



# **Smaller Companies and Markets Investment Series**

## **Annual Report Including Long Form Financial Statements**

**Issued September 2018**  
For the year 1 August 2017 to 31 July 2018



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

# Invesco Perpetual Smaller Companies and Markets Investment Series (the “Company”)

## Report of the Authorised Corporate Director (the “Manager”)

### The Company

The Invesco Perpetual 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 Sub-Funds may be formed by the Manager, subject to regulatory approval. Any changes to Sub-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 2018, the Company consisted of six Sub-Funds:

Invesco Perpetual Emerging European Fund  
Invesco Perpetual European Smaller Companies Fund  
Invesco Perpetual Global Emerging Markets Fund  
Invesco Perpetual Global Smaller Companies Fund  
Invesco Perpetual Japanese Smaller Companies Fund  
Invesco Perpetual UK Smaller Companies Equity Fund

### 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 2017 to 31 July 2018, none of the Sub-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.

### Remuneration Policy

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 2017, to include a detailed process for the determination of Identified Staff and align it with the requirements of the UCITS Directive.

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.invescoperpetual.co.uk](http://www.invescoperpetual.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 2017 to 31 December 2017) is £102.87m of which £56.09m is fixed remuneration and £46.78m is variable remuneration. The number of beneficiaries is 455.

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 2017 to 31 December 2017) is £24.01m of which £4.88m is paid to Senior Management and £19.13m is paid to other Identified Staff.

# Invesco Perpetual Smaller Companies and Markets Investment Series (the “Company”)

## Report of the Authorised Corporate Director (the “Manager”)

### Share Classes Available

#### **Invesco Perpetual Emerging European Fund**

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 Perpetual European Smaller Companies Fund**

Accumulation shares  
Accumulation shares (No Trail)  
Z Accumulation shares  
Y Accumulation shares

#### **Invesco Perpetual Global Emerging Markets Fund**

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 Perpetual Global Smaller Companies Fund**

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 Perpetual Japanese Smaller Companies Fund**

Accumulation shares  
Accumulation shares (No Trail)  
Z Accumulation shares  
Y Accumulation shares

#### **Invesco Perpetual UK Smaller Companies Equity Fund**

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.invescoperpetual.co.uk](http://www.invescoperpetual.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 Sub-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 Sub-Funds. The Manager, however, will ensure that the use of derivatives within the Sub-Funds does not materially alter the overall risk profile of the Sub-Funds.

The Invesco Perpetual Emerging European Fund and the Invesco Perpetual Global Emerging Markets Fund 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 Perpetual Global Emerging Markets Fund and the Invesco Perpetual Global Smaller Companies Fund 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 Sub-Fund. The Invesco Perpetual Emerging European Fund will invest directly in Russia, which can involve significant risks to capital. Although the Invesco Perpetual Emerging European Fund does not actively pursue a concentrated portfolio, it may have a concentrated number of holdings on occasions. Accordingly, the Sub-Fund may carry a higher degree of risk than a Sub-Fund which invests in a broader range of companies or takes smaller positions in a relatively large number of holdings. Although the Invesco Perpetual Global Smaller Companies 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 performance of the Invesco Perpetual Emerging European Fund, Invesco Perpetual European Smaller Companies Fund, Invesco Perpetual Global Emerging Markets Fund, Invesco Perpetual Global Smaller Companies Fund and Invesco Perpetual Japanese Smaller Companies Fund may be adversely affected by variations in the relative strength of world currencies or if Sterling strengthens against those currencies.

The Invesco Perpetual European Smaller Companies Fund, Invesco Perpetual Global Smaller Companies Fund, Invesco Perpetual Japanese Smaller Companies Fund and Invesco Perpetual UK Smaller Companies Equity Fund are smaller companies Sub-Funds. Smaller company Sub-Funds are higher risk than Sub-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.

All risks are contained within the Prospectus.

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# Invesco Perpetual Smaller Companies and Markets Investment Series (the “Company”)

## Report of the Authorised Corporate Director (the “Manager”)

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### Holdings in other Sub-Funds of the Company

As at 31 July 2018, no Sub-Funds held shares in any other Sub-Fund of the Company.

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### Liability

The Company is structured by having different Sub-Funds. The assets and liabilities of each Sub-Fund are segregated by UK Law. As a consequence the assets of a Sub-Fund will not be available to meet the liabilities of another Sub-Fund within the Company.

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

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### ISA Eligibility

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

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### Certification of the Annual Report by the Manager

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

**Director -**

**Director -**

27 September 2018

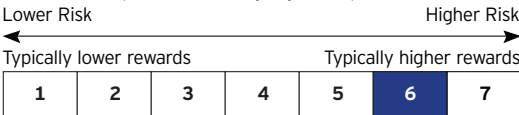
# Invesco Perpetual Smaller Companies and Markets Investment Series (the “Company”)

## Report of the Authorised Corporate Director (the “Manager”)

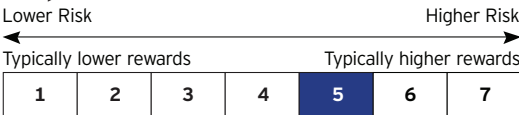
### Risk and Reward Profiles

for the year 1 August 2017 to 31 July 2018

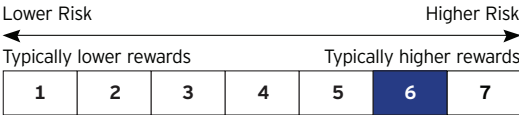
#### Invesco Perpetual Emerging European Fund



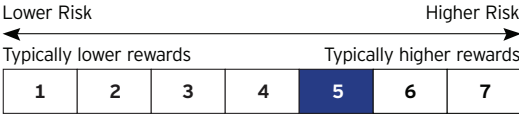
#### Invesco Perpetual European Smaller Companies Fund



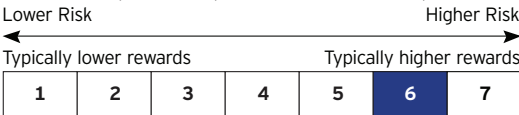
#### Invesco Perpetual Global Emerging Markets Fund



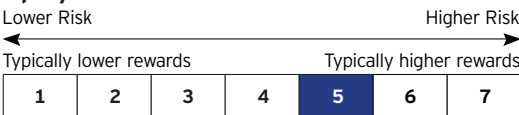
#### Invesco Perpetual Global Smaller Companies Fund



#### Invesco Perpetual Japanese Smaller Companies Fund



#### Invesco Perpetual UK Smaller Companies Equity Fund



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 Sub-Funds’ risk and reward profiles, please refer to the most up to date relevant Sub-Fund and share class specific Key Investor Information Documents (KIIDs), which are available at [www.invescoperpetual.co.uk](http://www.invescoperpetual.co.uk) or by contacting us.

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

## Notes applicable to the financial statements of all Sub-Funds

### 1 Accounting policies

#### a) **Basis of accounting**

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

## Notes applicable to the financial statements of all Sub-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.

#### 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 Sub-Funds in the Invesco Perpetual Smaller Companies and Markets Investment Series:

- where over a dealing period a Sub-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 Sub-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 Sub-Fund which may otherwise constrain the future growth of the Sub-Fund in question.

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

### 2 Distribution policies

The Sub-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 Sub-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 Sub-Fund.



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

Notes applicable to the financial statements of all Sub-Funds

## 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, part way through the period covered by this Report. 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 Sub-Funds out of their own resources across equity, fixed income, derivatives and currency securities. They do not operate a RPA.

## 4 Shareholders' Sub-Funds

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

		Entry Charge %	Fund Management Fee %
Invesco Perpetual Emerging European Fund	- 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 Perpetual European Smaller Companies Fund	- 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 Perpetual Global Emerging Markets Fund	- 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 Perpetual Global Smaller Companies Fund	- 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 Perpetual Japanese Smaller Companies Fund	- 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 Perpetual UK Smaller Companies Equity Fund	- 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

With effect from 2 July 2018, the entry charge was removed from the No Trail, Z and Y share classes.

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 Sub-Fund. These can be found on:

Invesco Perpetual Emerging European Fund	pages 18 to 21
Invesco Perpetual European Smaller Companies Fund	pages 36 to 37
Invesco Perpetual Global Emerging Markets Fund	pages 55 to 58
Invesco Perpetual Global Smaller Companies Fund	pages 74 to 77
Invesco Perpetual Japanese Smaller Companies Fund	pages 99 to 100
Invesco Perpetual UK Smaller Companies Equity Fund	pages 114 to 117

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

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

## Notes applicable to the financial statements of all Sub-Funds

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### 5 Generic Risk factors

In pursuing its investment objectives, the Company holds 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 Company's holding of financial instruments are set out below together with the Manager's policy for managing these risks.

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#### 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 Sub-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 Sub-Fund concerned. Transactions in derivatives are used in the Sub-Funds for efficient portfolio management. 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 Sub-Fund.

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#### Market price risk

The Company is 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 Company's 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.

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#### Currency exchange risk

The Company 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.

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#### Liquidity risk

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

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

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#### Counterparty risk

The Company may enter into derivative transactions or place cash in bank deposits with counterparties who may not be able to fulfil their responsibility by completing their side of the transactions. As a result, the Company could experience delays in liquidating positions and significant losses, including declines in the value of the investment during the period in which the Company seeks to enforce its rights or inability to realise any gain on investments.

In order to mitigate this risk, the Company conducts trades through reputable counterparties.

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# Invesco Perpetual Smaller Companies and Markets Investment Series (the “Company”)

## Notes applicable to the financial statements of all Sub-Funds

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### 5 Generic Risk factors continued

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#### Investing in a Concentrated Portfolio

Certain Sub-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 Sub-Fund's net asset value than if a larger number of investments were held or if the Sub-Fund had fewer larger positions. Accordingly they may carry a higher degree of risk and NAV volatility than a Sub-Fund which invests in a broad range of companies and/or does not take large positions in a relatively small number of stocks.

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#### 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 Sub-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.

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#### Investment in Smaller Companies

Sub-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.

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# Invesco Perpetual Smaller Companies and Markets Investment Series (the “Company”)

## Notes applicable to the financial statements of all Sub-Funds

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### 5 Generic Risk factors continued

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#### Calculation methods of the Risk Exposure

Following the assessment of the investment policy of each Sub-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 Sub-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 Sub-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 Sub-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  $(\text{VaR of the UCITS}) / (2 * \text{VaR of the reference portfolio})$  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 500 business days (ESMA Guidelines require at least 250 business days);
- daily calculation.

In line with box 25 of ESMA Guidelines, as the Sub-Funds use the VaR approach to monitor the global exposure, Invesco Fund Managers Limited calculates the leverage for each Sub-Fund on a daily basis, as the sum of the absolute value of the notional 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.

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

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

Notes applicable to the financial statements of all Sub-Funds

## 5 Generic Risk factors continued

### Calculation methods of the Risk Exposure continued

The table below details the VaR approach for each Sub-Fund and, for those Sub-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 Sub-Fund during the one year period ending 31 July 2018.

Fund name	Period of Observation	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	Leverage calculation method used
			Type of model  (Historical simulation, Monte Carlo)	Parameters  (Confidence Interval, holding period, observation period)		Lowest	Highest	Average  (based on daily data)	Regulatory limits	(Average levels as a % of NAV, calculated at least twice per month)	
Invesco Perpetual Emerging European Fund	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 Perpetual European Smaller Companies Fund	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 Perpetual Global Emerging Markets Fund	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 Perpetual Global Smaller Companies Fund	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 Perpetual Japanese Smaller Companies Fund	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 Perpetual UK Smaller Companies Equity Fund	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 Perpetual Smaller Companies and Markets Investment Series (the "Company")

Notes applicable to the financial statements of all Sub-Funds

## 5 Generic Risk factors continued

### Calculation methods of the Risk Exposure continued

The table below details the VaR approach for each Sub-Fund and, for those Sub-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 2017, as well as the daily average level of leverage for each Sub-Fund during the one year period ending 31 July 2017.

Fund name	Period of Observation	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	Leverage calculation method used
			Type of model  (Historical simulation, Monte Carlo)	Parameters  (Confidence Interval, holding period, observation period)		Lowest	Highest	Average  (based on daily data)	Regulatory limits	(Average levels as a % of NAV, calculated at least twice per month)	
Invesco Perpetual Emerging European Fund	1 August 2016 - 31 July 2017	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	MSCI Emerging Markets Eastern Europe Index	31.9%	40.7%	36.9%	100%	0%	Sum of the Notional of the derivatives
Invesco Perpetual European Smaller Companies Fund	1 August 2016 - 31 July 2017	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	EMIX Smaller European Companies Ex UK Index	41.4%	59.9%	54.0%	100%	27.1%	Sum of the Notional of the derivatives
Invesco Perpetual Global Emerging Markets Fund	1 August 2016 - 31 July 2017	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	MSCI Emerging Markets Index	49.6%	54.0%	51.5%	100%	0.4%	Sum of the Notional of the derivatives
Invesco Perpetual Global Smaller Companies Fund	1 August 2016 - 31 July 2017	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	MSCI AC World Small Cap Index	41.0%	48.6%	44.6%	100%	0%	Sum of the Notional of the derivatives
Invesco Perpetual Japanese Smaller Companies Fund	1 August 2016 - 31 July 2017	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	Russell Nomura Small-Cap Index	45.0%	55.2%	49.6%	100%	0%	Sum of the Notional of the derivatives
Invesco Perpetual UK Smaller Companies Equity Fund	1 August 2016 - 31 July 2017	Relative VaR	Historical Simulation	99% confidence level, 20 days, 2 years of risk factors	Numis Smaller Companies Extended (ex Investment Companies) Index	42.8%	48.4%	46.1%	100%	0%	Sum of the Notional of the derivatives

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# Invesco Perpetual Smaller Companies and Markets Investment Series (the “Company”)

Notes applicable to the financial statements of all Sub-Funds

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## 6 Investment objective and policy

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

Invesco Perpetual Emerging European Fund	page 16
Invesco Perpetual European Smaller Companies Fund	page 34
Invesco Perpetual Global Emerging Markets Fund	page 53
Invesco Perpetual Global Smaller Companies Fund	page 72
Invesco Perpetual Japanese Smaller Companies Fund	page 97
Invesco Perpetual UK Smaller Companies Equity Fund	page 112

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

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## 7 Base currency

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

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## 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.

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## 9 Borrowings

The borrowing facilities available to the Company as at 31 July 2018 comprise a bank overdraft facility of up to 10% of the value of the Company (31 July 2017 - 10%).

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

Notes applicable to the financial statements of all Sub-Funds

## 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 Sub-Fund. Management fee rebates are disclosed in notes 2 and 3 within each Sub-Fund. Amounts due at the end of the accounting year for Fund Management Fees are disclosed in note 10 within accrued expenses, within each Sub-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 Sub-Funds:

	Held at 31.7.18	Change in year	Held at 31.7.17
Invesco Perpetual Emerging European Fund Accumulation shares	3,741,575	(479,557)	4,221,132
Invesco Perpetual Emerging European Fund Income shares	3,348,631	-	3,348,631
Invesco Perpetual Emerging European Fund Income shares (No Trail)	1,024	-	1,024
Invesco Perpetual Emerging European Fund Y Accumulation shares	445,511	(63,464)	508,975
Invesco Perpetual Emerging European Fund Y Income shares	5,000	-	5,000
Invesco Perpetual European Smaller Companies Fund Accumulation shares	16,007	8,575	7,432
Invesco Perpetual Global Emerging Markets Fund Accumulation shares	36,030	17,041	18,989
Invesco Perpetual Global Emerging Markets Fund Income shares (No Trail)	500	-	500
Invesco Perpetual Global Emerging Markets Fund Y Accumulation shares	105,138	(26,865)	132,003
Invesco Perpetual Global Smaller Companies Fund Accumulation shares	936,140	(208,984)	1,145,124
Invesco Perpetual Global Smaller Companies Fund Income shares	696,080	(81,480)	777,560
Invesco Perpetual Japanese Smaller Companies Fund Accumulation shares	59,445	59,445	-
Invesco Perpetual UK Smaller Companies Equity Fund Accumulation shares	528,540	(61,261)	589,801
Invesco Perpetual UK Smaller Companies Equity Fund Y Accumulation shares	22,012,520	1,286,405	20,726,115



# Invesco Perpetual Emerging European Fund

## Investment report for the year

### The Investment Objective and Policy of the Invesco Perpetual Emerging European Fund

The Sub-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.

<b>Performance</b> to 31 July 2018	Since	Since	Since	Percentage growth	
	31.1.18 %	31.7.17 %	31.7.15 %	Since 31.7.13 %	Since 31.7.08 %
Invesco Perpetual Emerging European Fund (Z Accumulation shares) <sup>1</sup>	-3.42	12.00	69.44	36.80	28.41
MSCI Emerging Markets Eastern Europe Index TR <sup>2</sup>	-0.66	17.38	69.73	28.42	10.21

No suitable IA peer group exists for this Sub-Fund.

<b>Standardised rolling 12 month performance</b>	30.6.13	30.6.14	30.6.15	Percentage growth	
	30.6.14 %	30.6.15 %	30.6.16 %	30.6.16 %	30.6.17 %
Invesco Perpetual Emerging European Fund (Z Accumulation shares) <sup>1</sup>	-2.4	-14.5	14.6	29.7	10.5

This standardised past performance information is updated on a quarterly basis. Should you require up to date past performance information, this is available on our website [www.invescopetual.co.uk](http://www.invescopetual.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. The figures do not reflect the entry charge paid by individual investors. 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 TR<sup>2</sup> 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.

<sup>1</sup> 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.

<sup>2</sup> Reference benchmark for performance comparison purposes only.

# Invesco Perpetual Emerging European Fund

## Investment report for the year

### Strategy, review and outlook

The Sub-Fund increased by 12.0% over the twelve months to the end of July 2018, compared to a 17.4% gain in the benchmark MSCI Emerging Markets Eastern Europe Index TR<sup>1</sup>.

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 TR<sup>1</sup> 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 advance was supported by an improving growth outlook and encouraging corporate earnings results. The biggest driver of Sub-Fund performance came from our holdings in Russia, particularly oil and gas companies, which benefited from higher energy prices – Brent crude rose to US\$80 a barrel, a three and half-year high. LUKOIL and Novatek were our biggest stock contributors. Sberbank of Russia, Russia's largest bank also did reasonably well. Performance outside of Russia was more mixed with our holdings in Poland and Turkey generating disappointing returns. Materials and industrials were other sectors that contributed significantly towards performance.

Sentiment towards emerging equity markets has been knocked in recent months by a tightening in financial conditions brought about by a firmer US dollar and the US Federal Reserve reducing its balance sheet when the US government is faced with funding a bigger budget deficit, accentuated in part by President Trump's tax cuts. This has put emerging countries with a significant reliance on external funding in the spotlight. However, public finances in Russia are in good health and the economies in central Europe remain underpinned by strong growth rates and low interest rates.

Russia now boasts one of the lowest levels of external debt and one of the best current account and fiscal balances of any large emerging market economy. With inflation of 2.5% running well below the Central Bank's target, real interest rates are attractively high. GDP growth has been low but is likely to pick up on the back of the recent strength in the oil price and more stimulative policy efforts. Furthermore, the country offers the best dividend yield of any major emerging market.

The Sub-Fund's largest country exposure is in Russia. We also invest in healthy companies elsewhere in the region, including those based in countries with strong economic ties with Western Europe, for example Poland and Hungary – these countries offer some excellent growth stocks in our view – as well as in off-index countries such as Kazakhstan, thus enhancing the diversification benefits of the portfolio.

As valuation-driven active stock pickers we used a recent period of market weakness to start a position in Yandex, Russia's most popular search engine provider and a rare example of a company that has managed to compete effectively with Google. Like the US tech giant, Yandex currently earns most of its revenue from advertising, a market underpinned by robust dynamics and recovering consumer activity.

### 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.

<sup>1</sup> Reference benchmark for performance comparison purposes only.

The Sub-Fund's ten largest investments are		%
LUKOIL		9.82
Sberbank of Russia		8.47
Novatek		7.92
Powszechny Zakład Ubezpieczeń		4.81
Gazprom		4.50
MMC Norilsk Nickel		4.21
Tatneft		3.87
Rosneft		3.73
OTP Bank		3.20
Alrosa		2.71

# Invesco Perpetual Emerging European Fund

## Investment report for the year

### Comparative tables

Year ended Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	52.22	41.22	35.34
Return before operating charges*	7.26	11.95	6.56
Operating charges	(1.10)	(0.95)	(0.68)
Return after operating charges	6.16	11.00	5.88
Distributions	(1.33)	(1.08)	(0.75)
Retained distributions on accumulation shares	1.33	1.08	0.75
<b>Closing net asset value per share</b>	<b>58.38</b>	<b>52.22</b>	<b>41.22</b>
*After direct transaction costs of	(0.04)	(0.08)	(0.06)
<b>Performance</b>			
Return after charges	11.80%	26.69%	16.64%
<b>Other information</b>			
Closing net asset value (£'000)	16,741	15,903	13,084
Closing number of shares	28,677,151	30,453,643	31,745,799
Operating charges	1.92%	1.92%	1.92%
Direct transaction costs	0.07%	0.17%	0.17%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	61.30	54.26	42.42
Lowest share price	52.23	40.69	28.79

Year ended Accumulation shares (No Trail)	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	109.53	86.05	73.41
Return before operating charges*	15.18	24.95	13.68
Operating charges	(1.70)	(1.47)	(1.04)
Return after operating charges	13.48	23.48	12.64
Distributions	(3.34)	(2.72)	(1.92)
Retained distributions on accumulation shares	3.34	2.72	1.92
<b>Closing net asset value per share</b>	<b>123.01</b>	<b>109.53</b>	<b>86.05</b>
*After direct transaction costs of	(0.08)	(0.17)	(0.12)
<b>Performance</b>			
Return after charges	12.31%	27.29%	17.22%
<b>Other information</b>			
Closing net asset value (£'000)	103	46	44
Closing number of shares	83,344	41,795	50,954
Operating charges	1.42%	1.42%	1.42%
Direct transaction costs	0.07%	0.17%	0.17%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	128.93	113.57	88.54
Lowest share price	109.91	84.95	59.95

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Emerging European Fund

## Investment report for the year

### Comparative tables continued

Year ended Z Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	265.85	208.18	177.12
Return before operating charges*	37.06	60.60	33.14
Operating charges	(3.41)	(2.93)	(2.08)
Return after operating charges	33.65	57.67	31.06
Distributions	(8.79)	(7.13)	(5.13)
Retained distributions on accumulation shares	8.79	7.13	5.13
<b>Closing net asset value per share</b>	<b>299.50</b>	<b>265.85</b>	<b>208.18</b>
*After direct transaction costs of	(0.21)	(0.42)	(0.30)
<b>Performance</b>			
Return after charges	12.66%	27.70%	17.54%
<b>Other information</b>			
Closing net asset value (£'000)	2,203	2,082	940
Closing number of shares	735,411	783,014	451,816
Operating charges	1.17%	1.17%	1.17%
Direct transaction costs	0.07%	0.17%	0.17%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	313.46	275.18	214.18
Lowest share price	267.29	205.52	144.82

Year ended Y Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	277.05	216.85	184.35
Return before operating charges*	38.65	63.13	34.57
Operating charges	(3.40)	(2.93)	(2.07)
Return after operating charges	35.25	60.20	32.50
Distributions	(9.30)	(7.54)	(5.48)
Retained distributions on accumulation shares	9.30	7.54	5.48
<b>Closing net asset value per share</b>	<b>312.30</b>	<b>277.05</b>	<b>216.85</b>
*After direct transaction costs of	(0.21)	(0.43)	(0.31)
<b>Performance</b>			
Return after charges	12.72%	27.76%	17.63%
<b>Other information</b>			
Closing net asset value (£'000)	22,426	17,763	9,432
Closing number of shares	7,180,899	6,411,248	4,349,519
Operating charges	1.12%	1.12%	1.12%
Direct transaction costs	0.07%	0.17%	0.17%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	326.78	286.71	223.10
Lowest share price	278.68	214.07	150.78

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Emerging European Fund

## Investment report for the year

### Comparative tables continued

Year ended Income shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	45.79	36.89	32.22
Return before operating charges*	6.37	10.72	5.97
Operating charges	(0.96)	(0.85)	(0.62)
Return after operating charges	5.41	9.87	5.35
Distributions	(1.16)	(0.97)	(0.68)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>50.04</b>	<b>45.79</b>	<b>36.89</b>
*After direct transaction costs of	(0.04)	(0.07)	(0.05)
<b>Performance</b>			
Return after charges	11.81%	26.76%	16.60%
<b>Other information</b>			
Closing net asset value (£'000)	1,762	1,629	1,295
Closing number of shares	3,522,230	3,557,497	3,509,265
Operating charges	1.92%	1.92%	1.92%
Direct transaction costs	0.07%	0.17%	0.17%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	53.77	48.58	38.67
Lowest share price	45.81	36.43	26.25

Year ended Income shares (No Trail)	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	92.33	74.35	64.89
Return before operating charges*	12.85	21.60	12.08
Operating charges	(1.44)	(1.27)	(0.92)
Return after operating charges	11.41	20.33	11.16
Distributions	(2.82)	(2.35)	(1.70)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>100.92</b>	<b>92.33</b>	<b>74.35</b>
*After direct transaction costs of	(0.07)	(0.15)	(0.11)
<b>Performance</b>			
Return after charges	12.36%	27.34%	17.20%
<b>Other information</b>			
Closing net asset value (£'000)	22	19	2
Closing number of shares	21,354	20,636	2,459
Operating charges	1.42%	1.42%	1.42%
Direct transaction costs	0.07%	0.17%	0.17%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	108.70	98.16	78.23
Lowest share price	92.66	73.42	52.98

