.7.19		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	253,665	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	253,665	**-**
31.7.18		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	377,817	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	377,817	**-**

All financial investments are classified as level 1: Unadjusted quoted price in an active market for an identical instrument.

14 Portfolio transaction costs
for the year 1 August 2018 to 31 July 2019

Purchases (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	109,163	62	0.06	72	0.07
Total purchases	**109,163**	**62**		**72**	
Total purchases including transaction costs	**109,297**				

Sales (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	228,995	113	0.05	208	0.09
Total sales	**228,995**	**113**		**208**	
Total sales net of transaction costs	**228,674**				
Derivative transaction costs		**-**		**-**	
Total transaction costs		**175**		**280**	
Total transaction costs as a % of average net assets		**0.06%**		**0.09%**	

14 Portfolio transaction costs continued
for the year 1 August 2017 to 31 July 2018

Purchases (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	126,908	161	0.13	84	0.07
Total purchases	**126,908**	**161**		**84**	
Total purchases including transaction costs	**127,153**				

Sales (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	131,576	158	0.12	98	0.07
Total sales	**131,576**	**158**		**98**	
Total sales net of transaction costs	**131,320**				
Derivative transaction costs		**-**		**-**	
Total transaction costs		**319**		**182**	
Total transaction costs as a % of average net assets		**0.08%**		**0.05%**	

The above analysis covers any direct transaction costs suffered by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments, cash and short-term collective investment schemes utilised as part of a daily sweep to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying Funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.16% (2018 - 0.19%).

15 Share movement
for the year 1 August 2018 to 31 July 2019

	Accumulation shares	Accumulation shares (No Trail)	Z Accumulation shares	Y Accumulation shares
Opening shares	19,176,785	25,105,157	17,714,478	45,782,097
Shares issued	412,351	219,414	14,240,717	3,197,508
Shares redeemed	(2,744,499)	(24,746,146)	(18,587,566)	(17,660,551)
Shares converted	(91,902)	(51)	60,378	37,399
Closing shares	**16,752,735**	**578,374**	**13,428,007**	**31,356,453**

	Income shares	Income shares (No Trail)	Z Income shares	Y Income shares
Opening shares	3,306,561	64,153	2,326,682	5,488,696
Shares issued	294,906	195	1,819,256	702,465
Shares redeemed	(853,300)	(14,484)	(1,543,007)	(1,276,848)
Shares converted	(8,164)	(2,367)	7,848	1,948
Closing shares	**2,740,003**	**47,497**	**2,610,779**	**4,916,261**

16 Post balance sheet events
There are no post balance sheet events that require disclosure or adjustments to the financial statements.

Invesco Global Emerging Markets Fund (UK)
Distribution table

Distribution table
for the year 1 August 2018 to 31 July 2019

Distribution paid 30 September 2019	Net revenue pence per share	Equalisation pence per share	Net distribution paid 30.9.19 pence per share	Net distribution paid 30.9.18 pence per share
Accumulation shares				
Group 1	2.9852	–	2.9852	1.4684
Group 2	2.5342	0.4510	2.9852	1.4684
Accumulation shares (No Trail)				
Group 1	3.1092	–	3.1092	2.2156
Group 2	2.8094	0.2998	3.1092	2.2156
Z Accumulation shares				
Group 1	5.4807	–	5.4807	4.1246
Group 2	4.4651	1.0156	5.4807	4.1246
Y Accumulation shares				
Group 1	5.1804	–	5.1804	3.9429
Group 2	3.9260	1.2544	5.1804	3.9429
Income shares				
Group 1	2.6484	–	2.6484	1.3044
Group 2	2.3844	0.2640	2.6484	1.3044
Income shares (No Trail)				
Group 1	2.8038	–	2.8038	2.0140
Group 2	2.6652	0.1386	2.8038	2.0140
Z Income shares				
Group 1	5.0691	–	5.0691	3.8566
Group 2	3.7105	1.3586	5.0691	3.8566
Y Income shares				
Group 1	4.8438	–	4.8438	3.7360
Group 2	3.6343	1.2095	4.8438	3.7360

Group 1: shares purchased prior to 1 August 2018
Group 2: shares purchased on or after 1 August 2018

Equalisation applies only to shares purchased during the distribution period (Group 2). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax. Instead, it must be deducted from the cost of shares for capital gains purposes.

Invesco Global Smaller Companies Fund (UK)
Investment report for the year

The Investment Objective and Policy of the Invesco Global Smaller Companies Fund (UK)
The Fund aims to achieve capital growth through a portfolio of investments in international securities. The Fund intends to invest mainly in shares of smaller companies, which are quoted on the world's stock markets. 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.

Invesco Perpetual Global Smaller Companies Fund changed its name to Invesco Global Smaller Companies Fund (UK) effective 1 October 2018. The Fund objective and strategy remain unchanged at this time. On the 7 August 2019 there was an update to the Prospectus for the various ICVC funds. As part of this update, various changes were implemented regarding investment objectives, investment policies, investment strategies and benchmark disclosures, all for clarification purposes only. There has been no changes to the way the Funds are managed. The updated prospectus is available at www.invesco.co.uk. The objectives currently shown within these financial statements are those objectives that were in place as at 31 July 2019.

Performance
to 31 July 2019

	Since 31.1.19 %	Since 31.7.18 %	Since 31.7.16 %	Since 31.7.14 %	Since 31.7.09 %
					Percentage growth
Invesco Global Smaller Companies Fund (UK) (Z Accumulation shares)[1]	15.12	4.83	39.93	78.96	267.65
MSCI AC World Small Cap Index NR[2]	12.95	3.08	37.43	84.60	268.69
IA Global Sector NR	17.19	9.99	43.15	80.16	201.09
Fund Ranking	153/223	181/218	106/190	85/170	25/113

Standardised rolling 12 month performance

	30.6.14 30.6.15 %	30.6.15 30.6.16 %	30.6.16 30.6.17 %	30.6.17 30.6.18 %	30.6.18 30.6.19 %
					Percentage growth
Invesco Global Smaller Companies Fund (UK) (Z Accumulation shares)[1]	11.6	6.0	32.7	7.9	0.2
MSCI AC World Small Cap Index NR[2]	10.3	12.1	24.0	12.0	0.7
IA Global Sector NR	9.6	7.7	24.1	9.4	7.3

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.invesco.co.uk or by contacting us.

Fund and sector average performance data source: Lipper, in Sterling, with income reinvested and net of the ongoing charge and portfolio transaction costs. This may differ from the performance figure shown on page 75 for Z Accumulation shares as the figure above is based on the quoted 12pm price and the figure shown on page 75 is based on the close of business bid price. MSCI AC World Small Cap Index NR[2] data source: Lipper, 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.

1 Effective 18 April 2016, the primary share class changed from Accumulation share class to Z Accumulation share class. Performance figures are based on the Z Accumulation share class. As this was launched on 12 November 2012, for the years prior to this launch date, performance figures are based on the Accumulation share class, without any adjustment for fees.
2 Reference benchmark for performance comparison purposes only.

Invesco Global Smaller Companies Fund (UK)
Investment report for the year

Strategy, review and outlook
The Fund rose 4.8% over the twelve months to the end of July 2019, compared to a return of 3.1% for the benchmark MSCI AC World Small Cap Index TR[1]. This placed the Fund in the third quartile of its peer group, the IA Global Sector NR, which returned an average of 10.0%. Smaller companies underperformed larger companies during the period, reflecting greater concern by investors about the state of the global economy to which smaller companies in general are more sensitive.

Fund and sector average performance data source: Lipper, in Sterling, with income reinvested and net of the ongoing charge and portfolio transaction costs. Performance figures are based on the Z Accumulation share class. MSCI AC World Small Cap Index TR[1] source: Lipper, total return, in Sterling terms.

Past performance is not a guide to future returns.

Global equity markets delivered positive returns over the review period despite concerns over a slowing global economy. Back in the fourth quarter of 2018 markets were led lower by the US as concerns over economic slowdown and high stock market valuations intensified. The December slump was among the worst in history and the US equity market was on track for the biggest December fall since the Great Depression of 1931. Markets regained some of the lost ground in the first quarter of 2019 until May when escalating trade tensions left markets assessing the implications for slower economic growth once again. China hit back at Washington with its own retaliatory tariffs. The escalation in the trade war between the world's two largest economies drew investors back to so-called 'safe-haven' assets. In a reversal of sentiment, optimism guided global equity markets in June and July amid interest rate cuts by central banks (in particular the first interest rate cut by the US Federal Reserve (Fed) in more than a decade). Speculation lingered, however, that a trade deal between the US and China remained elusive.

Against this backdrop, the Fund outperformed the reference MSCI AC World Small Cap Index TR over the twelve months. The companies held within the US sleeve did well as the team's focus on high quality companies with lower than average leverage was rewarded. Its relatively small allocation to the US was negative though as the US equity market performed better than the reference index. However, we see more opportunities outside the US, given how expensive that market has become in relative terms.

The Fund remains globally diversified and we continue to prefer markets such as the UK, Europe and Asia Pacific ex-Japan, where we have large positions.

Our Asia Pacific ex-Japan holdings have also delivered positive performance for the Fund, benefiting from optimism around an improvement in US-China relations. The steps that China has taken to support its slowing economy boosted sentiment further. Our European small cap holdings also did well, and the Fund's large exposure to Europe was beneficial. Sentiment has improved and European stocks in general were driven by suggestions that the European Central Bank (ECB) would further loosen monetary policy (to stimulate economic growth). Furthermore, an increasingly dovish tone suggests an interest rate cut may also be on the agenda.

Brexit uncertainty continued to weigh on UK domestic equity valuations though the stocks we hold in the UK performed well and beat the benchmark. We believe that risks now are more than priced in to equity valuations and there may be considerable upside to UK small caps if valuations normalise following a sensible resolution to the exit from the European Union.

Nick Mustoe (lead) and the Invesco Global Smaller Companies Group, Henley Investment Centre[2], Fund Managers
Where Nick Mustoe and the Invesco Global Smaller Companies Group, Henley Investment Centre have expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice.

1 Reference benchmark for performance comparison purposes only.
2 The Invesco Global Smaller Companies Group, Henley Investment Centre, comprises Nick Mustoe, CIO Henley Investment Centre, Fund Managers, Andy Tidby, Ian Hargreaves, Jonathan Brown, Erik Esselink and Juan Hartsfield and Investment Strategist Martin Weiss.

The Fund's ten largest investments are	%
Eurazeo	0.87
TKH	0.75
Sobha Developers	0.74
Iridium Communications	0.71
ESR-REIT	0.70
SPX	0.69
China MeiDong Auto	0.69
FBD Holdings	0.69
Don Quijote	0.66
Kenedix Office Investment	0.65

Invesco Global Smaller Companies Fund (UK)
Investment report for the year

Comparative tables

Year ended Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	2,570.63	2,434.50	1,943.40
Return before operating charges*	117.04	179.05	528.72
Operating charges	(41.66)	(42.92)	(37.62)
Return after operating charges	75.38	136.13	491.10
Distributions	(5.13)	-	(0.59)
Retained distributions on accumulation shares	5.13	-	0.59
Closing net asset value per share	**2,646.01**	**2,570.63**	**2,434.50**
*After direct transaction costs of	(2.23)	(2.34)	(4.50)
Performance			
Return after charges	2.93%	5.59%	25.27%
Other information			
Closing net asset value (£'000)	265,432	291,363	295,274
Closing number of shares	10,031,447	11,334,308	12,128,736
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.09%	0.09%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	2,669.00	2,641.82	2,465.49
Lowest share price	2,168.05	2,404.91	1,912.44

Year ended Accumulation shares (No Trail)	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	380.69	358.73	284.94
Return before operating charges*	17.49	26.44	77.69
Operating charges	(4.37)	(4.48)	(3.90)
Return after operating charges	13.12	21.96	73.79
Distributions	(2.58)	(1.71)	(1.71)
Retained distributions on accumulation shares	2.58	1.71	1.71
Closing net asset value per share	**393.81**	**380.69**	**358.73**
*After direct transaction costs of	(0.33)	(0.35)	(0.66)
Performance			
Return after charges	3.45%	6.12%	25.90%
Other information			
Closing net asset value (£'000)	52,586	51,402	39,522
Closing number of shares	13,352,930	13,502,334	11,017,048
Operating charges	1.20%	1.20%	1.20%
Direct transaction costs	0.09%	0.09%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	397.24	390.16	363.25
Lowest share price	321.71	354.60	280.41

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Comparative tables continued

Year ended Z Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	474.50	446.03	353.39
Return before operating charges*	21.88	32.88	96.48
Operating charges	(4.31)	(4.41)	(3.84)
Return after operating charges	17.57	28.47	92.64
Distributions	(4.36)	(3.29)	(3.14)
Retained distributions on accumulation shares	4.36	3.29	3.14
Closing net asset value per share	**492.07**	**474.50**	**446.03**
*After direct transaction costs of	(0.41)	(0.43)	(0.82)
Performance			
Return after charges	3.70%	6.38%	26.21%
Other information			
Closing net asset value (£'000)	90,106	97,343	93,175
Closing number of shares	18,311,654	20,514,971	20,890,156
Operating charges	0.95%	0.95%	0.95%
Direct transaction costs	0.09%	0.09%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	496.35	485.64	451.60
Lowest share price	401.39	441.02	347.78

Year ended Y Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	344.99	324.13	256.68
Return before operating charges*	15.94	23.90	70.09
Operating charges	(2.97)	(3.04)	(2.64)
Return after operating charges	12.97	20.86	67.45
Distributions	(3.33)	(2.56)	(2.43)
Retained distributions on accumulation shares	3.33	2.56	2.43
Closing net asset value per share	**357.96**	**344.99**	**324.13**
*After direct transaction costs of	(0.30)	(0.31)	(0.60)
Performance			
Return after charges	3.76%	6.44%	26.28%
Other information			
Closing net asset value (£'000)	237,512	314,981	273,584
Closing number of shares	66,352,708	91,300,829	84,406,079
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.09%	0.09%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	361.07	353.00	328.17
Lowest share price	291.90	320.51	252.61

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Comparative tables continued

