Invesco Asia Trust plc

Investing in companies worth more than the market believes

Investment Objective

The Company's objective is to provide long-term capital growth by investing in a diversified portfolio of Asian and Australasian companies. The Company aims to achieve growth in its net asset value (NAV) in excess of the Benchmark Index, the MSCI AC Asia ex Japan Index (total return, net of withholding tax, in sterling terms).

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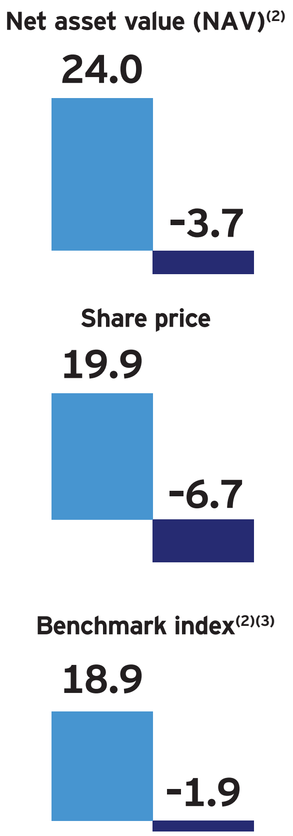
The Benchmark Index of the Company is the MSCI AC Asia ex Japan Index (total return, net of withholding tax, in sterling terms)[3].

Total Return Statistics[1]
(dividends reinvested)

Six months ended 31 October (%)
2020
2019



	At 31 October 2020	At 30 April 2020	change %
Net assets (£'000)	231,729	186,948	24.0%
NAV per share[2]	346.62p	279.64p	24.0%
Share price[1]	304.50p	254.00p	19.9%
Benchmark index (capital return)[1][2]	1,059.44	904.96	17.1%
Discount[2] per ordinary share (cum income)	(12.2)%	(9.2)%	
Average discount over six months/year[1][2]	(12.7)%	(11.0)%	
Gearing[2]:			
- gross	4.0%	5.5%	
- net	3.8%	4.3%	
- net cash	nil	nil	

(1) Source: Refinitiv.
(2) Alternative Performance Measures (APM), see pages 16 and 17 for the explanation and reconciliations of APMs. Further details are provided in the Glossary of Terms and Alternative Performance Measures in the Company's 2020 annual financial report.
(3) Index returns are shown on a total return basis, with income reinvested net of withholding taxes. Previously Index returns, on a total return basis, were shown with income reinvested gross of withholding taxes. This change is also reflected, retrospectively, to any long term total returns shown in this half-year report for comparison and consistency.

Chairman's Statement

"Investment trusts have a variety of tools available that differentiate them from open-ended funds. When we believe that they will have an impact, we will deploy them."

"The case for Asia relative to the world does appear strong and that is a good starting point."

"Asia has managed the Covid-19 crisis relatively well, and balance sheets are generally sound."

"We have introduced a new enhanced dividend policy and a performance conditional tender offer."

I concluded my last statement by saying "it is at times like these that an active management style should prosper". It is pleasing to report that is exactly what has happened in the six months to 31 October 2020. Performance has been strong with NAV per share up by 24.0% while our benchmark MSCI AC Asia ex Japan Index was up 18.9% (both on a total return basis, net of withholding tax). Your share price rose by a smaller 19.9% as the discount widened from 9.2% to 12.2%.

Performance attribution shows that both country and sector allocations contributed positively but that the greatest contribution came from stock selection. That is what active portfolio management is all about. Ian Hargreaves reviews the portfolio, performance and outlook in detail in his Portfolio Manager's Report.

The Investment Case

We believe that the Investment Case for Invesco Asia Trust plc ("the Company") remains strong. The philosophy is well articulated and consistent, searching for Asian companies whose shares trade at a significant discount to fair value. Led by Ian, the team is focused on stock selection and continues to operate an institutional strength investment process with a long term performance record to match.

One change is that Ian has a new boss: Stephanie Butcher has taken over as CIO for Invesco in Henley. We have been impressed by Stephanie and believe that her approach is positive for Ian, the Company and indeed for Invesco generally.

The Corporate Proposition

Our belief is that for an investment trust to deliver maximum value for its shareholders, the Board has to have a Corporate Proposition that sits alongside the Investment Case and enhances it, making the Company doubly attractive to potential and existing shareholders.

We have announced a range of initiatives over the past two years, including a second, lower tier management fee, an upgrade to our website and more active engagement with our individual shareholders. All these are designed to spark new demand for the Company's shares and to reduce the discount. However, with the discount moving above 10%, we decided to go further and announced two new measures on 28 August.

First, a new enhanced dividend policy: The Board now aims to pay, in the absence of unforeseen circumstances, a regular six-monthly dividend equivalent to 2% of the Company's NAV, calculated on the last business day of September and February. The dividends will be paid to shareholders in November and April. Dividends will be paid from a combination of the Company's revenues, revenue reserves and capital reserves as required. So shareholders will be able to look forward to an annual dividend yield of approximately 4% of NAV. Shareholders should note that the new dividend policy of paying dividends calculated as a percentage of NAV means that dividends will fall if NAV falls. To be clear, there is no intention to change the Company's investment policy nor the portfolio manager's investment approach as a result of the new dividend policy: Ian and the

Total Return (dividends reinvested) to 31 October 2020[1]

	One Year	Three Years	Five Years	Ten Years
Net asset value (NAV)	15.5%	11.8%	90.5%	148.8%
Share price	15.7%	14.0%	90.6%	140.4%
Benchmark index[2]	15.9%	16.4%	88.2%	107.7%

(1) Source: Refinitiv.

(2) The benchmark index of the Company was changed on 1 May 2015 to the MSCI AC Asia ex Japan Index from the MSCI All Companies Asia Pacific ex Japan Index (both indices total return, sterling terms).

team will manage the portfolio in exactly the same way as before. On 23 October, we announced a first interim dividend of 6.7p per ordinary share in respect of the year ending 30 April 2021. 6.7p is equivalent to 2% of the Company's NAV on the last business day of September 2020. A second interim dividend is expected to be paid in April 2021 again equivalent to 2% of NAV, giving a total distribution of approximately 4% of NAV over the year.