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Emerging European Fund

## Investment report for the year

### Comparative tables continued

Year ended Z Income shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	230.34	185.26	161.65
Return before operating charges*	32.17	54.04	30.19
Operating charges	(2.96)	(2.61)	(1.90)
Return after operating charges	29.21	51.43	28.29
Distributions	(7.61)	(6.35)	(4.68)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>251.94</b>	<b>230.34</b>	<b>185.26</b>
*After direct transaction costs of	(0.18)	(0.37)	(0.27)
<b>Performance</b>			
Return after charges	12.68%	27.76%	17.50%
<b>Other information</b>			
Closing net asset value (£'000)	678	508	245
Closing number of shares	269,086	220,728	132,112
Operating charges	1.17%	1.17%	1.17%
Direct transaction costs	0.07%	0.17%	0.17%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	271.66	244.97	195.44
Lowest share price	231.66	182.97	132.15

Year ended Y Income shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	245.85	197.73	172.51
Return before operating charges*	34.36	57.67	32.29
Operating charges	(3.02)	(2.67)	(1.94)
Return after operating charges	31.34	55.00	30.35
Distributions	(8.25)	(6.88)	(5.13)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>268.94</b>	<b>245.85</b>	<b>197.73</b>
*After direct transaction costs of	(0.19)	(0.40)	(0.29)
<b>Performance</b>			
Return after charges	12.75%	27.82%	17.59%
<b>Other information</b>			
Closing net asset value (£'000)	906	767	493
Closing number of shares	337,071	311,966	249,247
Operating charges	1.12%	1.12%	1.12%
Direct transaction costs	0.07%	0.17%	0.17%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	290.05	261.54	208.71
Lowest share price	247.35	195.28	141.06

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Emerging European Fund

## Investment report for the year

<b>Portfolio Statement</b> as at 31 July 2018	<b>Holding or nominal value of positions</b>	<b>Market value £'000</b>	<b>Percentage of total net assets %</b>
<b>Investment</b>			
<b>Canada 0.48% (31.7.17 - Nil)</b>			
Valeura Energy	100,000	215	0.48
<b>Czech Republic 0.99% (31.7.17 - Nil)</b>			
Philip Morris (CZ)	850	446	0.99
<b>Greece 3.46% (31.7.17 - 2.43%)</b>			
Motor Oil Hellas Corinth Refineries	50,500	818	1.83
Mytilineos	77,000	589	1.31
Piraeus Bank	60,000	144	0.32
<b>Hungary 4.73% (31.7.17 - 5.86%)</b>			
OTP Bank	50,250	1,434	3.20
Wizz Air	19,750	685	1.53
<b>Israel 1.01% (31.7.17 - 1.04%)</b>			
Bank Leumi Le-Israel	95,000	454	1.01
<b>Jersey 1.23% (31.7.17 - 1.32%)</b>			
Atrium European Real Estate	162,750	550	1.23
<b>Kazakhstan 2.76% (31.7.17 - 3.35%)</b>			
KAZ Minerals	82,000	694	1.55
Nostrum Oil & Gas	272,000	543	1.21
<b>Netherlands 1.11% (31.7.17 - 1.21%)</b>			
DP Eurasia	320,000	498	1.11
<b>Poland 11.55% (31.7.17 - 15.29%)</b>			
CCC	21,000	981	2.19
CD Projekt	6,250	257	0.57
KRUK	19,500	879	1.96
Polenergia	21,000	77	0.17
Powszechny Zakład Ubezpieczeń	247,300	2,156	4.81
Warsaw Stock Exchange	103,000	831	1.85
<b>Portugal 1.82% (31.7.17 - 2.30%)</b>			
Jeronimo Martins	72,000	816	1.82
<b>Russia 65.80% (31.7.17 - 59.16%)</b>			
Aeroflot	160,000	240	0.54
Alrosa	1,025,000	1,213	2.71
Detsky Mir	312,500	343	0.76
Etalon GDR	260,000	549	1.22
Evrax	115,000	641	1.43
Gazprom ADR	590,000	2,016	4.50
Gazprom Neft ADR	47,000	930	2.07
Globaltrans Investment GDR	83,000	723	1.61
LUKOIL ADR	80,500	4,405	9.82
Magnitogorsk Iron & Steel Works GDR Reg. S	87,500	642	1.43
MMC Norilsk Nickel ADR	143,000	1,886	4.21
Mobile TeleSystems	355,000	1,137	2.54
Moscow Exchange	370,000	465	1.04
Novatek GDR	29,500	3,553	7.92
Obuv Rossii	118,000	137	0.31
Phosagro GDR	44,000	441	0.98
Rosneft GDR	332,500	1,672	3.73
Sberbank of Russia ADR	354,000	3,800	8.47
Tatneft ADS	33,000	1,735	3.87
TCS GDR	61,500	996	2.22
TMK GDR	165,300	577	1.29
X5 Retail	43,000	879	1.96
Yandex 'A'	19,100	524	1.17

# Invesco Perpetual Emerging European Fund

## Investment report for the year

**Portfolio Statement** continued  
as at 31 July 2018

### Investment

#### Turkey 3.10% (31.7.17 - 4.56%)

	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
BIM Birlesik Magazalar	29,000	319	0.71
Pegasus Hava Tasimaciligi	72,500	325	0.72
Türk Tuborg	190,000	292	0.65
Türkiye Sinai Kalkinma Bankasi	2,136,667	285	0.64
Yapi ve Kredi Bankasi	520,000	171	0.38

#### United States Nil (31.7.17 - 1.39%)

#### Portfolio of investments (31.7.17 - 97.91%)

**43,963 98.04**

#### Net other assets (31.7.17 - 2.09%)

**878 1.96**

#### Net assets

**44,841 100.00**

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



# Invesco Perpetual Emerging European Fund

## Investment report for the year

### Summary of Material Portfolio Changes

for the year 1 August 2017 to 31 July 2018

	Cost £'000
<b>Total purchases</b>	<b>11,392</b>
<b>Largest purchases:</b>	
<b>Canada</b>	
Valeura Energy	219
<b>Czech Republic</b>	
Philip Morris (CZ)	471
<b>Greece</b>	
Mytilineos	656
<b>Hungary</b>	
OTP Bank	526
<b>Israel</b>	
Bank Leumi Le-Israel	431
<b>Kazakhstan</b>	
Nostrum Oil & Gas	459
<b>Poland</b>	
Powszechny Zakład Ubezpieczeń	304
CCC	278
<b>Russia</b>	
Sberbank of Russia ADR	580
Evrax	556
Novatek GDR	500
Rosneft GDR	464
Yandex 'A'	450
Phosagro GDR	439
LUKOIL ADR	438
TCS GDR	438
Gazprom ADR	431
MMC Norilsk Nickel ADR	422
Magnitogorsk Iron & Steel Works GDR Reg. S	237
Obuv Rossii	218

	Proceeds £'000
<b>Total sales</b>	<b>8,890</b>
<b>Largest sales:</b>	
<b>Hungary</b>	
Richter Gedeon	611
Wizz Air	130
<b>Israel</b>	
Frutarom	535
<b>Kazakhstan</b>	
KAZ Minerals	222
<b>Poland</b>	
KRUK	373
<b>Russia</b>	
Sberbank of Russia ADR	1,364
LUKOIL ADR	886
Rosneft GDR	514
Phosagro GDR	417
Inter RAO UES	408
Evrax	338
United Company	263
Gazprom ADR	253
Novatek GDR	252
Gazprom Neft ADR	212
Tatneft ADS	209
MMC Norilsk Nickel ADR	201
Moscow Exchange	153
X5 Retail	134
<b>United States</b>	
Luxoft	418

# Invesco Perpetual Emerging European Fund

## Financial Statements

<b>Statement of Total Return</b>			<b>01.8.17</b>		<b>01.8.16</b>
for the year 1 August 2017 to 31 July 2018			<b>to 31.7.18</b>		<b>to 31.7.17</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income</b>					
Net capital gains	2		3,563		6,103
Revenue	3	1,978		1,607	
Expenses	4	(636)		(526)	
Interest payable and similar charges	6	-		-	
Net revenue before taxation		1,342		1,081	
Taxation	5	(124)		(129)	
Net revenue after taxation			1,218		952
<b>Total return before distributions</b>			4,781		7,055
Distributions	7		(1,218)		(953)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>3,563</b>		<b>6,102</b>

<b>Statement of Change in Net Assets Attributable to Shareholders</b>			<b>01.8.17</b>		<b>01.8.16</b>
for the year 1 August 2017 to 31 July 2018			<b>to 31.7.18</b>		<b>to 31.7.17</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Opening net assets attributable to Shareholders</b>			<b>38,717</b>		<b>25,535</b>
Amounts received on issue of shares		9,097		13,131	
Amounts paid on redemption of shares		(7,663)		(6,941)	
			1,434		6,190
Dilution adjustment			11		21
Change in net assets attributable to Shareholders from investment activities			3,563		6,102
Retained distribution on accumulation shares			1,116		869
<b>Closing net assets attributable to Shareholders</b>			<b>44,841</b>		<b>38,717</b>

## Invesco Perpetual Emerging European Fund

### Financial Statements

<b>Balance Sheet</b>			31.7.18	31.7.17
as at 31 July 2018			£'000	£'000
	Notes	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets				
Investments			43,963	37,908
Current assets				
Debtors	8	520		453
Cash and bank balances	9	609		584
Total other assets			1,129	1,037
Total assets			45,092	38,945
<b>Liabilities</b>				
Investment liabilities			-	-
Creditors				
Distribution payable	10	90		70
Other creditors	10	161		108
Bank overdrafts		-		50
Total other liabilities			251	228
Total liabilities			251	228
<b>Net assets attributable to Shareholders</b>			<b>44,841</b>	<b>38,717</b>

# Invesco Perpetual Emerging European Fund

## Notes to the financial statements

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

### 1 Accounting policies

The Sub-Fund's accounting and distribution policies are set out on pages 06 to 07.

<b>2 Net capital gains</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Foreign currency losses	(9)	(21)
Non-derivative securities	3,572	6,124
Net capital gains	3,563	6,103

<b>3 Revenue</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Non-taxable overseas dividends	575	334
Taxable overseas dividends	1,353	1,266
UK dividends	50	7
	1,978	1,607

<b>4 Expenses</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Fund Management Fee <sup>1</sup>	636	527
	636	527
<b>Other expenses:</b>		
VAT recoverable	-	(1)
	-	(1)
Total expenses	636	526

<sup>1</sup> Total audit fees of £6,866 (2017 - £6,866) exclusive of VAT payable to the auditors for the year ended 31 July 2018 are borne out of the Fund Management Fee.

# Invesco Perpetual Emerging European Fund

## Notes to the financial statements

<b>5 Taxation</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
<b>a) Analysis of charge for the year</b>		
Overseas tax	124	129
Total tax charge	124	129

There is no corporation tax charge for the year (2017 - Nil).

### **b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower (2017 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Net revenue before taxation	1,342	1,081
Corporation tax at 20% (2017 - 20%)	268	216
Effects of:		
Movement in excess expenses	(116)	(122)
Overseas tax <sup>1</sup>	124	129
Relief for overseas tax treated as an expense	(27)	(26)
Revenue not subject to tax	(125)	(68)
Total tax charge	124	129

<sup>1</sup> 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 there is a potential deferred tax asset of £78,000 (2017 - £193,000) due to tax losses of £391,000 (2017 - £963,000). It is considered unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these amounts therefore no deferred tax asset has been recognised (2017 - Nil).

<b>6 Interest payable and similar charges</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Interest	-	-

<b>7 Distributions</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Accumulations and distributions payable 30 September 2018	1,206	939
Amounts deducted on redemption of shares	116	105
Amounts received on issue of shares	(104)	(91)
	1,218	953
The distributable amount has been calculated as follows:		
Net revenue after taxation	1,218	952
Equalisation on conversions	-	1
	1,218	953

# Invesco Perpetual Emerging European Fund

## Notes to the financial statements

<b>8 Debtors</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
Accrued revenue	354	369
Amounts receivable for issue of shares	113	58
Foreign currency contracts awaiting settlement	-	2
Overseas tax recoverable	53	22
Sales awaiting settlement	-	2
	<b>520</b>	<b>453</b>

<b>9 Cash and bank balances</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
Cash and bank balances	609	584

<b>10 Creditors</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
<b>a) Distribution payable</b>		
Net distribution payable	90	70
	<b>90</b>	<b>70</b>
<b>b) Other creditors</b>		
Accrued expenses	54	49
Amounts payable for redemption of shares	107	57
Foreign currency contracts awaiting settlement	-	2
	<b>161</b>	<b>108</b>

### 11 Contingent assets, liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (2017 - Nil).

### 12 Related parties

Related party interests in the Sub-Fund are disclosed in note 10 of the notes applicable to the financial statements of all Sub-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 £54,000 (2017 - £49,000) are disclosed in note 10 within accrued expenses.

### 13 Generic Risk factors

As the Sub-Fund invests in emerging and developing markets, investors should be prepared to accept a higher degree of risk than for a Sub-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 Sub-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 Sub-Fund has a concentrated number of holdings, investors should be prepared to accept higher risks.

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

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

#### a) Counterparty risk

The Sub-Fund was not exposed to any counterparty risk as at the balance sheet date (2017 - Nil).

# Invesco Perpetual Emerging European Fund

## Notes to the financial statements

### 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
<b>31.7.18</b>		
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.	-	-
	<b>43,963</b>	<b>-</b>
<b>31.7.17</b>		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	37,908	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	<b>37,908</b>	<b>-</b>

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 2017 to 31 July 2018

	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	11,373	14	0.12	5	0.04
<b>Total purchases</b>	<b>11,373</b>	<b>14</b>		<b>5</b>	
<b>Total purchases including transaction costs</b>	<b>11,392</b>				
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	8,901	11	0.12	0	0.00
<b>Total sales</b>	<b>8,901</b>	<b>11</b>		<b>0</b>	
<b>Total sales net of transaction costs</b>	<b>8,890</b>				
<b>Derivative transaction costs</b>		<b>-</b>		<b>-</b>	
<b>Total transaction costs</b>		<b>25</b>		<b>5</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.06%</b>		<b>0.01%</b>	

# Invesco Perpetual Emerging European Fund

## Notes to the financial statements

### 14 Portfolio transaction costs continued

for the year 1 August 2016 to 31 July 2017

Purchases (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	18,133	32	0.18	5	0.03
<b>Total purchases</b>	<b>18,133</b>	<b>32</b>		<b>5</b>	
<b>Total purchases including transaction costs</b>	<b>18,170</b>				
Sales (excluding derivatives)	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
Equity instruments (direct)	11,438	21	0.18	-	-
<b>Total sales</b>	<b>11,438</b>	<b>21</b>		<b>-</b>	
<b>Total sales net of transaction costs</b>	<b>11,417</b>				
<b>Derivative transaction costs</b>		<b>-</b>		<b>-</b>	
<b>Total transaction costs</b>		<b>53</b>		<b>5</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.15%</b>		<b>0.02%</b>	

The above analysis covers any direct transaction costs suffered by the Sub-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 Sub-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 Sub-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 to manage the Sub-Fund's daily liquidity position are excluded from the analysis.

For the Sub-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 Sub-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 Sub-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% (2017 - 0.20%).



# Invesco Perpetual Emerging European Fund

## Notes to the financial statements

### 15 Share movement

for the year 1 August 2017 to 31 July 2018

	Accumulation shares	Accumulation shares (No Trail)	Z Accumulation shares	Y Accumulation shares
Opening shares	30,453,643	41,795	783,014	6,411,248
Shares issued	1,263,741	44,014	359,053	2,135,614
Shares redeemed	(3,039,081)	(2,465)	(399,655)	(1,372,897)
Shares converted	(1,152)	-	(7,001)	6,934
<b>Closing shares</b>	<b>28,677,151</b>	<b>83,344</b>	<b>735,411</b>	<b>7,180,899</b>

	Income shares	Income shares (No Trail)	Z Income shares	Y Income shares
Opening shares	3,557,497	20,636	220,728	311,966
Shares issued	51,176	6,637	104,870	191,007
Shares redeemed	(86,443)	(5,919)	(56,512)	(165,902)
Shares converted	-	-	-	-
<b>Closing shares</b>	<b>3,522,230</b>	<b>21,354</b>	<b>269,086</b>	<b>337,071</b>

### 16 Post balance sheet events

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

# Invesco Perpetual Emerging European Fund

## Distribution table

### Distribution table

for the year 1 August 2017 to 31 July 2018

	Net revenue p	Equalisation p	Net distribution payable 30.9.18 p	Net distribution paid 30.9.17 p
<b>Distribution payable 30 September 2018</b>				
<b>Accumulation shares</b>				
Group 1	1.3264	-	1.3264	1.0784
Group 2	1.0909	0.2355	1.3264	1.0784
<b>Accumulation shares (No Trail)</b>				
Group 1	3.3378	-	3.3378	2.7159
Group 2	2.1759	1.1619	3.3378	2.7159
<b>Z Accumulation shares</b>				
Group 1	8.7868	-	8.7868	7.1262
Group 2	6.6032	2.1836	8.7868	7.1262
<b>Y Accumulation shares</b>				
Group 1	9.2991	-	9.2991	7.5392
Group 2	6.9399	2.3592	9.2991	7.5392
<b>Income shares</b>				
Group 1	1.1631	-	1.1631	0.9663
Group 2	1.0731	0.0900	1.1631	0.9663
<b>Income shares (No Trail)</b>				
Group 1	2.8150	-	2.8150	2.3489
Group 2	2.0080	0.8070	2.8150	2.3489
<b>Z Income shares</b>				
Group 1	7.6134	-	7.6134	6.3482
Group 2	5.5884	2.0250	7.6134	6.3482
<b>Y Income shares</b>				
Group 1	8.2506	-	8.2506	6.8803
Group 2	5.3553	2.8953	8.2506	6.8803

Group 1: shares purchased prior to 1 August 2017

Group 2: shares purchased on or after 1 August 2017

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 Perpetual European Smaller Companies Fund

## Investment report for the year

### The Investment Objective and Policy of the Invesco Perpetual European Smaller Companies Fund

The Sub-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.

Performance to 31 July 2018	Since 31.1.18 %	Since 31.7.17 %	Since 31.7.15 %	Percentage growth	
				Since 31.7.13 %	Since 31.7.08 %
Invesco Perpetual European Smaller Companies Fund (Z Accumulation shares) <sup>1</sup>	-1.39	5.24	42.29	85.45	110.77
EMIX Smaller European Companies Ex UK Index TR <sup>2</sup>	2.36	7.32	64.08	99.38	194.93
IA European Smaller Companies Sector NR	2.62	9.22	61.45	94.60	214.33
Fund Ranking	13/14	12/14	13/14	11/13	13/13

Standardised rolling 12 month performance	30.6.13 30.6.14 %	30.6.14 30.6.15 %	30.6.15 30.6.16 %	Percentage growth	
				30.6.16 30.6.17 %	30.6.17 30.6.18 %
Invesco Perpetual European Smaller Companies Fund (Z Accumulation shares) <sup>1</sup>	34.1	1.0	9.2	26.2	6.8

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.invescoperpetual.co.uk](http://www.invescoperpetual.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. The figures do not reflect the entry charge paid by individual investors. 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<sup>2</sup> 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.

<sup>1</sup> 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.

<sup>2</sup> Reference benchmark for performance comparison purposes only.

# Invesco Perpetual European Smaller Companies Fund

## Investment report for the year

### Strategy, review and outlook

The Sub-Fund returned 5.2% in the twelve months ending 31 July 2018, while the EMIX Smaller European Companies Ex UK Index TR<sup>1</sup> benchmark returned 7.3%, and the IA European Smaller Companies Sector NR averaged a return of 9.2%, placing the Sub-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<sup>1</sup> source: Lipper, total return, in Sterling.

Past performance is not a guide to future returns.

European smaller companies' equity markets rose over the twelve month period as the Eurozone economy continued to grow. A number of issues more recently have questioned the cohesiveness and durability of Europe – a populist party taking the reins of power in Italy, Spain ejecting its Prime Minister, building tension over immigration and political squabbling within Germany's coalition government. Ultimately, we do not believe that the eurozone is teetering on the edge of a currency break-up. There are in reality limits to what the new populist government in Italy will be able to achieve and in any case recent polls have shown that a majority of Italians want to retain the Euro. The market has done a lazy read-across from Italy to Spain: the Spanish situation is totally different. The new Socialist Prime Minister is from a mainstream pro-EU and pro-Euro party. The minority government may not be long-lived, but current polls show strong support for centrist and other pro-EU parties, meaning that new elections would not be a market-unfriendly event.

Thus, we believe that the market's reaction to political events has been substantially overdone. Today, Europe is institutionally much better equipped to intervene and deal with any financial distress compared with the past. Moreover, financial conditions in Europe are very supportive for both consumers and corporates, and the banking system is much better capitalized and in a significantly healthier shape than a few years ago. In addition, sound fundamentals continue to support the European economy as falling unemployment underpins domestic demand. As such, despite the higher risks, we maintain our constructive view on Europe and do not see the recent events as in any way equivalent to the sovereign debt crisis witnessed in 2011-2012.

The key underperforming sector over the twelve month period was energy, as stock selection proved to be a drag on relative performance. Names including Africa Oil, Navios Maritime Acquisition and Ocean Yield were the key laggards here and only partly mitigated by Norwegian energy holding Spectrum. Elsewhere there was relative weakness from Corestate Capital, within the real estate sector along with health care name Celyad.

On the positive side was strong stock selection within the technology and materials sectors. Cancom, the German software company, was the standout performer benefiting from strong earnings growth which beat analysts' expectations, while speciality metals company AMG Advanced Metallurgical, benefitted from higher commodity prices and exposure to end-markets with strong growth dynamics.

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 Sub-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 and Matthew Perowne, Fund Managers

Where Adrian Bignell and Matthew Perowne 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.

<sup>1</sup> Reference benchmark for performance comparison purposes only.