Year ended Income shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	2,450.07	2,320.39	1,852.73
Return before operating charges*	111.53	170.59	504.08
Operating charges	(39.71)	(40.91)	(35.87)
Return after operating charges	71.82	129.68	468.21
Distributions	(4.87)	-	(0.55)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**2,517.02**	**2,450.07**	**2,320.39**
*After direct transaction costs of	(2.12)	(2.23)	(4.29)
Performance			
Return after charges	2.93%	5.59%	25.27%
Other information			
Closing net asset value (£'000)	23,160	30,680	32,499
Closing number of shares	920,120	1,252,201	1,400,602
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.09%	0.09%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	2,543.81	2,518.00	2,350.49
Lowest share price	2,066.36	2,292.19	1,823.24

Year ended Income shares (No Trail)	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	358.25	339.11	270.63
Return before operating charges*	16.46	24.98	73.81
Operating charges	(4.11)	(4.23)	(3.71)
Return after operating charges	12.35	20.75	70.10
Distributions	(2.43)	(1.61)	(1.62)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**368.17**	**358.25**	**339.11**
*After direct transaction costs of	(0.31)	(0.33)	(0.63)
Performance			
Return after charges	3.45%	6.12%	25.90%
Other information			
Closing net asset value (£'000)	455	487	479
Closing number of shares	123,571	135,843	141,188
Operating charges	1.20%	1.20%	1.20%
Direct transaction costs	0.09%	0.09%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	373.83	368.82	345.02
Lowest share price	302.75	335.20	266.34

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

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Comparative tables continued

Year ended Z Income shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	452.92	428.71	342.06
Return before operating charges*	20.91	31.61	93.41
Operating charges	(4.12)	(4.24)	(3.72)
Return after operating charges	16.79	27.37	89.69
Distributions	(4.16)	(3.16)	(3.04)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**465.55**	**452.92**	**428.71**
*After direct transaction costs of	(0.39)	(0.41)	(0.80)
Performance			
Return after charges	3.71%	6.38%	26.22%
Other information			
Closing net asset value (£'000)	15,023	15,045	12,887
Closing number of shares	3,226,886	3,321,788	3,006,020
Operating charges	0.95%	0.95%	0.95%
Direct transaction costs	0.09%	0.09%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	473.79	466.79	437.14
Lowest share price	383.15	423.90	336.66

Year ended Y Income shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	331.45	313.73	250.31
Return before operating charges*	15.34	23.14	68.37
Operating charges	(2.86)	(2.94)	(2.58)
Return after operating charges	12.48	20.20	65.79
Distributions	(3.21)	(2.48)	(2.37)
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**340.72**	**331.45**	**313.73**
*After direct transaction costs of	(0.29)	(0.30)	(0.58)
Performance			
Return after charges	3.77%	6.44%	26.28%
Other information			
Closing net asset value (£'000)	26,132	26,574	23,521
Closing number of shares	7,669,648	8,017,604	7,497,169
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.09%	0.09%	0.20%
Performance fee	-	-	-
Prices			
Highest share price	346.91	341.68	320.05
Lowest share price	280.45	310.24	246.36

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Invesco Global Smaller Companies Fund (UK)
Investment report for the year

Portfolio Statement as at 31 July 2019 Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Asia & Australasia (excluding Japan) 15.85% (31.7.18 - 15.93%)			
Australia 0.02% (31.7.18 - 0.33%)			
Vonex	2,748,851	155	0.02
Vonex warrants 28/3/2020	607,831	8	0.00
China 3.55% (31.7.18 - 3.39%)			
Beijing Capital International Airport	868,000	561	0.08
BitAuto ADR	86,087	801	0.11
China Bluechemical	12,040,000	2,713	0.38
China MeiDong Auto	8,112,701	4,901	0.69
FIH Mobile	4,848,000	556	0.08
Han's Laser Technology Industry	154,281	535	0.08
JD.com ADS	69,999	1,709	0.24
Jiangsu Yanghe Brewery Joint-Stock	102,463	1,415	0.20
KWG Property	660,500	506	0.07
NetEase ADS	11,861	2,235	0.31
Qingdao Port International	4,348,000	2,540	0.36
Qingling Motors 'H'	8,384,000	1,749	0.25
Shenzhen Expressway	3,852,000	3,729	0.52
Zhejiang Expressway 'H'	1,592,000	1,264	0.18
Hong Kong 2.18% (31.7.18 - 2.43%)			
EVA Precision Industrial	44,860,000	3,089	0.44
Fortune Real Estate Investment Trust	3,080,900	3,298	0.46
HKR International	3,154,400	1,313	0.19
Minth	136,000	316	0.05
Pacific Basin Shipping	17,578,000	2,971	0.42
Samson	14,658,000	528	0.07
Samsonite International	1,950,900	3,147	0.44
Skyworth Digital	3,628,000	810	0.11
India 2.70% (31.7.18 - 2.94%)			
Aurobindo Pharma	570,819	3,850	0.54
HDFC Bank	83,995	2,243	0.32
ICICI Bank	373,964	3,726	0.52
Shriram Transport Finance	126,876	1,456	0.20
Sobha Developers	803,227	5,231	0.74
UPL	380,551	2,685	0.38
Indonesia 0.59% (31.7.18 - 0.52%)			
Bank Negara Indonesia	4,561,300	2,246	0.31
Indosat	10,011,600	1,983	0.28
Malaysia 0.21% (31.7.18 - 0.19%)			
British American Tobacco - Malaysia	329,200	1,471	0.21
Philippines 0.24% (31.7.18 - 0.36%)			
Filinvest Land	56,346,500	1,709	0.24
Singapore 0.95% (31.7.18 - 0.59%)			
ESR-REIT	15,916,608	4,987	0.70
Jadestone Energy	1,008,009	570	0.08
Jardine Cycle & Carriage	58,400	1,178	0.17
South Korea 2.33% (31.7.18 - 2.64%)			
Com2uS	18,754	1,142	0.16
DGB Financial	753,315	3,910	0.55
Finetex EnE[1]	601,660	105	0.01
Hankook Tire	52,369	1,117	0.16
Hyundai Motor '2' pref.	76,041	4,325	0.61
Korean Reinsurance	426,768	2,357	0.33
Shinhan Financial	119,514	3,589	0.51
Taiwan 2.11% (31.7.18 - 2.16%)			
ASUSTeK Computer	497,000	2,898	0.41
China Life Insurance	3,952,801	2,673	0.38

Portfolio Statement continued
as at 31 July 2019

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Taiwan continued			
Chroma ATE	461,000	1,774	0.25
Delta Electronics	438,000	1,737	0.24
Hon Hai Precision Industry GDR	452,856	1,886	0.27
MediaTek	485,000	4,000	0.56
Thailand 0.97% (31.7.18 - 0.38%)			
Bangkok Bank	675,000	3,244	0.46
Kasikornbank	512,000	2,345	0.33
Quality Houses	16,317,000	1,317	0.18
Europe (excluding UK) 21.62% (31.7.18 - 22.19%)			
Austria 1.22% (31.7.18 - 0.31%)			
S&T	89,940	1,745	0.24
Schoeller-Bleckmann Oilfield Equipment	49,611	3,248	0.46
Voestalpine	170,365	3,713	0.52
Belgium 1.27% (31.7.18 - 0.40%)			
Ackermans & van Haaren	25,267	3,028	0.43
Biocartis	316,269	3,094	0.44
X-Fab Silicon Foundries	735,691	2,877	0.40
Denmark 0.19% (31.7.18 - 0.85%)			
DFDS	43,784	1,327	0.19
Finland 0.45% (31.7.18 - 0.79%)			
Outotec	615,204	3,189	0.45
France 5.87% (31.7.18 - 6.21%)			
CGG	1,635,460	2,973	0.42
Claranova	2,100,000	1,530	0.22
Delta Plus	88,058	3,107	0.44
Eurazeo	111,984	6,176	0.87
Europcar	810,643	4,172	0.59
FFP	29,157	2,436	0.34
Imerys	52,482	1,805	0.25
LISI	116,645	2,779	0.39
Mediawan	352,193	3,292	0.46
Oeneo	482,233	4,534	0.64
OL	235,913	689	0.10
SCOR	84,660	2,864	0.40
SOITEC	45,528	3,916	0.55
Virbac	9,407	1,434	0.20
Germany 0.73% (31.7.18 - 0.90%)			
Gerresheimer	37,913	2,439	0.34
HanseYachts	132,637	724	0.10
Stabilus	54,204	2,050	0.29
Greece 0.27% (31.7.18 - 0.30%)			
Motor Oil Hellas Corinth Refineries	23,915	487	0.07
Mytilineos	72,637	727	0.10
National Bank of Greece	280,241	675	0.10
Hungary 0.13% (31.7.18 - 0.11%)			
Wizz Air	25,958	917	0.13
Italy 1.72% (31.7.18 - 2.96%)			
Anima	489,537	1,482	0.21
Antares Vision	115,631	1,062	0.15
Antares Vision warrant 19/4/2024	50,510	36	0.00
Banca Farmafactoring	162,410	724	0.10
Expert System	600,084	1,588	0.22
Fincantieri	3,978,732	3,383	0.48
Nexi	163,258	1,432	0.20
Piovan	434,850	2,527	0.36

Portfolio Statement continued
as at 31 July 2019

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Kazakhstan 0.08% (31.7.18 - 0.08%)			
KAZ Minerals	72,242	418	0.06
Nostrum Oil & Gas	340,415	150	0.02
Luxembourg Nil (31.7.18 - 0.10%)			
Netherlands 4.82% (31.7.18 - 4.66%)			
Accell	66,935	1,315	0.19
AFC Ajax	243,914	3,848	0.54
Alfen	314,890	3,350	0.47
AMG Advanced Metallurgical	185,242	4,388	0.62
B&S	256,473	3,405	0.48
Besi	128,410	3,149	0.44
DP Eurasia	272,423	227	0.03
ICT	201,827	2,560	0.36
Kendrion	257,394	4,058	0.57
TKH	109,634	5,363	0.75
Van Lanschot	153,826	2,596	0.37
Norway 0.33% (31.7.18 - 0.67%)			
Wilh. Wilhelmsen	933,252	2,319	0.33
Poland 0.14% (31.7.18 - 0.14%)			
KRUK	24,700	971	0.14
Portugal 0.40% (31.7.18 - 0.11%)			
NOS	556,099	2,844	0.40
Republic of Ireland 1.58% (31.7.18 - 2.20%)			
FBD Holdings	564,122	4,873	0.69
Irish Continental	1,109,870	4,218	0.59
Uniphar	2,056,194	2,141	0.30
Russia 0.62% (31.7.18 - 0.39%)			
Etalon GDR	210,037	379	0.05
Globaltrans Investment GDR	90,618	648	0.09
Moscow Exchange MICEX-RTS	561,355	675	0.10
TCS GDR	78,757	1,281	0.18
United Company	1,974,000	739	0.11
X5 Retail	24,437	666	0.09
Spain 0.56% (31.7.18 - 0.80%)			
ENCE	719,519	2,153	0.30
Grupo Catalana Occidente	61,952	1,822	0.26
Sweden 0.85% (31.7.18 - Nil)			
SAAB	76,635	1,987	0.28
SkiStar	422,044	4,031	0.57
Turkey 0.39% (31.7.18 - 0.21%)			
Coca-Cola Icecek	93,872	458	0.06
Mavi Giyim Sanayi Ve Ticaret	102,904	627	0.09
Pegasus Hava Tasimaciligi	163,441	1,140	0.16
Turkiye Sinai Kalkinma Bankasi	4,521,730	551	0.08
Japan 13.32% (31.7.18 - 12.67%)			
Arata	51,100	1,359	0.19
Capcom	73,900	1,271	0.18
Chiba Bank	483,000	1,958	0.28
CKD	151,900	1,383	0.19
Don Quijote	89,900	4,693	0.66
FP	65,300	3,301	0.46
Fuji Soft	68,300	2,530	0.36
Fullcast	130,400	2,204	0.31
GLP J-REIT	1,458	1,330	0.19
Ichigo	416,700	1,241	0.17
Inpex	277,200	2,004	0.28

Portfolio Statement continued
as at 31 July 2019

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Japan continued			
Inter Action	111,600	1,605	0.23
Japan Material	103,400	1,114	0.16
Kenedix Office Investment	782	4,588	0.65
KH Neochem	161,200	3,299	0.46
Koa	138,200	1,377	0.19
KOMEDA	133,100	2,022	0.28
K's	93,800	702	0.10
Lasertec	67,100	2,655	0.37
M&A Capital Partners	27,500	1,522	0.21
MedPeer	81,000	969	0.14
Minebea	130,400	1,844	0.26
Miroku Jyoho Service	66,800	1,718	0.24
Misumi	53,400	993	0.14
Mitsui O.S.K Lines	44,100	891	0.13
Miura	86,700	1,976	0.28
Nakanishi	126,600	1,900	0.27
Nexon	72,200	940	0.13
Nichirei	117,400	2,234	0.31
Nifco	55,500	1,126	0.16
Nippon Prologis	2,280	4,483	0.63
Nippon Yusen KK	65,400	896	0.13
Septeni	504,800	1,447	0.20
Sho-Bond	95,000	2,673	0.38
Sohgo Security Services	90,200	3,589	0.51
Solasto	343,100	3,092	0.44
Sprix	81,900	1,031	0.14
Square-Enix	92,300	2,597	0.37
Star Mica	149,600	2,034	0.29
Sushiro Global	45,200	2,278	0.32
Systena	94,400	1,294	0.18
TechnoPro	51,800	2,424	0.34
Tokyo Tatemono	138,400	1,328	0.19
Trusco Nakayama	52,000	879	0.12
Tsubaki Nakashima	90,100	1,282	0.18
Tsumura	47,700	1,076	0.15
Tsuruha	45,100	3,769	0.53
Yokogawa Bridge	131,400	1,683	0.24
Latin America 2.38% (31.7.18 - 2.27%)			
Argentina 0.06% (31.7.18 - 0.07%)			
Loma Negra ADR	43,400	437	0.06
Brazil 1.53% (31.7.18 - 1.11%)			
Alpargatas pref.	203,875	917	0.13
Azul pref.	91,900	1,033	0.15
Banco ABC Brasil pref.	217,884	847	0.12
Bradespar pref.	59,200	405	0.06
Ecorodovias Infraestrutura e Logistica	387,500	987	0.14
Energisa	96,075	1,028	0.14
Kroton Educacional	404,000	1,094	0.15
Localiza Rent A Car	98,105	935	0.13
Mahle-Metal Leve	155,900	833	0.12
Smiles Fidelidade	51,200	436	0.06
Suzano Papel e Celulose	111,400	741	0.10
Tupy	163,500	682	0.10
Via Varejo	547,300	916	0.13
Chile 0.08% (31.7.18 - 0.12%)			
Enel Chile	8,097,300	602	0.08
Mexico 0.66% (31.7.18 - 0.86%)			
Controladora Vuela Cia de Aviacion ADR	50,651	405	0.06
Corporación Inmobiliaria Vesta	473,400	582	0.08
Credito Real	519,600	490	0.07
Genomma Lab Internacional	790,000	591	0.08
Gruma 'B'	57,915	437	0.06