The second measure was the introduction of a performance conditional tender offer. Under the terms of the proposal, the Board is undertaking to effect a tender offer for up to 25% of the Company's issued share capital at a discount of 2% to the prevailing NAV per share (after deduction of tender costs) in the event that the Company's NAV cum-income total return performance over the five year period to 30 April 2025 fails to exceed the Company's comparator index, the MSCI AC Asia ex Japan Index (net of withholding tax, total return in sterling terms) by 0.5% per annum over the five years on a cumulative basis.

Shareholders already have the opportunity to vote on the continuation of the Company every three years, but the Board believes that also providing shareholders with the option to tender a proportion of their shares for a cash price close to NAV if the Company underperforms constitutes a pragmatic and attractive initiative, particularly if the shares were to be trading at a material discount at the time.

Other News

After consultation with our major shareholders we have made a minor change in the benchmark index we use for performance comparison purposes. It is still the MSCI AC Asia ex Japan Index, but we are now showing it calculated on a net of withholding tax basis instead of gross. As the Company pays withholding tax, we believe this is the fairest way to evaluate performance.

It was disappointing that our Annual General Meeting on 3 September had to be a closed meeting because of the Covid-19 restrictions. Ian's presentation was uploaded to our webpage that day and is still there. I hope shareholders found it useful.

Tom Maier retired from the Board at the conclusion of the AGM after serving 11 years. We thank him for his sustained contribution to the Company and in particular the keen focus that he gave to analysis of investment performance. His replacement, Vanessa Donegan, had already joined the Board in October 2019 so we revert to four Directors.

There have been no share buybacks over the period.

Update

From 31 October to 21 January, NAV per share has risen by 26.2%, outperforming the MSCI AC Asia ex Japan Index return of +19.6%. The share price has risen by 34.6% with the discount narrowing from 12.2% to 6.3%.

Outlook

Many are wondering if they have missed the opportunity to invest in Asia that presented itself in 2020. Asian markets have bounced 59% off their March lows and are at new highs. However, even now Asia has underperformed the MSCI World Index sharply over 10 years with the MSCI Asia ex Japan Index +147% versus the World's +218%.

There are possible tailwinds for markets with the return of consumer and corporate confidence post Covid-19, a recovery both of domestic and export markets for Asian companies, support for capital inflows from a weaker US dollar. The new Regional Comprehensive Economic Partnership comprising the ASEAN countries plus China, Japan, South Korea, Australia and New Zealand will provide fresh longer term benefits. Possible headwinds include above average starting valuations, Covid-19 related setbacks, the threat of rising interest rates as economies recover and greater regulation of the large technology companies that have dominated stockmarkets last year. Moreover, political uncertainties have risen to the fore. Political risk has always been a feature of investing in stock markets and it is particularly so in Asia. While political risk can lead to falls in stock markets, it can also lead to opportunities for gains. One of the reasons why Asian markets have typically traded at lower valuations than, say, America is the political risk discount. The recent US Executive Order restricting US persons from investing in certain Chinese companies has affected some of our institutional shareholders who manage money on behalf of American citizens.

Overall there are too many variables to make a confident prediction of absolute returns from here. But the case for Asia relative to the world does appear strong and that is a good starting point.

Neil Rogan
Chairman

25 January 2021

Portfolio Manager's Report

Q&A

Portfolio Manager

Ian Hargreaves was promoted to Co-Head of the Asian & Emerging Markets Equities team in September 2018. Ian manages pan-Asian portfolios and covers the entire Asian region in his remit. He started his investment career with Invesco Asia Pacific in Hong Kong in 1994 as an investment analyst where he was responsible for coverage of Indonesia, South Korea and the Indian sub-continent, as well as managing several regional institutional client accounts. Ian returned to the UK to join Invesco's Asian Equities team in 2005, working on the portfolio as part of the investment team. He was appointed as joint Portfolio Manager in 2011 and became the sole Portfolio Manager on 1 January 2015.

Q How has the Company performed in the period under review?

A The Company's net asset value increased by 24.0% (total return, in sterling terms) over the six months to 31 October 2020, which compares to the benchmark MSCI AC Asia ex Japan Index return of 18.9%.

Markets enjoyed a strong recovery over the six month period, boosted by significant stimulus from central banks and the reopening of economies across the world as Covid-19 lockdowns were lifted. There has also been optimism surrounding progress on a Covid-19 vaccine and an ongoing economic recovery. While the recovery in markets has been V-shaped, there has been a marked divergence in performance between sectors, as healthcare, internet and technology companies have fared far better than financials, energy and travel-related companies.

There has also been a marked turnaround in relative performance for the portfolio, which has been pleasing to see given the changes we made earlier in the year. Having begun the year with a tilt towards more cyclical areas, reflecting our expectation that they would benefit from a gradual cyclical recovery in 2020, the portfolio was repositioned to account for the sudden change in outlook for economic growth brought about by the pandemic. The most significant adjustment being a reduction in exposure to financials. However, we did not want to reduce the portfolio's ability to participate in a rebound. Rather than taking defensive action and shifting exposure to less economically sensitive areas with steady earnings streams, such as utilities or consumer staples companies, we preferred to add to selected cyclical businesses that had scope for earnings to recover quickly as conditions normalise. We have been able to find what we consider to be deep discounts to fair value in these areas, with conviction levels supported by the strong balance sheets that some of these companies have.

Q What have been the biggest contributors? And detractors?