The Sub-Fund's ten largest investments are	%
Ocean Yield	4.39
AMG Advanced Metallurgical	3.62
Corestate Capital	3.09
Borr Drilling	2.95
Gemalto	2.77
Hansa Medical	2.70
Spectrum	2.52
CGG	2.47
Golar	2.11
Nabaltec	2.04

# Invesco Perpetual European Smaller Companies Fund

## Investment report for the year

### Comparative tables

Year ended Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	251.06	206.93	188.80
Return before operating charges*	15.78	48.04	21.36
Operating charges	(4.44)	(3.91)	(3.23)
Return after operating charges	11.34	44.13	18.13
Distributions	(0.61)	(0.44)	(2.08)
Retained distributions on accumulation shares	0.61	0.44	2.08
<b>Closing net asset value per share</b>	<b>262.40</b>	<b>251.06</b>	<b>206.93</b>
*After direct transaction costs of	(0.33)	(0.59)	(0.58)
<b>Performance</b>			
Return after charges	4.52%	21.33%	9.60%
<b>Other information</b>			
Closing net asset value (£'000)	127,086	130,949	119,488
Closing number of shares	48,431,820	52,159,508	57,742,973
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.12%	0.26%	0.30%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	275.72	252.15	206.92
Lowest share price	246.02	203.02	172.50

Year ended Accumulation shares (No Trail)	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	310.98	255.04	231.53
Return before operating charges*	19.57	59.35	26.32
Operating charges	(3.89)	(3.41)	(2.81)
Return after operating charges	15.68	55.94	23.51
Distributions	(2.39)	(1.96)	(3.73)
Retained distributions on accumulation shares	2.39	1.96	3.73
<b>Closing net asset value per share</b>	<b>326.66</b>	<b>310.98</b>	<b>255.04</b>
*After direct transaction costs of	(0.41)	(0.73)	(0.71)
<b>Performance</b>			
Return after charges	5.04%	21.93%	10.15%
<b>Other information</b>			
Closing net asset value (£'000)	869	803	613
Closing number of shares	266,100	258,087	240,159
Operating charges	1.20%	1.20%	1.20%
Direct transaction costs	0.12%	0.26%	0.30%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	342.32	312.31	255.02
Lowest share price	305.77	250.24	212.12

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual European Smaller Companies Fund

## Investment report for the year

### Comparative tables continued

Year ended Z Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	458.63	375.18	339.73
Return before operating charges*	28.88	87.43	38.71
Operating charges	(4.55)	(3.98)	(3.26)
Return after operating charges	24.33	83.45	35.45
Distributions	(4.72)	(3.94)	(6.35)
Retained distributions on accumulation shares	4.72	3.94	6.35
<b>Closing net asset value per share</b>	<b>482.96</b>	<b>458.63</b>	<b>375.18</b>
*After direct transaction costs of	(0.61)	(1.08)	(1.04)
<b>Performance</b>			
Return after charges	5.30%	22.24%	10.43%
<b>Other information</b>			
Closing net asset value (£'000)	11,429	11,751	11,018
Closing number of shares	2,366,408	2,562,217	2,936,777
Operating charges	0.95%	0.95%	0.95%
Direct transaction costs	0.12%	0.26%	0.30%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	505.42	460.57	375.15
Lowest share price	451.71	368.12	311.68

Year ended Y Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	285.89	233.76	211.57
Return before operating charges*	18.02	54.48	24.12
Operating charges	(2.69)	(2.35)	(1.93)
Return after operating charges	15.33	52.13	22.19
Distributions	(3.09)	(2.58)	(4.07)
Retained distributions on accumulation shares	3.09	2.58	4.07
<b>Closing net asset value per share</b>	<b>301.22</b>	<b>285.89</b>	<b>233.76</b>
*After direct transaction costs of	(0.38)	(0.67)	(0.65)
<b>Performance</b>			
Return after charges	5.36%	22.30%	10.49%
<b>Other information</b>			
Closing net asset value (£'000)	37,992	38,393	40,927
Closing number of shares	12,612,699	13,429,157	17,508,008
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.12%	0.26%	0.30%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	315.14	287.10	233.74
Lowest share price	281.68	229.36	194.15

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual European Smaller Companies Fund

## Investment report for the year

<b>Portfolio Statement</b> as at 31 July 2018		<b>Holding or nominal value of positions</b>	<b>Market value £'000</b>	<b>Percentage of total net assets %</b>
<b>Investment</b>				
<b>Equities 94.69% (31.7.17 - 99.89%)</b>				
<b>Austria 2.03% (31.7.17 - Nil)</b>				
Lenzing		21,451	2,082	1.17
S&T		70,035	1,522	0.86
<b>Belgium 4.34% (31.7.17 - 1.49%)</b>				
Celyad		135,917	3,169	1.79
Euronav		261,138	1,677	0.94
Mithra Pharmaceuticals		95,874	2,848	1.61
<b>Bermuda 5.06% (31.7.17 - 1.83%)</b>				
Borr Drilling		1,453,347	5,222	2.95
Golar		188,972	3,746	2.11
<b>Canada 2.65% (31.7.17 - 3.90%)</b>				
Africa Oil		5,163,987	3,557	2.00
Wentworth Resources		4,514,819	1,149	0.65
<b>Denmark 0.92% (31.7.17 - 1.92%)</b>				
Alk-Abello		11,505	1,634	0.92
OW Bunker <sup>1</sup>		155,297	-	0.00
<b>Finland 1.84% (31.7.17 - 3.03%)</b>				
Basware		62,224	1,965	1.11
Kamux		221,997	1,295	0.73
<b>France 15.46% (31.7.17 - 10.19%)</b>				
Balyo		280,203	924	0.52
Biom'Up		375,877	3,587	2.02
CGG		2,105,067	4,386	2.47
Cogelec		79,301	835	0.47
Elis		94,283	1,640	0.93
Focus Home Interactive		79,526	1,802	1.02
Francaise Energie		69,193	1,000	0.56
Icade		20,509	1,513	0.85
Inside Secure		1,261,588	3,230	1.82
LISI		59,227	1,564	0.88
Orchestra-Premaman		268,347	305	0.17
Prodways		234,517	906	0.51
SOITEC		43,186	2,783	1.57
Voltalia		190,458	1,588	0.90
Wallix		62,691	1,359	0.77
<b>Germany 13.20% (31.7.17 - 22.21%)</b>				
Corestate Capital		132,002	5,481	3.09
Heidelberger Druckmaschinen		758,235	1,660	0.93
K & S		63,007	1,265	0.71
MPC Muenchmeyer Petersen Capital		380,647	1,684	0.95
Nabaltec		188,903	3,623	2.04
NFON		169,451	2,123	1.20
Serviceware		103,707	2,406	1.36
Stemmer Imaging		37,835	1,536	0.87
Talanx		68,291	1,989	1.12
va-Q-tec		139,717	1,645	0.93

# Invesco Perpetual European Smaller Companies Fund

## Investment report for the year

**Portfolio Statement** continued  
as at 31 July 2018

**Investment**

**Ghana Nil (31.7.17 - 1.53%)**

**Italy 1.59% (31.7.17 - 3.29%)**

	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Saras Raffinerie	1,545,999	2,824	1.59

**Luxembourg Nil (31.7.17 - 1.40%)**

**Monaco Nil (31.7.17 - 0.77%)**

**Netherlands 11.98% (31.7.17 - 9.18%)**

AMG Advanced Metallurgical	143,267	6,428	3.62
Basic-Fit	84,285	2,086	1.18
Flow Traders	32,104	727	0.41
Gemalto	110,870	4,920	2.77
Intertrust	160,712	2,093	1.18
Royal Dutch Shell 'A'	102,324	2,674	1.51
Van Lanschot	110,677	2,325	1.31

**Norway 16.28% (31.7.17 - 15.73%)**

Awilco LNG	2,500,000	1,062	0.60
Europris	1,020,638	2,015	1.14
Evry	1,016,848	3,073	1.73
Hexagon Composites	500,866	1,265	0.71
Hunter	5,037,867	1,688	0.95
Magseis	1,437,991	2,166	1.22
Ocean Yield	1,245,062	7,782	4.39
Sevan Marine	765,804	1,132	0.64
Shelf Drilling	307,403	1,724	0.97
Spectrum	822,427	4,463	2.52
Storebrand 'A'	385,369	2,503	1.41

**Portugal 2.03% (31.7.17 - 3.02%)**

NOS	822,154	3,601	2.03
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**Republic of Ireland 3.07% (31.7.17 - 4.48%)**

Applegreen	525,922	2,758	1.55
Greencoat Renewables	2,962,022	2,695	1.52

**Singapore Nil (31.7.17 - 0.91%)**

**Spain 2.69% (31.7.17 - 1.93%)**

Gestamp Automocion	313,975	1,802	1.02
Obrascon Huarte Lain	1,106,896	2,971	1.67

**Sweden 5.91% (31.7.17 - 3.40%)**

BioArctic	187,063	1,380	0.78
Hansa Medical	257,473	4,789	2.70
Modern Times 'B'	82,294	2,305	1.30
Starbreeze	2,571,184	2,010	1.13

**Switzerland 0.26% (31.7.17 - 5.25%)**

Comet	6,089	458	0.26
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# Invesco Perpetual European Smaller Companies Fund

## Investment report for the year

**Portfolio Statement** continued  
as at 31 July 2018

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
<b>United Kingdom 4.76% (31.7.17 - 3.34%)</b>			
Accsys Technologies	3,378,922	3,068	1.73
Energiean Oil & Gas	391,229	2,042	1.15
FLEX LNG	2,365,482	2,689	1.52
Kenmare Resources warrants 16/11/2019 <sup>1</sup>	685	-	0.00
Wentworth Resources (UK Regd.)	2,441,026	635	0.36
<b>United States 0.62% (31.7.17 - 1.09%)</b>			
Navios Maritime Acquisition	2,403,251	1,101	0.62
<b>Futures and Derivatives 0.53% (31.7.17 - 0.12%)</b>			
<b>Options 0.53% (31.7.17 - 0.12%)</b>			
DAX Put Options 21/12/2018 11600	1,266	945	0.53
<b>Portfolio of investments (31.7.17 - 100.01%)</b>		<b>168,899</b>	<b>95.22</b>
<b>Net other assets/(liabilities) (31.7.17 - (0.01%))</b>		<b>8,477</b>	<b>4.78</b>
<b>Net assets</b>		<b>177,376</b>	<b>100.00</b>

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

<sup>1</sup> Unquoted securities - for the year ended 31 July 2018 these amount to 0.00% (31 July 2017 - 0.00%) of the Net Asset Value of the Sub-Fund.

# Invesco Perpetual European Smaller Companies Fund

## Investment report for the year

### Summary of Material Portfolio Changes

for the year 1 August 2017 to 31 July 2018

	Cost £'000
<b>Total purchases</b>	<b>139,287</b>
<b>Largest purchases:</b>	
<b>Belgium</b>	
Mithra Pharmaceuticals	2,907
<b>France</b>	
CGG	3,585
Biom'Up	3,546
Sopra Steria	3,242
SOITEC	2,584
Focus Home Interactive	2,327
<b>Germany</b>	
Corestate Capital	6,356
Aareal Bank	3,036
Heidelberger Druckmaschinen	2,583
<b>Italy</b>	
Saras Raffinerie	2,767
<b>Netherlands</b>	
Gemalto	4,727
Royal Dutch Shell 'A'	2,790
Intertrust	2,294
<b>Portugal</b>	
NOS	4,066
<b>Spain</b>	
Obrascon Huarte Lain	5,164
Banco Santander	2,774
<b>Sweden</b>	
Hansa Medical	4,529
Starbreeze	2,656
<b>Switzerland</b>	
ABB (Regd.)	2,788
<b>United Kingdom</b>	
FLEX LNG	2,410

# Invesco Perpetual European Smaller Companies Fund

## Investment report for the year

### Summary of Material Portfolio Changes continued

for the year 1 August 2017 to 31 July 2018

	Proceeds £'000
<b>Total sales</b>	<b>163,994</b>
<b>Largest sales:</b>	
<b>Denmark</b>	
Pandora	3,520
<b>France</b>	
Faurecia	4,039
Sopra Steria	3,453
Ubisoft Entertainment	3,177
<b>Germany</b>	
Cancom	17,587
RIB Software	4,302
BRAIN Biotechnology Research & Information Network	3,553
Aareal Bank	3,156
<b>Ghana</b>	
Tullow Oil	3,104
<b>Italy</b>	
Banca Sistema	2,993
<b>Luxembourg</b>	
Solutions 30	3,291
<b>Netherlands</b>	
Flow Traders	7,583
AMG Advanced Metallurgical	3,001
<b>Portugal</b>	
Mota-Engil	7,797
<b>Republic of Ireland</b>	
Hibernia REIT	2,939
<b>Spain</b>	
Masmovil Ibercom	3,183
Almirall	2,751
<b>Sweden</b>	
Wilson Therapeutics	3,661
<b>Switzerland</b>	
Leonteq	3,545
<b>United Kingdom</b>	
Dialog Semiconductor	2,975

# Invesco Perpetual European Smaller Companies Fund

## Financial Statements

<b>Statement of Total Return</b>			<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
for the year 1 August 2017 to 31 July 2018				
	<b>Notes</b>	<b>£'000</b>		
<b>Income</b>				
Net capital gains	2		7,728	33,903
Revenue	3	3,651		3,414
Expenses	4	(2,724)		(2,593)
Interest payable and similar charges	6	(1)		(2)
Net revenue before taxation		926		819
Taxation	5	(132)		(172)
Net revenue after taxation			794	647
<b>Total return before distributions</b>			<b>8,522</b>	<b>34,550</b>
Distributions	7		(799)	(657)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>7,723</b>	<b>33,893</b>

<b>Statement of Change in Net Assets Attributable to Shareholders</b>			<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
for the year 1 August 2017 to 31 July 2018				
		<b>£'000</b>		
<b>Opening net assets attributable to Shareholders</b>			<b>181,896</b>	<b>172,046</b>
Amounts received on issue of shares		5,869		1,694
Amounts paid on redemption of shares		(18,945)		(26,522)
			(13,076)	(24,828)
Dilution adjustment			31	105
Change in net assets attributable to Shareholders from investment activities			7,723	33,893
Retained distribution on accumulation shares			802	680
<b>Closing net assets attributable to Shareholders</b>			<b>177,376</b>	<b>181,896</b>

## Invesco Perpetual European Smaller Companies Fund

### Financial Statements

<b>Balance Sheet</b>			31.7.18	31.7.17
as at 31 July 2018			£'000	£'000
	Notes	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets				
Investments		168,899		181,907
Current assets				
Debtors	8	2,484		2,411
Cash and bank balances	9	8,327		-
Total other assets		10,811		2,411
Total assets		179,710		184,318
<b>Liabilities</b>				
Investment liabilities			-	-
Creditors				
Distribution payable	10	-		-
Other creditors	10	2,334		1,042
Bank overdrafts		-		1,380
Total other liabilities		2,334		2,422
Total liabilities		2,334		2,422
<b>Net assets attributable to Shareholders</b>		<b>177,376</b>		<b>181,896</b>

# Invesco Perpetual European Smaller Companies Fund

## Notes to the financial statements

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

### 1 Accounting policies

The Sub-Fund's accounting and distribution policies are set out on pages 06 to 07.

<b>2 Net capital gains</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Derivative securities	(3,258)	(2,543)
Foreign currency gains/(losses)	20	(207)
Forward currency contracts	1	6
Non-derivative securities	10,965	36,647
Net capital gains	7,728	33,903

<b>3 Revenue</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Bank interest	9	1
Non-taxable overseas dividends	3,443	3,128
Taxable overseas dividends	199	285
	3,651	3,414

<b>4 Expenses</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Fund Management Fee <sup>1</sup>	2,724	2,593
	2,724	2,593
Total expenses	2,724	2,593

<sup>1</sup> Total audit fees of £6,206 (2017 - £6,206) exclusive of VAT payable to the auditors for the year ended 31 July 2018 are borne out of the Fund Management Fee.

# Invesco Perpetual European Smaller Companies Fund

## Notes to the financial statements

<b>5 Taxation</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
<b>a) Analysis of charge for the year</b>		
Overseas tax	132	172
Total tax charge	132	172

There is no corporation tax charge for the year (2017 - Nil).

### **b) Factors affecting the tax charge for the year**

The tax assessed for the year is lower (2017 - higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Net revenue before taxation	926	819
Corporation tax at 20% (2017 - 20%)	185	164
Effects of:		
Movement in excess expenses	509	470
Overseas tax <sup>1</sup>	132	172
Relief for overseas tax treated as an expense	(6)	(8)
Revenue not subject to tax	(688)	(626)
Total tax charge	132	172

<sup>1</sup> 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 Sub-Fund had surplus management expenses of £32,436,000 (2017 - £29,889,000). It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £6,487,000 (2017 - £5,978,000) has not been recognised.

<b>6 Interest payable and similar charges</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Interest	1	2

<b>7 Distributions</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Accumulations and distributions payable 30 September 2018	802	680
Amounts deducted on redemption of shares	(8)	(23)
Amounts received on issue of shares	5	-
	799	657
The distributable amount has been calculated as follows:		
Net revenue after taxation	794	647
Equalisation on conversions	5	10
	799	657

# Invesco Perpetual European Smaller Companies Fund

## Notes to the financial statements

<b>8 Debtors</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
Accrued revenue	33	-
Amounts receivable for issue of shares	5	10
Foreign currency contracts awaiting settlement	924	609
Overseas tax recoverable	297	402
Sales awaiting settlement	1,225	1,390
	<b>2,484</b>	<b>2,411</b>

<b>9 Cash and bank balances</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
Cash and bank balances	8,327	-

<b>10 Creditors</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
<b>a) Distribution payable</b>		
Net distribution payable	-	-
	-	-
<b>b) Other creditors</b>		
Accrued expenses	223	228
Amounts payable for redemption of shares	719	203
Foreign currency contracts awaiting settlement	923	609
Purchases awaiting settlement	467	-
VAT payable	2	2
	<b>2,334</b>	<b>1,042</b>

### 11 Contingent assets, liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (2017 - Nil).

### 12 Related parties

Related party interests in the Sub-Fund are disclosed in note 10 of the notes applicable to the financial statements of all Sub-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 £223,000 (2017 - £228,000) are disclosed in note 10 within accrued expenses.



# Invesco Perpetual European Smaller Companies Fund

## Notes to the financial statements

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

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

#### a) Counterparty risk

The Sub-Fund was not exposed to any counterparty risk as at the balance sheet date (2017 - 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
<b>31.7.18</b>		
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.	-	-
	<b>168,899</b>	<b>-</b>
<b>31.7.17</b>		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	181,907	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	<b>181,907</b>	<b>-</b>

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

# Invesco Perpetual European Smaller Companies Fund

## Notes to the financial statements

### 14 Portfolio transaction costs

for the year 1 August 2017 to 31 July 2018

	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	139,169	76	0.05	42	0.03
<b>Total purchases</b>	<b>139,169</b>	<b>76</b>		<b>42</b>	
<b>Total purchases including transaction costs</b>	<b>139,287</b>				
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	164,093	99	0.06	0	0.00
<b>Total sales</b>	<b>164,093</b>	<b>99</b>		<b>0</b>	
<b>Total sales net of transaction costs</b>	<b>163,994</b>				
<b>Derivative transaction costs</b>		<b>19</b>		<b>-</b>	
<b>Total transaction costs</b>		<b>194</b>		<b>42</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.10%</b>		<b>0.02%</b>	

# Invesco Perpetual European Smaller Companies Fund

## Notes to the financial statements

### 14 Portfolio transaction costs continued

for the year 1 August 2016 to 31 July 2017

	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	124,646	165	0.13	34	0.03
Debt instruments (direct)	260	-	-	-	-
<b>Total purchases</b>	<b>124,906</b>	<b>165</b>		<b>34</b>	
<b>Total purchases including transaction costs</b>	<b>125,105</b>				
	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	138,907	219	0.16	-	-
Debt instruments (direct)	313	-	-	-	-
<b>Total sales</b>	<b>139,220</b>	<b>219</b>		<b>-</b>	
<b>Total sales net of transaction costs</b>	<b>139,001</b>				
<b>Derivative transaction costs</b>		<b>34</b>		<b>-</b>	
<b>Total transaction costs</b>		<b>418</b>		<b>34</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.24%</b>		<b>0.02%</b>	

The above analysis covers any direct transaction costs suffered by the Sub-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 Sub-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 Sub-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 to manage the Sub-Fund's daily liquidity position are excluded from the analysis.

For the Sub-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 Sub-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 Sub-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 Sub-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 0.60% (2017 - 0.43%).

# Invesco Perpetual European Smaller Companies Fund

## Notes to the financial statements

### 15 Share movement

for the year 1 August 2017 to 31 July 2018

	Accumulation shares	Accumulation shares (No Trail)	Z Accumulation shares	Y Accumulation shares
Opening shares	52,159,508	258,087	2,562,217	13,429,157
Shares issued	416,894	13,561	165,802	1,287,989
Shares redeemed	(3,583,061)	(14,955)	(392,181)	(2,536,442)
Shares converted	(561,521)	9,407	30,570	431,995
<b>Closing shares</b>	<b>48,431,820</b>	<b>266,100</b>	<b>2,366,408</b>	<b>12,612,699</b>

### 16 Post balance sheet events

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

# Invesco Perpetual European Smaller Companies Fund

## Distribution table

### Distribution table

for the year 1 August 2017 to 31 July 2018

	Net revenue p	Equalisation p	Net distribution payable 30.9.18 p	Net distribution paid 30.9.17 p
<b>Distribution payable 30 September 2018</b>				
<b>Accumulation shares</b>				
Group 1	0.6074	-	0.6074	0.4353
Group 2	0.6074	0.0000	0.6074	0.4353
<b>Accumulation shares (No Trail)</b>				
Group 1	2.3850	-	2.3850	1.9627
Group 2	2.3850	0.0000	2.3850	1.9627
<b>Z Accumulation shares</b>				
Group 1	4.7197	-	4.7197	3.9365
Group 2	4.7197	0.0000	4.7197	3.9365
<b>Y Accumulation shares</b>				
Group 1	3.0933	-	3.0933	2.5826
Group 2	3.0933	0.0000	3.0933	2.5826

Group 1: shares purchased prior to 1 August 2017

Group 2: shares purchased on or after 1 August 2017

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 Perpetual Global Emerging Markets Fund

## Investment report for the year

### The Investment Objective and Policy of the Invesco Perpetual Global Emerging Markets Fund

The Sub-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.

Performance to 31 July 2018	Since 31.1.18 %	Since 31.7.17 %	Since 31.7.15 %	Percentage growth	
				Since 31.7.13 %	Since 31.7.08 %
Invesco Perpetual Global Emerging Markets Fund (Z Accumulation shares) <sup>1</sup>	-5.82	1.67	54.78	60.69	118.76
MSCI Emerging Markets Index TR <sup>2</sup>	-4.31	5.27	55.54	52.02	107.34
IA Global Emerging Markets Sector NR	-5.30	2.83	52.17	45.47	85.58
Fund Ranking	41/62	44/61	22/57	12/51	6/21

Standardised rolling 12 month performance	30.6.13 30.6.14 %	30.6.14 30.6.15 %	30.6.15 30.6.16 %	Percentage growth	
				30.6.16 30.6.17 %	30.6.17 30.6.18 %
Invesco Perpetual Global Emerging Markets Fund (Z Accumulation shares) <sup>1</sup>	5.0	3.7	8.7	28.9	4.4

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.invescoperpetual.co.uk](http://www.invescoperpetual.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. The figures do not reflect the entry charge paid by individual investors. 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 TR<sup>2</sup> 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.

<sup>1</sup> 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.

<sup>2</sup> Reference benchmark for performance comparison purposes only.

# Invesco Perpetual Global Emerging Markets Fund

## Investment report for the year

### Strategy, review and outlook

The Sub-Fund increased by 1.7% over the twelve months to the end of July 2018, compared to a 5.3% gain for the benchmark MSCI Emerging Markets Index TR<sup>1</sup>. This placed the Sub-Fund in the third quartile of its peer group, the IA Global Emerging Markets Sector NR, which rose by an average of 2.8%.

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 TR<sup>1</sup> source: Lipper, total return, in Sterling.

Past performance is not a guide to future returns.

Global emerging equity markets enjoyed a healthy start, drawing support from improving economic fundamentals and encouraging corporate earnings results. However, positive sentiment started to fade from February onwards as the asset class encountered headwinds in the form of higher US interest rates, a stronger US Dollar and rising concerns over trade protectionism.

There was a divergence in Sub-Fund performance at both a country and sector level. Asian tech stocks, led by our holdings in Taiwan's Yageo and China's Alibaba performed relatively well although gains here were partially offset by disappointing returns from Turkey and Brazil. Political concerns had a negative impact on the latter while a growing currency crisis dampened enthusiasm for Turkish stocks. Despite the imposition of fresh US sanctions on Russia, our holdings here showed resilience by contributing positively towards performance. From a sector perspective, energy generated positive gains, whereas our holdings in consumer-related stocks experienced more challenging conditions.

Global trade is an important driver for many emerging markets so actions by the US and how China responds have to be monitored closely. While the trade escalation is a concern, there is also a pattern with President Trump that the rhetoric can get very strident before he ultimately seeks out a deal and declares victory. This still seems like a plausible outcome, especially considering that Trump and his team have tended to soften their tone in the aftermath of US market volatility caused by trade war anxiety.

While growth in China may slow a little over coming months as the authorities tighten the reins on regulations - both financial and environmental - we believe there are areas of the economy that can continue to strengthen. One key sector is technology, where we have significant exposure, through our holdings in Alibaba, Baidu and NetEase.

Given the official campaign to tackle excessive debt and financial risk in the country, we have an underweight position versus the reference benchmark in Chinese banks. However, we do favour banking stocks elsewhere in the emerging world, particularly in the EMEA region, where we believe valuations are compelling.

We remain constructive on Russia - the country has a headline inflation rate below that of the US, low levels of external debt and is on track to achieve a budget surplus this year for the first time since 2011 - yet its equity market trades at a big discount to peers in both the emerging and developed world. Furthermore, the country offers the best dividend yield of any major emerging market. While sanctions are hard to price, there is a possibility that this risk will fade over time.

### Dean Newman, Fund Manager

Where Dean Newman 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.

<sup>1</sup> Reference benchmark for performance comparison purposes only.