Portfolio Statement continued
as at 31 July 2019

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Mexico continued			
Macquarie Mexico Real Estate Management	475,000	440	0.06
Mexichem	253,300	382	0.05
Regional	141,500	558	0.08
Telesites	721,600	353	0.05
Unifin Financiera	269,000	468	0.07
Panama Nil (31.7.18 - 0.05%)			
Peru 0.05% (31.7.18 - 0.06%)			
Ferreycorp	656,350	351	0.05
Middle East and Africa 1.62% (31.7.18 - 1.82%)			
South Africa 1.19% (31.7.18 - 1.57%)			
Ascendis Health	1,329,232	377	0.05
Aspen Pharmacare	110,328	574	0.08
Foschini	92,140	882	0.13
KAP Industrial	3,347,732	995	0.14
Life Healthcare	641,427	839	0.12
Mr Price	57,715	587	0.08
MultiChoice	47,462	368	0.05
Nedbank	55,481	771	0.11
Old Mutual	859,842	952	0.13
PSG	76,915	1,014	0.14
Shoprite	73,526	654	0.09
Tsogo Sun Gaming	567,319	459	0.07
United Arab Emirates 0.43% (31.7.18 - 0.25%)			
Abu Dhabi National Oilfor Distribution	833,831	502	0.07
Aldar Properties	1,231,497	633	0.09
Aramex	1,005,471	984	0.14
NMC Health	38,454	951	0.13
North America 32.97% (31.7.18 - 33.01%)			
Bermuda 0.49% (31.7.18 - 0.39%)			
Argo International	62,456	3,491	0.49
Canada 0.78% (31.7.18 - 0.22%)			
ERO Copper	52,792	814	0.11
FirstService	33,695	2,901	0.41
Gran Tierra Energy	418,128	549	0.08
Methanex	12,230	394	0.06
Roxgold	1,293,908	861	0.12
United States 31.70% (31.7.18 - 32.40%)			
ABM Industries	91,323	3,141	0.44
Acadia Healthcare	62,158	1,620	0.23
Albany International 'A'	35,077	2,463	0.35
American Eagle Outfitters	150,121	2,168	0.31
American Financial	8,654	724	0.10
Apergy	84,236	2,238	0.31
Avalara	66,077	4,403	0.62
Belden	42,269	1,569	0.22
Big Lots	63,678	1,330	0.19
Blackbaud	35,079	2,608	0.37
Boot Barn	116,414	2,974	0.42
Boyd Gaming	105,441	2,278	0.32
BrightView	171,223	2,763	0.39
Brooks Automation	111,036	3,516	0.49
BWX Technologies	54,888	2,416	0.34
California Water	61,572	2,685	0.38
Cambrex	57,276	2,049	0.29
Casella Waste Systems	37,639	1,340	0.19
Children's Place	25,366	2,022	0.28
Ciena	84,099	3,106	0.44

Portfolio Statement continued
as at 31 July 2019

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
United States continued			
Columbia Banking Systems	89,204	2,747	0.39
Cooper Tire & Rubber	88,360	1,943	0.27
Core Laboratories	32,045	1,313	0.18
Cornerstone OnDemand	65,056	3,143	0.44
CubeSmart	134,290	3,722	0.52
Cubic	53,798	2,909	0.41
Curtiss-Wright	27,642	2,864	0.40
CyrusOne	50,293	2,358	0.33
Dycom Industries	35,739	1,609	0.23
Encompass Health	44,831	2,336	0.33
Enersys	45,967	2,556	0.36
Euronet Worldwide	17,581	2,239	0.32
FLIR Systems	66,412	2,691	0.38
Graphic Packaging	234,703	2,848	0.40
Great Western Bancorp	84,155	2,324	0.33
Hanover Insurance	38,778	4,102	0.58
Healthcare Trust of America	107,537	2,365	0.33
HealthEquity	56,337	3,767	0.53
Highwoods Properties	66,810	2,473	0.35
Hill-Rom	29,335	2,555	0.36
Iberiabank	44,839	2,876	0.40
ICU Medical	12,671	2,633	0.37
IDACORP	26,988	2,246	0.32
Iridium Communications	241,173	5,011	0.71
Jack Henry & Associates	21,276	2,426	0.34
Knight-Swift Transportation 'A'	85,119	2,490	0.35
Lantheus	157,520	2,910	0.41
Lazard 'A'	76,241	2,410	0.34
LPL Financial	41,847	2,866	0.40
Lumentum	63,634	2,943	0.41
Matador Resources	116,796	1,678	0.24
Minerals Technologies	51,997	2,261	0.32
Mobile Mini	86,401	2,396	0.34
National Energy Services Reunited	57,452	375	0.05
NeoGenomics	106,336	2,116	0.30
Neurocrine Biosciences	34,059	2,678	0.38
Old Dominion Freight Line	19,969	2,721	0.38
Papa Johns International	44,383	1,609	0.23
Parsley Energy	118,461	1,605	0.23
Penn National Gaming	128,038	2,041	0.29
Piper Jaffray	45,962	2,900	0.41
Power Integrations	27,076	2,011	0.28
Primoris Services	118,066	2,021	0.28
Q2	41,029	2,676	0.38
Rapid7	49,005	2,425	0.34
Retrophin	106,423	1,718	0.24
Scotts Miracle-Gro	30,222	2,769	0.39
Selective Insurance	44,955	2,761	0.39
Semtech	59,928	2,587	0.36
Sensient Technologies	41,408	2,304	0.32
Servicemaster	70,385	3,060	0.43
SLM	308,635	2,296	0.32
Sprouts Farmers Market	137,068	1,893	0.27
SPX	172,775	4,925	0.69
STERIS	24,385	2,963	0.42
Strategic Education	22,208	3,223	0.45
Synovus Financial	67,868	2,115	0.30
Tech Data	31,937	2,643	0.37
Trex	55,519	3,707	0.52
UMB Financial	48,813	2,717	0.38
Univar	120,441	2,176	0.31
Viper Energy Partners	86,028	2,267	0.32
Visteon	38,427	2,067	0.29
Waste Connections	35,644	2,641	0.37
Webster Financial	85,861	3,574	0.50
Wendy's	146,686	2,178	0.31
Western Alliance	66,771	2,696	0.38
Wolverine World Wide	122,106	2,707	0.38
Wright Medical	110,679	2,609	0.37

Portfolio Statement continued
as at 31 July 2019

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
United Kingdom 10.76% (31.7.18 - 10.58%)			
4imprint	97,589	2,723	0.38
A J Bell	190,752	792	0.11
Advanced Medical Solutions	133,493	390	0.06
Alfa Financial Software	525,161	500	0.07
Amigo	86,794	143	0.02
Arrow Global	490,496	1,319	0.19
Bakkavor	368,562	388	0.05
boohoo.com	217,597	521	0.07
Bovis Homes	104,666	1,102	0.16
Brooks MacDonald	62,791	1,193	0.17
Clinigen	211,119	2,128	0.30
CLS	481,469	1,095	0.15
Coats	1,671,769	1,332	0.19
Cohort	2,081	9	0.00
Consort Medical	200,311	1,502	0.21
CVS	212,630	1,947	0.27
Diploma	35,008	531	0.07
Dunelm	33,719	311	0.04
Energean Oil & Gas	143,013	1,525	0.21
Equiniti	809,251	1,703	0.24
Essentra	291,332	1,242	0.18
Euromoney Institutional Investor	69,085	953	0.13
FDM	118,247	967	0.14
Future	268,618	3,035	0.43
Hill & Smith	134,588	1,519	0.21
Hilton Food	184,763	1,729	0.24
Hollywood Bowl	428,223	904	0.13
Horizon Discovery	175,210	266	0.04
Hurricane Energy	773,352	336	0.05
James Fisher & Sons	71,431	1,546	0.22
Johnson Service	1,037,092	1,775	0.25
JTC	434,757	1,487	0.21
Kainos	181,108	1,018	0.14
Keywords Studios	92,012	1,529	0.22
Knights	241,892	760	0.11
Learning Technologies	905,533	1,021	0.14
Loungers	161,136	322	0.05
M&C Saatchi	168,321	567	0.08
Marston's	888,004	949	0.13
Microgen	317,888	1,748	0.25
NCC	687,135	1,268	0.18
Nucleus Financial	88,086	154	0.02
Patisserie[1]	1,010,636	-	0.00
Polypipe	393,230	1,606	0.23
Premier Oil	921,654	773	0.11
Restore	373,711	1,577	0.22
Ricardo	165,549	1,169	0.16
Robert Walters	236,429	1,234	0.17
RWS	303,366	1,972	0.28
Safestore	138,073	862	0.12
Sanne	282,088	1,543	0.22
Savills	105,636	1,005	0.14
Scapa	587,019	1,153	0.16
SDL	246,092	1,174	0.17
Secure Trust Bank	30,544	406	0.06
Severfield	1,273,160	853	0.12
Softcat	100,339	957	0.13
St. Modwen Properties	335,664	1,396	0.20
Staffline	223,043	257	0.04
Tarsus	413,805	1,755	0.25
Ted Baker	69,182	630	0.09
Thruvision	849,875	233	0.03
Topps Tiles	1,016,929	692	0.10
Ultra Electronics	94,460	1,853	0.26
Urban & Civic	311,156	949	0.13
Vectura	1,418,626	1,139	0.16
Vp	145,509	1,144	0.16

Portfolio Statement continued
as at 31 July 2019

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
United Kingdom continued			
Wetherspoon (JD)	75,018	1,149	0.16
Workspace	119,729	1,011	0.14
XPS Pensions	580,807	671	0.09
Young & Co's Brewery (non-voting)	89,104	1,034	0.15
Portfolio of investments (31.7.18 - 98.47%)		**699,883**	**98.52**
Net other assets (31.7.18 - 1.53%)		**10,523**	**1.48**
Net assets		**710,406**	**100.00**

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

[1] Unquoted securities - for the year ended 31 July 2019 these amount to 0.01% (31 July 2018 - 0.23%) of the Net Asset Value of the Fund.

Invesco Global Smaller Companies Fund (UK)
Investment report for the year

Summary of Material Portfolio Changes
for the year 1 August 2018 to 31 July 2019

	Cost £'000
Total purchases	**301,323**
Largest purchases:	
Austria	
Voestalpine	3,962
Schoeller-Bleckmann Oilfield Equipment	3,697
Belgium	
Biocartis	3,297
X-Fab Silicon Foundries	3,014
Ackermans & van Haaren	2,945
France	
SOITEC	5,413
SCOR	2,927
India	
ICICI Bank	3,566
Italy	
Juventus F.C.	4,853
Nexi	3,262
Piovan	3,048
Japan	
Nippon Prologis	3,856
Netherlands	
Besi	4,887
Kendrion	4,626
AMG Advanced Metallurgical	4,524
Portugal	
NOS	2,966
Republic of Ireland	
Irish Continental	3,617
Sweden	
SkiStar	4,121
United States	
Cornerstone OnDemand	2,950
Apergy	2,948

Invesco Global Smaller Companies Fund (UK)
Investment report for the year

Summary of Material Portfolio Changes
for the year 1 August 2018 to 31 July 2019

	Proceeds £'000
Total sales	**429,503**
Largest sales:	
Belgium	
Telenet	3,889
France	
Altran Technologies	8,343
Air France-KLM	6,868
Gaztransport & Technigaz	5,665
Terreis	5,173
SOITEC	4,249
Germany	
Varta	4,808
India	
HDFC Bank	7,165
Italy	
Juventus F.C.	5,901
Banca Generali	3,997
Fila	3,974
Netherlands	
Boskalis Westminster	5,968
Signify	3,766
Republic of Ireland	
Hibernia REIT	4,827
Total Produce	3,876
Spain	
Telepizza	4,511
United States	
Array BioPharma	7,769
Energen	4,402
Zebra Technologies 'A'	4,303
Take-Two Interactive Software	3,972

Invesco Global Smaller Companies Fund (UK)
Financial Statements

Statement of Total Return for the year 1 August 2018 to 31 July 2019	Notes	£'000	01.8.18 to 31.7.19 £'000	£'000	01.8.17 to 31.7.18 £'000
Income					
Net capital gains	2		12,909		44,144
Revenue	3	15,098		14,757	
Expenses	4	(9,103)		(10,198)	
Interest payable and similar charges	5	(2)		(1)	
Net revenue before taxation		5,993		4,558	
Taxation	6	(1,521)		(1,148)	
Net revenue after taxation			4,472		3,410
Total return before distributions			17,381		47,554
Distributions	7		(4,658)		(3,554)
Change in net assets attributable to Shareholders from investment activities			**12,723**		**44,000**

Statement of Change in Net Assets Attributable to Shareholders for the year 1 August 2018 to 31 July 2019	£'000	01.8.18 to 31.7.19 £'000	£'000	01.8.17 to 31.7.18 £'000
Opening net assets attributable to Shareholders		**827,875**		**770,941**
Amounts received on issue of shares	9,763		61,255	
Amounts paid on redemption of shares	(144,132)		(51,570)	
		(134,369)		9,685
Dilution adjustment		307		6
Change in net assets attributable to Shareholders from investment activities		12,723		44,000
Retained distribution on accumulation shares		3,870		3,243
Closing net assets attributable to Shareholders		**710,406**		**827,875**

Invesco Global Smaller Companies Fund (UK)
Financial Statements

Balance Sheet as at 31 July 2019	**Notes**	**£'000**	**31.7.19 £'000**	**£'000**	**31.7.18 £'000**
Assets					
Fixed assets					
Investments			699,883		815,223
Current assets					
Debtors	8	10,836		6,442	
Cash and bank balances	9	11,189		13,694	
Total other assets			22,025		20,136
Total assets			721,908		835,359
Liabilities					
Investment liabilities			-		-
Creditors					
Bank overdrafts		-		7	
Distribution payable		428		306	
Other creditors	10	11,074		7,171	
Total other liabilities			11,502		7,484
Total liabilities			11,502		7,484
Net assets attributable to Shareholders			**710,406**		**827,875**

Invesco Global Smaller Companies Fund (UK)

Notes to the financial statements

Refer to pages 06 to 15 for notes applicable to the financial statements of all Funds.