A Technology and internet companies have been the best performers over the period, further demonstrating the appeal of their strong fundamentals and attractive growth prospects. Taiwanese memory chip designer MediaTek was the biggest contributor thanks to robust demand for its higher margin 5G chip and excitement over its new high-end, next generation microprocessor that helps process AI (artificial intelligence) tasks faster, using less power. Delta Electronics benefited from its exposure to major industry trends (5G, automation and cloud) that should support a recovery in margins and deliver more sustainable growth over the medium-term, while ASUSTeK Computer has seen strong demand for PCs and notebooks given the working/studying from home trend. Taiwan Semiconductor Manufacturing also made strong gains, with investors increasingly focused on the upside potential from Intel outsourcing some of its chip production, a move that could see the size of its total addressable market increase by around 40%. Chinese internet companies have continued to outperform, with JD.com and NetEase both adding value as solid Q1 earnings reflected the fact that e-commerce and online gaming companies had seen little disruption to their business and may have even benefitted from the stay-at-home trend. Both companies also enjoyed successful secondary listings in Hong Kong. The portfolio's exposure to Chinese consumer-related companies has also contributed positively. Baijiu distiller Jiangsu Yanghe Brewery and fitted furniture manufacturer Suofeiya Home Collection (both A-shares) saw evidence of a strong recovery in demand as lockdowns were lifted.

More recently, auto-related stocks have been a support. Hyundai Motor has benefited from a recovery in sales, particularly in its home market where there is strong demand for its new, higher margin, SUV models; while the market has also turned more positive on its electric vehicle (EV) business plans. Mahindra & Mahindra has enjoyed strong tractor sales while Minth Group made large gains after bullish comments from management raised expectations over its new battery housing business, which is expected to make a growing contribution to revenues next year.

On the other hand, China Mobile detracted as the market continued to show a preference for stocks with higher growth characteristics. Stock selection in the energy sector counted against us as CNOOC underperformed given the prospect of slowing demand and a weakening oil price. CK Hutchison has also proved to be Covid-19 sensitive, with weaker earnings from its ports, retail and energy & infrastructure businesses. However, the business continues to be well managed, and as conditions normalise, we would expect the group to return to delivering good earnings growth and generating strong free cash flow. The recently announced deal to sell its European telecom towers will also help reduce gearing and could be a positive catalyst for the share price.

Finally, financials remained out of favour, with our holdings in banks and insurance companies detracting from performance. While there are legitimate concerns surrounding low-rates, slow growth and rising, non-performing loans (NPLs) we believe the market has mispriced the risks for better quality operators with strong capital positions.

Key Contributors	Total impact %
MediaTek	1.59
JD.com	1.35
Jiangsu Yanghe Brewery	0.81
Mahindra & Mahindra	0.58
Suofeiya Home Collection	0.40

Key Detractors	Total impact %
China Mobile	-0.81
CNOOC	-0.58
CK Hutchison	-0.52
China Pacific Insurance	-0.47
Korean Reinsurance	-0.40

Q **How has positioning changed?**

A We continue to believe that buying businesses for less than they are worth is the most sustainable way to make money for shareholders.

Technology and internet companies have been big beneficiaries of a new tech cycle with the launch of 5G networks, and changes in consumer behaviour, such as working from home and an increase in the trend towards online shopping. However, the strong gains seen in share prices year-to-date suggest their strong fundamentals and improved earnings prospects are being increasingly recognised, and we have been taking profits.

The healthcare sector remains an area of the market where we have only limited exposure, given that we generally find valuations very rich. Some sub-sectors, such as biotech and contract research organisation (CRO), have what we consider to be an unfavourable balance of risk/reward given the difficulty in forecasting R&D success, without which there could be significant downside risk. The valuations of the more traditional Chinese pharma companies are more reasonable, but this reflects a hostile regulatory environment that is and will continue to lead to price deflation in traditional chemical drugs. The Chinese government is keen to lower pricing to mitigate the cost of providing broader medical expense cover. This usually means lower profitability levels which justifies a lower valuation.

We are looking for new ideas trading at significant discounts to our estimate of fair value, with deep discounts currently available in more cyclical areas of the market, where there is less confidence in the pace of recovery. The companies that interest us most tend to be Covid-19 sensitive industrials where the pandemic is unlikely to have materially changed fundamentals, but earnings can recover quicker than the market expects as conditions normalise.

Astra International is a good example, with interests in a wide range of market leading auto-related businesses in Indonesia, including: 4-wheeler manufacturing for Toyota; 2-wheeler manufacturing for Honda; auto dealerships and auto financing. Having struggled with slower growth in recent years, the shares de-rated even further given Covid-19 related demand uncertainty. While the fundamentals of the Indonesian economy are weak in the near-term, we believe that auto demand should eventually grow as Gross Domestic Product (GDP) per capita rises, while Astra should also benefit from new Toyota model launches expected in 2021.

Another example of an under appreciated investment opportunity is Yue Yuen Industrial, the world's largest sports shoe manufacturer, serving global brands such as Nike, Adidas and Asics. While retail sales in developed markets have recovered strongly, Yue Yuen's earnings may lag given the need to destock inventories, but by early next year sales should be beginning to return to normal. The share price, still around 30% below where it was in January, reflects little hope of recovery. The fact that the company has also spent the last couple of years focused on relocating manufacturing capacity outside China, investing in automation and a new enterprise resource planning (ERP) system to enable it to better manage shorter lead times from customers, should aid its eventual earnings recovery. We feel that a single digit normalised p/e represents a significant discount to fair value.

We have also been able to find compelling prospects which are less Covid-19 sensitive. For example, we have been adding to ASUSTeK Computer, given that we expect the PC and motherboard manufacturer to be able to continue to generate strong free cash flow, supported by work from home trends and strong growth in gaming. Furthermore, the value of its stakes in Pegatron, Advantech and Asmedia plus net cash is more than ASUSTeK's current market capitalisation.

Finally, there have been a few small changes in our financials exposure, where we retain a preference for groups with a decent level of core profitability and structural growth potential, such as Indian private banks and Chinese life insurers. Over the period, we sold HDFC Bank and took advantage of share price weakness to introduce Housing Development Finance preferred for its improvement in competitive intensity, a low base in the property cycle and medium-term growth potential from higher mortgage penetration. In Korea, we sold Korean Reinsurance and introduced Samsung Fire & Marine, an insurer that has been gradually improving its underwriting business, which should lead to higher profitability and earnings growth, in our view.