The Sub-Fund's ten largest investments are	%
Samsung Electronics	5.67
Alibaba	5.43
Naspers	4.57
Taiwan Semiconductor Manufacturing	4.31
Novatek	2.73
Baidu	2.44
Sberbank of Russia	2.32
Housing Development Finance	2.20
Infosys	2.04
KB Financial	2.01

# Invesco Perpetual Global Emerging Markets Fund

## Investment report for the year

### Comparative tables

Year ended Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	362.59	287.02	242.40
Return before operating charges*	12.80	81.27	48.82
Operating charges	(6.54)	(5.70)	(4.20)
Return after operating charges	6.26	75.57	44.62
Distributions	(1.47)	(2.04)	(1.83)
Retained distributions on accumulation shares	1.47	2.04	1.83
<b>Closing net asset value per share</b>	<b>368.85</b>	<b>362.59</b>	<b>287.02</b>
*After direct transaction costs of	(0.49)	(0.66)	(0.46)
<b>Performance</b>			
Return after charges	1.73%	26.33%	18.41%
<b>Other information</b>			
Closing net asset value (£'000)	70,733	77,055	65,908
Closing number of shares	19,176,785	21,251,490	22,962,806
Operating charges	1.75%	1.75%	1.75%
Direct transaction costs	0.13%	0.20%	0.19%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	401.09	365.68	290.92
Lowest share price	354.05	283.66	210.83

Year ended Accumulation shares (No Trail)	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	239.70	188.80	158.65
Return before operating charges*	8.46	53.58	32.12
Operating charges	(3.10)	(2.68)	(1.97)
Return after operating charges	5.36	50.90	30.15
Distributions	(2.22)	(2.42)	(2.00)
Retained distributions on accumulation shares	2.22	2.42	2.00
<b>Closing net asset value per share</b>	<b>245.06</b>	<b>239.70</b>	<b>188.80</b>
*After direct transaction costs of	(0.33)	(0.44)	(0.30)
<b>Performance</b>			
Return after charges	2.24%	26.96%	19.00%
<b>Other information</b>			
Closing net asset value (£'000)	61,523	63,648	68,144
Closing number of shares	25,105,157	26,553,416	36,093,014
Operating charges	1.25%	1.25%	1.25%
Direct transaction costs	0.13%	0.20%	0.19%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	265.81	241.73	191.35
Lowest share price	235.12	186.60	138.29

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Global Emerging Markets Fund

## Investment report for the year

### Comparative tables continued

Year ended Z Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	347.97	273.40	229.16
Return before operating charges*	12.28	77.68	46.52
Operating charges	(3.60)	(3.11)	(2.28)
Return after operating charges	8.68	74.57	44.24
Distributions	(4.12)	(4.29)	(3.46)
Retained distributions on accumulation shares	4.12	4.29	3.46
<b>Closing net asset value per share</b>	<b>356.65</b>	<b>347.97</b>	<b>273.40</b>
*After direct transaction costs of	(0.48)	(0.63)	(0.43)
<b>Performance</b>			
Return after charges	2.49%	27.28%	19.31%
<b>Other information</b>			
Closing net asset value (£'000)	63,179	60,453	42,618
Closing number of shares	17,714,478	17,373,029	15,588,391
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	0.13%	0.20%	0.19%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	386.36	350.91	277.09
Lowest share price	342.12	270.21	199.78

Year ended Y Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	318.59	250.19	209.60
Return before operating charges*	11.24	71.11	42.57
Operating charges	(3.13)	(2.71)	(1.98)
Return after operating charges	8.11	68.40	40.59
Distributions	(3.94)	(4.07)	(3.27)
Retained distributions on accumulation shares	3.94	4.07	3.27
<b>Closing net asset value per share</b>	<b>326.70</b>	<b>318.59</b>	<b>250.19</b>
*After direct transaction costs of	(0.44)	(0.58)	(0.40)
<b>Performance</b>			
Return after charges	2.55%	27.34%	19.37%
<b>Other information</b>			
Closing net asset value (£'000)	149,569	147,291	111,516
Closing number of shares	45,782,097	46,232,251	44,572,675
Operating charges	0.95%	0.95%	0.95%
Direct transaction costs	0.13%	0.20%	0.19%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	353.83	321.28	253.57
Lowest share price	313.37	247.27	182.74

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Global Emerging Markets Fund

## Investment report for the year

### Comparative tables continued

Year ended Income shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	323.09	257.18	218.60
Return before operating charges*	11.41	72.85	44.03
Operating charges	(5.83)	(5.11)	(3.79)
Return after operating charges	5.58	67.74	40.24
Distributions	(1.30)	(1.83)	(1.66)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>327.37</b>	<b>323.09</b>	<b>257.18</b>
*After direct transaction costs of	(0.44)	(0.59)	(0.41)
<b>Performance</b>			
Return after charges	1.73%	26.34%	18.41%
<b>Other information</b>			
Closing net asset value (£'000)	10,825	13,685	11,557
Closing number of shares	3,306,561	4,235,565	4,493,941
Operating charges	1.75%	1.75%	1.75%
Direct transaction costs	0.13%	0.20%	0.19%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	357.39	327.69	262.35
Lowest share price	315.49	254.19	190.12

Year ended Income shares (No Trail)	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	218.18	173.58	147.43
Return before operating charges*	7.69	49.29	29.83
Operating charges	(2.82)	(2.47)	(1.83)
Return after operating charges	4.87	46.82	28.00
Distributions	(2.01)	(2.22)	(1.85)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>221.04</b>	<b>218.18</b>	<b>173.58</b>
*After direct transaction costs of	(0.30)	(0.40)	(0.28)
<b>Performance</b>			
Return after charges	2.23%	26.97%	18.99%
<b>Other information</b>			
Closing net asset value (£'000)	142	238	271
Closing number of shares	64,153	109,103	155,945
Operating charges	1.25%	1.25%	1.25%
Direct transaction costs	0.13%	0.20%	0.19%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	241.95	222.27	177.80
Lowest share price	214.01	171.58	128.50

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Global Emerging Markets Fund

## Investment report for the year

### Comparative tables continued

Year ended Z Income shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	325.34	258.74	219.67
Return before operating charges*	11.48	73.61	44.56
Operating charges	(3.37)	(2.95)	(2.18)
Return after operating charges	8.11	70.66	42.38
Distributions	(3.86)	(4.06)	(3.31)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>329.59</b>	<b>325.34</b>	<b>258.74</b>
*After direct transaction costs of	(0.45)	(0.60)	(0.42)
<b>Performance</b>			
Return after charges	2.49%	27.31%	19.29%
<b>Other information</b>			
Closing net asset value (£'000)	7,669	7,949	5,123
Closing number of shares	2,326,682	2,443,336	1,979,814
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs	0.13%	0.20%	0.19%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	361.23	332.17	265.60
Lowest share price	319.86	255.78	191.49

Year ended Y Income shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	301.34	239.66	203.45
Return before operating charges*	10.64	68.17	41.30
Operating charges	(2.96)	(2.59)	(1.92)
Return after operating charges	7.68	65.58	39.38
Distributions	(3.74)	(3.90)	(3.17)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>305.28</b>	<b>301.34</b>	<b>239.66</b>
*After direct transaction costs of	(0.41)	(0.55)	(0.39)
<b>Performance</b>			
Return after charges	2.55%	27.36%	19.36%
<b>Other information</b>			
Closing net asset value (£'000)	16,756	8,910	6,376
Closing number of shares	5,488,696	2,956,846	2,660,477
Operating charges	0.95%	0.95%	0.95%
Direct transaction costs	0.13%	0.20%	0.19%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	334.68	307.82	246.11
Lowest share price	296.41	236.91	177.36

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Global Emerging Markets Fund

## Investment report for the year

### Portfolio Statement

as at 31 July 2018

#### Investment

#### Brazil 6.42% (31.7.17 - 8.67%)

	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Banco do Brasil	735,200	4,849	1.27
Bradespar pref.	678,900	4,473	1.18
Kroton Educacional	1,269,500	2,885	0.76
Localiza Rent A Car	605,300	2,916	0.77
Lojas Renner	517,915	3,227	0.85
Tupy	806,050	3,288	0.86
Vale ADR	249,650	2,788	0.73

#### Canada 3.18% (31.7.17 - 2.66%)

Gran Tierra Energy	2,139,050	5,335	1.40
Lithium Americas	238,300	699	0.18
Methanex	115,250	6,063	1.60

#### China 13.84% (31.7.17 - 12.47%)

Alibaba ADS	144,850	20,667	5.43
Baidu ADR	49,350	9,289	2.44
Bank of China 'H'	15,905,000	5,686	1.50
BitAuto ADR	157,400	2,918	0.77
Dongfeng Motor 'H'	5,068,000	3,870	1.02
JD.com ADR	146,700	4,009	1.05
NetEase ADR	31,500	6,196	1.63

#### Greece 2.12% (31.7.17 - 1.96%)

Motor Oil Hellas Corinth Refineries	204,500	3,313	0.87
Mytilineos	480,650	3,678	0.97
Piraeus Bank	444,950	1,068	0.28

#### Hong Kong 7.12% (31.7.17 - 7.37%)

China Mobile	859,000	5,900	1.55
CK Hutchison	538,368	4,459	1.17
HSBC (Hong Kong listing)	775,200	5,618	1.48
Minth	1,312,000	3,760	0.99
Tencent	213,000	7,346	1.93

#### Hungary 1.04% (31.7.17 - 0.73%)

Wizz Air	114,000	3,951	1.04
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#### India 7.57% (31.7.17 - 8.36%)

Housing Development Finance	379,300	8,385	2.20
ICICI Bank ADR	1,033,150	6,955	1.83
Infosys ADR	503,250	7,746	2.04
ITC GDR	1,887,850	5,728	1.50

#### Indonesia 1.22% (31.7.17 - 1.30%)

Bank Negara Indonesia	11,884,800	4,649	1.22
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#### Kazakhstan 1.55% (31.7.17 - 1.22%)

KAZ Minerals	559,550	4,735	1.24
Nostrum Oil & Gas	583,350	1,166	0.31

#### Luxembourg 1.20% (31.7.17 - 0.92%)

Ternium ADR	165,450	4,570	1.20
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#### Mexico 4.31% (31.7.17 - 3.65%)

Fomento Economico Mexicano ADR	90,600	6,777	1.78
Mexichem	1,888,000	5,031	1.32
Regional	988,600	4,576	1.21

#### Netherlands 0.62% (31.7.17 - Nil)

DP Eurasia	1,525,750	2,374	0.62
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#### Peru 1.03% (31.7.17 - 0.97%)

Credicorp	22,550	3,933	1.03
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# Invesco Perpetual Global Emerging Markets Fund

## Investment report for the year

**Portfolio Statement** continued  
as at 31 July 2018

### Investment

#### Philippines 0.62% (31.7.17 - 0.83%)

	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Filinvest Land	116,487,000	2,375	0.62

#### Poland 0.97% (31.7.17 - 1.40%)

Powszechny Zakład Ubezpieczeń	421,950	3,679	0.97
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#### Portugal Nil (31.7.17 - 0.67%)

#### Russia 6.85% (31.7.17 - 5.00%)

Novatek GDR	86,250	10,389	2.73
PJSC Lukoil ADR	74,150	4,058	1.07
Sberbank of Russia ADR	823,600	8,840	2.32
X5 Retail	135,700	2,772	0.73

#### South Africa 9.61% (31.7.17 - 7.44%)

Aspen Pharmacare	265,250	3,924	1.03
Dis-Chem Pharmacies	1,983,350	3,354	0.88
KAP Industrial	7,808,450	3,249	0.85
Naspers 'N'	92,100	17,378	4.57
Old Mutual	1,861,950	3,265	0.86
PSG	254,950	3,454	0.91
Tsogo Sun	1,518,850	1,918	0.51

#### South Korea 15.11% (31.7.17 - 16.43%)

E-Mart	25,050	3,730	0.98
Hyundai Motor '2' pref.	78,150	4,671	1.23
Hyundai Steel	69,100	2,524	0.66
KB Financial	209,600	7,656	2.01
Korea Electric Power	178,550	4,046	1.06
LG	81,050	4,159	1.09
Samsung Electronics pref.	826,600	21,547	5.67
Samsung Fire & Marine	18,950	3,526	0.93
Shinhan Financial	189,400	5,615	1.48

#### Taiwan 10.80% (31.7.17 - 11.06%)

ASUSTeK Computer	702,000	4,606	1.21
China Life Insurance	7,933,084	6,400	1.68
Delta Electronics	1,092,000	2,882	0.76
Hon Hai Precision Industry	1,769,356	3,688	0.97
MediaTek	705,000	4,450	1.17
Taiwan Semiconductor Manufacturing	2,681,274	16,392	4.31
Yageo	137,444	2,670	0.70

#### Thailand 1.47% (31.7.17 - 1.35%)

Kasikornbank	1,088,700	5,588	1.47
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#### Turkey 0.75% (31.7.17 - 2.49%)

Turkiye Sinai Kalkinma Bankasi	21,263,950	2,840	0.75
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#### United Arab Emirates 1.92% (31.7.17 - 1.23%)

First Abu Dhabi Bank	1,330,850	3,715	0.98
NMC Health	94,350	3,581	0.94

#### United Kingdom Nil (31.7.17 - 0.69%)

#### United States Nil (31.7.17 - 0.48%)

#### Portfolio of investments (31.7.17 - 99.35%)

**377,817 99.32**

#### Net other assets (31.7.17 - 0.65%)

**2,579 0.68**

#### Net assets

**380,396 100.00**

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

# Invesco Perpetual Global Emerging Markets Fund

## Investment report for the year

### Summary of Material Portfolio Changes

for the year 1 August 2017 to 31 July 2018

	Cost £'000
<b>Total purchases</b>	<b>127,153</b>
<b>Largest purchases:</b>	
<b>Brazil</b>	
Banco do Brasil	5,392
Bradespar pref.	4,564
<b>China</b>	
JD.com ADR	4,568
Dongfeng Motor 'H'	4,115
BitAuto ADR	3,257
<b>Hong Kong</b>	
Tencent	8,310
<b>Luxembourg</b>	
Ternium ADR	4,076
<b>Malaysia</b>	
British American Tobacco - Malaysia	3,341
<b>Mexico</b>	
Fomento Economico Mexicano ADR	5,972
<b>Netherlands</b>	
DP Eurasia	3,192
<b>Poland</b>	
Powszechny Zakład Ubezpieczeń	3,760
<b>Russia</b>	
United Company	4,636
X5 Retail	4,149
PJSC Lukoil ADR	3,799
<b>South Africa</b>	
Aspen Pharmacare	4,085
Naspers 'N'	4,073
Old Mutual	2,990
<b>South Korea</b>	
Samsung Fire & Marine	3,486
<b>Taiwan</b>	
Delta Electronics	3,081
<b>United Arab Emirates</b>	
First Abu Dhabi Bank	3,053

# Invesco Perpetual Global Emerging Markets Fund

## Investment report for the year

### Summary of Material Portfolio Changes continued

for the year 1 August 2017 to 31 July 2018

	Cost £'000
<b>Total sales</b>	<b>131,320</b>
<b>Largest sales:</b>	
<b>Brazil</b>	
Itau Unibanco pref. ADR	6,466
Petroleo Brasileiro pref. ADR	5,363
CIA Energetica Minas Gerais pref.	2,594
<b>China</b>	
Autohome ADR	6,694
NetEase ADR	2,542
<b>Hong Kong</b>	
CK Asset Holdings	4,053
<b>India</b>	
Tata Motors ADR	3,356
<b>Luxembourg</b>	
Tenaris ADR	3,096
<b>Malaysia</b>	
British American Tobacco - Malaysia	2,502
<b>Mexico</b>	
Cemex ADR	3,952
<b>Poland</b>	
KRUK	3,443
<b>Portugal</b>	
Jeronimo Martins	2,706
<b>Russia</b>	
Alrosa	2,904
Aeroflot	2,892
<b>South Africa</b>	
Naspers 'N'	8,817
<b>South Korea</b>	
Samsung Electronics pref.	4,474
<b>Taiwan</b>	
Yageo	15,685
<b>Turkey</b>	
BIM Birlesik Magazalar	2,803
<b>United Arab Emirates</b>	
NMC Health	3,430
<b>United Kingdom</b>	
Hikma Pharmaceuticals	2,392

# Invesco Perpetual Global Emerging Markets Fund

## Financial Statements

<b>Statement of Total Return</b>			<b>01.8.17 to 31.7.18</b>	<b>01.8.16 to 31.7.17</b>
for the year 1 August 2017 to 31 July 2018			<b>£'000</b>	<b>£'000</b>
	<b>Notes</b>			
<b>Income</b>				
Net capital gains	2		4,824	79,436
Revenue	3	9,146		9,198
Expenses	4	(4,521)		(4,209)
Interest payable and similar charges	6	(1)		(1)
Net revenue before taxation		4,624		4,988
Taxation	5	(998)		(942)
Net revenue after taxation			3,626	4,046
<b>Total return before distributions</b>			8,450	83,482
Distributions	7		(3,626)	(4,049)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>4,824</b>	<b>79,433</b>

<b>Statement of Change in Net Assets Attributable to Shareholders</b>			<b>01.8.17 to 31.7.18</b>	<b>01.8.16 to 31.7.17</b>
for the year 1 August 2017 to 31 July 2018			<b>£'000</b>	<b>£'000</b>
<b>Opening net assets attributable to Shareholders</b>				
			<b>379,229</b>	<b>311,513</b>
Amounts received on issue of shares		52,789		71,919
Amounts paid on redemption of shares		(59,859)		(87,432)
			(7,070)	(15,513)
Dilution adjustment			39	95
Change in net assets attributable to Shareholders from investment activities			4,824	79,433
Retained distribution on accumulation shares			3,374	3,701
<b>Closing net assets attributable to Shareholders</b>			<b>380,396</b>	<b>379,229</b>



# Invesco Perpetual Global Emerging Markets Fund

## Financial Statements

<b>Balance Sheet</b>			31.7.18	31.7.17
as at 31 July 2018			£'000	£'000
	Notes	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets				
Investments		377,817		376,762
Current assets				
Debtors	8	1,475		1,525
Cash and bank balances	9	2,201		1,691
Total other assets			3,676	3,216
Total assets			381,493	379,978
<b>Liabilities</b>				
Investment liabilities			-	-
Creditors				
Distribution payable	10	339		294
Other creditors	10	758		455
Total other liabilities			1,097	749
Total liabilities			1,097	749
<b>Net assets attributable to Shareholders</b>			<b>380,396</b>	<b>379,229</b>

# Invesco Perpetual Global Emerging Markets Fund

## Notes to the financial statements

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

### 1 Accounting policies

The Sub-Fund's accounting and distribution policies are set out on pages 06 to 07.

<b>2 Net capital gains</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Derivative securities	-	1,652
Foreign currency contracts	-	2
Foreign currency losses	(335)	(131)
Non-derivative securities	5,159	77,913
Net capital gains	4,824	79,436

<b>3 Revenue</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Bank interest	2	-
Non-taxable overseas dividends	7,426	6,967
Stock dividends	158	367
Taxable overseas dividends	1,259	1,499
UK dividends	301	365
	9,146	9,198

<b>4 Expenses</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Fund Management Fee <sup>1</sup>	4,521	4,213
	4,521	4,213
<b>Other expenses:</b>		
VAT recoverable	-	(4)
	-	(4)
Total expenses	4,521	4,209

<sup>1</sup> Total audit fees of £6,423 (2017 - £6,423) exclusive of VAT payable to the auditors for the year ended 31 July 2018 are borne out of the Fund Management Fee.

# Invesco Perpetual Global Emerging Markets Fund

## Notes to the financial statements

<b>5 Taxation</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
<b>a) Analysis of charge for the year</b>		
Overseas tax	998	942
Total tax charge	998	942

There is no corporation tax charge for the year (2017 - Nil).

### **b) Factors affecting the tax charge for the year**

The tax assessed for the year is higher (2017 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Net revenue before taxation	4,624	4,988
Corporation tax at 20% (2017 - 20%)	925	998
Effects of:		
Movement in excess expenses	681	571
Overseas tax <sup>1</sup>	998	942
Relief for overseas tax treated as an expense	(29)	(29)
Revenue not subject to tax	(1,577)	(1,540)
Total tax charge	998	942

<sup>1</sup> 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 Sub-Fund had surplus management expenses of £17,839,000 (2017 - £14,432,000). It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £3,567,000 (2017 - £2,886,000) has not been recognised.

<b>6 Interest payable and similar charges</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Interest	1	1

<b>7 Distributions</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Accumulations and distributions payable 30 September 2018	3,713	3,995
Amounts deducted on redemption of shares	98	389
Amounts received on issue of shares	(185)	(335)
	3,626	4,049
The distributable amount has been calculated as follows:		
Net revenue after taxation	3,626	4,046
Equalisation on conversions	-	3
	3,626	4,049

# Invesco Perpetual Global Emerging Markets Fund

## Notes to the financial statements

<b>8 Debtors</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
Accrued revenue	1,005	1,060
Amounts receivable for issue of shares	100	439
Foreign currency contracts awaiting settlement	54	-
Overseas tax recoverable	76	2
Sales awaiting settlement	240	24
	<b>1,475</b>	<b>1,525</b>

<b>9 Cash and bank balances</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
Cash and bank balances	2,201	1,691

<b>10 Creditors</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
<b>a) Distribution payable</b>		
Net distribution payable	339	294
	<b>339</b>	<b>294</b>
<b>b) Other creditors</b>		
Accrued expenses	355	381
Amounts payable for redemption of shares	171	74
Foreign currency contracts awaiting settlement	54	-
Purchases awaiting settlement	178	-
	<b>758</b>	<b>455</b>

### 11 Contingent assets, liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (2017 - Nil).

### 12 Related parties

Related party interests in the Sub-Fund are disclosed in note 10 of the notes applicable to the financial statements of all Sub-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 £355,000 (2017 - £381,000) are disclosed in note 10 within accrued expenses.

### 13 Generic Risk factors

As the Sub-Fund invests in emerging and developing markets, investors should be prepared to accept a higher degree of risk than for a Sub-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 Sub-Fund's performance may be adversely affected by variations in the relative strength of world currencies or if Sterling strengthens against those currencies.

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

#### a) Counterparty risk

The Sub-Fund was not exposed to any counterparty risk as at the balance sheet date (2017 - Nil).

# Invesco Perpetual Global Emerging Markets Fund

## Notes to the financial statements

### 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
<b>31.7.18</b>		
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.	-	-
	<b>377,817</b>	<b>-</b>
<b>31.7.17</b>		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	376,762	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	<b>376,762</b>	<b>-</b>

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 2017 to 31 July 2018

	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	126,908	161	0.13	84	0.07
<b>Total purchases</b>	<b>126,908</b>	<b>161</b>		<b>84</b>	
<b>Total purchases including transaction costs</b>	<b>127,153</b>				
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	131,576	158	0.12	98	0.07
<b>Total sales</b>	<b>131,576</b>	<b>158</b>		<b>98</b>	
<b>Total sales net of transaction costs</b>	<b>131,320</b>				
<b>Derivative transaction costs</b>		<b>-</b>		<b>-</b>	
<b>Total transaction costs</b>		<b>319</b>		<b>182</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.08%</b>		<b>0.05%</b>	

# Invesco Perpetual Global Emerging Markets Fund

## Notes to the financial statements

### 14 Portfolio transaction costs continued for the year 1 August 2016 to 31 July 2017

	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	137,098	290	0.21	85	0.06
<b>Total purchases</b>	<b>137,098</b>	<b>290</b>		<b>85</b>	
<b>Total purchases including transaction costs</b>	<b>137,473</b>				
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	142,536	274	0.19	62	0.04
<b>Total sales</b>	<b>142,536</b>	<b>274</b>		<b>62</b>	
<b>Total sales net of transaction costs</b>	<b>142,200</b>				
<b>Derivative transaction costs</b>		-		-	
<b>Total transaction costs</b>		<b>564</b>		<b>147</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.16%</b>		<b>0.04%</b>	

The above analysis covers any direct transaction costs suffered by the Sub-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 Sub-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 Sub-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 to manage the Sub-Fund's daily liquidity position are excluded from the analysis.

For the Sub-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 Sub-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 Sub-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 0.19% (2017 - 0.17%).

# Invesco Perpetual Global Emerging Markets Fund

## Notes to the financial statements

### 15 Share movement

for the year 1 August 2017 to 31 July 2018

	Accumulation shares	Accumulation shares (No Trail)	Z Accumulation shares	Y Accumulation shares
Opening shares	21,251,490	26,553,416	17,373,029	46,232,251
Shares issued	663,949	3,449,726	2,555,987	5,848,080
Shares redeemed	(2,701,470)	(4,895,420)	(2,203,516)	(6,354,418)
Shares converted	(37,184)	(2,565)	(11,022)	56,184
<b>Closing shares</b>	<b>19,176,785</b>	<b>25,105,157</b>	<b>17,714,478</b>	<b>45,782,097</b>

	Income shares	Income shares (No Trail)	Z Income shares	Y Income shares
Opening shares	4,235,565	109,103	2,443,336	2,956,846
Shares issued	177,868	-	1,085,232	2,989,522
Shares redeemed	(1,101,628)	(44,950)	(1,194,609)	(471,147)
Shares converted	(5,244)	-	(7,277)	13,475
<b>Closing shares</b>	<b>3,306,561</b>	<b>64,153</b>	<b>2,326,682</b>	<b>5,488,696</b>

### 16 Post balance sheet events

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

# Invesco Perpetual Global Emerging Markets Fund

## Distribution table

### Distribution table

for the year 1 August 2017 to 31 July 2018

	Net revenue p	Equalisation p	Net distribution payable 30.9.18 p	Net distribution paid 30.9.17 p
<b>Distribution payable 30 September 2018</b>				
<b>Accumulation shares</b>				
Group 1	1.4684	-	1.4684	2.0404
Group 2	1.4684	0.0000	1.4684	2.0404
<b>Accumulation shares (No Trail)</b>				
Group 1	2.2156	-	2.2156	2.4174
Group 2	1.1199	1.0957	2.2156	2.4174
<b>Z Accumulation shares</b>				
Group 1	4.1246	-	4.1246	4.2886
Group 2	2.9366	1.1880	4.1246	4.2886
<b>Y Accumulation shares</b>				
Group 1	3.9429	-	3.9429	4.0677
Group 2	2.8561	1.0868	3.9429	4.0677
<b>Income shares</b>				
Group 1	1.3044	-	1.3044	1.8285
Group 2	1.3041	0.0003	1.3044	1.8285
<b>Income shares (No Trail)</b>				
Group 1	2.0140	-	2.0140	2.2236
Group 2	2.0140	0.0000	2.0140	2.2236
<b>Z Income shares</b>				
Group 1	3.8566	-	3.8566	4.0608
Group 2	2.9611	0.8955	3.8566	4.0608
<b>Y Income shares</b>				
Group 1	3.7360	-	3.7360	3.8979
Group 2	2.1500	1.5860	3.7360	3.8979

Group 1: shares purchased prior to 1 August 2017

Group 2: shares purchased on or after 1 August 2017

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 Perpetual Global Smaller Companies Fund

## Investment report for the year

### The Investment Objective and Policy of the Invesco Perpetual Global Smaller Companies Fund

The Sub-Fund aims to achieve capital growth through a portfolio of investments in international securities. The Sub-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.

<b>Performance</b> to 31 July 2018	Since	Since	Since	Percentage growth	
	31.1.18 %	31.7.17 %	31.7.15 %	Since 31.7.13 %	Since 31.7.08 %
Invesco Perpetual Global Smaller Companies Fund (Z Accumulation shares) <sup>1</sup>	-0.07	5.72	51.97	82.06	248.17
MSCI AC World Small Cap Index TR <sup>2</sup>	7.51	13.52	61.37	88.55	268.81
IA Global Sector NR	4.49	10.46	47.79	70.43	149.47
Fund Ranking	197/214	182/208	66/189	52/170	10/106

<b>Standardised rolling 12 month performance</b>	30.6.13 30.6.14 %	30.6.14 30.6.15 %	30.6.15 30.6.16 %	Percentage growth	
				30.6.16 30.6.17 %	30.6.17 30.6.18 %
Invesco Perpetual Global Smaller Companies Fund (Z Accumulation shares) <sup>1</sup>	11.8	11.6	6.0	32.7	7.9

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.invescoperpetual.co.uk](http://www.invescoperpetual.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. The figures do not reflect the entry charge paid by individual investors. 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 TR<sup>2</sup> 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.