1 Accounting policies

The Fund's Accounting Policies, Distribution Policies and Generic Risk Factors are set out on pages 06 to 07 and 09 to 13.

2 Net capital gains

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Derivative securities	(32)	17
Foreign currency gains/(losses)	113	(16)
Forward currency contracts	-	(6)
Non-derivative securities	12,828	44,149
Net capital gains	12,909	44,144

3 Revenue

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Bank interest	33	18
Non-taxable overseas dividends	11,328	11,272
Non-US overseas REIT dividends	67	199
Stock dividends	71	457
Taxable overseas dividends	1,480	915
UK dividends	1,764	1,631
UK REIT dividends	65	70
US REIT dividends	290	195
	15,098	14,757

4 Expenses

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee[1]	9,103	10,198
	9,103	10,198
Total expenses	9,103	10,198

[1] Total audit fees of £8,250 (2018 - £6,423) exclusive of VAT and non-audit services in relation to tax services of £4,194 (2018 - £2,428) payable to the auditors for the year ended 31 July 2019 are borne out of the Fund Management Fee.

5 Interest payable and similar charges

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Interest	2	1

6 Taxation

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
a) Analysis of charge for the year		
Indian capital gains tax	173	-
Overseas tax	1,348	1,148
Total tax charge	1,521	1,148

There is no corporation tax charge for the year (2018 - Nil).

b) Factors affecting the tax charge for the year
The tax assessed for the year is higher (2018 - higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Net revenue before taxation	5,993	4,558
Corporation tax at 20% (2018 - 20%)	1,199	912
Effects of:		
Indian capital gains tax	173	-
Movement in excess expenses	1,415	1,808
Overseas tax[1]	1,348	1,148
Prior year adjustment	69	-
Relief for overseas tax treated as an expense	(37)	(8)
Revenue not subject to tax	(2,646)	(2,712)
Total tax charge	1,521	1,148

[1] Includes amounts for the recovery of excess withholding tax suffered on dividends received in prior accounting periods.

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

c) Deferred tax
At the year end the Fund had surplus management expenses of £81,194,000 (2018 - £74,120,000). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £16,239,000 (2018 - £14,824,000) has not been recognised.

7 Distributions

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Accumulations and distributions payable 30 September 2019	4,298	3,549
Amounts deducted on redemption of shares	372	79
Amounts received on issue of shares	(12)	(74)
	4,658	3,554
The distributable amount has been calculated as follows:		
Net revenue after taxation	4,472	3,410
Equalisation on conversions	13	8
Indian capital gains tax	173	-
Shortfall of income taken to capital	-	136
	4,658	3,554

8 Debtors	31.7.19 £'000	31.7.18 £'000
Accrued revenue	912	928
Amounts receivable for issue of shares	33	379
Overseas tax recoverable	370	302
Foreign currency contracts awaiting settlement	4,530	2,846
Sales awaiting settlement	4,991	1,987
	10,836	6,442

9 Cash and bank balances	31.7.19 £'000	31.7.18 £'000
Cash and bank balances	11,189	13,694

10 Other creditors	31.7.19 £'000	31.7.18 £'000
Accrued expenses	755	874
Amounts payable for redemption of shares	1,664	1,306
Foreign currency contracts awaiting settlement	4,507	2,845
Purchases awaiting settlement	4,148	2,146
	11,074	7,171

11 Contingent assets, liabilities and outstanding commitments
There were no commitments or contingent liabilities at the balance sheet date (2018 - Nil).

12 Related parties
Related party interests in the Fund are disclosed in note 10 of the notes applicable to the financial statements of all Funds on page 15. Amounts payable to Invesco Fund Managers Limited in respect of Fund Management Fees are disclosed in note 4. Amounts due at the end of the accounting year for Fund Management Fees of £755,000 (2018 - £874,000) are disclosed in note 10 within accrued expenses.

13 Generic Risk factors
As this is a smaller companies fund, investors should be prepared to accept a higher degree of risk than for a Fund with a broader investment mandate. 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. There may also be difficulties in dealing and settlement, and custody problems could arise.

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

The generic risk factors relating to the Fund are discussed more fully in note 5 of the notes applicable to the financial statements of all Funds on pages 09 to 13.

a) Counterparty risk
The Fund was not exposed to any counterparty risk as at the balance sheet date (2018 - Nil).

13 Generic Risk factors continued

b) Valuation of financial investments
The categorisation of financial investments in the tables below reflect the basis of valuation of investments used to measure their fair value.

	Assets £'000	Liabilities £'000
31.7.19		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	699,778	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	105	-
	699,883	**-**
31.7.18		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	813,315	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	1,908	-
	815,223	**-**

The majority of financial investments are classified as level 1: Unadjusted quoted prices in an active market for an identical instrument. Investments classified as level 3: Valuation techniques using unobservable inputs mainly comprise non-market traded and unquoted securities.

Generally for the non-market traded and unquoted securities, where there is no price source from an active market for an investment, the Manager has applied judgement in determining the fair value. The Manager has used several valuation methodologies as prescribed in the International Private Equity and Venture Capital valuation guidelines to arrive at their best estimate of fair value. Valuation techniques used by the Manager are set out in Accounting Policies note 1 (i). The fair value is established by using measures of value such as:

- Price of recent transactions – Management determine the fair value based on the price of recent transactions made by management or a third party.
- Milestone analysis – Management assess the investment company's progress against milestones expected at the time of investment in order to determine whether an adjustment is required to the transaction price to determine fair value.
- Multiples – Earnings or Revenue multiples are selected from comparable public companies based on geographic location, industry, size, risk profile, earnings growth prospects, target markets and other factors that management consider reasonable. A discount for lack of liquidity may then be applied to represent the adjustment to comparable company multiples to reflect the illiquidity of the portfolio companies relative to the comparable peer group. Management determines the discount for lack of liquidity based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. One of the most common forms of multiples used for cash generating companies are EV/EBITDA multiples as EBITDA is generally seen to represent a good proxy for free cash flow. These are applied where appropriate based on the development of underlying portfolio companies but other multiples such as EV/Revenue may also be considered.
- Net assets – Management determine the fair value based on the net asset value of the underlying portfolio company.

In applying the above valuation techniques in arriving at the fair value the Manager has assessed any further information available from internal and external sources to arrive at an estimated fair value, which includes but is not limited to the following:

- Reference to listed securities of the same company.
- Consideration of seniority of the securities held and terms of repayment upon realisation.
- Consideration of any trading restrictions on the investment company's shares that would limit Invesco's ability to realise its holding.
- Consideration of any outstanding payments to be made by Invesco.
- Industry statistics or events (such as mergers and acquisitions).

14 Portfolio transaction costs
for the year 1 August 2018 to 31 July 2019

Purchases (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	300,966	144	0.05	213	0.07
Total purchases	**300,966**	**144**		**213**	
Total purchases including transaction costs	**301,323**				

Sales (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	429,811	211	0.05	97	0.02
Total sales	**429,811**	**211**		**97**	
Total sales net of transaction costs	**429,503**				
Derivative transaction costs		**-**		**-**	
Total transaction costs		**355**		**310**	
Total transaction costs as a % of average net assets		**0.05%**		**0.04%**	

14 Portfolio transaction costs continued
for the year 1 August 2017 to 31 July 2018

Purchases (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	346,351	207	0.06	269	0.08
Total purchases	**346,351**	**207**		**269**	
Total purchases including transaction costs	**346,827**				

Sales (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	330,355	221	0.07	63	0.02
Total sales	**330,355**	**221**		**63**	
Total sales net of transaction costs	**330,071**				
Derivative transaction costs		**-**		**-**	
Total transaction costs		**428**		**332**	
Total transaction costs as a % of average net assets		**0.05%**		**0.04%**	

The above analysis covers any direct transaction costs suffered by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments, cash and short-term collective investment schemes utilised as part of a daily sweep to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying Funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.30% (2018 - 0.28%).

15 Share movement

for the year 1 August 2018 to 31 July 2019

	Accumulation shares	Accumulation shares (No Trail)	Z Accumulation shares	Y Accumulation shares
Opening shares	11,334,308	13,502,334	20,514,971	91,300,829
Shares issued	94,352	209,185	465,255	251,280
Shares redeemed	(1,296,234)	(333,461)	(3,698,118)	(25,659,012)
Shares converted	(100,979)	(25,128)	1,029,546	459,611
Closing shares	**10,031,447**	**13,352,930**	**18,311,654**	**66,352,708**

	Income shares	Income shares (No Trail)	Z Income shares	Y Income shares
Opening shares	1,252,201	135,843	3,321,788	8,017,604
Shares issued	4,878	2,136	307,767	757,358
Shares redeemed	(160,698)	(14,408)	(422,997)	(1,236,023)
Shares converted	(176,261)	-	20,328	130,709
Closing shares	**920,120**	**123,571**	**3,226,886**	**7,669,648**

16 Post balance sheet events

There are no post balance sheet events that require disclosure or adjustments to the financial statements.

Invesco Global Smaller Companies Fund (UK)
Distribution table

Distribution table
for the year 1 August 2018 to 31 July 2019

Distribution payable 30 September 2019	Net revenue pence per share	Equalisation pence per share	Net distribution payable 30.9.19 pence per share	Net distribution paid 30.9.18 pence per share
Accumulation shares				
Group 1	5.1315	-	5.1315	0.0000
Group 2	5.1315	0.0000	5.1315	0.0000
Accumulation shares (No Trail)				
Group 1	2.5841	-	2.5841	1.7107
Group 2	1.8909	0.6932	2.5841	1.7107
Z Accumulation shares				
Group 1	4.3593	-	4.3593	3.2884
Group 2	3.1094	1.2499	4.3593	3.2884
Y Accumulation shares				
Group 1	3.3340	-	3.3340	2.5603
Group 2	2.5702	0.7638	3.3340	2.5603
Income shares				
Group 1	4.8691	-	4.8691	0.0000
Group 2	4.8691	0.0000	4.8691	0.0000
Income shares (No Trail)				
Group 1	2.4307	-	2.4307	1.6144
Group 2	1.6800	0.7507	2.4307	1.6144
Z Income shares				
Group 1	4.1626	-	4.1626	3.1623
Group 2	2.9438	1.2188	4.1626	3.1623
Y Income shares				
Group 1	3.2055	-	3.2055	2.4777
Group 2	2.4742	0.7313	3.2055	2.4777

Group 1: shares purchased prior to 1 August 2018
Group 2: shares purchased on or after 1 August 2018

Equalisation applies only to shares purchased during the distribution period (Group 2). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax. Instead, it must be deducted from the cost of shares for capital gains purposes.

Invesco Japanese Smaller Companies Fund (UK)
Investment report for the year

The Investment Objective and Policy of the Invesco Japanese Smaller Companies Fund (UK)
The Fund aims to achieve capital growth, primarily through a portfolio of investments in smaller Japanese companies. 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.

Invesco Perpetual Japanese Smaller Companies Fund changed its name to Invesco Japanese Smaller Companies Fund (UK) effective 1 October 2018. The Fund objective and strategy remain unchanged at this time. On the 7 August 2019 there was an update to the Prospectus for the various ICVC funds. As part of this update, various changes were implemented regarding investment objectives, investment policies, investment strategies and benchmark disclosures, all for clarification purposes only. There has been no changes to the way the Funds are managed. The updated prospectus is available at www.invesco.co.uk. The objectives currently shown within these financial statements are those objectives that were in place as at 31 July 2019.

Performance
to 31 July 2019

	Since 31.1.19 %	Since 31.7.18 %	Since 31.7.16 %	Since 31.7.14 %	Since 31.7.09 %
					Percentage growth
Invesco Japanese Smaller Companies Fund (UK) (Z Accumulation shares)[1]	10.34	-3.77	33.07	104.48	215.56
Russell Nomura Small Cap Index TR[2]	8.77	-4.57	28.68	89.30	194.42
IA Japanese Smaller Companies Sector NR	7.63	-4.64	38.65	114.37	275.93
Fund Ranking	2/3	2/3	2/3	2/3	3/3

Standardised rolling 12 month performance

	30.6.14 30.6.15 %	30.6.15 30.6.16 %	30.6.16 30.6.17 %	30.6.17 30.6.18 %	30.6.18 30.6.19 %
					Percentage growth
Invesco Japanese Smaller Companies Fund (UK) (Z Accumulation shares)[1]	0.8	58.4	7.8	32.6	-15.5
Russell Nomura Small Cap Index TR[2]	15.5	21.1	26.5	13.9	-9.1
IA Japanese Smaller Companies Sector NR	13.6	34.6	20.8	24.5	-10.6

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.invesco.co.uk or by contacting us.

Fund and sector average performance data source: Lipper, in Sterling, with income reinvested and net of the ongoing charge and portfolio transaction costs. This may differ from the performance figure shown on page 101 for Z Accumulation shares as the figure above is based on the quoted 12pm price and the figure shown on page 101 is based on the close of business bid price. Russell Nomura Small Cap Index TR[2] data source: Lipper, 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.

1 Effective 18 April 2016, the primary share class changed from Accumulation share class to Z Accumulation share class. Performance figures are based on the Z Accumulation share class. As this was launched on 12 November 2012, for the years prior to this launch date, performance figures are based on the Accumulation share class, without any adjustment for fees.
2 Reference benchmark for performance comparison purposes only.

Invesco Japanese Smaller Companies Fund (UK)
Investment report for the year

Strategy, review and outlook
The Fund fell 3.8% over the twelve months in Sterling terms to the end of July 2019, underperforming the benchmark Russell Nomura Small Cap Index TR[1] which returned -4.6%. This placed the Fund in the second quartile of its peer group, the IA Japanese Smaller Companies Sector NR, which declined by an average of 4.6%.

Fund and sector average performance data source: Lipper, in Sterling, with income reinvested and net of the ongoing charge and portfolio transaction costs. Performance figures are based on the Z Accumulation share class. Russell Nomura Small Cap Index TR[1] data source: Lipper, total return, in Sterling.