Q **Where else do you see opportunity?**

A India remains the portfolio's biggest country overweight. Within Asia, it has probably had the worst pandemic experience in terms of impact on its population's health and the sharp shock felt by the economy as a result of what was a largely ineffectual lockdown strategy. The Indian government was swift to abandon this strategy and has instead focussed attention on support for the economy, which appears to be working. Domestically driven, India's economy is open for business again and with infection and death rates falling there is less concern about having to protect a Covid-19 'clean sheet'.

From a top-down perspective we remain positive for several reasons: India is at the bottom of its credit cycle, with Credit/GDP almost unchanged since the Global Financial Crisis (GFC), providing scope for a pick-up in credit growth that should support broader economic growth. We are also encouraged by positive reform momentum. While some measures have led to short-term economic pain, they should bear fruit within our investment horizon, with the recent new labour code likely to help incentivise investment and small business creation.

We have recently added exposure to Indian private banks, which are still taking market share from the dominant, less well-run state-owned banks. We are also comfortable owning other economically sensitive stocks in India given the large structural growth opportunities. This year we've seen some solid and well-managed companies suffer from the lack of economic activity, which has allowed us to take positions at historically attractive valuations. For example, we had added to Larsen & Toubro (L&T) which is not only a leading construction and infrastructure business with a strong balance sheet – a characteristic we value in these uncertain times – but is a beneficiary of a return to normality. Our analysis suggests that L&T's core engineering & construction business is being valued below the level it reached during the GFC.

Portfolio Manager's Report (continued)

Q **Do you see any change in US-China relations given the US election result?**

A The relationship between the US and China is unlikely to improve dramatically due to a change of President, with tensions likely to remain for the foreseeable future. While we expect US policy under Joe Biden to be handled more diplomatically, and less haphazardly, it is prudent to assume that Biden will be slow to roll back the Trump administration's measures targeting trade, technology or financial markets.

Following the interim period-end, the former US President issued an order imposing restrictions on US persons from investing in certain named Chinese companies, with which the Company will comply.

Q **What is your outlook for further out**

A The pandemic has been enormously disruptive, but Asia has fared relatively well compared to other regions, with activity levels now back to pre Covid-19 levels in many sectors. The global economy is also gradually getting back to normal, supported by a demand recovery in the US and Europe. However, a second/third wave of infections remains a concern, particularly given the likelihood that renewed lockdowns will see a slowing in economic momentum, a set-back for the global recovery.

The prospect of several successful vaccines being ready for distribution in the new year has given markets a lift, particularly the worst hit Covid-19 sensitive service sectors. Not only that, but a scenario in which we have an effective vaccine sooner than expected, sees improved earnings prospects for undervalued cyclical stocks that we favour. However, there are still challenges ahead, specifically concerning how vaccination programs might be successfully rolled out on such a large scale.

In the near-term, the global liquidity environment is likely to remain accommodative given the unprecedented scale of policy support. Monetary and fiscal stimulus measures combined should provide a tailwind to economic activity, with policymakers unlikely to repeat the mistakes of the recent past in trying to withdraw support too early. However, once normality has returned, governments in developed markets will be forced to begin to chart a course back to policy orthodoxy. This is likely to present a risk to more highly rated stocks, but would benefit cyclicals.

In Asia, most countries went into the crisis with relatively low levels of government debt, which means they may not need to revert to austerity once the crisis is over. Furthermore, economic growth in China is recovering without the authorities having to rely on the sort of fiscal impulse manufactured in developed economies.

While stock markets currently have policy and vaccine tailwinds behind them, we feel it important not to exaggerate the likely positive impact of economic normalisation. Markets have done very well since they bottomed in March, with the MSCI Asia ex Japan Index currently on a forward P/E of around 16x 2021 earnings, which is toward the upper end of its historic range, albeit still comparing favourably relative to developed markets. Current consensus estimates for earnings growth in 2021 of around 24% appear to reflect a degree of optimism in expectations. Given the wide divergence in performance and valuation between sectors and countries, opportunities are still available, particularly in undervalued cyclical stocks. However, we feel the need to be selective and maintain a balanced portfolio.

Ian Hargreaves
Portfolio Manager

25 January 2021

Principal Risks and Uncertainties

The Board has carried out a robust assessment of the risks facing the Company, including emerging risks. These include those that would threaten its business model, future performance, solvency and liquidity. The principal risks that follow are those identified by the Board after consideration of mitigating factors.