<sup>1</sup> 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.

<sup>2</sup> Reference benchmark for performance comparison purposes only.

# Invesco Perpetual Global Smaller Companies Fund

## Investment report for the year

### Strategy, review and outlook

The Sub-Fund returned 5.7% over the twelve months to the end of July 2018, compared to a return of 13.5% for the benchmark MSCI AC World Small Cap Index TR<sup>1</sup>. This placed the Sub-Fund in the fourth quartile of its peer group, the IA Global Sector NR, which returned an average of 10.5%.

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<sup>1</sup> source: Lipper, total return, in Sterling terms.

Past performance is not a guide to future returns.

Global equity markets ended 2017 near all-time highs amid solid corporate earnings and accelerating economic growth. The year 2018 got off to an equally strong start for global equity markets. Strength in corporate earnings, synchronised economic growth and optimism over US tax cuts helped drive up prices in many markets across the world to their highest on record. Nevertheless, volatility, however, made a return in the first quarter as signs of a pick-up in inflation prompted an upward move in US bond yields.

Despite growing concerns over the possibility of a US-China trade war, global equity markets ended the second quarter in positive territory. Markets had focused on simmering trade tensions but would need more clarity from the White House on its plans, however, before the outlook for trade and its impact on global growth could be assessed. By July, relief over the agreement reached by the US and the EU on defusing trade tensions extended to reports of efforts by the US and China to re-engage in negotiations.

Our underperformance was primarily driven by stock selection. Over the past twelve months markets have become more expensive, and as long-term valuation focussed investors we have tended to gravitate towards cheaper stocks and sectors in the market. In technology, for example, our exposure has been more tilted to hardware companies rather than the much more expensive e-commerce names.

However investors' willingness to pay up for companies with robust revenue growth remained resolute throughout the year. For many technology stocks, particularly e-commerce-related, we cannot make the valuation work or at least the risk/reward we see of owning them just now is so negatively skewed we do not want to commit capital to them.

In terms of regional exposure, stock selection in Europe and Asia Pacific ex-Japan, in contrast to previous years, was a drag on performance. In Europe in particular we experienced some stock specific issues, most notably in Q2 2018.

Meanwhile in recent months US small cap stocks rallied on strong profits growth driven in large part by tax cuts, but also domestic economic growth. As such, the US small cap market produced one of the strongest set of returns over the twelve months of all the major regions. However, the Sub-Fund's underweight exposure, driven by our view of the high level of valuation in that market, had a negative impact on returns.

### Nick Mustoe (lead) and the Invesco Perpetual Global Smaller Companies Group<sup>2</sup>, Fund Managers

Where Nick Mustoe and the Invesco Perpetual Global Smaller Companies Group 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.

<sup>1</sup> Reference benchmark for performance comparison purposes only.

<sup>2</sup> The Invesco Perpetual Global Smaller Companies Group comprises CIO Nick Mustoe, Senior Investment Strategist Martin Weiss, Product Manager Arwel Green and specialist regional Fund Managers Jonathan Brown, Andy Tidby, Erik Esselink, Ian Hargreaves, Juan Hartsfield, Dean Newman.

The Sub-Fund's ten largest investments are	%
HDFC Bank	1.07
Eurazeo	0.81
TKH	0.79
SPX	0.67
Iridium Communications	0.66
Air France-KLM	0.63
Boskalis Westminster	0.61
Chiba Bank	0.61
Samsonite International	0.61
Hibernia	0.61

# Invesco Perpetual Global Smaller Companies Fund

## Investment report for the year

### Comparative tables

Year ended Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	2,434.50	1,943.40	1,728.58
Return before operating charges*	179.05	528.72	243.66
Operating charges	(42.92)	(37.62)	(28.84)
Return after operating charges	136.13	491.10	214.82
Distributions	-	(0.59)	(3.12)
Retained distributions on accumulation shares	-	0.59	3.12
<b>Closing net asset value per share</b>	<b>2,570.63</b>	<b>2,434.50</b>	<b>1,943.40</b>
*After direct transaction costs of	(2.34)	(4.50)	(3.43)
<b>Performance</b>			
Return after charges	5.59%	25.27%	12.43%
<b>Other information</b>			
Closing net asset value (£'000)	291,363	295,274	268,784
Closing number of shares	11,334,308	12,128,736	13,830,591
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.09%	0.20%	0.20%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	2,641.82	2,465.49	1,951.71
Lowest share price	2,404.91	1,912.44	1,489.04

Year ended Accumulation shares (No Trail)	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	358.73	284.94	252.18
Return before operating charges*	26.44	77.69	35.74
Operating charges	(4.48)	(3.90)	(2.98)
Return after operating charges	21.96	73.79	32.76
Distributions	(1.71)	(1.71)	(1.70)
Retained distributions on accumulation shares	1.71	1.71	1.70
<b>Closing net asset value per share</b>	<b>380.69</b>	<b>358.73</b>	<b>284.94</b>
*After direct transaction costs of	(0.35)	(0.66)	(0.50)
<b>Performance</b>			
Return after charges	6.12%	25.90%	12.99%
<b>Other information</b>			
Closing net asset value (£'000)	51,402	39,522	32,159
Closing number of shares	13,502,334	11,017,048	11,286,270
Operating charges	1.20%	1.20%	1.20%
Direct transaction costs	0.09%	0.20%	0.20%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	390.16	363.25	286.15
Lowest share price	354.60	280.41	217.82

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Global Smaller Companies Fund

## Investment report for the year

### Comparative tables continued

Year ended Z Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	446.03	353.39	311.97
Return before operating charges*	32.88	96.48	44.34
Operating charges	(4.41)	(3.84)	(2.92)
Return after operating charges	28.47	92.64	41.42
Distributions	(3.29)	(3.14)	(2.88)
Retained distributions on accumulation shares	3.29	3.14	2.88
<b>Closing net asset value per share</b>	<b>474.50</b>	<b>446.03</b>	<b>353.39</b>
*After direct transaction costs of	(0.43)	(0.82)	(0.62)
<b>Performance</b>			
Return after charges	6.38%	26.21%	13.28%
<b>Other information</b>			
Closing net asset value (£'000)	97,343	93,175	66,943
Closing number of shares	20,514,971	20,890,156	18,943,011
Operating charges	0.95%	0.95%	0.95%
Direct transaction costs	0.09%	0.20%	0.20%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	485.64	451.60	354.88
Lowest share price	441.02	347.78	269.83

Year ended Y Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	324.13	256.68	226.48
Return before operating charges*	23.90	70.09	32.21
Operating charges	(3.04)	(2.64)	(2.01)
Return after operating charges	20.86	67.45	30.20
Distributions	(2.56)	(2.43)	(2.21)
Retained distributions on accumulation shares	2.56	2.43	2.21
<b>Closing net asset value per share</b>	<b>344.99</b>	<b>324.13</b>	<b>256.68</b>
*After direct transaction costs of	(0.31)	(0.60)	(0.45)
<b>Performance</b>			
Return after charges	6.44%	26.28%	13.33%
<b>Other information</b>			
Closing net asset value (£'000)	314,981	273,584	196,784
Closing number of shares	91,300,829	84,406,079	76,663,877
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.09%	0.20%	0.20%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	353.00	328.17	257.76
Lowest share price	320.51	252.61	195.94

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Global Smaller Companies Fund

## Investment report for the year

### Comparative tables continued

Year ended Income shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	2,320.39	1,852.73	1,650.58
Return before operating charges*	170.59	504.08	232.67
Operating charges	(40.91)	(35.87)	(27.54)
Return after operating charges	129.68	468.21	205.13
Distributions	-	(0.55)	(2.98)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>2,450.07</b>	<b>2,320.39</b>	<b>1,852.73</b>
*After direct transaction costs of	(2.23)	(4.29)	(3.28)
<b>Performance</b>			
Return after charges	5.59%	25.27%	12.43%
<b>Other information</b>			
Closing net asset value (£'000)	30,680	32,499	29,820
Closing number of shares	1,252,201	1,400,602	1,609,503
Operating charges	1.70%	1.70%	1.70%
Direct transaction costs	0.09%	0.20%	0.20%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	2,518.00	2,350.49	1,863.64
Lowest share price	2,292.19	1,823.24	1,421.86

Year ended Income shares (No Trail)	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	339.11	270.63	240.96
Return before operating charges*	24.98	73.81	34.14
Operating charges	(4.23)	(3.71)	(2.85)
Return after operating charges	20.75	70.10	31.29
Distributions	(1.61)	(1.62)	(1.62)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>358.25</b>	<b>339.11</b>	<b>270.63</b>
*After direct transaction costs of	(0.33)	(0.63)	(0.48)
<b>Performance</b>			
Return after charges	6.12%	25.90%	12.99%
<b>Other information</b>			
Closing net asset value (£'000)	487	479	700
Closing number of shares	135,843	141,188	258,710
Operating charges	1.20%	1.20%	1.20%
Direct transaction costs	0.09%	0.20%	0.20%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	368.82	345.02	273.40
Lowest share price	335.20	266.34	208.13

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Global Smaller Companies Fund

## Investment report for the year

### Comparative tables continued

Year ended Z Income shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	428.71	342.06	304.45
Return before operating charges*	31.61	93.41	43.28
Operating charges	(4.24)	(3.72)	(2.85)
Return after operating charges	27.37	89.69	40.43
Distributions	(3.16)	(3.04)	(2.82)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>452.92</b>	<b>428.71</b>	<b>342.06</b>
*After direct transaction costs of	(0.41)	(0.80)	(0.61)
<b>Performance</b>			
Return after charges	6.38%	26.22%	13.28%
<b>Other information</b>			
Closing net asset value (£'000)	15,045	12,887	11,247
Closing number of shares	3,321,788	3,006,020	3,287,965
Operating charges	0.95%	0.95%	0.95%
Direct transaction costs	0.09%	0.20%	0.20%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	466.79	437.14	346.33
Lowest share price	423.90	336.66	263.33

Year ended Y Income shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	313.73	250.31	222.77
Return before operating charges*	23.14	68.37	31.69
Operating charges	(2.94)	(2.58)	(1.98)
Return after operating charges	20.20	65.79	29.71
Distributions	(2.48)	(2.37)	(2.17)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>331.45</b>	<b>313.73</b>	<b>250.31</b>
*After direct transaction costs of	(0.30)	(0.58)	(0.44)
<b>Performance</b>			
Return after charges	6.44%	26.28%	13.34%
<b>Other information</b>			
Closing net asset value (£'000)	26,574	23,521	21,529
Closing number of shares	8,017,604	7,497,169	8,600,873
Operating charges	0.90%	0.90%	0.90%
Direct transaction costs	0.09%	0.20%	0.20%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	341.68	320.05	253.54
Lowest share price	310.24	246.36	192.73

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Global Smaller Companies Fund

## Investment report for the year

<b>Portfolio Statement</b> as at 31 July 2018		<b>Holding or nominal value of positions</b>	<b>Market value £'000</b>	<b>Percentage of total net assets %</b>
<b>Investment</b>				
<b>Asia &amp; Australasia (excluding Japan) 15.93% (31.7.17 - 16.13%)</b>				
<b>Australia 0.33% (31.7.17 - 0.12%)</b>				
QBE Insurance	432,976	2,478	0.30	
Vonex	2,626,531	209	0.03	
Vonex warrants 28/3/2020	607,831	17	0.00	
<b>China 3.39% (31.7.17 - 2.26%)</b>				
BitAuto ADS	45,952	852	0.10	
China Bluechemical	11,646,000	3,281	0.39	
China Communications Services	4,434,000	2,141	0.26	
China MeiDong Auto	10,274,701	2,805	0.34	
FIH Mobile	6,423,000	736	0.09	
JD.com ADR	181,952	4,973	0.60	
KWG Property	651,000	564	0.07	
NetEase ADR	15,517	3,052	0.37	
Qingdao Port International	6,019,000	3,315	0.40	
Qingling Motors 'H'	8,654,000	1,892	0.23	
Shenzhen Expressway	3,462,000	2,388	0.29	
Shenzhen Kstar Science And Technology	1,124,409	1,156	0.14	
Zhejiang Expressway 'H'	1,452,000	939	0.11	
<b>Hong Kong 2.43% (31.7.17 - 3.41%)</b>				
EVA Precision Industrial	39,708,000	3,317	0.40	
Fortune Real Estate Investment Trust	5,008,900	4,759	0.57	
HKR International	2,960,000	1,392	0.17	
Minth	414,000	1,187	0.14	
Pacific Basin Shipping	15,314,000	3,035	0.37	
Samson	21,490,000	1,420	0.17	
Samsonite International	1,754,100	5,027	0.61	
<b>India 2.94% (31.7.17 - 2.81%)</b>				
Aurobindo Pharma	513,272	3,369	0.40	
HDFC Bank	364,608	8,841	1.07	
Housing Development Finance	129,642	2,866	0.34	
ICICI Bank	732,818	2,471	0.30	
Sobha Developers	756,316	3,960	0.48	
UPL	402,521	2,872	0.35	
<b>Indonesia 0.52% (31.7.17 - 0.67%)</b>				
Bank Negara Indonesia	6,594,800	2,580	0.31	
Indosat	9,128,300	1,689	0.21	
<b>Malaysia 0.19% (31.7.17 - 0.14%)</b>				
British American Tobacco - Malaysia	239,300	1,532	0.19	
<b>Philippines 0.36% (31.7.17 - 0.42%)</b>				
Filinvest Land	146,067,000	2,978	0.36	
<b>Singapore 0.59% (31.7.17 - 0.71%)</b>				
ESR-REIT	15,974,008	4,607	0.56	
Gallant Venture	3,974,900	294	0.03	
<b>South Korea 2.64% (31.7.17 - 2.90%)</b>				
DGB Financial	677,369	4,307	0.52	
Finetex EnE <sup>1</sup>	601,660	1,101	0.13	
Hyundai Home Shopping Network	46,199	3,447	0.42	
Hyundai Mobis	9,005	1,399	0.17	
Hyundai Motor '2' pref.	81,738	4,885	0.59	
Korean Reinsurance	376,717	2,824	0.34	
Shinhan Financial	132,360	3,924	0.47	
<b>Taiwan 2.16% (31.7.17 - 2.69%)</b>				
ASUSTeK Computer	490,000	3,215	0.39	
China Life Insurance	4,699,212	3,791	0.46	
Chroma ATE	664,000	2,844	0.34	



# Invesco Perpetual Global Smaller Companies Fund

## Investment report for the year

### Portfolio Statement continued as at 31 July 2018

#### Investment

#### Taiwan continued

Hon Hai Precision Industry GDR	894,865	3,745	0.45
MediaTek	677,000	4,274	0.51
Wistron NeWeb	24,237	46	0.01

#### Thailand 0.38% (31.7.17 - Nil)

Bangkok Bank	665,700	3,127	0.38
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#### Europe (excluding UK) 22.19% (31.7.17 - 22.27%)

#### Austria 0.31% (31.7.17 - 1.07%)

Schoeller-Bleckmann Oilfield Equipment	29,009	2,537	0.31
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#### Belgium 0.40% (31.7.17 - Nil)

Telenet	91,075	3,290	0.40
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#### Denmark 0.85% (31.7.17 - 1.06%)

D/S Norden	181,740	2,561	0.31
NNIT	64,945	1,286	0.15
Sydbank	113,374	3,206	0.39

#### Finland 0.79% (31.7.17 - 1.00%)

Cargotec	80,663	3,057	0.37
Outokumpu	666,603	3,452	0.42

#### France 6.21% (31.7.17 - 4.77%)

Air France-KLM	754,525	5,250	0.63
Altran Technologies	504,128	3,665	0.44
CGG	1,588,627	3,310	0.40
DBV Technologies	104,186	2,779	0.34
Delta Plus	55,198	2,442	0.30
Devoteam	29,242	2,671	0.32
ESI	38,677	1,449	0.18
Eurazeo	114,115	6,728	0.81
Europcar	468,940	3,589	0.43
Gaztransport & Technigaz	83,474	4,144	0.50
LISI	148,754	3,927	0.48
Mediawan	261,439	3,230	0.39
Oeneo	469,872	4,308	0.52
SOITEC	10,816	697	0.08
Terreis	86,120	3,242	0.39

#### Germany 0.90% (31.7.17 - 0.72%)

HanseYachts	148,836	1,221	0.15
Hapag-Lloyd	87,335	2,681	0.32
Varta	166,659	3,538	0.43

#### Greece 0.30% (31.7.17 - 0.33%)

Motor Oil Hellas Corinth Refineries	51,550	835	0.10
Mytilineos	116,900	895	0.11
National Bank of Greece	3,048,000	755	0.09

#### Hungary 0.11% (31.7.17 - 0.18%)

Wizz Air	26,550	920	0.11
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#### Italy 2.96% (31.7.17 - 2.58%)

Banca Generali	207,374	4,265	0.51
Banca Mediolanum	605,036	3,308	0.40
Banco BPM	1,741,774	4,225	0.51
Fila	241,451	4,019	0.49
Fincantieri	2,754,050	3,167	0.38
Prysmian	127,181	2,489	0.30
Reno de Medici	255,609	237	0.03
Tecnoinvestimenti Spa	257,348	1,304	0.16
Unipol Gruppo Finanziario	483,707	1,535	0.18



# Invesco Perpetual Global Smaller Companies Fund

## Investment report for the year

### Portfolio Statement continued as at 31 July 2018

#### Investment

#### Kazakhstan 0.08% (31.7.17 - Nil)

	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Nostrum Oil & Gas	324,350	648	0.08

#### Luxembourg 0.10% (31.7.17 - 0.10%)

Ternium ADR	28,850	797	0.10
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#### Monaco Nil (31.7.17 - 0.21%)

#### Netherlands 4.66% (31.7.17 - 2.99%)

AFC Ajax	250,000	2,598	0.31
Alfen	373,995	4,086	0.49
B&S	263,987	3,676	0.44
Besi	60,061	994	0.12
Boskalis Westminster	218,134	5,059	0.61
Fugro	333,726	3,617	0.44
ICT	197,156	2,647	0.32
SIF	41,410	654	0.08
Signify	198,305	4,183	0.51
Stern	59,152	870	0.11
TKH	137,436	6,528	0.79
Van Lanschot	173,223	3,639	0.44

#### Norway 0.67% (31.7.17 - 1.51%)

Evry	811,741	2,453	0.30
Wilh. Wilhelmsen	830,619	3,097	0.37

#### Poland 0.14% (31.7.17 - 0.23%)

KRUK	25,400	1,145	0.14
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#### Portugal 0.11% (31.7.17 - 0.89%)

Corticeira Amorim	95,315	957	0.11
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#### Republic of Ireland 2.20% (31.7.17 - 2.13%)

F.B.D. Holdings	290,159	2,627	0.32
Hibernia REIT	3,859,685	5,013	0.61
Irish Continental	471,443	2,170	0.26
Origin Enterprises	309,149	1,657	0.20
Permanent TSB	1,190,756	2,289	0.28
Total Produce	2,269,653	4,433	0.53

#### Russia 0.39% (31.7.17 - 0.27%)

Globaltrans Investment GDR	144,900	1,261	0.15
TCS GDR	57,650	934	0.11
X5 Retail	49,950	1,021	0.13

#### Spain 0.80% (31.7.17 - 1.44%)

Parques Reunidos Servicios Centrales	213,660	2,474	0.30
Telepizza	851,038	4,137	0.50

#### Sweden Nil (31.7.17 - 0.39%)

#### Turkey 0.21% (31.7.17 - 0.40%)

Pegasus Hava Tasimaciligi	156,300	701	0.08
Türk Tuborg	342,350	526	0.06
Turkiye Sinai Kalkinma Bankasi	4,142,350	553	0.07

#### Japan 12.67% (31.7.17 - 12.39%)

Arata	27,800	1,140	0.14
Ariake Japan	23,000	1,497	0.18
Chiba Bank	931,000	5,041	0.61
Digital Arts	30,300	1,104	0.13
Don Quijote	115,100	4,084	0.49
FP	69,400	2,902	0.35
Fullcast	102,000	1,939	0.23

# Invesco Perpetual Global Smaller Companies Fund

## Investment report for the year

### Portfolio Statement continued as at 31 July 2018

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
<b>Japan continued</b>			
Ichigo	603,000	2,045	0.25
Inpex	363,100	3,042	0.37
Kenedix Realty Investment	665	3,061	0.37
KH Neochem	155,200	3,800	0.46
Koa	140,900	2,343	0.28
KOMEDA	137,000	2,002	0.24
K's	95,600	818	0.10
Kusuri no Aoki	24,000	1,339	0.16
LIXIL VIVA	144,400	1,818	0.22
MEC	121,400	1,894	0.23
Minebea	319,300	4,338	0.52
Miroku Jyoho Service	114,700	2,098	0.25
Misumi	41,800	809	0.10
Mitsui E&S	195,700	2,123	0.26
Mitsui O.S.K Lines	61,300	1,206	0.15
Miura	155,200	3,088	0.37
N Field	46,300	534	0.07
Nakanishi	122,100	1,937	0.23
NGK Spark Plug	125,400	2,737	0.33
Nichirei	149,900	2,647	0.32
Nifco	56,500	1,291	0.16
Nippon Yusen KK	144,900	2,120	0.26
Nissan Chemical Industries	31,600	1,074	0.13
NOK	143,400	2,182	0.26
NTT Urban Development	247,900	1,941	0.24
Park 24	73,900	1,578	0.19
Qol	155,500	1,934	0.23
Sho-Bond	47,000	2,497	0.30
SIIX	116,100	2,015	0.24
Sohgo Security Services	102,600	3,563	0.43
Solasto	350,700	2,567	0.31
Sosei	180,000	1,710	0.21
Star Mica	91,200	1,405	0.17
Sushiro Global	59,900	2,529	0.31
Systema	213,700	1,981	0.24
TechnoPro	52,800	2,546	0.31
Tsubaki Nakashima	91,800	1,649	0.20
Tsukui	83,700	575	0.07
Tsumura	40,700	1,003	0.12
Tsuruha	39,200	3,668	0.44
Union Tool	49,500	1,247	0.15
YAMADA Consulting	41,600	858	0.10
Yokogawa Bridge	111,300	1,560	0.19
<b>Latin America 2.27% (31.7.17 - 2.15%)</b>			
<b>Argentina 0.07% (31.7.17 - 0.10%)</b>			
Mercadolibre	2,350	614	0.07
<b>Brazil 1.11% (31.7.17 - 1.19%)</b>			
Alpargatas pref.	212,300	549	0.07
Azul pref.	120,600	589	0.07
Banco ABC Brasil pref.	214,723	675	0.08
Banco ABC Brasil rights 03/8/2018 <sup>1</sup>	8,120	6	0.00
Bradespar pref.	156,600	1,032	0.12
Energisa	119,500	730	0.09
Kroton Educacional	357,200	812	0.10
Localiza Rent A Car	182,605	880	0.11
MAHLE Metal Leve	158,300	881	0.11
Smiles Fidelidade	53,900	559	0.07
Suzano Papel e Celulose	95,800	865	0.10
Tupy	225,100	918	0.11
Via Varejo	158,900	686	0.08
<b>Chile 0.12% (31.7.17 - 0.08%)</b>			
Enel Chile	7,883,900	633	0.07
Forus	179,000	400	0.05

# Invesco Perpetual Global Smaller Companies Fund

## Investment report for the year

**Portfolio Statement** continued  
as at 31 July 2018

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
<b>Mexico 0.86% (31.7.17 - 0.70%)</b>			
Alsea	342,600	899	0.11
Controladora Vuela Cia de Aviacion ADR	68,350	384	0.05
Corporación Inmobiliaria Vesta	692,900	812	0.10
Credito Real	764,600	817	0.10
Genomma Lab Internacional	723,300	438	0.05
Gruma 'B'	82,000	806	0.10
Rassini	248,500	692	0.08
Regional	202,100	935	0.11
Telesites	886,200	498	0.06
Unifin Financiera	385,100	815	0.10
<b>Panama 0.05% (31.7.17 - Nil)</b>			
Copa 'A'	5,650	419	0.05
<b>Peru 0.06% (31.7.17 - 0.08%)</b>			
Ferreycorp	912,500	499	0.06
<b>Middle East and Africa 1.82% (31.7.17 - 1.94%)</b>			
<b>Ghana Nil (31.7.17 - 0.12%)</b>			
<b>South Africa 1.57% (31.7.17 - 1.42%)</b>			
Aspen Pharmacare	79,100	1,170	0.14
Dis-Chem Pharmacies	589,150	996	0.12
EOH	203,350	491	0.06
Foschini	102,650	1,028	0.12
KAP Industrial	4,008,150	1,668	0.20
Life Healthcare	717,750	1,002	0.12
Mpact	360,308	475	0.06
Mr Price	77,700	1,063	0.13
Old Mutual	478,150	839	0.10
PSG	134,250	1,819	0.22
Shoprite	108,354	1,370	0.17
Tsogo Sun	872,607	1,102	0.13
<b>United Arab Emirates 0.25% (31.7.17 - 0.40%)</b>			
Aramex	1,134,250	1,012	0.12
NMC Health	26,900	1,021	0.13
<b>North America 33.01% (31.7.17 - 33.15%)</b>			
<b>Bermuda 0.39% (31.7.17 - Nil)</b>			
Argo Group International	67,654	3,221	0.39
<b>Canada 0.22% (31.7.17 - 0.24%)</b>			
Gran Tierra Energy	196,550	490	0.06
Lithium Americas	83,000	243	0.03
Methanex	12,280	646	0.08
Roxgold	681,000	419	0.05
<b>Marshall Islands Nil (31.7.17 - 0.42%)</b>			
<b>United States 32.40% (31.7.17 - 32.49%)</b>			
ABM Industries	91,659	2,180	0.26
Acadia Healthcare	62,386	1,877	0.23
Albany International 'A'	58,437	2,947	0.36
American Eagle Outfitters	150,673	2,891	0.35
American Financial	35,034	3,009	0.36
Apogee Enterprises	70,360	2,720	0.33
Array BioPharma	297,836	3,492	0.42
Aspen Insurance	71,539	2,206	0.27
Bank OZK	82,042	2,555	0.31
BankUnited	96,436	2,857	0.35
Belden	47,841	2,362	0.29
Big Lots	63,911	2,116	0.26