Past performance is not a guide to future returns.

Sector allocation, which is a by-product of bottom-up stock picking with a focus on growth potentials, worked well while stock selection detracted from relative returns. At the sector level, being overweight Pharmaceutical and Information & Communication combined with zero exposure to Banks added value. Meanwhile zero exposure to Land Transportation and Foods adversely impacted performance. At the stock level, the top contributor was PeptiDream, a bio venture developing innovative new-drug finding platform. The company has been posting sales and profit growth backed by progress in both new and existing new drug development programmes. On the negative front, MTG, a personal care brand tapping growing Asian markets, underperformed as its earnings growth momentum slowed down due to a decline in sales for inbound tourists combined with an increase in upfront spending for future growth. The Fund closed the position in July 2019 upon the announcement of inappropriate accounting practices.

During the period, the external factors took centre stage. Japanese equities initially rose with the Nikkei 225 Index hitting the highest level since November 1991 in October 2018. However, Japanese stocks fell in tandem with global stock markets amid a multitude of concerns, including a global economic slowdown, persistent global trade disputes and profits peaking among high-tech names, toward the end of 2018. In early 2019 stock markets recovered, but mounting concerns over the US trade issues combined with the yen appreciation against the US dollars amid increasing expectations for the US Federal Reserve's rates cuts weighed on Japanese equity markets once again. Such risk-off sentiment hit small-cap stocks, especially the Tokyo Stock Exchange Mothers, which consists of internet, high-tech and biotechnology start-ups.

Looking ahead, we are carefully monitoring these external factors, including slowing global economic growth, a trade and technology war between the US and China, central banks' monetary policies to tackle macro and political uncertainty, as well as the receded risk appetite which has been curbing money flows into high-growth small-cap markets in Japan. Meanwhile, our approach as a bottom-up stock picker remains the same, focusing on high growth companies in the small-cap space, which possess own growth themes, and particularly keen on achieving significant earnings growth for the next several years. The Fund continues to emphasise stocks that fit within our investment themes: the fourth industrial revolution, energy revolution, social changes caused by low-birth rate and ageing population, social infrastructure and capital market activity for growth. Example of such stock includes PeptiDream, Riso Kyoiku, a provider of academic tutoring and exam preparation expanding its education service coverage, and Elan, a provider of daily living and nursing care product delivery service for elderly people in a hospital and nursery home.

Osamu Tokuno, Fund Manager
Where Osamu Tokuno has expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice.

[1] Reference benchmark for performance comparison purposes only.

The Fund's ten largest investments are	%
PeptiDream	6.74
Riso Kyoiku	5.76
Nextage	5.28
Aruhi	4.42
Katitas	3.75
Fullcast	3.74
Vision	3.58
Optorun	3.38
Sansan	3.09
Elan	2.87

Invesco Japanese Smaller Companies Fund (UK)
Investment report for the year

Comparative tables

Year ended Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	138.63	114.33	101.54
Return before operating charges*	(4.81)	26.61	14.58
Operating charges	(2.21)	(2.31)	(1.79)
Return after operating charges	(7.02)	24.30	12.79
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**131.61**	**138.63**	**114.33**
*After direct transaction costs of	(0.11)	(0.15)	(0.21)
Performance			
Return after charges	(5.06%)	21.25%	12.60%
Other information			
Closing net asset value (£'000)	36,053	44,553	36,167
Closing number of shares	27,394,008	32,138,071	31,633,388
Operating charges	1.74%	1.74%	1.74%
Direct transaction costs	0.09%	0.11%	0.21%
Performance fee	-	-	-
Prices			
Highest share price	142.00	148.49	117.20
Lowest share price	114.64	112.53	91.00

Year ended Accumulation shares (No Trail)	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	357.96	293.75	259.59
Return before operating charges*	(12.33)	68.46	37.42
Operating charges	(4.08)	(4.25)	(3.26)
Return after operating charges	(16.41)	64.21	34.16
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
Closing net asset value per share	**341.55**	**357.96**	**293.75**
*After direct transaction costs of	(0.28)	(0.38)	(0.55)
Performance			
Return after charges	(4.58%)	21.86%	13.16%
Other information			
Closing net asset value (£'000)	200	183	118
Closing number of shares	58,488	51,252	40,053
Operating charges	1.24%	1.24%	1.24%
Direct transaction costs	0.09%	0.11%	0.21%
Performance fee	-	-	-
Prices			
Highest share price	366.94	383.21	301.09
Lowest share price	296.60	289.13	232.75

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Comparative tables continued

Year ended Z Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	654.05	535.39	471.94
Return before operating charges*	(22.49)	124.85	68.19
Operating charges	(5.96)	(6.19)	(4.74)
Return after operating charges	(28.45)	118.66	63.45
Distributions	(0.57)	-	-
Retained distributions on accumulation shares	0.57	-	-
Closing net asset value per share	**625.60**	**654.05**	**535.39**
*After direct transaction costs of	(0.51)	(0.70)	(1.00)
Performance			
Return after charges	(4.35%)	22.16%	13.44%
Other information			
Closing net asset value (£'000)	6,210	9,510	4,551
Closing number of shares	992,710	1,453,995	850,048
Operating charges	0.99%	0.99%	0.99%
Direct transaction costs	0.09%	0.11%	0.21%
Performance fee	-	-	-
Prices			
Highest share price	670.73	700.03	548.73
Lowest share price	542.46	526.98	423.24

Year ended Y Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	426.23	348.72	307.25
Return before operating charges*	(14.65)	81.34	44.40
Operating charges	(3.69)	(3.83)	(2.93)
Return after operating charges	(18.34)	77.51	41.47
Distributions	(0.57)	-	-
Retained distributions on accumulation shares	0.57	-	-
Closing net asset value per share	**407.89**	**426.23**	**348.72**
*After direct transaction costs of	(0.33)	(0.46)	(0.65)
Performance			
Return after charges	(4.30%)	22.23%	13.50%
Other information			
Closing net asset value (£'000)	16,905	28,677	13,841
Closing number of shares	4,144,415	6,727,960	3,968,935
Operating charges	0.94%	0.94%	0.94%
Direct transaction costs	0.09%	0.11%	0.21%
Performance fee	-	-	-
Prices			
Highest share price	437.13	456.15	357.42
Lowest share price	353.58	343.24	275.57

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Invesco Japanese Smaller Companies Fund (UK)
Investment report for the year

Portfolio Statement as at 31 July 2019 Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Construction 2.68% (31.7.18 - 4.15%)			
West Holdings	181,600	1,591	2.68
Manufacturing 24.71% (31.7.18 - 33.22%)			
Asahi Intecc	59,300	1,278	2.15
GIKEN	21,800	525	0.88
Japan Pure Chemical	20,000	360	0.61
KH Neochem	25,900	530	0.89
Maruwa	10,700	546	0.92
MCJ	259,200	1,558	2.62
MEC	115,700	942	1.59
Meiko Electronics	105,900	1,479	2.49
Optorun	96,300	2,004	3.38
PeptiDream	87,200	4,001	6.74
Topcon	150,300	1,447	2.44
Transport & Communication 7.55% (31.7.18 - 5.85%)			
Digital Arts	4,600	385	0.65
M-UP	47,100	792	1.33
Sourcenext	379,600	1,179	1.99
Vision	53,800	2,125	3.58
Trade 11.43% (31.7.18 - 14.27%)			
Ain Pharmaciez	32,000	1,437	2.42
Nextage	336,900	3,132	5.28
PC Depot	299,200	1,031	1.74
QB Net	41,000	718	1.21
Raksul	16,400	466	0.78
Consumer Goods 3.75% (31.7.18 - Nil)			
Katitas	70,000	2,225	3.75
Consumer Services 3.63% (31.7.18 - Nil)			
Media	48,600	1,276	2.15
Members	59,100	881	1.48
Financials 1.06% (31.7.18 - Nil)			
Japan Property Management Center	73,500	629	1.06
Finance & Insurance 4.42% (31.7.18 - 4.96%)			
Aruhi	170,400	2,626	4.42
Services 31.65% (31.7.18 - 33.65%)			
CareerIndex	157,600	882	1.49
Central Security Patrols	45,700	1,689	2.85
CyberAgent	15,100	501	0.84
Elan	129,600	1,706	2.87
En-Japan	26,900	911	1.53
Fullcast	131,400	2,221	3.74
Japan Material	139,700	1,505	2.54
M&A Capital Partners	10,900	603	1.02
Macromill	162,200	1,552	2.61
Nexys	70,800	1,072	1.81
Riso Kyoiku	893,000	3,419	5.76
SoldOut	51,100	726	1.22
Sprix	71,600	901	1.52
SRG Takamiya	113400	678	1.14
Visionary	1,306,600	423	0.71

Portfolio Statement continued
as at 31 July 2019

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Technology 5.51% (31.7.18 - Nil)			
Change	37,300	635	1.07
Dai-ichi Seiko	79,900	803	1.35
Sansan	41,200	1,835	3.09
Portfolio of investments (31.7.18 - 96.10%)		**57,225**	**96.39**
Net other assets (31.7.18 - 3.90%)		**2,143**	**3.61**
Net assets		**59,368**	**100.00**

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

Invesco Japanese Smaller Companies Fund (UK)
Investment report for the year

Summary of Material Portfolio Changes
for the year 1 August 2018 to 31 July 2019

	Cost £'000
Total purchases	**33,956**
Largest purchases:	
KH Neochem	3,201
Katitas	1,970
Sourcenext	1,906
West Holdings	1,755
MCJ	1,535
Sansan	1,526
CareerIndex	1,378
Sprix	1,302
Aruhi	1,259
Furuya Metal	1,252
M&A Capital Partners	1,245
Media	1,212
Central Security Patrols	1,142
Elan	943
Ain Pharmaciez	793
Dai-ichi Seiko	791
Change	769
En-Japan	762
Members	710
Macromill	699

	Proceeds £'000
Total sales	**51,989**
Largest sales:	
DA Consortium	4,966
PeptiDream	3,139
Penta-Ocean Construction	2,320
Raksul	2,237
KH Neochem	1,946
Financial Products	1,688
Japan Lifeline	1,669
Nissha	1,592
MTG	1,522
En-Japan	1,437
Meiko Electronics	1,378
GIKEN	1,370
Japan Material	1,292
Fullcast	1,277
OSJB	1,233
M&A Capital Partners	1,227
Digital Arts	1,156
Mitsui High-Tec	1,131
Nextage	945
Nippon Koei	907

Invesco Japanese Smaller Companies Fund (UK)
Financial Statements

Statement of Total Return for the year 1 August 2018 to 31 July 2019	Notes	£'000	01.8.18 to 31.7.19 £'000	£'000	01.8.17 to 31.7.18 £'000
Income					
Net capital (losses)/gains	2		(4,411)		13,370
Revenue	3	803		758	
Expenses	4	(943)		(1,079)	
Interest payable and similar charges	5	-		-	
Net expenses before taxation		(140)		(321)	
Taxation	6	(80)		(75)	
Net expenses after taxation			(220)		(396)
Total return before distributions			(4,631)		12,974
Distributions	7		(8)		1
Change in net assets attributable to Shareholders from investment activities			**(4,639)**		**12,975**

Statement of Change in Net Assets Attributable to Shareholders for the year 1 August 2018 to 31 July 2019	£'000	01.8.18 to 31.7.19 £'000	£'000	01.8.17 to 31.7.18 £'000
Opening net assets attributable to Shareholders		**82,923**		**54,677**
Amounts received on issue of shares	5,624		41,347	
Amounts paid on redemption of shares	(24,628)		(26,146)	
		(19,004)		15,201
Dilution adjustment		59		70
Change in net assets attributable to Shareholders from investment activities		(4,639)		12,975
Retained distribution on accumulation shares		29		-
Closing net assets attributable to Shareholders		**59,368**		**82,923**

Invesco Japanese Smaller Companies Fund (UK)
Financial Statements

Balance Sheet as at 31 July 2019	**Notes**	**£'000**	**31.7.19 £'000**	**£'000**	**31.7.18 £'000**
Assets					
Fixed assets					
Investments			57,225		79,687
Current assets					
Debtors	8	302		619	
Cash and bank balances	9	2,330		3,513	
Total other assets			2,632		4,132
Total assets			59,857		83,819
Liabilities					
Investment liabilities			-		-
Creditors					
Distribution payable		-		-	
Other creditors	10	489		896	
Total other liabilities			489		896
Total liabilities			489		896
Net assets attributable to Shareholders			**59,368**		**82,923**

Invesco Japanese Smaller Companies Fund (UK)

Notes to the financial statements

Refer to pages 06 to 15 for notes applicable to the financial statements of all Funds.

1 Accounting policies

The Fund's Accounting Policies, Distribution Policies and Generic Risk Factors are set out on pages 06 to 07 and 09 to 13.

2 Net capital (losses)/gains

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Derivative securities	12	–
Foreign currency (losses)/gains	(32)	71
Forward currency contracts	26	(10)
Non-derivative securities	(4,417)	13,309
Net capital (losses)/gains	(4,411)	13,370

3 Revenue

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Bank interest	9	3
Non-taxable overseas dividends	794	755
	803	758

4 Expenses

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee[1]	945	1,079
	945	1,079
Other expenses:		
VAT - prior period adjustment	(2)	–
	(2)	–
Total expenses	943	1,079

[1] Total audit fees of £8,250 (2018 - £6,206) exclusive of VAT payable to the auditors for the year ended 31 July 2019 are borne out of the Fund Management Fee.

5 Interest payable and similar charges

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Interest	–	–

6 Taxation

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
a) Analysis of charge for the year		
Overseas tax	80	75
Total tax charge	80	75

There is no corporation tax charge for the year (2018 - Nil).

b) Factors affecting the tax charge for the year
The tax assessed for the year is higher (2018 - higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Net expenses before taxation	(140)	(321)
Corporation tax at 20% (2018 - 20%)	(28)	(64)
Effects of:		
Movement in excess expenses	187	215
Overseas tax	80	75
Revenue not subject to tax	(159)	(151)
Total tax charge	80	75

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

c) Deferred tax
At the year end the Fund had surplus management expenses of £19,385,000 (2018 - £18,451,000). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £3,877,000 (2018 - £3,690,000) has not been recognised.