Category and Principal Risk Description	Mitigating Procedures and Controls
Strategic Risk	
Market and Political Risk The Company's investments are traded on Asian and Australasian stock markets as well as the UK. The principal risk for investors in the Company is a significant fall and/or a prolonged period of decline in these markets. This could be triggered by unfavourable developments within the region or events outside it. The extreme volatility experienced in March 2020 from the market reaction to the Covid-19 virus exemplifies this risk, which has had a marked effect on both the valuation of the Company's portfolio of investments and the discount to net asset value at which the Company's shares trade during the period. Political developments can also create risks to the value of the Company's assets, such as US-China trade tensions and unrest in Hong Kong, or impact on the GBP foreign exchange rate as a result of Brexit. Political risk has always been a feature of investing in stock markets and it is particularly so in Asia. Asia encompasses a variety of political systems and there are many examples of diplomatic skirmishes and military tensions, and sometimes these resort to military engagement. Moreover, the involvement in Asia of the United States and European countries can reduce or raise tensions.	The Company has a diversified investment portfolio by country and by stock. Its investment trust structure means no forced sales need to take place and investments can be held over a longer term horizon. The Manager evaluates and assesses political risk as part of the stock selection and asset allocation policy which is monitored at every Board meeting. However, there are few ways to mitigate absolute market and political risk because it is engendered by factors which are outside the control of the Board and the Manager. These factors include the general health of the world economy, interest rates, inflation, government policies, industry conditions, political and diplomatic events, changes to legislation, and changing investor demand and sentiment. Such factors may give rise to high levels of volatility in the prices of investments held by the Company.
Investment Objectives The Company's investment objectives and structure are no longer meeting investors' demands.	The Board receives regular reports reviewing the Company's investment performance against its stated objectives and peer group, and reports from discussions with its brokers and major shareholders. The Board also has a separate annual strategy meeting.
Wide Discount Lack of liquidity and lack of marketability of the Company's shares leading to stagnant share price and wide discount. Persistently high discount may lead to buybacks of the Company's shares and resulting in the shrinkage of the Company.	The Board receives regular reports from both the Manager and the Company's broker on the Company's share price performance, level of share price discount to NAV and recent trading activity in the Company's shares. It may seek to reduce the volatility and absolute level of the share price discount to NAV for shareholders through buying back shares within the stated limit. The Board also receives regular reports on marketing meetings with shareholders and prospective investors and works to ensure that the Company's investment proposition is actively marketed through relevant messaging across many distribution channels.
Investment Management Risk	
Performance Portfolio Manager consistently underperforms the benchmark and/or peer group over 3-5 years.	The Board regularly compares the Company's NAV performance over both the short and long term to that of the benchmark and peer group as well as reviewing the portfolio's performance against the benchmark (attribution) and risk adjusted performance (volatility, beta, tracking error, Sharpe ratio) of the Company and versus its peers. The Board also receives reports on and reviews: the portfolio, transactions in the period, active positions, gearing position and, if applicable, hedging.

Principal Risks and Uncertainties (continued)

Category and Principal Risk Description	Mitigating Procedures and Controls
Investment Management Risk continued	
Key Person Dependency The Portfolio Manager (Ian Hargreaves) ceases to be Portfolio Manager or is incapacitated or otherwise unavailable.	The Portfolio Manager works within, and is Co-Head of Invesco's Asian & Emerging Markets Equities team with William Lam. Ian is supported by Fiona Yang and the wider team.
Currency Fluctuation Risk Exposure to currency fluctuation risk negatively impacts the Company's NAV. The movement of exchange rates may have an unfavourable or favourable impact on returns as nearly all of the Company's assets are non-sterling denominated.	With the exception of borrowings in foreign currency, the Company does not normally hedge its currency positions but may do so should the Portfolio Manager or the Board deem this to be appropriate. Contracts are limited to currencies and amounts commensurate with the asset exposure. The foreign currency exposure of the Company is reviewed at Board meetings.
Third Party Service Providers (TPPs) Risk	
Unsatisfactory Performance of Third Party Service Providers Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operations of the Company and could affect the ability of the Company to successfully pursue its investment policy and expose the Company to reputational risk. Disruption to the accounting, payment systems or custody records could prevent the accurate reporting and monitoring of the Company's financial position.	Details of how the Board monitors the services provided by the Manager and other third party service providers, and the key elements designed to provide effective internal control, are included in the internal control and risk management section on page 19 of the Company's 2020 annual financial report.
Information Technology Resilience and Security The Company's operational structure means that the main cyber risk (information and physical security) arises at its third party service providers. This cyber risk includes fraud, sabotage or crime perpetrated against the Company or any of its TPPs.	As well as regular review of TPPs' audited service organisation control reports by the Audit Committee, the Board receives regular updates on the Manager's information and cyber security. The Board monitors TPPs' business continuity plans and testing – including the TPPs and Manager's regular 'live' testing of workplace recovery arrangements.
Operational Resilience The Company's operational capability relies upon the ability of its TPPs to continue working throughout the disruption caused by a major event such as the Covid-19 pandemic.	The Manager's business continuity plans are reviewed on an ongoing basis and the Directors are satisfied that the Manager has in place robust plans and infrastructure to minimise the impact on its operations so that the Company can continue to trade, meet regulatory obligations, report and meet shareholder requirements. As the impact of Covid-19 continues, the Manager has mandated work from home arrangements and implemented split team working for those whose work is deemed necessary to be carried out on business premises. Any meetings are held virtually or via conference calls. Other similar working arrangements are in place for the Company's third-party service providers. The Board receives regular update reports from the Manager and TPPs on business continuity processes.

Twenty-five Largest Holdings

AT 31 OCTOBER 2020

Ordinary shares unless stated otherwise

† *The industry group is based on MSCI and Standard & Poor's Global Industry Classification Standard.*

Company	Industry group†	Country	At Market Value £'000	% of Portfolio
Tencent[R]	Media & Entertainment	China	20,479	8.4
Alibaba – *ADS*	Retailing	China	18,752	7.7
Samsung Electronics	Technology Hardware & Equipment	South Korea	17,202	7.1
Taiwan Semiconductor Manufacturing	Semiconductors & Semiconductor Equipment	Taiwan	16,368	6.8
MediaTek	Semiconductors & Semiconductor Equipment	Taiwan	10,926	4.5
JD.com – *ADR*	Retailing	China	9,027	3.7
ICICI – *ADR*	Banks	India	7,200	3.0
AIA	Insurance	Hong Kong	6,693	2.8
Hyundai Motor – *preference shares*	Automobiles & Components	South Korea	6,426	2.7
Housing Development Finance	Banks	India	6,252	2.6
NetEase – *ADR*	Media & Entertainment	China	5,793	2.4
ASUSTeK Computer	Technology Hardware & Equipment	Taiwan	5,687	2.3
Jiangsu Yanghe Brewery[A]	Food, Beverage & Tobacco	China	5,613	2.3
China Mobile[R]	Telecommunication Services	China	5,367	2.2
Mahindra & Mahindra	Automobiles & Components	India	5,168	2.1
Delta Electronics	Technology Hardware & Equipment	Taiwan	4,915	2.0
CNOOC[R]	Energy	China	4,890	2.0
China Pacific Insurance[H]	Insurance	China	4,866	2.0
Hon Hai Precision Industry	Technology Hardware & Equipment	Taiwan	4,589	1.9
Larsen & Toubro	Capital Goods	India	4,540	1.9
POSCO	Materials	South Korea	4,169	1.7
Suofeiya Home Collection[A]	Consumer Durables & Apparel	China	3,892	1.6
LG	Capital Goods	South Korea	3,870	1.6
United Overseas Bank	Banks	Singapore	3,725	1.6
Aurobindo Pharma	Pharmaceuticals, Biotechnology & Life Sciences	India	3,566	1.5
			189,975	**78.4**
Other Investments (27)			52,401	21.6
Total Holdings (52)			**242,376**	**100.0**

ADR/ADS: American Depositary Receipts/Shares – are certificates that represent shares in the relevant stock and are issued by a US bank. They are denominated and pay dividends in US dollars.