# Invesco Perpetual Global Smaller Companies Fund

## Investment report for the year

### Portfolio Statement continued as at 31 July 2018

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
<b>United States</b> continued			
Blackbaud	60,838	4,626	0.56
Boyd Gaming	107,737	3,068	0.37
Brooks Automation	87,635	2,042	0.25
BWX Technologies	54,198	2,716	0.33
Cambrex	65,868	3,133	0.38
CNO Financial	144,608	2,243	0.27
Coherent	16,659	2,007	0.24
Columbia Banking Systems	87,452	2,728	0.33
CommVault Systems	59,988	2,966	0.36
Concho Resources	2,622	291	0.03
Cooper Tire & Rubber	88,684	1,927	0.23
Core Laboratories	32,162	2,748	0.33
CubeSmart	148,011	3,427	0.41
Cubic	57,110	2,963	0.36
Dycom Industries	35,872	2,438	0.29
E*TRADE Financial	86,418	3,940	0.48
Eagle Materials	33,998	2,575	0.31
Energen	72,858	4,120	0.50
Enersys	45,545	2,850	0.34
Euronet Worldwide	39,752	2,786	0.34
FLIR Systems	69,673	3,112	0.38
Forum Energy Technologies	174,090	1,739	0.21
Forward Air	69,222	3,372	0.41
Graphic Packaging	235,565	2,609	0.31
Great Western Bancorp	84,465	2,692	0.32
Hanover Insurance	46,354	4,431	0.53
Healthcare Trust of America	107,931	2,248	0.27
HealthEquity	72,702	4,183	0.50
Highwoods Properties	67,055	2,511	0.30
Hill-Rom	44,676	3,208	0.39
Horace Mann Educators	87,503	2,912	0.35
Iberiabank	49,228	3,119	0.38
Instructure	111,645	3,290	0.40
Iridium Communications	412,381	5,439	0.66
Jack Henry & Associates	33,622	3,451	0.42
Kennedy Wilson	145,491	2,318	0.28
Knight-Swift Transportation 'A'	93,118	2,311	0.28
Lantheus	172,702	1,902	0.23
Lazard 'A'	84,366	3,488	0.42
Lumentum	63,868	2,542	0.31
Matador Resources	94,024	2,401	0.29
Michaels	151,416	2,356	0.28
Minerals Technologies	52,187	3,008	0.36
Mobile Mini	91,985	2,987	0.36
National Instruments	88,545	2,957	0.36
Neurocrine Biosciences	57,175	4,380	0.53
Newfield Exploration	87,962	1,925	0.23
Old Dominion Freight Line	27,035	3,025	0.37
Papa Johns International	45,349	1,450	0.17
Parsley Energy	116,133	2,783	0.34
Penn National Gaming	130,823	3,196	0.39
Phibro Animal Health 'A'	88,091	3,213	0.39
Pinnacle Foods	54,646	2,761	0.33
Piper Jaffray	46,132	2,724	0.33
Polyone	106,896	3,655	0.44
Power Integrations	27,176	1,480	0.18
Primoris Services	118,499	2,438	0.29
Retrophin	106,814	2,250	0.27
RingCentral	525	29	0.00
Sensient Technologies	41,562	2,198	0.27
Servicemaster	94,117	4,089	0.49
SLM	309,773	2,666	0.32
SPX	196,148	5,546	0.67
STERIS	42,011	3,664	0.44
Strayer Education	32,431	2,913	0.35
Supernus Pharmaceuticals	74,237	2,994	0.36
Synovus Financial	68,116	2,566	0.31
Take-Two Interactive Software	52,605	4,532	0.55

# Invesco Perpetual Global Smaller Companies Fund

## Investment report for the year

### Portfolio Statement continued as at 31 July 2018

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
<b>United States continued</b>			
Tech Data	33,873	2,153	0.26
Teradyne	98,379	3,244	0.39
Trex	68,434	4,055	0.49
UMB Financial	47,854	2,623	0.32
Univar	126,525	2,652	0.32
Visteon	38,567	3,442	0.42
Waste Connections	48,780	2,886	0.35
Webster Financial	86,178	4,238	0.51
Wendy's	226,712	2,883	0.35
Western Alliance	75,013	3,243	0.39
Wolverine World Wide	122,554	3,305	0.40
Wright Medical	121,517	2,356	0.28
Zebra Technologies 'A'	31,206	3,281	0.40
<b>United Kingdom 10.58% (31.7.17 - 9.84%)</b>			
4imprint	102,215	2,065	0.25
A J Bell <sup>1</sup>	71,156	801	0.10
Advanced Medical Solutions	170,025	609	0.07
Alfa Financial Software	283,754	465	0.06
Amerisur Resources	2,628,157	374	0.04
Amigo	350,753	947	0.11
Arrow Global	283,781	724	0.09
AVEVA	18,286	480	0.06
Bakkavor	629,364	1,171	0.14
boohoo.com	452,478	909	0.11
Bovis Homes	86,220	995	0.12
Brooks MacDonald	42,146	765	0.09
Clinigen	214,453	2,155	0.26
CLS	455,554	995	0.12
Coats	2,643,604	2,194	0.26
Consort Medical	194,637	2,145	0.26
Crest Nicholson	101,246	385	0.05
CVS	130,435	1,470	0.18
Dairy Crest	76,307	370	0.04
Dechra Pharmaceuticals	39,965	1,193	0.14
Diploma	86,965	1,144	0.14
Dunelm	42,552	223	0.03
EMIS	82,592	753	0.09
Energiean Oil & Gas	108,233	565	0.07
Equiniti	694,275	1,482	0.18
Essentra	203,081	977	0.12
Euromoney Institutional Investor	106,375	1,434	0.17
Faroe Petroleum	1,150,371	1,617	0.19
FDM	128,964	1,228	0.15
Future	345,460	1,686	0.20
Gamma Communications	118,694	933	0.11
Hill & Smith	96,571	1,455	0.18
Hilton Food	179,528	1,716	0.21
Hollywood Bowl	416,092	857	0.10
Horizon Discovery	180,223	336	0.04
Hurricane Energy	795,482	399	0.05
James Fisher & Sons	91,982	1,648	0.20
Johnson Service	1,247,442	1,711	0.21
JTC	350,244	1,331	0.16
Kainos	145,441	532	0.06
Keywords	71,914	1,312	0.16
Knights	235,039	400	0.05
M&C Saatchi	399,580	1,415	0.17
Majestic Wine	216,635	967	0.12
Marston's	862,847	816	0.10
Microgen	303,761	1,218	0.15
NCC	261,620	575	0.07
Northgate	169,760	741	0.09
Nucleus Financial	90,700	211	0.03
Patisserie	251,657	1,090	0.13
Polypipe	382,090	1,433	0.17
Premier Oil	895,545	1,145	0.14

# Invesco Perpetual Global Smaller Companies Fund

## Investment report for the year

### Portfolio Statement continued as at 31 July 2018

Investment	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
<b>United Kingdom continued</b>			
Rathbone Brothers	29,911	735	0.09
Restore	220,316	1,102	0.13
Ricardo	113,721	917	0.11
Robert Walters	264,046	1,959	0.24
RWS	417,732	1,926	0.23
Safestore	311,724	1,746	0.21
Sanne	249,681	1,760	0.21
Savills	133,053	1,179	0.14
SDL	213,544	1,081	0.13
Secure Trust Bank	31,419	529	0.06
Severfield	1,309,593	1,074	0.13
Softcat	150,695	1,218	0.15
St. Modwen Properties	405,686	1,643	0.20
Staffline	114,909	1,255	0.15
Superdry	96,302	1,198	0.14
Tarsus	475,600	1,465	0.18
Ted Baker	31,994	706	0.09
Thruvision	813,586	130	0.02
Topps Tiles	918,404	555	0.07
Ultra Electronics	102,797	1,697	0.20
Urban & Civic	281,129	846	0.10
Vectura	1,378,437	1,100	0.13
Victrex	33,423	1,053	0.13
Vp	141,387	1,591	0.19
Wetherspoon (JD)	87,474	1,065	0.13
Workspace	107,139	1,164	0.14
Xaar	86,569	219	0.03
Xafinity	564,354	988	0.12
Young & Co's Brewery (non-voting)	90,028	1,152	0.14
<b>Bonds Nil (31.7.17 - 0.00%)</b>			
<b>Portfolio of investments (31.7.17 - 97.87%)</b>		<b>815,223</b>	<b>98.47</b>
<b>Net other assets (31.7.17 - 2.13%)</b>		<b>12,652</b>	<b>1.53</b>
<b>Net assets</b>		<b>827,875</b>	<b>100.00</b>

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

<sup>1</sup> Unquoted securities - for the year ended 31 July 2018 these amount to 0.23% (31 July 2017 - 0.00%) of the Net Asset Value of the Sub-Fund.

# Invesco Perpetual Global Smaller Companies Fund

## Investment report for the year

### Summary of Material Portfolio Changes

for the year 1 August 2017 to 31 July 2018

	Cost £'000
<b>Total purchases</b>	<b>346,827</b>
<b>Largest purchases:</b>	
<b>Belgium</b>	
Telenet	3,462
<b>France</b>	
Air France-KLM	5,848
DBV Technologies	4,703
Gaztransport & Technigaz	3,934
Altran Technologies	3,430
CGG	3,160
<b>Japan</b>	
Tsuruha	4,263
Sohgo Security Services	3,613
KH Neochem	3,415
Nichirei	2,956
Inpex	2,945
<b>Netherlands</b>	
Signify	3,585
Fugro	3,570
B&S	3,410
Alfen	3,254
Boskalis Westminster	3,156
<b>Thailand</b>	
Bangkok Bank	2,909
<b>United States</b>	
Instructure	3,000
Wolverine World Wide	2,966
Univar	2,933

	Proceeds £'000
<b>Total sales</b>	<b>330,071</b>
<b>Largest sales:</b>	
<b>Austria</b>	
Voestalpine	4,996
Schoeller-Bleckmann Oilfield Equipment	3,356
<b>France</b>	
Euler Hermes	5,533
Maisons du Monde	3,511
<b>Hong Kong</b>	
Mint	4,021
<b>Japan</b>	
Kose	5,143
PeptiDream	4,895
SMS	4,686
Nihon M&A Center	4,569
Nexon	3,724
SATO	3,425
Hitachi Metals	3,025
<b>Norway</b>	
Kongsberg Gruppen	5,151
<b>Portugal</b>	
Banco Comercial Portugues	3,279
<b>Spain</b>	
Prosegur Seguridad	3,615
<b>Sweden</b>	
Granges	3,803
<b>Taiwan</b>	
Yageo	4,594
<b>United States</b>	
Microsemi	5,336
Generac	3,427
UGI	3,127

# Invesco Perpetual Global Smaller Companies Fund

## Financial Statements

<b>Statement of Total Return</b>			<b>01.8.17</b>		<b>01.8.16</b>
for the year 1 August 2017 to 31 July 2018			<b>to 31.7.18</b>		<b>to 31.7.17</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Income</b>					
Net capital gains	2		44,144		156,431
Revenue	3	14,757		13,196	
Expenses	4	(10,198)		(9,019)	
Interest payable and similar charges	6	(1)		(1)	
Net revenue before taxation		4,558		4,176	
Taxation	5	(1,148)		(1,066)	
Net revenue after taxation			3,410		3,110
<b>Total return before distributions</b>			47,554		159,541
Distributions	7		(3,554)		(3,163)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>44,000</b>		<b>156,378</b>

<b>Statement of Change in Net Assets Attributable to Shareholders</b>			<b>01.8.17</b>		<b>01.8.16</b>
for the year 1 August 2017 to 31 July 2018			<b>to 31.7.18</b>		<b>to 31.7.17</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Opening net assets attributable to Shareholders</b>			<b>770,941</b>		<b>627,966</b>
Amounts received on issue of shares		61,255		49,282	
Amounts paid on redemption of shares		(51,570)		(65,650)	
			9,685		(16,368)
Dilution adjustment			6		-
Change in net assets attributable to Shareholders from investment activities			44,000		156,378
Retained distribution on accumulation shares			3,243		2,965
<b>Closing net assets attributable to Shareholders</b>			<b>827,875</b>		<b>770,941</b>



## Invesco Perpetual Global Smaller Companies Fund

### Financial Statements

<b>Balance Sheet</b>			31.7.18	31.7.17
as at 31 July 2018			£'000	£'000
	Notes	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets				
Investments		815,223		754,483
Current assets				
Debtors	8	6,442		5,438
Cash and bank balances	9	13,694		19,418
Total other assets		20,136		24,856
Total assets		835,359		779,339
<b>Liabilities</b>				
Investment liabilities			-	-
Creditors				
Distribution payable	10	306		279
Other creditors	10	7,171		8,118
Bank overdrafts		7		1
Total other liabilities		7,484		8,398
Total liabilities		7,484		8,398
<b>Net assets attributable to Shareholders</b>		<b>827,875</b>		<b>770,941</b>

# Invesco Perpetual Global Smaller Companies Fund

## Notes to the financial statements

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

### 1 Accounting policies

The Sub-Fund's accounting and distribution policies are set out on pages 06 to 07.

<b>2 Net capital gains</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Derivative securities	17	-
Foreign currency (losses)/gains	(16)	113
Forward currency contracts	(6)	-
Non-derivative securities	44,149	156,318
Net capital gains	44,144	156,431

<b>3 Revenue</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Bank interest	18	-
Non-taxable overseas dividends	11,272	10,291
Non-US overseas REIT dividends	199	237
Stock dividends	457	280
Taxable overseas dividends	915	967
UK dividends	1,631	1,268
UK REIT dividends	70	54
US REIT dividends	195	99
	14,757	13,196

<b>4 Expenses</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Fund Management Fee <sup>1</sup>	10,198	9,033
	10,198	9,033
<b>Other expenses:</b>		
VAT recoverable	-	(14)
	-	(14)
Total expenses	10,198	9,019

<sup>1</sup> Total audit fees of £6,423 (2017 - £6,423) exclusive of VAT payable to the auditors for the year ended 31 July 2018 are borne out of the Fund Management Fee.

# Invesco Perpetual Global Smaller Companies Fund

## Notes to the financial statements

<b>5 Taxation</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
<b>a) Analysis of charge for the year</b>		
Overseas tax	1,148	1,066
Total tax charge	1,148	1,066

There is no corporation tax charge for the year (2017 - Nil).

### **b) Factors affecting the tax charge for the year**

The tax assessed for the year is higher (2017 - higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Net revenue before taxation	4,558	4,176
Corporation tax at 20% (2017 - 20%)	912	835
Effects of:		
Movement in excess expenses	1,808	1,605
Overseas tax <sup>1</sup>	1,148	1,066
Relief for overseas tax treated as an expense	(8)	(9)
Revenue not subject to tax	(2,712)	(2,431)
Total tax charge	1,148	1,066

<sup>1</sup> 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 Sub-Fund had surplus management expenses of £74,120,000 (2017 - £65,079,000). It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £14,824,000 (2017 - £13,016,000) has not been recognised.

<b>6 Interest payable and similar charges</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Interest	1	1

<b>7 Distributions</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Accumulations and distributions payable 30 September 2018	3,549	3,244
Amounts deducted on redemption of shares	79	60
Amounts received on issue of shares	(74)	(141)
	3,554	3,163
The distributable amount has been calculated as follows:		
Net revenue after taxation	3,410	3,110
Equalisation on conversions	8	53
Shortfall of income taken to capital	136	-
	3,554	3,163

# Invesco Perpetual Global Smaller Companies Fund

## Notes to the financial statements

<b>8 Debtors</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
Accrued revenue	928	841
Amounts receivable for issue of shares	379	381
Overseas tax recoverable	302	285
Foreign currency contracts awaiting settlement	2,846	3,248
Sales awaiting settlement	1,987	683
	<b>6,442</b>	<b>5,438</b>

<b>9 Cash and bank balances</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
Cash and bank balances	13,694	19,418

<b>10 Creditors</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
<b>a) Distribution payable</b>		
Net distribution payable	306	279
	<b>306</b>	<b>279</b>
<b>b) Other creditors</b>		
Accrued expenses	874	822
Amounts payable for redemption of shares	1,306	369
Foreign currency contracts awaiting settlement	2,845	3,251
Purchases awaiting settlement	2,146	3,676
	<b>7,171</b>	<b>8,118</b>

### 11 Contingent assets, liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (2017 - Nil).

### 12 Related parties

Related party interests in the Sub-Fund are disclosed in note 10 of the notes applicable to the financial statements of all Sub-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 £874,000 (2017 - £822,000) 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 Sub-Fund with a broader investment mandate. Although the Sub-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 Sub-Fund's performance may be adversely affected by variations in the relative strength of world currencies or if Sterling strengthens against those currencies.

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

#### a) Counterparty risk

The Sub-Fund was not exposed to any counterparty risk as at the balance sheet date (2017 - Nil).

# Invesco Perpetual Global Smaller Companies Fund

## Notes to the financial statements

### 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
<b>31.7.18</b>		
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	-
	<b>815,223</b>	<b>-</b>
<b>31.7.17</b>		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	754,483	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	<b>754,483</b>	<b>-</b>

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).

# Invesco Perpetual Global Smaller Companies Fund

## Notes to the financial statements

### 14 Portfolio transaction costs

for the year 1 August 2017 to 31 July 2018

	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	346,351	207	0.06	269	0.08
<b>Total purchases</b>	<b>346,351</b>	<b>207</b>		<b>269</b>	
<b>Total purchases including transaction costs</b>	<b>346,827</b>				
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	330,355	221	0.07	63	0.02
<b>Total sales</b>	<b>330,355</b>	<b>221</b>		<b>63</b>	
<b>Total sales net of transaction costs</b>	<b>330,071</b>				
<b>Derivative transaction costs</b>		-		-	
<b>Total transaction costs</b>		<b>428</b>		<b>332</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.05%</b>		<b>0.04%</b>	

# Invesco Perpetual Global Smaller Companies Fund

## Notes to the financial statements

### 14 Portfolio transaction costs continued for the year 1 August 2016 to 31 July 2017

	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	412,881	504	0.12	238	0.06
<b>Total purchases</b>	<b>412,881</b>	<b>504</b>		<b>238</b>	
<b>Total purchases including transaction costs</b>	<b>413,623</b>				
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	437,339	633	0.14	58	0.01
<b>Total sales</b>	<b>437,339</b>	<b>633</b>		<b>58</b>	
<b>Total sales net of transaction costs</b>	<b>436,648</b>				
<b>Derivative transaction costs</b>		-		-	
<b>Total transaction costs</b>		<b>1,137</b>		<b>296</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.16%</b>		<b>0.04%</b>	

The above analysis covers any direct transaction costs suffered by the Sub-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 Sub-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 Sub-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 to manage the Sub-Fund's daily liquidity position are excluded from the analysis.

For the Sub-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 Sub-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 Sub-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 0.28% (2017 - 0.29%).

# Invesco Perpetual Global Smaller Companies Fund

## Notes to the financial statements

### 15 Share movement

for the year 1 August 2017 to 31 July 2018

	Accumulation shares	Accumulation shares (No Trail)	Z Accumulation shares	Y Accumulation shares
Opening shares	12,128,736	11,017,048	20,890,156	84,406,079
Shares issued	112,219	2,713,879	1,581,444	10,122,021
Shares redeemed	(806,915)	(224,147)	(2,047,322)	(3,854,145)
Shares converted	(99,732)	(4,446)	90,693	626,874
<b>Closing shares</b>	<b>11,334,308</b>	<b>13,502,334</b>	<b>20,514,971</b>	<b>91,300,829</b>

	Income shares	Income shares (No Trail)	Z Income shares	Y Income shares
Opening shares	1,400,602	141,188	3,006,020	7,497,169
Shares issued	12,601	7,765	669,233	1,201,863
Shares redeemed	(140,967)	(13,110)	(479,130)	(657,647)
Shares converted	(20,035)	-	125,665	(23,781)
<b>Closing shares</b>	<b>1,252,201</b>	<b>135,843</b>	<b>3,321,788</b>	<b>8,017,604</b>

### 16 Post balance sheet events

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



# Invesco Perpetual Global Smaller Companies Fund

## Distribution table

### Distribution table

for the year 1 August 2017 to 31 July 2018

	Net revenue p	Equalisation p	Net distribution payable 30.9.18 p	Net distribution paid 30.9.17 p
<b>Distribution payable 30 September 2018</b>				
<b>Accumulation shares</b>				
Group 1	0.0000	-	0.0000	0.5862
Group 2	0.0000	0.0000	0.0000	0.5862
<b>Accumulation shares (No Trail)</b>				
Group 1	1.7107	-	1.7107	1.7144
Group 2	1.6173	0.0934	1.7107	1.7144
<b>Z Accumulation shares</b>				
Group 1	3.2884	-	3.2884	3.1399
Group 2	2.3355	0.9529	3.2884	3.1399
<b>Y Accumulation shares</b>				
Group 1	2.5603	-	2.5603	2.4281
Group 2	1.8582	0.7021	2.5603	2.4281
<b>Income shares</b>				
Group 1	0.0000	-	0.0000	0.5548
Group 2	0.0000	0.0000	0.0000	0.5548
<b>Income shares (No Trail)</b>				
Group 1	1.6144	-	1.6144	1.6212
Group 2	1.3168	0.2976	1.6144	1.6212
<b>Z Income shares</b>				
Group 1	3.1623	-	3.1623	3.0394
Group 2	2.2779	0.8844	3.1623	3.0394
<b>Y Income shares</b>				
Group 1	2.4777	-	2.4777	2.3657
Group 2	1.5030	0.9747	2.4777	2.3657

Group 1: shares purchased prior to 1 August 2017

Group 2: shares purchased on or after 1 August 2017

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 Perpetual Japanese Smaller Companies Fund

## Investment report for the year

### The Investment Objective and Policy of the Invesco Perpetual Japanese Smaller Companies Fund

The Sub-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.

### Performance

to 31 July 2018

	Since 31.1.18 %	Since 31.7.17 %	Since 31.7.15 %	Percentage growth Since 31.7.13 %	Since 31.7.08 %
Invesco Perpetual Japanese Smaller Companies Fund (Z Accumulation shares) <sup>1</sup>	-1.56	21.44	118.39	118.30	251.86
Russell Nomura Small Cap Index TR <sup>2</sup>	2.12	12.15	72.58	106.13	259.71
IA Japanese Smaller Companies Sector NR	1.89	20.44	103.05	134.13	357.59
Fund Ranking	2/3	2/3	1/3	2/3	3/3

### Standardised rolling 12 month performance

	30.6.13 30.6.14 %	30.6.14 30.6.15 %	30.6.15 30.6.16 %	Percentage growth 30.6.16 30.6.17 %	30.6.17 30.6.18 %
Invesco Perpetual Japanese Smaller Companies Fund (Z Accumulation shares) <sup>1</sup>	6.6	0.8	58.4	7.8	32.6

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.invescoperpetual.co.uk](http://www.invescoperpetual.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. The figures do not reflect the entry charge paid by individual investors. This may differ from the performance figure shown on page 100 for Z Accumulation shares as the figure above is based on the quoted 12pm price and the figure shown on page 100 is based on the close of business bid price. Russell Nomura Small Cap Index TR<sup>2</sup> 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.

<sup>1</sup> 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.

<sup>2</sup> Reference benchmark for performance comparison purposes only.

# Invesco Perpetual Japanese Smaller Companies Fund

## Investment report for the year

### Strategy, review and outlook

The Sub-Fund gained 21.4% over the twelve months in Sterling terms to the end of July 2018, outperforming the benchmark Russell Nomura Small Cap Index TR<sup>1</sup> which returned 12.2%. This placed the Sub-Fund in the second quartile of its peer group, the IA Japanese Smaller Companies Sector NR, which rose by an average of 20.4%.

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<sup>1</sup> data source: Lipper, total return, in Sterling.

Past performance is not a guide to future returns.

Stock selection added the most value over the review period. The largest positive contributor was Japan Material, a gas management system provider for semiconductor factories, which has been successfully capitalising on strong secular growth in demand. Holdings in staffing service companies, Fullcast and En-Japan, outperformed benefitting from strong demand for their services given the generally labour shortage and the difficulty of finding staff in Japan. On the other hand, Gunosy, an internet content service provider was the largest detractor as a decline in the number of active users of its main application weighed on its stock performance. Finally, Nissha, an electronics component manufacturer, underperformed as recent weakness in smartphone shipments dampened markets' enthusiasm for its touch film business.

The Japanese mid to small-cap equity markets rose until the beginning of 2018 thanks to strong earnings results, solid global economic growth and some easing of tensions between the US and North Korea. In addition, on the domestic front, the landslide victory of Prime Minister Shinzo Abe's ruling coalition government at a snap election bolstered the hope that ongoing structural reforms would gain further momentum. However, since late January, risk aversion triggered by fears surrounding global political risks, namely the US trade frictions, negatively impacted the Japanese equity markets, especially high-growth mid to small sized stocks. Increased concerns over a slowdown in growth momentum in the current global economic cycle also overshadowed market sentiment. In contrast, Japanese companies posted healthy earnings growth for the year ending March 2018.