7 Distributions

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Accumulations and distributions payable 30 September 2019	29	–
Amounts deducted on redemption of shares	(26)	(33)
Amounts received on issue of shares	5	32
	8	(1)
The distributable amount has been calculated as follows:		
Net expenses after taxation	(220)	(396)
Equalisation on conversions	–	1
Shortfall of income taken to capital	228	394
	8	(1)

8 Debtors	31.7.19 £'000	31.7.18 £'000
Accrued revenue	89	102
Amounts receivable for issue of shares	-	25
Foreign currency contracts awaiting settlement	69	134
Sales awaiting settlement	144	358
	302	619

9 Cash and bank balances	31.7.19 £'000	31.7.18 £'000
Cash and bank balances	2,330	3,513

10 Other creditors	31.7.19 £'000	31.7.18 £'000
Accrued expenses	72	100
Amounts payable for redemption of shares	273	429
Foreign currency contracts awaiting settlement	68	133
Purchases awaiting settlement	76	232
VAT payable	-	2
	489	896

11 Contingent assets, liabilities and outstanding commitments
There were no commitments or contingent liabilities at the balance sheet date (2018 - Nil).

12 Related parties
Related party interests in the Fund are disclosed in note 10 of the notes applicable to the financial statements of all Funds on page 15. Amounts payable to Invesco Fund Managers Limited in respect of Fund Management Fees are disclosed in note 4. Amounts due at the end of the accounting year for Fund Management Fees of £72,000 (2018 - £100,000) are disclosed in note 10 within accrued expenses.

13 Generic Risk factors
As this is a smaller companies fund, investors should be prepared to accept a higher degree of risk than funds that can invest in larger company sizes. Market conditions, such as a decrease in market liquidity, may mean that it is not easy to buy or sell securities.

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

The generic risk factors relating to the Fund are discussed more fully in note 5 of the notes applicable to the financial statements of all Funds on pages 09 to 13.

a) Counterparty risk
The Fund was not exposed to any counterparty risk as at the balance sheet date (2018 - Nil).

13 Generic Risk factors continued

b) Valuation of financial investments
The categorisation of financial investments in the tables below reflect the basis of valuation of investments used to measure their fair value.

	Assets £'000	Liabilities £'000
31.7.19		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	57,225	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	57,225	**-**
31.7.18		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	79,687	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	79,687	**-**

All financial investments are classified as level 1: Unadjusted quoted price in an active market for an identical instrument.

14 Portfolio transaction costs
for the year 1 August 2018 to 31 July 2019

Purchases (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	33,942	14	0.04	-	-
Total purchases	**33,942**	**14**		**-**	
Total purchases including transaction costs	**33,956**				

Sales (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	52,032	43	0.08	-	-
Total sales	**52,032**	**43**		**-**	
Total sales net of transaction costs	**51,989**				
Derivative transaction costs		**-**		**-**	
Total transaction costs		**57**		**-**	
Total transaction costs as a % of average net assets		**0.09%**		**0.00%**	

14 Portfolio transaction costs continued
for the year 1 August 2017 to 31 July 2018

Purchases (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	62,515	36	0.06	-	-
Total purchases	**62,515**	**36**		**-**	
Total purchases including transaction costs	**62,551**				

Sales (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	49,788	51	0.10	-	-
Total sales	**49,788**	**51**		**-**	
Total sales net of transaction costs	**49,737**				
Derivative transaction costs		**-**		**-**	
Total transaction costs		**87**		**-**	
Total transaction costs as a % of average net assets		**0.11%**		**0.00%**	

The above analysis covers any direct transaction costs suffered by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments, cash and short-term collective investment schemes utilised as part of a daily sweep to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying Funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.34% (2018 - 0.30%).

15 Share movement
for the year 1 August 2018 to 31 July 2019

	Accumulation shares	Accumulation shares (No Trail)	Z Accumulation shares	Y Accumulation shares
Opening shares	32,138,071	51,252	1,453,995	6,727,960
Shares issued	651,609	13,499	132,096	966,185
Shares redeemed	(5,164,263)	(7,203)	(617,308)	(3,587,120)
Shares converted	(231,409)	940	23,927	37,390
Closing shares	**27,394,008**	**58,488**	**992,710**	**4,144,415**

16 Post balance sheet events
There are no post balance sheet events that require disclosure or adjustments to the financial statements.

Invesco Japanese Smaller Companies Fund (UK)
Distribution table

Distribution table
for the year 1 August 2018 to 31 July 2019

Distribution payable 30 September 2019	Net revenue pence per share	Equalisation pence per share	Net distribution payable 30.9.19 pence per share	Net distribution paid 30.9.18 pence per share
Accumulation shares				
Group 1	0.0000	–	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Accumulation shares (No Trail)				
Group 1	0.0000	–	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Z Accumulation shares				
Group 1	0.5722	–	0.5722	0.0000
Group 2	0.5722	0.0000	0.5722	0.0000
Y Accumulation shares				
Group 1	0.5657	–	0.5657	0.0000
Group 2	0.5657	0.0000	0.5657	0.0000

Group 1: shares purchased prior to 1 August 2018
Group 2: shares purchased on or after 1 August 2018

Equalisation applies only to shares purchased during the distribution period (Group 2). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax. Instead, it must be deducted from the cost of shares for capital gains purposes.

Invesco UK Smaller Companies Equity Fund (UK)
Investment report for the year

The Investment Objective and Policy of the Invesco UK Smaller Companies Equity Fund (UK)
The Fund aims to achieve capital growth in the UK. The Fund intends to invest primarily in shares of smaller companies in the UK. 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.

Invesco Perpetual UK Smaller Companies Equity Fund changed its name to Invesco UK Smaller Companies Equity Fund (UK) effective 1 October 2018. The Fund objective and strategy remain unchanged at this time. On the 7 August 2019 there was an update to the Prospectus for the various ICVC funds. As part of this update, various changes were implemented regarding investment objectives, investment policies, investment strategies and benchmark disclosures, all for clarification purposes only. There has been no changes to the way the Funds are managed. The updated prospectus is available at www.invesco.co.uk. The objectives currently shown within these financial statements are those objectives that were in place as at 31 July 2019.

Performance
to 31 July 2019

	Since 31.1.19 %	Since 31.7.18 %	Since 31.7.16 %	Since 31.7.14 %	Since 31.7.09 %
					Percentage growth
Invesco UK Smaller Companies Equity Fund (UK) (Z Accumulation shares)[1]	16.08	2.69	55.53	88.92	333.16
Numis Smaller Companies Extended ex Investment Companies Index TR[2]	3.63	-6.14	22.00	36.44	225.30
IA UK Smaller Companies Sector NR	7.34	-5.92	39.78	56.27	266.98
Fund Ranking	2/50	2/49	10/47	7/45	18/38

Standardised rolling 12 month performance

	30.6.14 30.6.15 %	30.6.15 30.6.16 %	30.6.16 30.6.17 %	30.6.17 30.6.18 %	30.6.18 30.6.19 %
					Percentage growth
Invesco UK Smaller Companies Equity Fund (UK) (Z Accumulation shares)[1]	16.3	-4.9	42.0	15.1	2.0
Numis Smaller Companies Extended ex Investment Companies Index TR[2]	10.4	-6.6	29.1	7.6	-5.4
IA UK Smaller Companies Sector NR	9.5	-6.0	36.2	17.1	-6.1

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.invesco.co.uk or by contacting us.

Fund and sector average performance data source: Lipper, in Sterling, with income reinvested and net of the ongoing charge and portfolio transaction costs. This may differ from the performance figure shown on page 116 for Z Accumulation shares as the figure above is based on the quoted 12pm price and the figure shown on page 116 is based on the close of business bid price. Numis Smaller Companies Extended ex Investment Companies Index TR[2] data source: Lipper, 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.

1 Effective 18 April 2016, the primary share class changed from Accumulation share class to Z Accumulation share class. Performance figures are based on the Z Accumulation share class. As this was launched on 12 November 2012, for the years prior to this launch date, performance figures are based on the Accumulation share class, without any adjustment for fees.
2 Reference benchmark for performance comparison purposes only.

Invesco UK Smaller Companies Equity Fund (UK)
Investment report for the year

Strategy, review and outlook
The Fund delivered a return of 2.7% over the twelve months to the end of July 2019, compared to a fall of 6.1% by the Numis Smaller Companies Extended ex Investment Companies Index TR[1]. This placed the Fund in the first quartile of its peer group, the IA UK Smaller Companies Sector NR, which fell by an average of 5.9%.

Fund and sector average performance data source: Lipper, in Sterling, with income reinvested and net of the ongoing charge and portfolio transaction costs. Performance figures are based on the Z Accumulation share class. Numis Smaller Companies Extended ex Investment Companies Index TR[1] data source: Lipper, total return, in Sterling.

Past performance is not a guide to future returns.

The UK equity market provided a small positive return over the period, performance which masks underlying periods of significant volatility. Market performance was impacted by both the escalation of domestic political tensions and growing global concerns regarding trade wars and global economic growth.

The value of Sterling fell to significant lows against both the US dollar and Euro over the period. The Bank of England raised the base interest rate to 0.75% in August 2018, but indicated that there would be no further increases until the United Kingdom's exit from the European Union had been finalised.

Against this challenging backdrop the Fund's holdings in media businesses Future and 4imprint provided a strong contribution to returns. Future provided the standout return, releasing a series of strong trading updates throughout the year. These updates prompted material upgrades to analyst estimates and sharp rises in the company's share price. Meanwhile promotional merchandiser 4imprint released a strong full year statement during March 2019, prompting some analysts to upgrade their estimates. The company had increased its advertising spend, which proved more successful than had been anticipated by the market.

The Fund's holding in AJ Bell also provided a significant positive contribution to returns. The investment platform successfully completed its initial public offering (IPO) in December, listing for the first time on the London Stock Exchange. The fund manager was extremely supportive of the IPO, which saw significant gains realised for the portfolio.

Despite the portfolio's positive performance over the year there were some holdings that provided a negative return. The most notable detractor was Patisserie. Shares in the company were suspended from trading in October 2018, following the discovery of a fraud in the company's accounts. This is a highly unusual and frustrating situation and the criminal investigation into the fraud remains ongoing.

The outlook for the UK continues to be clouded by political uncertainty, particularly around Brexit. The Bank of England has signalled that further interest rate rises are unlikely until the outcome is known.

In light of this ongoing uncertainty, the fund manager retains a preference for stocks with "self-help" characteristics that gives them the potential to grow independently of the economy. This can include the restructuring of underperforming businesses, sector consolidation, roll-out strategies or market share gains led by innovation. Fortunately, the breadth and diversity of the smaller companies sector enables the manager to find a steady stream of such investments. Therefore, despite the uncertain outlook, he remains confident in the positioning of the Fund.

Jonathan Brown, Fund Manager
Where Jonathan Brown has expressed opinions, they are based on current market conditions, they may differ from those of other investment professionals and are subject to change without notice.

[1] Reference benchmark for performance comparison purposes only.

The Fund's ten largest investments are	%
Future	4.37
4imprint	3.30
Clinigen	2.92
RWS	2.52
Johnson Service	2.43
CVS	2.38
Aptitude Software	2.26
Tarsus	2.25
Ultra Electronics	2.24
James Fisher & Sons	2.13

Comparative tables

Year ended Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	1,295.29	1,176.29	871.21
Return before operating charges*	53.60	139.78	322.28
Operating charges	(20.75)	(20.78)	(17.20)
Return after operating charges	32.85	119.00	305.08
Distributions	(8.49)	(5.55)	(3.26)
Retained distributions on accumulation shares	8.49	5.55	3.26
Closing net asset value per share	**1,328.14**	**1,295.29**	**1,176.29**
*After direct transaction costs of	(0.93)	(0.94)	(1.67)
Performance			
Return after charges	2.54%	10.12%	35.02%
Other information			
Closing net asset value (£'000)	322,959	349,477	342,423
Closing number of shares	24,316,641	26,980,652	29,110,423
Operating charges	1.67%	1.67%	1.67%
Direct transaction costs	0.07%	0.08%	0.16%
Performance fee	-	-	-
Prices			
Highest share price	1,337.55	1,314.09	1,176.39
Lowest share price	1,105.63	1,157.10	872.16

Year ended Accumulation shares (No Trail)	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	427.47	386.26	284.66
Return before operating charges*	17.86	46.00	105.55
Operating charges	(4.81)	(4.79)	(3.95)
Return after operating charges	13.05	41.21	101.60
Distributions	(4.87)	(3.87)	(2.75)
Retained distributions on accumulation shares	4.87	3.87	2.75
Closing net asset value per share	**440.52**	**427.47**	**386.26**
*After direct transaction costs of	(0.31)	(0.31)	(0.55)
Performance			
Return after charges	3.05%	10.67%	35.69%
Other information			
Closing net asset value (£'000)	9,695	9,110	9,383
Closing number of shares	2,200,927	2,131,001	2,429,117
Operating charges	1.17%	1.17%	1.17%
Direct transaction costs	0.07%	0.08%	0.16%
Performance fee	-	-	-
Prices			
Highest share price	443.25	433.38	386.30
Lowest share price	365.63	380.02	284.98

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Comparative tables continued

Year ended Z Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	509.97	459.66	337.89
Return before operating charges*	21.39	54.80	125.46
Operating charges	(4.52)	(4.49)	(3.69)
Return after operating charges	16.87	50.31	121.77
Distributions	(7.04)	(5.84)	(4.28)
Retained distributions on accumulation shares	7.04	5.84	4.28
Closing net asset value per share	**526.84**	**509.97**	**459.66**
*After direct transaction costs of	(0.37)	(0.37)	(0.65)
Performance			
Return after charges	3.31%	10.95%	36.04%
Other information			
Closing net asset value (£'000)	52,725	48,780	43,464
Closing number of shares	10,007,801	9,565,295	9,455,727
Operating charges	0.92%	0.92%	0.92%
Direct transaction costs	0.07%	0.08%	0.16%
Performance fee	-	-	-
Prices			
Highest share price	529.87	516.85	459.69
Lowest share price	436.64	452.26	338.28