H: H-Shares – shares issued by companies incorporated in the People's Republic of China (PRC) and listed on the Hong Kong Stock Exchange.

R: Red Chip Holdings – holdings in companies incorporated outside the PRC, listed on the Hong Kong Stock Exchange, and controlled by PRC entities by way of direct or indirect shareholding and/or representation on the board.

A: A-shares are shares that denominated in Renminbi and traded on the Shanghai and Shenzhen stock exchanges.

Governance

Going Concern

The financial statements have been prepared on a going concern basis.

The Directors took into consideration the uncertain economic outlook in the wake of the Covid-19 pandemic and the operational implications and consider the preparation of the financial statements on a going concern basis to be the appropriate basis. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being taken as 12 months after signing the balance sheet, for the same reasons as set out in the Viability Statement in the Company's 2020 annual financial report. In considering this, the Directors took into account:

- the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments;
- the ability of the Company to meet all of its liabilities and ongoing expenses from its assets; and
- revenue forecasts for the forthcoming year.

As discussed in Principal Risks and Uncertainties, the Company's operations and those of its core service providers have been adapted to deal with the restrictions imposed in the UK as a result of the Covid-19 pandemic.

Related Party Transactions

Under United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law), the Company has identified the Directors as related parties. No other related parties have been identified. No transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Directors' Responsibility Statement

in respect of the preparation of the half-yearly financial report

The Directors are responsible for preparing the half-yearly financial report using accounting policies consistent with applicable law and UK Accounting Standards.

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the half-yearly financial report have been prepared in accordance with the FRC's FRS 104 Interim Financial Reporting;
- the interim management report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules; and
- the interim management report includes a fair review of the information required on related party transactions.

The half-yearly financial report has not been audited or reviewed by the Company's auditor.

Signed on behalf of the Board of Directors.

Neil Rogan
Chairman

25 January 2021

Condensed Income Statement

FOR THE SIX MONTHS ENDED 31 OCTOBER

	31 October 2020			31 October 2019		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Gains/(losses) on investments held at fair value	-	42,366	42,366	-	(12,353)	(12,353)
Gains on foreign exchange	-	163	163	-	373	373
Income - note 2	3,753	-	3,753	5,045	-	5,045
Investment management fee - note 3	(210)	(629)	(839)	(208)	(624)	(832)
Other expenses	(286)	(3)	(289)	(305)	(1)	(306)
Net return before finance costs and taxation	3,257	41,897	45,154	4,532	(12,605)	(8,073)
Finance costs - note 3	(13)	(39)	(52)	(9)	(28)	(37)
Return on ordinary activities before taxation	3,244	41,858	45,102	4,523	(12,633)	(8,110)
Tax on ordinary activities - note 4	(321)	-	(321)	(442)	-	(442)
Return on ordinary activities after taxation for the financial period	2,923	41,858	44,781	4,081	(12,633)	(8,552)
Return per ordinary share						
Basic	4.37p	62.61p	66.98p	5.83p	(18.05)p	(12.22)p
Weighted average number of ordinary shares in issue during the period			66,853,287			69,980,943

The total column of this statement represents the Company's profit and loss account, prepared in accordance with UK Accounting Standards. The return on ordinary activities after taxation is the total comprehensive income and therefore no additional statement of other comprehensive income is presented. The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies. All items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the period.

Condensed Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 31 OCTOBER

	Share Capital £'000	Capital Redemption Reserve £'000	Special Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
For the six months ended 31 October 2020						
At 30 April 2020	7,500	5,624	34,827	134,968	4,029	186,948
Return on ordinary activities	-	-	-	41,858	2,923	44,781
At 31 October 2020	7,500	5,624	34,827	176,826	6,952	231,729
For the six months ended 31 October 2019						
At 30 April 2019	7,500	5,624	45,015	163,763	5,473	227,375
Return on ordinary activities	-	-	-	(12,633)	4,081	(8,552)
Dividends paid - note 5	-	-	-	-	(2,028)	(2,028)
Shares bought back and held in treasury	-	-	(2,752)	-	-	(2,752)
At 31 October 2019	7,500	5,624	42,263	151,130	7,526	214,043

Condensed Balance Sheet

Registered Number 3011768

	At 31 October 2020 £'000	At 30 April 2020 £'000
Fixed assets		
Investments held at fair value through profit or loss - note 7	242,376	195,915
Current assets		
Tax recoverable	228	145
VAT recoverable	23	24
Prepayments and accrued income	164	272
Cash and cash equivalents	316	1,623
	731	2,064
Creditors: amounts falling due within one year		
Bank overdraft	(318)	-
Bank facility	(8,839)	(10,354)
Amounts due to brokers	(1,579)	(112)
Accruals	(642)	(565)
	(11,378)	(11,031)
Net current liabilities	(10,647)	(8,967)
Net assets	231,729	186,948
Capital and reserves		
Share capital	7,500	7,500
Other reserves:		
Capital redemption reserve	5,624	5,624
Special reserve	34,827	34,827
Capital reserve	176,826	134,968
Revenue reserve	6,952	4,029
Total shareholders' funds	231,729	186,948
Net asset value per ordinary share		
Basic	346.62p	279.64p
Number of 10p ordinary shares in issue at the period end - note 6	66,853,287	66,853,287

Notes to the Financial Condensed Statements

1. Accounting Policies

The condensed financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS 104 Interim Financial Reporting and the Statement of Recommended Practice Financial Statements of Investment Trust Companies and Venture Capital Trusts, issued by the Association of Investment Companies in October 2019. The financial statements are issued on a going concern basis.