Looking ahead, we are carefully monitoring global political developments including lingering global trade tensions, the policies of central banks and 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. The Sub-Fund continues to emphasise stocks that fit within our investment themes: the fourth industrial revolution, ageing society & labour scarcity, social infrastructure, Abenomics de-regulation and growth strategies and renewable energy. Examples of such stocks include PeptiDream (a biopharmaceutical company), D.A.Consortium (an online advertising company) and Fullcast (a leading recruiting solution provider).

### 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.

<sup>1</sup> Reference benchmark for performance comparison purposes only.

The Sub-Fund's ten largest investments are	%
PeptiDream	5.72
D.A.Consortium	4.23
Fullcast	4.16
Optorun	3.92
MTG	3.91
Macromill	3.73
Topcon	3.19
Nextage	3.00
Penta-Ocean Construction	2.99
Japan Material	2.89

# Invesco Perpetual Japanese Smaller Companies Fund

## Investment report for the year

### Comparative tables

Year ended Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	114.33	101.54	64.98
Return before operating charges*	26.61	14.58	37.86
Operating charges	(2.31)	(1.79)	(1.30)
Return after operating charges	24.30	12.79	36.56
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>138.63</b>	<b>114.33</b>	<b>101.54</b>
*After direct transaction costs of	(0.15)	(0.21)	(0.23)
<b>Performance</b>			
Return after charges	21.25%	12.60%	56.26%
<b>Other information</b>			
Closing net asset value (£'000)	44,553	36,167	36,580
Closing number of shares	32,138,071	31,633,388	36,023,088
Operating charges	1.74%	1.74%	1.74%
Direct transaction costs	0.11%	0.21%	0.31%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	148.49	117.20	108.65
Lowest share price	112.53	91.00	58.91

Year ended Accumulation shares (No Trail)	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	293.75	259.59	165.29
Return before operating charges*	68.46	37.42	96.66
Operating charges	(4.25)	(3.26)	(2.36)
Return after operating charges	64.21	34.16	94.30
Distributions	-	-	-
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>357.96</b>	<b>293.75</b>	<b>259.59</b>
*After direct transaction costs of	(0.38)	(0.55)	(0.59)
<b>Performance</b>			
Return after charges	21.86%	13.16%	57.05%
<b>Other information</b>			
Closing net asset value (£'000)	183	118	97
Closing number of shares	51,252	40,053	37,386
Operating charges	1.24%	1.24%	1.24%
Direct transaction costs	0.11%	0.21%	0.31%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	383.21	301.09	277.66
Lowest share price	289.13	232.75	149.89

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Japanese Smaller Companies Fund

## Investment report for the year

### Comparative tables continued

Year ended Z Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	535.39	471.94	299.76
Return before operating charges*	124.85	68.19	175.60
Operating charges	(6.19)	(4.74)	(3.42)
Return after operating charges	118.66	63.45	172.18
Distributions	-	-	(0.10)
Retained distributions on accumulation shares	-	-	0.10
<b>Closing net asset value per share</b>	<b>654.05</b>	<b>535.39</b>	<b>471.94</b>
*After direct transaction costs of	(0.70)	(1.00)	(1.07)
<b>Performance</b>			
Return after charges	22.16%	13.44%	57.44%
<b>Other information</b>			
Closing net asset value (£'000)	9,510	4,551	9,632
Closing number of shares	1,453,995	850,048	2,040,965
Operating charges	0.99%	0.99%	0.99%
Direct transaction costs	0.11%	0.21%	0.31%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	700.03	548.73	504.71
Lowest share price	526.98	423.24	271.87

Year ended Y Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	348.72	307.25	195.05
Return before operating charges*	81.34	44.40	114.32
Operating charges	(3.83)	(2.93)	(2.12)
Return after operating charges	77.51	41.47	112.20
Distributions	-	-	(0.19)
Retained distributions on accumulation shares	-	-	0.19
<b>Closing net asset value per share</b>	<b>426.23</b>	<b>348.72</b>	<b>307.25</b>
*After direct transaction costs of	(0.46)	(0.65)	(0.70)
<b>Performance</b>			
Return after charges	22.23%	13.50%	57.52%
<b>Other information</b>			
Closing net asset value (£'000)	28,677	13,841	20,445
Closing number of shares	6,727,960	3,968,935	6,654,126
Operating charges	0.94%	0.94%	0.94%
Direct transaction costs	0.11%	0.21%	0.31%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	456.15	357.42	328.57
Lowest share price	343.24	275.57	176.91

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual Japanese Smaller Companies Fund

## Investment report for the year

<b>Portfolio Statement</b> as at 31 July 2018		<b>Holding or nominal value of positions</b>	<b>Market value £'000</b>	<b>Percentage of total net assets %</b>
<b>Investment</b>				
<b>Construction 4.15% (31.7.17 - 1.55%)</b>				
Nippon Koei	46,000	962	1.16	
Penta-Ocean Construction	519,800	2,481	2.99	
<b>Manufacturing 33.22% (31.7.17 - 44.94%)</b>				
Asahi Intecc	38,300	1,112	1.34	
CKD	92,600	1,070	1.29	
GIKEN	74,600	1,327	1.60	
Japan Pure Chemical	33,000	568	0.68	
Maruwa	13,600	794	0.96	
MEC	142,400	2,222	2.68	
Meiko Electronics	148,700	2,349	2.83	
Mitsui High-Tec	156,600	1,528	1.84	
Nissha	148,500	2,333	2.81	
Optorun	124,400	3,249	3.92	
OSJB	629,300	1,183	1.43	
PeptiDream	160,600	4,747	5.72	
Shinkawa	118,700	718	0.87	
Topcon	202,200	2,648	3.19	
Transaction	142,400	854	1.03	
W-Scope	86,000	849	1.03	
<b>Electric Power &amp; Gas Nil (31.7.17 - 2.35%)</b>				
<b>Transport &amp; Communication 5.85% (31.7.17 - 5.81%)</b>				
Digital Arts	29,900	1,089	1.32	
Hotto Link	76,800	539	0.65	
Mercari	19,000	608	0.73	
M-UP	41,900	673	0.81	
Vision	68,100	1,943	2.34	
<b>Trade 14.27% (31.7.17 - 10.85%)</b>				
Ain Pharmaciez	27,200	1,536	1.85	
Golf Digest Online	52,700	347	0.42	
MTG	63,100	3,240	3.91	
Nextage	448,100	2,493	3.00	
PC Depot	392,900	1,442	1.74	
QB Net	39,500	554	0.67	
Raksul	111,800	2,225	2.68	
<b>Finance &amp; Insurance 4.96% (31.7.17 - 1.11%)</b>				
Aruhi	133,600	2,127	2.57	
Financial Products	215,200	1,980	2.39	
<b>Real Estate Nil (31.7.17 - 0.46%)</b>				
<b>Services 33.65% (31.7.17 - 30.89%)</b>				
Aeon Fantasy	16,900	570	0.69	
Central Security Patrols	35,500	1,094	1.32	
CyberAgent	29,600	1,181	1.42	
D.A.Consortium	191,700	3,508	4.23	
Elan	31,500	726	0.88	
En-Japan	54,600	1,963	2.37	
Fullcast	181,500	3,451	4.16	
Gunosy	41,700	517	0.62	
IBJ	188,500	842	1.02	
Ibokin	500	7	0.01	
Japan Lifeline	125,600	2,058	2.48	

# Invesco Perpetual Japanese Smaller Companies Fund

## Investment report for the year

### Portfolio Statement continued as at 31 July 2018

#### Investment

#### Services continued

	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Japan Material	225,900	2,397	2.89
M&A Capital Partners	18,400	881	1.06
Macromill	172,700	3,090	3.73
Nexys	92,000	1,068	1.29
Riso Kyoiku	268,800	1,589	1.92
SoldOut	50,400	1,526	1.84
SRG Takamiya	140,800	680	0.82
Visionary	893,800	749	0.90

#### Futures and Derivatives 0.00% (31.7.17 - Nil)

#### Forward Foreign Currency Positions 0.00% (31.7.17 - Nil)

Buy JPY 965,000 : Sell GBP 6,601	-	0.00
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#### Portfolio of investments (31.7.17 - 97.96%)

	79,687	96.10
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#### Net other assets (31.7.17 - 2.04%)

	3,236	3.90
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#### Net assets

	82,923	100.00
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Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

# Invesco Perpetual Japanese Smaller Companies Fund

## Investment report for the year

### Summary of Material Portfolio Changes

for the year 1 August 2017 to 31 July 2018

	Cost £'000
<b>Total purchases</b>	<b>62,551</b>
<b>Largest purchases:</b>	
D.A.Consortium	3,718
Macromill	3,489
Optorun	3,228
MTG	2,963
Aruhi	2,847
Japan Lifeline	2,740
PeptiDream	2,261
Meiko Electronics	2,230
W-Scope	2,156
Nissha	2,135
Penta-Ocean Construction	1,940
Topcon	1,754
Raksul	1,693
Financial Products	1,469
Nippon Koei	1,173
En-Japan	1,144
Central Security Patrols	1,139
Japan Material	1,116
Shinkawa	1,116
SoldOut	1,115

	Proceeds £'000
<b>Total sales</b>	<b>49,737</b>
<b>Largest sales:</b>	
Japan Material	3,567
En-Japan	2,046
Yamaichi Electronics	1,813
Ai	1,752
Aeon Fantasy	1,591
Maruwa	1,569
Ferrotec	1,533
D.A.Consortium	1,448
N Field	1,420
Optorun	1,413
PeptiDream	1,352
eRex	1,312
Kanamic Network	1,300
M&A Capital Partners	1,285
Fullcast	1,254
Rorze	1,226
Gunosy	1,014
Japan Property Management Center	1,012
Freund	997
Central Security Patrols	995



# Invesco Perpetual Japanese Smaller Companies Fund

## Financial Statements

<b>Statement of Total Return</b>			<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
for the year 1 August 2017 to 31 July 2018				
	<b>Notes</b>	<b>£'000</b>		
<b>Income</b>				
Net capital gains	2		13,370	5,669
Revenue	3	758		505
Expenses	4	(1,079)		(770)
Interest payable and similar charges	6	-		-
Net expenses before taxation		(321)		(265)
Taxation	5	(75)		(50)
Net expenses after taxation			(396)	(315)
<b>Total return before distributions</b>			<b>12,974</b>	<b>5,354</b>
Distributions	7		1	23
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>12,975</b>	<b>5,377</b>

<b>Statement of Change in Net Assets Attributable to Shareholders</b>			<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
for the year 1 August 2017 to 31 July 2018				
		<b>£'000</b>		
<b>Opening net assets attributable to Shareholders</b>			<b>54,677</b>	<b>66,754</b>
Amounts received on issue of shares		41,347		9,163
Amounts paid on redemption of shares		(26,146)		(26,668)
			15,201	(17,505)
Dilution adjustment			70	51
Change in net assets attributable to Shareholders from investment activities			12,975	5,377
<b>Closing net assets attributable to Shareholders</b>			<b>82,923</b>	<b>54,677</b>

## Invesco Perpetual Japanese Smaller Companies Fund

### Financial Statements

<b>Balance Sheet</b>			31.7.18	31.7.17
as at 31 July 2018			£'000	£'000
	Notes	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets				
Investments			79,687	53,564
Current assets				
Debtors	8	619		1,397
Cash and bank balances	9	3,513		1,563
Total other assets			4,132	2,960
Total assets			83,819	56,524
<b>Liabilities</b>				
Investment liabilities			-	-
Creditors				
Distribution payable	10	-		-
Other creditors	10	896		1,847
Total other liabilities			896	1,847
Total liabilities			896	1,847
<b>Net assets attributable to Shareholders</b>			<b>82,923</b>	<b>54,677</b>

# Invesco Perpetual Japanese Smaller Companies Fund

## Notes to the financial statements

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

### 1 Accounting policies

The Sub-Fund's accounting and distribution policies are set out on pages 06 to 07.

<b>2 Net capital gains</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Foreign currency gains	71	11
Forward currency contracts	(10)	(18)
Non-derivative securities	13,309	5,676
Net capital gains	13,370	5,669

<b>3 Revenue</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Bank interest	3	-
Non-taxable overseas dividends	755	505
	758	505

<b>4 Expenses</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Fund Management Fee <sup>1</sup>	1,079	770
	1,079	770
Total expenses	1,079	770

<sup>1</sup> Total audit fees of £6,206 (2017 - £6,206) exclusive of VAT payable to the auditors for the year ended 31 July 2018 are borne out of the Fund Management Fee.

# Invesco Perpetual Japanese Smaller Companies Fund

## Notes to the financial statements

<b>5 Taxation</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
<b>a) Analysis of charge for the year</b>		
Overseas tax	75	50
Total tax charge	75	50

There is no corporation tax charge for the year (2017 - Nil).

### **b) Factors affecting the tax charge for the year**

The tax assessed for the year is higher (2017 - higher) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Net expenses before taxation	(321)	(265)
Corporation tax at 20% (2017 - 20%)	(64)	(53)
Effects of:		
Movement in excess expenses	215	154
Overseas tax	75	50
Revenue not subject to tax	(151)	(101)
Total tax charge	75	50

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 Sub-Fund had surplus management expenses of £18,451,000 (2017 - £17,375,000). It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £3,690,000 (2017 - £3,475,000) has not been recognised.

<b>6 Interest payable and similar charges</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Interest	-	-

<b>7 Distributions</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Accumulations and distributions payable 30 September 2018	-	-
Amounts deducted on redemption of shares	(33)	(32)
Amounts received on issue of shares	32	9
	(1)	(23)
The distributable amount has been calculated as follows:		
Net expenses after taxation	(396)	(315)
Equalisation on conversions	1	1
Shortfall of income taken to capital	394	291
	(1)	(23)

# Invesco Perpetual Japanese Smaller Companies Fund

## Notes to the financial statements

<b>8 Debtors</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
Accrued revenue	102	34
Amounts receivable for issue of shares	25	80
Foreign currency contracts awaiting settlement	134	132
Sales awaiting settlement	358	1,151
	619	1,397

<b>9 Cash and bank balances</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
Cash and bank balances	3,513	1,563

<b>10 Creditors</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
<b>a) Distribution payable</b>		
Net distribution payable	-	-
	-	-
<b>b) Other creditors</b>		
Accrued expenses	100	69
Amounts payable for redemption of shares	429	1,108
Foreign currency contracts awaiting settlement	133	132
Purchases awaiting settlement	232	536
VAT payable	2	2
	896	1,847

### 11 Contingent assets, liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (2017 - Nil).

### 12 Related parties

Related party interests in the Sub-Fund are disclosed in note 10 of the notes applicable to the financial statements of all Sub-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 £100,000 (2017 - £69,000) 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 Sub-Fund's performance may be adversely affected by variations in the relative strength of world currencies or if Sterling strengthens against those currencies.

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

#### a) Counterparty risk

The Sub-Fund was not exposed to any counterparty risk as at the balance sheet date (2017 - Nil).

# Invesco Perpetual Japanese Smaller Companies Fund

## Notes to the financial statements

### 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
<b>31.7.18</b>		
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.	-	-
	<b>79,687</b>	<b>-</b>
<b>31.7.17</b>		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	53,564	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	<b>53,564</b>	<b>-</b>

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 2017 to 31 July 2018

	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	62,515	36	0.06	-	-
<b>Total purchases</b>	<b>62,515</b>	<b>36</b>		<b>-</b>	
<b>Total purchases including transaction costs</b>	<b>62,551</b>				
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	49,788	51	0.10	-	-
<b>Total sales</b>	<b>49,788</b>	<b>51</b>		<b>-</b>	
<b>Total sales net of transaction costs</b>	<b>49,737</b>				
<b>Derivative transaction costs</b>		<b>-</b>		<b>-</b>	
<b>Total transaction costs</b>		<b>87</b>		<b>-</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.11%</b>		<b>0.00%</b>	

# Invesco Perpetual Japanese Smaller Companies Fund

## Notes to the financial statements

### 14 Portfolio transaction costs continued

for the year 1 August 2016 to 31 July 2017

	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	37,647	44	0.12	–	–
<b>Total purchases</b>	<b>37,647</b>	<b>44</b>		<b>–</b>	
<b>Total purchases including transaction costs</b>	<b>37,691</b>				
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	55,094	66	0.12	–	–
<b>Total sales</b>	<b>55,094</b>	<b>66</b>		<b>–</b>	
<b>Total sales net of transaction costs</b>	<b>55,028</b>				
<b>Derivative transaction costs</b>		<b>–</b>		<b>–</b>	
<b>Total transaction costs</b>		<b>110</b>		<b>–</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.21%</b>		<b>0.00%</b>	

The above analysis covers any direct transaction costs suffered by the Sub-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 Sub-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 Sub-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 to manage the Sub-Fund's daily liquidity position are excluded from the analysis.

For the Sub-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 Sub-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 Sub-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% (2017 - 0.28%).

### 15 Share movement

for the year 1 August 2017 to 31 July 2018

	Accumulation shares	Accumulation shares (No Trail)	Z Accumulation shares	Y Accumulation shares
Opening shares	31,633,388	40,053	850,048	3,968,935
Shares issued	6,338,407	10,478	946,330	6,672,198
Shares redeemed	(5,604,522)	(10,780)	(350,665)	(3,965,664)
Shares converted	(229,202)	11,501	8,282	52,491
<b>Closing shares</b>	<b>32,138,071</b>	<b>51,252</b>	<b>1,453,995</b>	<b>6,727,960</b>

### 16 Post balance sheet events

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

# Invesco Perpetual Japanese Smaller Companies Fund

## Distribution table

### Distribution table

for the year 1 August 2017 to 31 July 2018

	Net revenue p	Equalisation p	Net distribution payable 30.9.18 p	Net distribution paid 30.9.17 p
<b>Distribution payable 30 September 2018</b>				
<b>Accumulation shares</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
<b>Accumulation shares (No Trail)</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
<b>Z Accumulation shares</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
<b>Y Accumulation shares</b>				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000

Group 1: shares purchased prior to 1 August 2017

Group 2: shares purchased on or after 1 August 2017

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 Perpetual UK Smaller Companies Equity Fund

## Investment report for the year

### The Investment Objective and Policy of the Invesco Perpetual UK Smaller Companies Equity Fund

The Sub-Fund aims to achieve capital growth in the UK. The Sub-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.

<b>Performance</b> to 31 July 2018	<b>Since</b> <b>31.1.18</b> %	<b>Since</b> <b>31.7.17</b> %	<b>Since</b> <b>31.7.15</b> %	<b>Percentage growth</b> <b>Since</b> <b>31.7.13</b> %	<b>Since</b> <b>31.7.08</b> %
Invesco Perpetual UK Smaller Companies Equity Fund (Z Accumulation shares) <sup>1</sup>	3.20	11.55	53.59	104.86	247.15
Numis Smaller Companies Extended ex Investment Companies Index TR <sup>2</sup>	2.27	4.96	28.33	60.20	242.96
IA UK Smaller Companies Sector NR	4.86	13.58	47.11	89.61	236.71
Fund Ranking	34/48	29/46	18/45	17/44	24/36

<b>Standardised rolling 12 month performance</b>	<b>30.6.13</b> <b>30.6.14</b> %	<b>30.6.14</b> <b>30.6.15</b> %	<b>30.6.15</b> <b>30.6.16</b> %	<b>Percentage growth</b> <b>30.6.16</b> <b>30.6.17</b> %	<b>30.6.17</b> <b>30.6.18</b> %
Invesco Perpetual UK Smaller Companies Equity Fund (Z Accumulation shares) <sup>1</sup>	19.3	16.3	-4.9	42.0	15.1

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.invescoperpetual.co.uk](http://www.invescoperpetual.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. The figures do not reflect the entry charge paid by individual investors. This may differ from the performance figure shown on page 115 for Z Accumulation shares as the figure above is based on the quoted 12pm price and the figure shown on page 115 is based on the close of business bid price. Numis Smaller Companies Extended ex Investment Companies Index TR<sup>2</sup> 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.

<sup>1</sup> 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.

<sup>2</sup> Reference benchmark for performance comparison purposes only.

# Invesco Perpetual UK Smaller Companies Equity Fund

## Investment report for the year

### Strategy, review and outlook

The Sub-Fund delivered a return of 11.6% over the twelve months to the end of July 2018, compared to a rise of 5.0% by the Numis Smaller Companies Extended ex Investment Companies Index TR<sup>1</sup>. This placed the Sub-Fund in the third quartile of its peer group, the IA UK Smaller Companies Sector NR, which rose by an average of 13.6%.

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. Numis Smaller Companies Extended ex Investment Companies Index TR<sup>1</sup> data source: Lipper, total return, in Sterling.

Past performance is not a guide to future returns.

The UK Equity market delivered positive returns over the twelve month period under review, despite notable volatility towards the beginning of 2018. The period was characterised by ongoing 'Brexit' negotiations, as well as two interest rate rises from the Bank of England's Monetary Policy Committee. Sterling has been broadly weak versus the Euro and Dollar, despite a notable rally in the first few months of the year. The UK Government lifted the cap on pay rises for many public sector workers, including teachers, doctors and the police.

The most notable positive contributor to Sub-Fund performance over the period was Dechra Pharmaceuticals. The speciality veterinary company delivered strong share price growth over the period, as it released results that confirmed continued organic growth, which was further boosted by the integration of recent acquisitions.

The portfolio's holding in Softcat and Keywords Studios also supported performance. Softcat, an Information Technology reseller, released a strong full year update for 2017 prompting some industry analysts to upgrade their estimates of the company's value. Meanwhile Keywords Studios, which outsources services to games studios, continued to perform well during the period following exceptional results for the first half of the year in 2017.

Conversely, Sub-Fund performance was held back by the performance of Financial Services Provider Arrow Global. Shares fell sharply in May following a negative trading update, which prompted some industry analysts to downgrade their estimates of the company's value. The Sub-Fund's holding in Ultra Electronics also weighed on returns. Shares in the manufacturing company fell dramatically in November, as the Chief Executive Officer resigned and full year profit guidance was cut. At the time the company noted increasing pressures from cuts to the UK Defence budget. The shares have recovered well over subsequent months but remain lower than highs seen before the fall.

The manager believes that the outlook for the UK economy continues to be clouded by political uncertainty, particularly around Brexit. Earnings expectations for UK smaller companies look reasonable in the manager's view, with earnings per share growth expected over the next year. The manager continues to favour businesses with self-help potential, successful roll-out strategies and those exposed to secular growth trends.

### 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.

<sup>1</sup> Reference benchmark for performance comparison purposes only.

The Sub-Fund's ten largest investments are	%
Coats	2.40
Clinigen	2.38
4imprint	2.21
Consort Medical	2.18
Robert Walters	2.11
RWS	2.09
Sanne	1.93
Safestore	1.92
Johnson Service	1.89
Ultra Electronics	1.86

# Invesco Perpetual UK Smaller Companies Equity Fund

## Investment report for the year

### Comparative tables

Year ended Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	1,176.29	871.21	866.65
Return before operating charges*	139.78	322.28	18.96
Operating charges	(20.78)	(17.20)	(14.40)
Return after operating charges	119.00	305.08	4.56
Distributions	(5.55)	(3.26)	(4.18)
Retained distributions on accumulation shares	5.55	3.26	4.18
<b>Closing net asset value per share</b>	<b>1,295.29</b>	<b>1,176.29</b>	<b>871.21</b>
*After direct transaction costs of	(0.94)	(1.67)	(1.39)
<b>Performance</b>			
Return after charges	10.12%	35.02%	0.53%
<b>Other information</b>			
Closing net asset value (£'000)	349,477	342,423	336,737
Closing number of shares	26,980,652	29,110,423	38,651,856
Operating charges	1.67%	1.67%	1.67%
Direct transaction costs	0.08%	0.16%	0.16%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	1,314.09	1,176.39	908.25
Lowest share price	1,157.10	872.16	783.76

Year ended Accumulation shares (No Trail)	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	386.26	284.66	281.75
Return before operating charges*	46.00	105.55	6.20
Operating charges	(4.79)	(3.95)	(3.29)
Return after operating charges	41.21	101.60	2.91
Distributions	(3.87)	(2.75)	(2.78)
Retained distributions on accumulation shares	3.87	2.75	2.78
<b>Closing net asset value per share</b>	<b>427.47</b>	<b>386.26</b>	<b>284.66</b>
*After direct transaction costs of	(0.31)	(0.55)	(0.45)
<b>Performance</b>			
Return after charges	10.67%	35.69%	1.03%
<b>Other information</b>			
Closing net asset value (£'000)	9,110	9,383	9,290
Closing number of shares	2,131,001	2,429,117	3,263,662
Operating charges	1.17%	1.17%	1.17%
Direct transaction costs	0.08%	0.16%	0.16%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	433.38	386.30	296.53
Lowest share price	380.02	284.98	256.00

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 (KIID) and our literature.