Year ended Y Accumulation shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	347.89	313.41	230.28
Return before operating charges*	14.60	37.38	85.51
Operating charges	(2.91)	(2.90)	(2.38)
Return after operating charges	11.69	34.48	83.13
Distributions	(4.97)	(4.15)	(3.06)
Retained distributions on accumulation shares	4.97	4.15	3.06
Closing net asset value per share	**359.58**	**347.89**	**313.41**
*After direct transaction costs of	(0.25)	(0.25)	(0.44)
Performance			
Return after charges	3.36%	11.00%	36.10%
Other information			
Closing net asset value (£'000)	167,132	161,029	144,647
Closing number of shares	46,479,328	46,286,942	46,152,043
Operating charges	0.87%	0.87%	0.87%
Direct transaction costs	0.07%	0.08%	0.16%
Performance fee	-	-	-
Prices			
Highest share price	361.62	352.56	313.44
Lowest share price	297.93	308.37	230.54

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Comparative tables continued

Year ended Income shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	980.21	893.98	663.95
Return before operating charges*	40.53	106.24	245.63
Operating charges	(15.70)	(15.79)	(13.11)
Return after operating charges	24.83	90.45	232.52
Distributions	(6.42)	(4.22)	(2.49)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**998.62**	**980.21**	**893.98**
*After direct transaction costs of	(0.70)	(0.72)	(1.28)
Performance			
Return after charges	2.53%	10.12%	35.02%
Other information			
Closing net asset value (£'000)	43,224	82,127	77,352
Closing number of shares	4,328,303	8,378,501	8,652,549
Operating charges	1.67%	1.67%	1.67%
Direct transaction costs	0.07%	0.08%	0.16%
Performance fee	–	–	–
Prices			
Highest share price	1,012.16	998.72	896.55
Lowest share price	836.66	879.41	664.68

Year ended Income shares (No Trail)	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	384.21	350.35	260.04
Return before operating charges*	16.04	41.73	96.44
Operating charges	(4.32)	(4.35)	(3.61)
Return after operating charges	11.72	37.38	92.83
Distributions	(4.37)	(3.52)	(2.52)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**391.56**	**384.21**	**350.35**
*After direct transaction costs of	(0.28)	(0.28)	(0.50)
Performance			
Return after charges	3.05%	10.67%	35.70%
Other information			
Closing net asset value (£'000)	595	847	825
Closing number of shares	151,991	220,338	235,551
Operating charges	1.17%	1.17%	1.17%
Direct transaction costs	0.07%	0.08%	0.16%
Performance fee	–	–	–
Prices			
Highest share price	398.39	393.09	352.89
Lowest share price	328.63	344.69	260.34

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Comparative tables continued

Year ended Z Income shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	473.33	431.56	320.22
Return before operating charges*	19.85	51.47	118.90
Operating charges	(4.19)	(4.22)	(3.50)
Return after operating charges	15.66	47.25	115.40
Distributions	(6.53)	(5.48)	(4.06)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**482.46**	**473.33**	**431.56**
*After direct transaction costs of	(0.34)	(0.35)	(0.62)
Performance			
Return after charges	3.31%	10.95%	36.04%
Other information			
Closing net asset value (£'000)	10,976	11,335	10,415
Closing number of shares	2,274,969	2,394,762	2,413,298
Operating charges	0.92%	0.92%	0.92%
Direct transaction costs	0.07%	0.08%	0.16%
Performance fee	–	–	–
Prices			
Highest share price	491.81	485.27	435.66
Lowest share price	405.27	424.63	320.60

Year ended Y Income shares	31.7.19 (pence per share)	31.7.18 (pence per share)	31.7.17 (pence per share)
Change in net assets per share			
Opening net asset value per share	326.73	297.89	221.03
Return before operating charges*	13.72	35.53	82.07
Operating charges	(2.74)	(2.75)	(2.28)
Return after operating charges	10.98	32.78	79.79
Distributions	(4.67)	(3.94)	(2.93)
Retained distributions on accumulation shares	–	–	–
Closing net asset value per share	**333.04**	**326.73**	**297.89**
*After direct transaction costs of	(0.24)	(0.24)	(0.43)
Performance			
Return after charges	3.36%	11.00%	36.10%
Other information			
Closing net asset value (£'000)	17,087	17,423	16,813
Closing number of shares	5,130,500	5,332,675	5,644,007
Operating charges	0.87%	0.87%	0.87%
Direct transaction costs	0.07%	0.08%	0.16%
Performance fee	–	–	–
Prices			
Highest share price	339.62	335.11	300.86
Lowest share price	279.81	293.11	221.29

Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Shareholders should note that additionally there are other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which will also have reduced the Fund and share class returns before operating charges.

The operating charges figure is equivalent to the FMF shown on page 08, which we also refer to as the ongoing charge in our Key Investor Information Documents (KIIDs) and our literature.

Invesco UK Smaller Companies Equity Fund (UK)
Investment report for the year

Portfolio Statement as at 31 July 2019 Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Oil & Gas 3.82% (31.7.18 - 4.49%)			
Energean Oil & Gas	1,075,236	11,462	1.83
Hurricane Energy	5,930,658	2,579	0.41
Jadestone Energy	7,598,625	4,293	0.69
Premier Oil	6,603,265	5,541	0.89
Basic Materials 1.44% (31.7.18 - 1.15%)			
Scapa	4,588,912	9,013	1.44
Industrials 33.16% (31.7.18 - 31.04%)			
Coats	13,548,163	10,791	1.73
Diploma	278,480	4,225	0.68
Equiniti	5,873,197	12,357	1.98
Essentra	2,108,020	8,984	1.44
Hill & Smith	973,853	10,995	1.76
James Fisher & Sons	613,393	13,280	2.13
Johnson Service	8,876,011	15,196	2.43
Keywords Studios	776,137	12,899	2.07
Knights	1,759,210	5,524	0.88
Learning Technologies	7,340,862	8,280	1.33
Polypipe	2,838,002	11,590	1.86
Restore	3,034,756	12,807	2.05
Ricardo	1,222,948	8,634	1.38
Robert Walters	1,899,314	9,914	1.59
RWS	2,419,340	15,726	2.52
Sanne	2,299,968	12,581	2.01
Severfield	10,774,708	7,219	1.16
Staffline	1,863,809	2,147	0.34
Thruvision	6,054,840	1,659	0.26
Ultra Electronics	713,635	14,001	2.24
Vp	1,050,166	8,254	1.32
Consumer Goods 4.46% (31.7.18 - 7.06%)			
Bakkavor	2,975,116	3,136	0.50
Bovis Homes	789,008	8,308	1.33
Hilton Food	1,222,138	11,439	1.83
Ted Baker	544,037	4,951	0.80
Health Care 6.79% (31.7.18 - 8.15%)			
Advanced Medical Solutions	967,486	2,825	0.45
Clinigen	1,807,049	18,215	2.92
Consort Medical	1,423,025	10,673	1.71
Horizon Discovery	1,468,345	2,232	0.36
Vectura	10,476,306	8,412	1.35
Consumer Services 21.47% (31.7.18 - 18.59%)			
4imprint	737,569	20,578	3.30
boohoo.com	1,679,019	4,021	0.64
CVS	1,621,845	14,848	2.38
Dunelm	270,605	2,499	0.40
Euromoney Institutional Investor	577,863	7,974	1.28
Future	2,415,921	27,300	4.37
Hollywood Bowl	3,017,350	6,367	1.02
Loungers	1,272,443	2,545	0.41
M&C Saatchi	1,342,355	4,524	0.72
Marston's	6,476,073	6,923	1.11
Patisserie[1]	7,484,925	-	0.00
Tarsus	3,316,774	14,063	2.25
Topps Tiles	7,482,133	5,088	0.81
Wetherspoon (JD)	590,691	9,043	1.45
Young & Co's Brewery (non-voting)	715,135	8,296	1.33

Portfolio Statement continued
as at 31 July 2019

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Telecommunications Nil (31.7.18 - 1.03%)			
Financials 16.28% (31.7.18 - 17.13%)			
A J Bell	1,572,671	6,527	1.05
Amigo	725,561	1,197	0.19
Arrow Global	3,976,142	10,696	1.71
Brooks MacDonald	477,006	9,063	1.45
CLS	3,903,643	8,881	1.42
Invesco Perpetual UK Smaller Companies Investment Trust[2]	292,001	1,483	0.24
JTC	3,487,705	11,928	1.91
Nucleus Financial	693,136	1,213	0.19
Safestore	1,185,162	7,395	1.18
Savills	856,549	8,150	1.31
Secure Trust Bank	269,965	3,591	0.58
St. Modwen Properties	2,789,844	11,606	1.86
Urban & Civic	2,399,784	7,319	1.17
Workspace	902,096	7,614	1.22
XPS Pensions	4,336,783	5,009	0.80
Technology 9.60% (31.7.18 - 8.69%)			
Alfa Financial Software	4,444,884	4,232	0.68
Aptitude Software	2,565,392	14,110	2.26
FDM	946,071	7,739	1.24
Kainos	1,483,591	8,338	1.33
NCC	5,175,250	9,554	1.53
SDL	1,774,791	8,466	1.36
Softcat	785,657	7,495	1.20
Portfolio of investments (31.7.18 - 97.33%)		**605,817**	**97.02**
Net other assets (31.7.18 - 2.67%)		**18,576**	**2.98**
Net assets		**624,393**	**100.00**

Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

1 Unquoted securities - for the year ended 31 July 2019 these amount to 0.00% (31 July 2018 - 0.94%) of the Net Asset Value of the Fund.
2 Investments managed or advised by Invesco Asset Management Limited or associates of the Invesco Group.

Invesco UK Smaller Companies Equity Fund (UK)
Investment report for the year

Summary of Material Portfolio Changes
for the year 1 August 2018 to 31 July 2019

	Cost £'000
Total purchases	**99,760**
Largest purchases:	
Scapa	9,684
Future	5,816
Learning Technologies	5,633
Ted Baker	5,080
Restore	4,975
NCC	4,715
Keywords Studios	4,607
JTC	3,342
Alfa Financial Software	3,199
CVS	3,171
Arrow Global	2,949
Jadestone Energy	2,895
Hill & Smith	2,879
Patisserie	2,851
Sanne	2,814
Ricardo	2,779
Brooks MacDonald	2,649
Superdry	2,583
Loungers	2,545
Essentra	2,401

	Proceeds £'000
Total sales	**164,584**
Largest sales:	
Future	15,729
Faroe Petroleum	13,516
A J Bell	9,540
Dechra Pharmaceuticals	7,952
Gamma Communications	7,307
Safestore	6,909
EMIS	6,328
Victrex	6,305
Rathbone Brothers	5,736
Coats	5,666
M&C Saatchi	5,652
Diploma	5,435
Superdry	5,177
Invesco Perpetual UK Smaller Companies Investment Trust	4,851
Northgate	4,672
Euromoney Institutional Investor	3,621
Majestic Wine	3,505
Amigo	3,406
RWS	3,342
Crest Nicholson	3,311

Invesco UK Smaller Companies Equity Fund (UK)
Financial Statements

Statement of Total Return for the year 1 August 2018 to 31 July 2019	Notes	£'000	01.8.18 to 31.7.19 £'000	£'000	01.8.17 to 31.7.18 £'000
Income					
Net capital gains	2		8,709		60,971
Revenue	3	14,299		14,141	
Expenses	4	(8,323)		(9,309)	
Interest payable and similar charges	5	-		-	
Net revenue before taxation		5,976		4,832	
Taxation	6	-		-	
Net revenue after taxation			5,976		4,832
Total return before distributions			14,685		65,803
Distributions	7		(5,997)		(4,841)
Change in net assets attributable to Shareholders from investment activities			**8,688**		**60,962**

Statement of Change in Net Assets Attributable to Shareholders for the year 1 August 2018 to 31 July 2019	£'000	01.8.18 to 31.7.19 £'000	£'000	01.8.17 to 31.7.18 £'000
Opening net assets attributable to Shareholders		**680,128**		**645,322**
Amounts received on issue of shares	24,043		19,816	
Amounts paid on redemption of shares	(93,950)		(50,082)	
		(69,907)		(30,266)
Dilution adjustment		278		40
Change in net assets attributable to Shareholders from investment activities		8,688		60,962
Retained distribution on accumulation shares		5,186		4,059
Unclaimed distribution monies		20		11
Closing net assets attributable to Shareholders		**624,393**		**680,128**

Invesco UK Smaller Companies Equity Fund (UK)
Financial Statements

Balance Sheet as at 31 July 2019	**Notes**	**£'000**	**31.7.19 £'000**	**£'000**	**31.7.18 £'000**
Assets					
Fixed assets					
Investments			605,817		661,937
Current assets					
Debtors	8	1,130		920	
Cash and bank balances	9	19,410		19,238	
Total other assets			20,540		20,158
Total assets			626,357		682,095
Liabilities					
Investment liabilities			-		-
Creditors					
Distribution payable		673		703	
Other creditors	10	1,291		1,264	
Total other liabilities			1,964		1,967
Total liabilities			1,964		1,967
Net assets attributable to Shareholders			**624,393**		**680,128**

Invesco UK Smaller Companies Equity Fund (UK)

Notes to the financial statements

Refer to pages 06 to 15 for notes applicable to the financial statements of all Funds.

1 Accounting policies

The Fund's Accounting Policies, Distribution Policies and Generic Risk Factors are set out on pages 06 to 07 and 09 to 13.

2 Net capital gains

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Non-derivative securities	8,709	60,971
Net capital gains	8,709	60,971

3 Revenue

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Bank interest	49	11
Management fee rebates	32	55
Non-taxable overseas dividends	751	526
UK dividends	12,988	13,028
UK REIT dividends	479	521
	14,299	14,141

4 Expenses

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Fund Management Fee[1]	8,323	9,309
	8,323	9,309
Total expenses	8,323	9,309

[1] Total audit fees of £8,250 (2018 - £9,423) exclusive of VAT payable to the auditors for the year ended 31 July 2019 are borne out of the Fund Management Fee.

5 Interest payable and similar charges

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Interest	–	–

6 Taxation

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
a) Analysis of charge for the year		
Overseas tax	–	–
Total tax charge	–	–

There is no corporation tax charge for the year (2018 - Nil).

b) Factors affecting the tax charge for the year
The tax assessed for the year is lower (2018 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Net revenue before taxation	5,976	4,832
Corporation tax at 20% (2018 - 20%)	1,195	966
Effects of:		
Movement in excess expenses	1,553	1,745
Revenue not subject to tax	(2,748)	(2,711)
Total tax charge	–	–

Authorised investment companies with variable capital are exempt from tax on capital gains. Therefore any capital return is not included in the above reconciliation.

c) Deferred tax
At the year end the Fund had surplus management expenses of £124,277,000 (2018 - £116,514,000). It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £24,856,000 (2018 - £23,303,000) has not been recognised.