The accounting policies applied to these condensed financial statements are consistent with those applied in the financial statements for the year ended 30 April 2020.

2. Income

		Six months to 31 October 2020 £'000	Six months to 31 October 2019 £'000
Income from investments			
Overseas dividends	- ordinary	3,605	4,931
	- special	148	107
Deposit interest		-	7
Total income		3,753	5,045

No special dividends have been recognised in capital during the period (31 October 2019: £nil).

3. Management Fee and Finance costs

Investment management fee and finance costs on any borrowings are charged 75% to capital and 25% to revenue. A management fee is payable quarterly in arrears and is equal to 0.75% per annum of the value of the Company's total assets less current liabilities (including any short term borrowings) under management at the end of the relevant quarter and 0.65% per annum for any net assets over £250 million.

4. Taxation and Investment Trust Status

It is the intention of the Directors to conduct the affairs of the Company so that it satisfies the conditions for approval as an investment trust company. As such, no tax liability arises on capital gains. The tax charge represents withholding tax suffered on overseas income.

5. Dividends paid on Ordinary Shares

As noted in the Chairman's Statement, an interim dividend of 6.70p per share was paid on 26 November 2020 to shareholders on the register on 6 November 2020. Shares were marked ex-dividend on 5 November 2020.

In accordance with accounting standards, dividends payable after the period end have not been recognised as a liability.

6. Share Capital, including Movements

(a) Ordinary Shares of 10p each

	Six months to 31 October 2020	Year to 30 April 2020
Number of ordinary shares:		
Brought forward	66,853,287	70,469,475
Shares bought back into treasury	-	(3,616,188)
Carried forward	66,853,287	66,853,287

(b) Treasury Shares

	Six months to 31 October 2020	Year to 30 April 2020
Number of treasury shares:		
Brought forward	8,146,594	4,530,406
Shares bought back into treasury	-	3,616,188
Carried forward	8,146,594	8,146,594
Ordinary shares in issue (including treasury)	74,999,881	74,999,881

Subsequent to the period end, no shares were bought back.

7. Classification Under Fair Value Hierarchy

FRS 102 sets out three fair value levels. These are:

Level 1 – The unadjusted quoted price in an active market for identical assets that the entity can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 – Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The fair value hierarchy analysis for investments held at fair value at the period end is as follows:

	31 October 2020 £'000	30 April 2020 £'000
Financial assets designated at fair value		
Level 1	242,248	195,054
Level 2	-	738
Level 3	128	123
Total for financial assets	242,376	195,915

The Level 3 investment consists of one holding in Lime Co. (30 April 2020: Lime Co.).

8. Status of Half-Yearly Financial Report

The financial information contained in this half-yearly report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half years ended 31 October 2020 and 31 October 2019 has not been audited. The figures and financial information for the year ended 30 April 2020 are extracted and abridged from the latest audited accounts and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the Report of the Independent Auditor, which was unqualified and did not include a statement under section 498 of the Companies Act 2006.

By order of the Board
Invesco Asset Management Limited
Company Secretary

25 January 2021

Glossary of Terms and Alternative Performance Measures

Alternative Performance Measure (APM)

An APM is a measure of performance or financial position that is not defined in applicable accounting standards and cannot be directly derived from the financial statements. The calculations shown in the corresponding tables are for the six months ended 31 October 2020, the six months ended 31 October 2019 and the year ended 30 April 2020. The APMs listed here are widely used in reporting within the investment company sector and consequently aid comparability.

Benchmark (or Benchmark Index)

A standard against which performance can be measured, usually an index that averages the performance of companies in a stock market or a segment of the market. The benchmark used in these accounts is the MSCI AC Asia ex Japan Index. This benchmark index does not include Australia and New Zealand.

Discount/Premium (APM)

Discount is a measure of the amount by which the mid-market price of an investment company share is lower than the underlying net asset value (NAV) of that share. Conversely, Premium is a measure of the amount by which the mid-market price of an investment company share is higher than the underlying net asset value of that share. In this interim financial report the discount is expressed as a percentage of the net asset value per share and is calculated according to the formula set out below. If the shares are trading at a premium the result of the below calculation will be positive and if they are trading at a discount it will be negative.

	Page		At 31 October 2020	At 30 April 2020
Share price	1	a	304.50p	254.00p
Net asset value per share – cum income	1	b	346.62p	279.64p
Discount – cum income		c = (a-b)/b	(12.2)%	(9.2)%

The average discount for the period/year is the arithmetic average, over a period/year, of the daily discount calculated on the same basis as shown above.

Gearing

The gearing percentage reflects the amount of borrowings that a company has invested. This figure indicates the extra amount by which net assets, or shareholders' funds, would move if the value of a company's investments were to rise or fall. A positive percentage indicates the extent to which net assets are geared; a nil gearing percentage, or 'nil', shows a company is ungeared. A negative percentage indicates that a company is not fully invested and is holding net cash as described below.

There are several methods of calculating gearing and the following has been used in this report:

Gross Gearing (APM)

This reflects the amount of gross borrowings in use by a company and takes no account of any cash balances. It is based on gross borrowings as a percentage of net assets.

	Page		At 31 October 2020 £'000	At 30 April 2020 £'000
Bank overdraft	13		318	-
Bank facility	13		8,839	10,354
Gross borrowings		a	9,157	10,354
Net asset value	13	b	231,729	186,948
Gross gearing		c = a/b	4.0%	5.5%

Net Gearing or Net Cash (APM)

Net gearing reflects the amount of net borrowings invested, i.e. borrowings less cash and cash equivalents (incl. investments in money market funds). It is based on net borrowings as a percentage of net assets. Net cash reflects the net exposure to cash and cash equivalents, as a percentage of net assets, after any offset against total borrowings.