# Invesco Perpetual UK Smaller Companies Equity Fund

## Investment report for the year

### Comparative tables continued

Year ended Z Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	459.66	337.89	333.61
Return before operating charges*	54.80	125.46	7.35
Operating charges	(4.49)	(3.69)	(3.07)
Return after operating charges	50.31	121.77	4.28
Distributions	(5.84)	(4.28)	(4.12)
Retained distributions on accumulation shares	5.84	4.28	4.12
<b>Closing net asset value per share</b>	<b>509.97</b>	<b>459.66</b>	<b>337.89</b>
*After direct transaction costs of	(0.37)	(0.65)	(0.54)
<b>Performance</b>			
Return after charges	10.95%	36.04%	1.28%
<b>Other information</b>			
Closing net asset value (£'000)	48,780	43,464	15,482
Closing number of shares	9,565,295	9,455,727	4,581,950
Operating charges	0.92%	0.92%	0.92%
Direct transaction costs	0.08%	0.16%	0.16%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	516.85	459.69	351.84
Lowest share price	452.26	338.28	303.82

Year ended Y Accumulation shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	313.41	230.28	227.24
Return before operating charges*	37.38	85.51	5.02
Operating charges	(2.90)	(2.38)	(1.98)
Return after operating charges	34.48	83.13	3.04
Distributions	(4.15)	(3.06)	(2.93)
Retained distributions on accumulation shares	4.15	3.06	2.93
<b>Closing net asset value per share</b>	<b>347.89</b>	<b>313.41</b>	<b>230.28</b>
*After direct transaction costs of	(0.25)	(0.44)	(0.37)
<b>Performance</b>			
Return after charges	11.00%	36.10%	1.34%
<b>Other information</b>			
Closing net asset value (£'000)	161,029	144,647	60,910
Closing number of shares	46,286,942	46,152,043	26,450,659
Operating charges	0.87%	0.87%	0.87%
Direct transaction costs	0.08%	0.16%	0.16%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	352.56	313.44	239.76
Lowest share price	308.37	230.54	207.05

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual UK Smaller Companies Equity Fund

## Investment report for the year

### Comparative tables continued

Year ended Income shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	893.98	663.95	663.66
Return before operating charges*	106.24	245.63	14.52
Operating charges	(15.79)	(13.11)	(11.03)
Return after operating charges	90.45	232.52	3.49
Distributions	(4.22)	(2.49)	(3.20)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>980.21</b>	<b>893.98</b>	<b>663.95</b>
*After direct transaction costs of	(0.72)	(1.28)	(1.07)
<b>Performance</b>			
Return after charges	10.12%	35.02%	0.53%
<b>Other information</b>			
Closing net asset value (£'000)	82,127	77,352	59,857
Closing number of shares	8,378,501	8,652,549	9,015,364
Operating charges	1.67%	1.67%	1.67%
Direct transaction costs	0.08%	0.16%	0.16%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	998.72	896.55	695.51
Lowest share price	879.41	664.68	600.18

Year ended Income shares (No Trail)	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	350.35	260.04	259.92
Return before operating charges*	41.73	96.44	5.71
Operating charges	(4.35)	(3.61)	(3.03)
Return after operating charges	37.38	92.83	2.68
Distributions	(3.52)	(2.52)	(2.56)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>384.21</b>	<b>350.35</b>	<b>260.04</b>
*After direct transaction costs of	(0.28)	(0.50)	(0.42)
<b>Performance</b>			
Return after charges	10.67%	35.70%	1.03%
<b>Other information</b>			
Closing net asset value (£'000)	847	825	656
Closing number of shares	220,338	235,551	252,314
Operating charges	1.17%	1.17%	1.17%
Direct transaction costs	0.08%	0.16%	0.16%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	393.09	352.89	273.54
Lowest share price	344.69	260.34	236.16

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual UK Smaller Companies Equity Fund

## Investment report for the year

### Comparative tables continued

Year ended Z Income shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	431.56	320.22	320.06
Return before operating charges*	51.47	118.90	7.06
Operating charges	(4.22)	(3.50)	(2.94)
Return after operating charges	47.25	115.40	4.12
Distributions	(5.48)	(4.06)	(3.96)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>473.33</b>	<b>431.56</b>	<b>320.22</b>
*After direct transaction costs of	(0.35)	(0.62)	(0.52)
<b>Performance</b>			
Return after charges	10.95%	36.04%	1.29%
<b>Other information</b>			
Closing net asset value (£'000)	11,335	10,415	7,409
Closing number of shares	2,394,762	2,413,298	2,313,617
Operating charges	0.92%	0.92%	0.92%
Direct transaction costs	0.08%	0.16%	0.16%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	485.27	435.66	337.57
Lowest share price	424.63	320.60	291.50

Year ended Y Income shares	31.7.18 (pence per share)	31.7.17 (pence per share)	31.7.16 (pence per share)
<b>Change in net assets per share</b>			
Opening net asset value per share	297.89	221.03	220.92
Return before operating charges*	35.53	82.07	4.88
Operating charges	(2.75)	(2.28)	(1.92)
Return after operating charges	32.78	79.79	2.96
Distributions	(3.94)	(2.93)	(2.85)
Retained distributions on accumulation shares	-	-	-
<b>Closing net asset value per share</b>	<b>326.73</b>	<b>297.89</b>	<b>221.03</b>
*After direct transaction costs of	(0.24)	(0.43)	(0.36)
<b>Performance</b>			
Return after charges	11.00%	36.10%	1.34%
<b>Other information</b>			
Closing net asset value (£'000)	17,423	16,813	12,426
Closing number of shares	5,332,675	5,644,007	5,621,761
Operating charges	0.87%	0.87%	0.87%
Direct transaction costs	0.08%	0.16%	0.16%
Performance fee	-	-	-
<b>Prices</b>			
Highest share price	335.11	300.86	233.10
Lowest share price	293.11	221.29	201.30

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 Sub-Fund and share class returns before operating charges.

Highest and lowest share prices are based upon quoted prices.

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 Perpetual UK Smaller Companies Equity Fund

## Investment report for the year

### Portfolio Statement

as at 31 July 2018

#### Investment

#### Oil & Gas 4.49% (31.7.17 - 2.54%)

	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Amerisur Resources	19,516,150	2,779	0.41
Energiean Oil & Gas	865,738	4,519	0.67
Faroe Petroleum	8,527,976	11,990	1.76
Hurricane Energy	5,847,332	2,929	0.43
Premier Oil	6,510,928	8,327	1.22

#### Basic Materials 1.15% (31.7.17 - 1.67%)

Victrex	248,372	7,824	1.15
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#### Industrials 31.04% (31.7.17 - 31.25%)

Coats	19,645,304	16,306	2.40
Diploma	652,426	8,579	1.26
Equiniti	5,686,031	12,140	1.79
Essentra	1,537,058	7,396	1.09
Hill & Smith	697,934	10,518	1.55
James Fisher & Sons	690,066	12,366	1.82
Johnson Service	9,386,086	12,878	1.89
Keywords Studios	538,812	9,828	1.45
Knights	1,734,452	2,949	0.44
Northgate	1,355,537	5,916	0.87
Polypipe	2,798,191	10,493	1.54
Restore	1,652,852	8,264	1.22
Ricardo	840,093	6,771	1.00
Robert Walters	1,933,719	14,348	2.11
RWS	3,090,730	14,248	2.09
Sanne	1,866,465	13,159	1.93
Severfield	10,617,274	8,706	1.28
Staffline	848,263	9,263	1.36
Thruvision	6,091,129	975	0.14
Ultra Electronics	768,168	12,682	1.86
Vp	1,035,436	11,649	1.71
Xaar	652,691	1,651	0.24

#### Consumer Goods 7.06% (31.7.17 - 5.01%)

Bakkavor	4,678,386	8,702	1.28
Bovis Homes	640,725	7,391	1.09
Crest Nicholson	935,674	3,561	0.52
Dairy Crest	571,727	2,773	0.41
Hilton Food	1,205,664	11,526	1.69
Superdry	706,745	8,792	1.29
Ted Baker	240,023	5,295	0.78

#### Health Care 8.15% (31.7.17 - 10.15%)

Advanced Medical Solutions	1,261,387	4,516	0.66
Clinigen	1,608,871	16,169	2.38
Consort Medical	1,344,532	14,817	2.18
Dechra Pharmaceuticals	299,828	8,953	1.32
Horizon Discovery	1,476,384	2,753	0.40
Vectura	10,327,921	8,242	1.21

#### Consumer Services 18.59% (31.7.17 - 19.59%)

4imprint	744,573	15,040	2.21
boohoo.com	3,356,849	6,747	0.99
CVS	1,019,107	11,485	1.69
Dunelm	329,423	1,728	0.25
Euromoney Institutional Investor	834,202	11,245	1.65
Future	2,559,335	12,490	1.84
Hollywood Bowl	2,975,463	6,129	0.90
M&C Saatchi	2,893,044	10,241	1.51
Majestic Wine	1,349,938	6,027	0.89
Marston's	6,384,827	6,037	0.89
Patisserie	1,870,125	8,098	1.19
Tarsus	2,958,379	9,112	1.34
Topps Tiles	6,716,411	4,057	0.60
Wetherspoon (JD)	735,067	8,953	1.31
Young & Co's Brewery (non-voting)	704,825	9,022	1.33



# Invesco Perpetual UK Smaller Companies Equity Fund

## Investment report for the year

**Portfolio Statement** continued  
as at 31 July 2018

### Investment

#### Telecommunications 1.03% (31.7.17 - 1.73%)

	Holding or nominal value of positions	Market value £'000	Percentage of total net assets %
Gamma Communications	889,311	6,990	1.03

#### Financials 17.13% (31.7.17 - 14.61%)

A J Bell <sup>1</sup>	570,211	6,421	0.94
Amigo	2,598,163	7,015	1.03
Arrow Global	2,437,273	6,215	0.92
Brooks MacDonald	309,221	5,612	0.83
CLS	3,147,815	6,878	1.01
Invesco Perpetual UK Smaller Companies Investment Trust <sup>2</sup>	1,257,982	6,617	0.97
JTC	2,585,963	9,827	1.45
Nucleus Financial	683,994	1,594	0.23
Rathbone Brothers	241,060	5,920	0.87
Safestore	2,335,585	13,079	1.92
Savills	1,024,679	9,079	1.34
Secure Trust Bank	265,957	4,481	0.66
St. Modwen Properties	2,790,671	11,302	1.66
Urban & Civic	2,097,537	6,314	0.93
Workspace	796,177	8,646	1.27
Xafinity	4,275,077	7,481	1.10

#### Technology 8.69% (31.7.17 - 12.61%)

Alfa Financial Software	2,126,682	3,488	0.51
AVEVA	137,010	3,595	0.53
EMIS	668,407	6,096	0.90
FDM	966,259	9,199	1.35
Kainos	1,396,153	5,110	0.75
Microgen	2,287,184	9,172	1.35
NCC	2,121,031	4,662	0.68
SDL	1,712,760	8,667	1.28
Softcat	1,129,081	9,123	1.34

#### Bonds Nil (31.7.17 - 0.00%)

<b>Portfolio of investments (31.7.17 - 99.16%)</b>	<b>661,937</b>	<b>97.33</b>
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<b>Net other assets (31.7.17 - 0.84%)</b>	<b>18,191</b>	<b>2.67</b>
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<b>Net assets</b>	<b>680,128</b>	<b>100.00</b>
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Unless otherwise stated, all holdings are on an official stock exchange listing or are permitted collective investment schemes.

<sup>1</sup> Unquoted securities - for the year ended 31 July 2018 these amount to 0.94% (31 July 2017 - 0.00%) of the Net Asset Value of the Sub-Fund.

<sup>2</sup> Investments managed or advised by Invesco Asset Management Limited or associates of the Invesco Group.



# Invesco Perpetual UK Smaller Companies Equity Fund

## Investment report for the year

### Summary of Material Portfolio Changes

for the year 1 August 2017 to 31 July 2018

	Cost £'000
<b>Total purchases</b>	<b>121,534</b>
<b>Largest purchases:</b>	
Superdry	11,695
Bakkavor	9,138
JTC	7,499
Amigo	7,145
A J Bell	4,771
James Fisher & Sons	4,663
Robert Walters	4,100
Energean Oil & Gas	3,939
Vectura	3,930
Future	3,921
Alfa Financial Software	3,884
Polypipe	3,614
Horizon Discovery	3,027
Ted Baker	3,020
RWS	2,828
Hurricane Energy	2,707
Xaar	2,586
Knights	2,515
Dunelm	2,282
M&C Saatchi	2,200

	Proceeds £'000
<b>Total sales</b>	<b>157,667</b>
<b>Largest sales:</b>	
Dechra Pharmaceuticals	15,167
Keywords Studios	14,099
JD Sports Fashion	10,054
FDM	9,324
Servelec	9,030
ECO Animal Health	7,460
Victrex	7,298
Victoria	6,855
Softcat	5,559
Gamma Communications	5,406
EMIS	4,054
Invesco Perpetual UK Smaller Companies Investment Trust	3,647
AVEVA	3,617
boohoo.com	3,495
Kier	3,185
Safestore	2,908
Advanced Medical Solutions	2,877
Rathbone Brothers	2,846
Johnson Service	2,830
Coats	2,812

# Invesco Perpetual UK Smaller Companies Equity Fund

## Financial Statements

<b>Statement of Total Return</b>			<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
for the year 1 August 2017 to 31 July 2018				
	<b>Notes</b>	<b>£'000</b>		
<b>Income</b>				
Net capital gains	2		60,971	170,374
Revenue	3	14,141		11,583
Expenses	4	(9,309)		(8,267)
Interest payable and similar charges	6	-		-
Net revenue before taxation		4,832		3,316
Taxation	5	-		-
Net revenue after taxation			4,832	3,316
<b>Total return before distributions</b>			<b>65,803</b>	<b>173,690</b>
Distributions	7		(4,841)	(3,431)
<b>Change in net assets attributable to Shareholders from investment activities</b>			<b>60,962</b>	<b>170,259</b>

<b>Statement of Change in Net Assets Attributable to Shareholders</b>			<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
for the year 1 August 2017 to 31 July 2018				
		<b>£'000</b>		
<b>Opening net assets attributable to Shareholders</b>			<b>645,322</b>	<b>502,767</b>
Amounts received on issue of shares		19,816		32,460
Amounts paid on redemption of shares		(50,082)		(62,995)
			(30,266)	(30,535)
Dilution adjustment			40	-
Change in net assets attributable to Shareholders from investment activities			60,962	170,259
Retained distribution on accumulation shares			4,059	2,830
Unclaimed distribution monies			11	1
<b>Closing net assets attributable to Shareholders</b>			<b>680,128</b>	<b>645,322</b>

## Invesco Perpetual UK Smaller Companies Equity Fund

### Financial Statements

<b>Balance Sheet</b>			31.7.18	31.7.17
as at 31 July 2018			£'000	£'000
	Notes	£'000	£'000	£'000
<b>Assets</b>				
Fixed assets				
Investments		661,937		639,881
Current assets				
Debtors	8	920		885
Cash and bank balances	9	19,238		7,521
Total other assets			20,158	8,406
Total assets			682,095	648,287
<b>Liabilities</b>				
Investment liabilities			-	-
Creditors				
Distribution payable	10	703		485
Other creditors	10	1,264		2,480
Total other liabilities			1,967	2,965
Total liabilities			1,967	2,965
<b>Net assets attributable to Shareholders</b>			<b>680,128</b>	<b>645,322</b>

# Invesco Perpetual UK Smaller Companies Equity Fund

## Notes to the financial statements

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

### 1 Accounting policies

The Sub-Fund's accounting and distribution policies are set out on pages 06 to 07.

<b>2 Net capital gains</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Foreign currency gains	-	1
Non-derivative securities	60,971	170,373
Net capital gains	60,971	170,374

<b>3 Revenue</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Bank interest	11	-
Management fee rebates	55	73
Non-taxable overseas dividends	526	727
UK dividends	13,028	10,387
UK REIT dividends	521	396
	14,141	11,583

<b>4 Expenses</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Fund Management Fee <sup>1</sup>	9,309	8,267
	9,309	8,267
Total expenses	9,309	8,267

<sup>1</sup> Total audit fees of £9,423 (2017 - £6,423) exclusive of VAT payable to the auditors for the year ended 31 July 2018 are borne out of the Fund Management Fee.

# Invesco Perpetual UK Smaller Companies Equity Fund

## Notes to the financial statements

<b>5 Taxation</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
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### a) Analysis of charge for the year

Overseas tax	-	-
Total tax charge	-	-

There is no corporation tax charge for the year (2017 - Nil).

### b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2017 - lower) than the standard rate of corporation tax in the UK for an authorised investment company with variable capital. The differences are explained below:

	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
Net revenue before taxation	4,832	3,316
Corporation tax at 20% (2017 - 20%)	966	663
Effects of:		
Movement in excess expenses	1,745	1,560
Revenue not subject to tax	(2,711)	(2,223)
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 Sub-Fund had surplus management expenses of £116,514,000 (2017 - £107,792,000). It is unlikely that the Sub-Fund will generate sufficient taxable profits in the future to utilise these expenses and therefore a deferred tax asset of £23,303,000 (2017 - £21,558,000) has not been recognised.

<b>6 Interest payable and similar charges</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
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Interest	-	-
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<b>7 Distributions</b>	<b>01.8.17 to 31.7.18 £'000</b>	<b>01.8.16 to 31.7.17 £'000</b>
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Accumulations and distributions payable 30 September 2018	4,762	3,315
Amounts deducted on redemption of shares	178	266
Amounts received on issue of shares	(99)	(150)
	4,841	3,431

The distributable amount has been calculated as follows:

Net revenue after taxation	4,832	3,316
Equalisation on conversions	9	115
	4,841	3,431

# Invesco Perpetual UK Smaller Companies Equity Fund

## Notes to the financial statements

<b>8 Debtors</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
Accrued revenue	889	666
Amounts receivable for issue of shares	31	106
Sales awaiting settlement	-	113
	<b>920</b>	<b>885</b>

<b>9 Cash and bank balances</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
Cash and bank balances	19,238	7,521

<b>10 Creditors</b>	<b>31.7.18 £'000</b>	<b>31.7.17 £'000</b>
<b>a) Distribution payable</b>		
Net distribution payable	703	485
	<b>703</b>	<b>485</b>
<b>b) Other creditors</b>		
Accrued expenses	807	752
Amounts payable for redemption of shares	457	272
Purchases awaiting settlement	-	1,456
	<b>1,264</b>	<b>2,480</b>

### 11 Contingent assets, liabilities and outstanding commitments

There were no commitments or contingent liabilities at the balance sheet date (2017 - Nil).

### 12 Related parties

Related party interests in the Sub-Fund are disclosed in note 10 of the notes applicable to the financial statements of all Sub-Funds on page 15. Amounts received in respect of sales in the accounting year of £3,647,000 (2017 - £244,000) 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 £807,000 (2017 - £752,000) 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 Sub-Fund's performance may be adversely affected by variations in the relative strength of world currencies or if Sterling strengthens against those currencies.

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

### a) Counterparty risk

The Sub-Fund was not exposed to any counterparty risk as at the balance sheet date (2017 - Nil).

# Invesco Perpetual UK Smaller Companies Equity Fund

## Notes to the financial statements

### 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
<b>31.7.18</b>		
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	-
	<b>661,937</b>	<b>-</b>
<b>31.7.17</b>		
Level 1: Unadjusted quoted price in an active market for an identical instrument;	639,881	-
Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;	-	-
Level 3: Valuation techniques using unobservable inputs.	-	-
	<b>639,881</b>	<b>-</b>

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).

# Invesco Perpetual UK Smaller Companies Equity Fund

## Notes to the financial statements

### 14 Portfolio transaction costs

for the year 1 August 2017 to 31 July 2018

	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	121,148	69	0.06	317	0.26
<b>Total purchases</b>	<b>121,148</b>	<b>69</b>		<b>317</b>	
<b>Total purchases including transaction costs</b>	<b>121,534</b>				
<b>Sales (excluding derivatives)</b>					
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
<b>Total sales</b>	<b>157,788</b>	<b>121</b>		<b>0</b>	
<b>Total sales net of transaction costs</b>	<b>157,667</b>				
<b>Derivative transaction costs</b>		<b>-</b>		<b>-</b>	
<b>Total transaction costs</b>		<b>190</b>		<b>317</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.03%</b>		<b>0.05%</b>	



# Invesco Perpetual UK Smaller Companies Equity Fund

## Notes to the financial statements

### 14 Portfolio transaction costs continued for the year 1 August 2016 to 31 July 2017

	Transaction Value £'000	Commissions £'000	%	Taxes £'000	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	135,090	204	0.15	479	0.35
<b>Total purchases</b>	<b>135,090</b>	<b>204</b>		<b>479</b>	
<b>Total purchases including transaction costs</b>	<b>135,773</b>				
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	156,173	263	0.17	-	-
Collective investment schemes	244	-	-	-	-
<b>Total sales</b>	<b>156,417</b>	<b>263</b>		<b>-</b>	
<b>Total sales net of transaction costs</b>	<b>156,154</b>				
<b>Derivative transaction costs</b>		<b>-</b>		<b>-</b>	
<b>Total transaction costs</b>		<b>467</b>		<b>479</b>	
<b>Total transaction costs as a % of average net assets</b>		<b>0.08%</b>		<b>0.08%</b>	

The above analysis covers any direct transaction costs suffered by the Sub-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 Sub-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 Sub-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 to manage the Sub-Fund's daily liquidity position are excluded from the analysis.

For the Sub-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 Sub-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 Sub-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 0.92% (2017 - 0.86%).

# Invesco Perpetual UK Smaller Companies Equity Fund

## Notes to the financial statements

### 15 Share movement

for the year 1 August 2017 to 31 July 2018

	Accumulation shares	Accumulation shares (No Trail)	Z Accumulation shares	Y Accumulation shares
Opening shares	29,110,423	2,429,117	9,455,727	46,152,043
Shares issued	157,993	54,943	640,113	3,574,922
Shares redeemed	(2,097,463)	(362,477)	(606,670)	(4,028,627)
Shares converted	(190,301)	9,418	76,125	588,604
<b>Closing shares</b>	<b>26,980,652</b>	<b>2,131,001</b>	<b>9,565,295</b>	<b>46,286,942</b>

	Income shares	Income shares (No Trail)	Z Income shares	Y Income shares
Opening shares	8,652,549	235,551	2,413,298	5,644,007
Shares issued	65,469	525	208,061	357,059
Shares redeemed	(263,796)	(15,738)	(275,717)	(824,110)
Shares converted	(75,721)	-	49,120	155,719
<b>Closing shares</b>	<b>8,378,501</b>	<b>220,338</b>	<b>2,394,762</b>	<b>5,332,675</b>

### 16 Post balance sheet events

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

# Invesco Perpetual UK Smaller Companies Equity Fund

## Distribution table

### Distribution table

for the year 1 August 2017 to 31 July 2018

	Net revenue p	Equalisation p	Net distribution payable 30.9.18 p	Net distribution paid 30.9.17 p
<b>Distribution payable 30 September 2018</b>				
<b>Accumulation shares</b>				
Group 1	5.5485	-	5.5485	3.2564
Group 2	3.6616	1.8869	5.5485	3.2564
<b>Accumulation shares (No Trail)</b>				
Group 1	3.8749	-	3.8749	2.7531
Group 2	1.2230	2.6519	3.8749	2.7531
<b>Z Accumulation shares</b>				
Group 1	5.8405	-	5.8405	4.2844
Group 2	2.5453	3.2952	5.8405	4.2844
<b>Y Accumulation shares</b>				
Group 1	4.1494	-	4.1494	3.0556
Group 2	2.4242	1.7252	4.1494	3.0556
<b>Income shares</b>				
Group 1	4.2198	-	4.2198	2.4894
Group 2	1.7864	2.4334	4.2198	2.4894
<b>Income shares (No Trail)</b>				
Group 1	3.5158	-	3.5158	2.5177
Group 2	2.7152	0.8006	3.5158	2.5177
<b>Z Income shares</b>				
Group 1	5.4831	-	5.4831	4.0557
Group 2	2.3997	3.0834	5.4831	4.0557
<b>Y Income shares</b>				
Group 1	3.9432	-	3.9432	2.9316
Group 2	1.8974	2.0458	3.9432	2.9316

Group 1: shares purchased prior to 1 August 2017

Group 2: shares purchased on or after 1 August 2017

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.

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# Invesco Perpetual Smaller Companies and Markets Investment Series (the “Company”)

## Regulatory statements

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### 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 accounts 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.

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### 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.

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### 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

27 September 2018

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

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

### Report on the audit of the financial statements

#### Opinion

In our opinion, Invesco Perpetual 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 Sub-Funds as at 31 July 2018 and of the net revenue/expenses and the net capital gains/(losses) on the scheme property of the Company and each of the Sub-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 Perpetual Smaller Companies and Markets Investment Series (the "Company") is an Open Ended Investment Company ("OEIC") with six Sub-Funds. The financial statements of the Company comprise the financial statements of each of the Sub-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 2018; the Statement of Total Return and the Statement of Change in Net Assets Attributable to Shareholders for the year then ended; the Distribution tables; the notes applicable to the financial statements of all Sub-Funds and the notes to the financial statements.

#### 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

We have nothing to report in respect of the following matters in relation to which 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 Sub-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.

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 Sub-Funds' ability to continue as a going concern.

## 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 Perpetual Smaller Companies and Markets Investment Series (the “Company”)

## Independent Auditors’ Report to the Shareholders of Invesco Perpetual 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 131, 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 Sub-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 Sub-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](http://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  
27 September 2018

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**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.

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**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 Perpetual Administration Centre, PO Box 11150, Chelmsford CM99 2DL, UK

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**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.

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**Independent Auditors**

PricewaterhouseCoopers LLP

Atria One, 144 Morrison Street, Edinburgh, EH3 8EX

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## Further information

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

Fax 01491 416000

Post:  
Invesco Perpetual 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.

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### 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 Sub-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.

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### 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.invescopetual.co.uk](http://www.invescopetual.co.uk)

Further information on our products, including the most up to date relevant Sub-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.invescopetual.co.uk](http://www.invescopetual.co.uk)).

Telephone conversations of all staff and those of clients may be recorded for mutual protection.

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

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