7 Distributions

	01.8.18 to 31.7.19 £'000	01.8.17 to 31.7.18 £'000
Accumulations and distributions paid 30 September 2019	5,859	4,762
Amounts deducted on redemption of shares	348	178
Amounts received on issue of shares	(210)	(99)
	5,997	4,841
The distributable amount has been calculated as follows:		
Net revenue after taxation	5,976	4,832
Equalisation on conversions	21	9
	5,997	4,841

8 Debtors	31.7.19 £'000	31.7.18 £'000
Accrued revenue	631	889
Amounts receivable for issue of shares	498	31
Sales awaiting settlement	1	-
	1,130	920

9 Cash and bank balances	31.7.19 £'000	31.7.18 £'000
Cash and bank balances	19,410	19,238

10 Other creditors	31.7.19 £'000	31.7.18 £'000
Accrued expenses	711	807
Amounts payable for redemption of shares	568	457
Purchases awaiting settlement	12	-
	1,291	1,264

11 Contingent assets, liabilities and outstanding commitments
There were no commitments or contingent liabilities at the balance sheet date (2018 - Nil).

12 Related parties
Related party interests in the Fund are disclosed in note 10 of the notes applicable to the financial statements of all Funds on page 15. Amounts received in respect of sales in the accounting year of £4,851,000 (2018 - £3,647,000) are included within the figures disclosed in note 14. Amounts payable to Invesco Fund Managers Limited in respect of Fund Management Fees are disclosed in note 4. Amounts due at the end of the accounting year for Fund Management Fees of £711,000 (2018 - £807,000) are disclosed in note 10 within accrued expenses.

13 Generic Risk factors
As this is a smaller companies fund, investors should be prepared to accept a higher degree of risk than funds that can invest in larger company sizes. Market conditions, such as a decrease in market liquidity, may mean that it is not easy to buy or sell securities.

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

The generic risk factors relating to the Fund are discussed more fully in note 5 of the notes applicable to the financial statements of all Funds on pages 09 to 13.

a) Counterparty risk
The Fund was not exposed to any counterparty risk as at the balance sheet date (2018 - Nil).

13 Generic Risk factors continued

b) Valuation of financial investments
The categorisation of financial investments in the tables below reflect the basis of valuation of investments used to measure their fair value.

	Assets £'000	Liabilities £'000
31.7.19		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	605,817	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	605,817	**-**
31.7.18		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	655,516	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	6,421	-
	661,937	**-**

The majority of financial investments are classified as level 1: Unadjusted quoted prices in an active market for an identical instrument. Investments classified as level 3: Valuation techniques using unobservable inputs mainly comprise non-market traded and unquoted securities.

Generally for the non-market traded and unquoted securities, where there is no price source from an active market for an investment, the Manager has applied judgement in determining the fair value. The Manager has used several valuation methodologies as prescribed in the International Private Equity and Venture Capital valuation guidelines to arrive at their best estimate of fair value. Valuation techniques used by the Manager are set out in Accounting Policies Note 1 (i). The fair value is established by using measures of value such as:

- Price of recent transactions – Management determine the fair value based on the price of recent transactions made by management or a third party.
- Milestone analysis – Management assess the investment company's progress against milestones expected at the time of investment in order to determine whether an adjustment is required to the transaction price to determine fair value.
- Multiples – Earnings or Revenue multiples are selected from comparable public companies based on geographic location, industry, size, risk profile, earnings growth prospects, target markets and other factors that management consider reasonable. A discount for lack of liquidity may then be applied to represent the adjustment to comparable company multiples to reflect the illiquidity of the portfolio companies relative to the comparable peer group. Management determines the discount for lack of liquidity based on its judgement, after considering market liquidity conditions and company specific factors such as the development stage of the portfolio company. One of the most common forms of multiples used for cash generating companies are EV/EBITDA multiples as EBITDA is generally seen to represent a good proxy for free cash flow. These are applied where appropriate based on the development of underlying portfolio companies but other multiples such as EV/Revenue may also be considered.
- Net assets – Management determine the fair value based on the net asset value of the underlying portfolio company.

In applying the above valuation techniques in arriving at the fair value the Manager has assessed any further information available from internal and external sources to arrive at an estimated fair value, which includes but is not limited to the following:

- Reference to listed securities of the same company.
- Consideration of seniority of the securities held and terms of repayment upon realisation.
- Consideration of any trading restrictions on the investment company's shares that would limit Invesco's ability to realise its holding.
- Consideration of any outstanding payments to be made by Invesco.
- Industry statistics or events (such as mergers and acquisitions).

14 Portfolio transaction costs

for the year 1 August 2018 to 31 July 2019

Purchases (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	99,502	45	0.05	213	0.21
Total purchases	**99,502**	**45**		**213**	
Total purchases including transaction costs	**99,760**				

Sales (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	159,926	80	0.05	112	0.07
Collective investment schemes	4,854	4	0.08	0	0.00
Total sales	**164,780**	**84**		**112**	
Total sales net of transaction costs	**164,584**				
Derivative transaction costs		**-**		**-**	
Total transaction costs		**129**		**325**	
Total transaction costs as a % of average net assets		**0.02%**		**0.05%**	

14 Portfolio transaction costs continued

for the year 1 August 2017 to 31 July 2018

Purchases (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	121,148	69	0.06	317	0.26
Total purchases	**121,148**	**69**		**317**	
Total purchases including transaction costs	**121,534**				

Sales (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	154,134	117	0.08	0	0.00
Debt instruments (direct)	3	-	-	-	-
Collective investment schemes	3,651	4	0.11	0	0.00
Total sales	**157,788**	**121**		**0**	
Total sales net of transaction costs	**157,667**				
Derivative transaction costs		**-**		**-**	
Total transaction costs		**190**		**317**	
Total transaction costs as a % of average net assets		**0.03%**		**0.05%**	

The above analysis covers any direct transaction costs suffered by the Fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instruments types.

Separately identifiable direct transaction costs (commissions and taxes etc.) are attributable to the Fund's purchase and sale of equity shares. Additionally for equity shares, there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments, cash and short-term collective investment schemes utilised as part of a daily sweep to manage the Fund's daily liquidity position are excluded from the analysis.

For the Fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However, additionally there are indirect transaction costs suffered in those underlying Funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

Dealing spread costs suffered by the Fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 1.00% (2018 - 0.92%).

15 Share movement

for the year 1 August 2018 to 31 July 2019

	Accumulation shares	Accumulation shares (No Trail)	Z Accumulation shares	Y Accumulation shares
Opening shares	26,980,652	2,131,001	9,565,295	46,286,942
Shares issued	238,249	119,232	797,498	4,602,597
Shares redeemed	(2,591,383)	(52,070)	(581,150)	(5,227,059)
Shares converted	(310,877)	2,764	226,158	816,848
Closing shares	**24,316,641**	**2,200,927**	**10,007,801**	**46,479,328**

	Income shares	Income shares (No Trail)	Z Income shares	Y Income shares
Opening shares	8,378,501	220,338	2,394,762	5,332,675
Shares issued	23,874	9,656	63,496	199,597
Shares redeemed	(4,021,760)	(47,691)	(242,582)	(507,660)
Shares converted	(52,312)	(30,312)	59,293	105,888
Closing shares	**4,328,303**	**151,991**	**2,274,969**	**5,130,500**

16 Post balance sheet events

There are no post balance sheet events that require disclosure or adjustments to the financial statements.

Invesco UK Smaller Companies Equity Fund (UK)
Distribution table

Distribution table
for the year 1 August 2018 to 31 July 2019

Distribution paid 30 September 2019	Net revenue pence per share	Equalisation pence per share	Net distribution paid 30.9.19 pence per share	Net distribution paid 30.9.18 pence per share
Accumulation shares				
Group 1	8.4884	-	8.4884	5.5485
Group 2	4.2487	4.2397	8.4884	5.5485
Accumulation shares (No Trail)				
Group 1	4.8669	-	4.8669	3.8749
Group 2	1.4383	3.4286	4.8669	3.8749
Z Accumulation shares				
Group 1	7.0401	-	7.0401	5.8405
Group 2	3.1139	3.9262	7.0401	5.8405
Y Accumulation shares				
Group 1	4.9709	-	4.9709	4.1494
Group 2	1.6466	3.3243	4.9709	4.1494
Income shares				
Group 1	6.4175	-	6.4175	4.2198
Group 2	3.5594	2.8581	6.4175	4.2198
Income shares (No Trail)				
Group 1	4.3667	-	4.3667	3.5158
Group 2	1.9927	2.3740	4.3667	3.5158
Z Income shares				
Group 1	6.5331	-	6.5331	5.4831
Group 2	3.0743	3.4588	6.5331	5.4831
Y Income shares				
Group 1	4.6678	-	4.6678	3.9432
Group 2	2.0289	2.6389	4.6678	3.9432

Group 1: shares purchased prior to 1 August 2018
Group 2: shares purchased on or after 1 August 2018

Equalisation applies only to shares purchased during the distribution period (Group 2). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital it is not liable to income tax. Instead, it must be deducted from the cost of shares for capital gains purposes.

Invesco Smaller Companies and Markets Investment Series (the "Company")
Regulatory statements

Statement of the Manager's Responsibilities in relation to the Financial Statements
The Collective Investment Schemes sourcebook ("COLL") requires the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Company as at the end of the year and of the net revenue or expense and the net capital gains or losses on the scheme property of the Company for the year then ended. In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Financial Statements of Authorised Funds;
- follow applicable accounting standards; and
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements.

The Manager is responsible for the management of the Company in accordance with the Prospectus and the OEIC Regulations.

The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Depositary's Responsibilities in relation to the Financial Statements
The Depositary is responsible for the safekeeping of all of the property of the Company (other than tangible moveable property) which is entrusted to it.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the COLL, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") and the Company's Instrument of Incorporation in relation to the pricing of, and dealings in, the shares of the Company, the application of the revenue of the Company, and the investment and borrowing powers of the Company.

Depositary's Report to Shareholders
Having carried out such procedures as we considered necessary to discharge our responsibilities and duties as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the Manager:

(i) has carried out the issue, sale, redemption and cancellation of shares in the Company, the calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the COLL and, where applicable, the OEIC Regulations and the Instrument of Incorporation of the Company; and
(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

Citibank Europe plc, UK Branch
London
7 October 2019

Invesco Smaller Companies and Markets Investment Series (the "Company")

Independent Auditors' Report to the Shareholders of Invesco Smaller Companies and Markets Investment Series (the "Company")

Report on the audit of the financial statements

Opinion
In our opinion, Invesco Smaller Companies and Markets Investment Series' financial statements:

- give a true and fair view of the financial position of the Company and each of the Funds as at 31 July 2019 and of the net revenue/(expenses) and the net capital gains/(losses) of the scheme property of the Company and each of the Funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Invesco Smaller Companies and Markets Investment Series (the "Company") is an Open Ended Investment Company ('OEIC') with six Funds. The financial statements of the Company comprise the financial statements of each of the Funds. We have audited the financial statements, included within the Annual Report Including Long Form Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 31 July 2019; the statements of total return and the statements of change in net assets attributable to shareholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern
ISAs (UK) require us to report to you when:

- the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's or any of the Funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's or any of the Funds' ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is difficult to evaluate all of the potential implications on the funds' business and the wider economy.

Reporting on other information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report
In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Invesco Smaller Companies and Markets Investment Series (the "Company")

Independent Auditors' Report to the Shareholders of Invesco Smaller Companies and Markets Investment Series (the "Company") continued

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements
As explained more fully in the Statement of Manager's Responsibilities set out on page 132, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the Company's and each of the Funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual Fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook
In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting
Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
7 October 2019

Invesco Smaller Companies and Markets Investment Series (the "Company")

General Information

Directors of the Manager
Rachel Court**
Judith Eden**
Hayley Norford*
Graeme Proudfoot (ceased to be a Director 30 June 2019)
Andrew Schlossberg (ceased to be a Director 13 May 2019)
Douglas Sharp
Alan Trotter

*Effective 11 March 2019 Hayley Norford was appointed as a Director of Invesco Fund Managers Limited.

**Effective 11 September 2019 Rachel Court and Judith Eden were appointed as Independent Non-Executive Directors of Invesco Fund Managers Limited.

Authorised Corporate Director (the "Manager")
Invesco Fund Managers Limited
Registered Office: Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK
Registered in England No. 898166

The Manager's investment adviser is:
Invesco Asset Management Limited, Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, 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 Fund Managers Limited
Registered Office: Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK

For registration enquiries please call free on telephone 0800 085 8677 or write to us at:
Invesco Administration Centre, PO Box 11150, Chelmsford CM99 2DL, UK

Depositary
Citibank Europe plc, UK Branch
Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, UK
Authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

Independent Auditors
PricewaterhouseCoopers LLP
Atria One, 144 Morrison Street, Edinburgh, EH3 8EX

Further information

General enquiries
Client Services Team 0800 085 8677
International calls +44 (0)1491 417000

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

www.invesco.co.uk
enquiry@invesco.com

Fax 01491 416000

Post:
Invesco Administration Centre, PO Box 11150, Chelmsford CM99 2DL, UK

All instructions for investment and other correspondence relating to your account should be sent to this address. If you do not use this address, instructions for investment will be returned to you and our response to other correspondence may be delayed.

To invest
ICVC Dealing Line 0800 085 8571*

*The initial investment into an ICVC account must be made by completing and signing an application form; subsequent investments into the account can be made by post or via the telephone dealing line.

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.

Telephone conversations of all dealers, staff and those of clients on our Dealing Lines will be recorded for mutual protection.

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

Online Valuation Service. Available to UK residents and their financial advisers only.
To register for this service please go to www.invesco.co.uk

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 as set out in the section "General Enquiries" above.

The Prospectus, which contains a written statement of the terms and conditions of the Company, can be obtained from the Manager, as can copies of Interim and Annual Reports. Please call our Client Services Team Line on 0800 085 8677 or log onto our website (www.invesco.co.uk).

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Registered in England No. 898166
Registered address: Perpetual Park, Perpetual Park Drive, Henley-on-Thames,
Oxfordshire RG9 1HH, UK

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