	Page		At 31 October 2020 £'000	At 30 April 2020 £'000
Bank overdraft	13		318	-
Bank facility	13		8,839	10,354
Less: cash and cash equivalents	13		(316)	(1,623)
Invesco Liquidity Fund - US Dollar (money market fund)			-	(738)
Net borrowings		a	8,841	7,993
Net asset value	13	b	231,729	186,948
Net gearing		c = a/b	3.8%	4.3%

Net Asset Value (NAV)

Also described as shareholders' funds the NAV is the value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The NAV per ordinary share is calculated by dividing the net assets by the number of ordinary shares in issue. For accounting purposes assets are valued at fair (usually market) value and liabilities are valued at par (their repayment - often nominal - value).

Total Return

Total return is the theoretical return to shareholders that measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. In this half-yearly financial report these return figures have been sourced from Refinitiv who calculate returns on an industry comparative basis.

Net Asset Value Total Return (APM)

Total return on net asset value per share, assuming dividends paid by the Company were reinvested into the shares of the Company at the NAV per share at the time the shares were quoted ex-dividend.

Share Price Total Return (APM)

Total return to shareholders, on a mid-market price basis, assuming all dividends received were reinvested, without transaction costs, into the shares of the Company at the time the shares were quoted ex-dividend.

Six Months Ended 31 October 2020	Page		Net Asset Value	Share Price
As at 31 October 2020	1		346.62p	304.50p
As at 30 April 2020	1		279.64p	254.00p
Change in period		a	24.0%	19.9%
Impact of dividend reinvestments[1]		b	0.0%	0.0%
Total return for the period		c = a+b	24.0%	19.9%

Six Months Ended 31 October 2019		Net Asset Value	Share Price
As at 31 October 2019		307.98p	268.00p
As at 30 April 2019		322.66p	294.00p
Change in period	a	-4.5%	-8.8%
Impact of dividend reinvestments[1]	b	0.8%	2.1%
Total return for the period	c = a+b	-3.7%	-6.7%

(1) No dividends have been paid during six months to 31 October 2020 (31 October 2019: 2.90p reinvested at the NAV or share price on the ex-dividend date). NAV or share price falls subsequent to the reinvestment date consequently further reduce the returns, vice versa if NAV or share price rises.

Benchmark

Total return on the benchmark is on a mid-market value basis, assuming all dividends (net of withholding tax) received were reinvested, without transaction costs, into the shares of the underlying companies at the time the shares were quoted ex-dividend.

Directors, Investment Manager and Administration

Directors

Neil Rogan (Chairman of the Board, Management Engagement and Nomination Committees)
Fleur Meijs (Chairman of the Audit and Remuneration Committees)†
Owen Jonathan (Senior Independent Director)†
Vanessa Donegan†
Tom Maier‡

All Directors are members of the Management Engagement, Remuneration and Nomination Committees

† Member of the Audit Committee

‡ Retired from the Board on 3 September 2020

Registered Office and Company Number

Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH
Registered in England and Wales: No. 3011768

Alternative Investment Fund Manager (Manager)

Invesco Fund Managers Limited

Company Secretary

Invesco Asset Management Limited
Company Secretarial contact: Shilla Pindoria and Kelly Nice

Correspondence Address

43-45 Portman Square, London W1H 6LY
☎ 020 3753 1000
Email: IAT@invesco.com

Depositary and Custodian

The Bank of New York Mellon (International) Limited
1 Canada Square, London E14 5AL

Corporate Broker

Investec Bank plc
30 Gresham Street, London EC2V 7QP

Investec work closely with Invesco on the Company's engagement with institutional and private wealth manager investors and have an active role as market maker for the Company's shares. Average daily trading volume for our shares in the six months to 31 October 2020 was 171,428 shares.

General Data Protection Regulation

The Company's privacy notice can be found at www.invesco.co.uk/invescoasia

Invesco Client Services

Invesco has a Client Services Team, available to assist you from 8.30am to 6pm Monday to Friday (excluding UK Bank Holidays). Please note no investment advice can be given. ☎ 0800 085 8677.
www.invesco.co.uk/investmenttrusts

Registrar

Link Asset Services Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU

If you hold shares directly and have queries relating to your shareholding, you should contact the Registrar on ☎ 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider.

From outside the UK: +44 (0)371 664 0300. Calls from outside the UK will be charged at the applicable international rate. Lines are open from 9am to 5.30pm, Monday to Friday (excluding Bank Holidays in England and Wales).

Shareholders can also access their holding details via Link's website www.signalshares.com

Link Asset Services provides on-line and telephone share dealing services to existing shareholders who are not seeking advice on buying or selling. This service is available at www.linksharedeal.com or ☎ 0371 664 0445. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the UK will be charged at the applicable international rate. Lines are open 9.00am to 5.30pm Monday to Friday (excluding Bank Holidays in England and Wales).

Link Asset Services is the business name of Link Market Services Limited.

Investor Warning

The Company, Invesco and the Registrar would never contact members of the public to offer services or require any type of upfront payment. If you suspect you have been approached by fraudsters, please contact the FCA consumer helpline on 0800 111 6768 and Action Fraud on 0300 123 2040. Further details for reporting frauds, or attempted frauds, can be found on page 73 of the Company's 2020 Annual Financial Report.

The Association of Investment Companies

The Company is a member of the Association of Investment Companies. Contact details are as follows:
☎ 020 7282 5555
Email: enquiries@theaic.co.uk
Website: www.theaic.co.uk

Website

Information relating to the Company can be found on the Company's section of the Manager's website at www.invesco.co.uk/invescoasia

The contents of websites referred to in this document, or accessible from links within those websites, are not incorporated into, nor do they form part of, this document.

The Company's ordinary shares qualify to be considered as a mainstream investment product suitable for promotion to retail investors.