



UK 2 Investment Series

Annual Report

Authorised Corporate Director's Short Report

Issued May 2016

For the year 1 April 2015 to 31 March 2016



Contents

01	Invesco Perpetual Income Fund
11	Invesco Perpetual UK Enhanced Index Fund
20	Invesco Perpetual UK Strategic Income Fund

Further information

This Short Report, which is unaudited, has been prepared by the Authorised Corporate Director (the “Manager”) in respect of the Invesco Perpetual UK 2 Investment Series (the “Company”) in accordance with the Open-Ended Investment Companies Regulations 2001. The Manager’s Long Form Financial Statements, and the Prospectus which contains a written statement of the Terms and Conditions of the Company, can be obtained using the contact details shown on the back cover.

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

Remuneration policy

Following recent changes to the rules applicable to UCITS management companies (such as the Manager, Invesco Fund Managers Limited), the Manager adopted on 18 March 2016 a revised remuneration policy which is consistent with the new remuneration principles applicable to UCITS management companies. Its purpose is to ensure that 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 itself and the UCITS it manages (including the Company) and does not impair the Manager’s compliance with its duty to act in the best interests of the UCITS it manages. Further information is available in the Manager’s UCITS Remuneration Policy document which can be obtained from the Literature and forms section of our website (www.invescoperpetual.co.uk). Paper copies can be obtained, free of charge, upon request to the Manager using the contact details shown on the back cover.

The rules require the Manager to disclose in the Company’s annual report, certain quantitative disclosures concerning the Manager’s remuneration policy, including: (i) the total and aggregate amount of remuneration paid by the Manager to its staff (including any amounts paid directly by the Company); (ii) the number of beneficiaries; (iii) a description of how the remuneration and benefits have been calculated; and (iv) certain information regarding the Manager’s oversight of its remuneration policy and details of any changes to the Manager’s remuneration policies since the previous annual report. However, as noted above, the revised policy has been in place for less than a full performance period. Consequently, in accordance with the relevant rules, the aforementioned disclosures are not included in this report as the available partial-year information would not provide materially relevant, reliable, comparable and clear information to investors. The Manager will disclose the quantitative UCITS remuneration data in the next annual report for the Company where information for a full performance year will be available.

Change of Depositary

As of 1 January 2016 the Depositary for the Company has changed from Citibank International Limited to Citibank Europe plc, UK Branch.

Invesco Perpetual Income Fund

Investment objective and policy

The sub fund aims to achieve a reasonable level of income, together with capital growth. The sub fund intends to invest primarily in UK companies, with the balance invested internationally. In pursuing this objective, the fund managers may include investments that they consider appropriate which include transferable securities, unlisted securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions as detailed in Appendix 2 of the most recent Prospectus.

Risk profile

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested. Over time, inflation may erode the value of investments. The sub fund may invest in private and unlisted equities which may involve additional risks such as lack of liquidity and concentrated ownership. These investments may result in greater fluctuations of the value of the sub fund. The Manager, however, will ensure that any investments in private and unlisted equities do not materially alter the overall risk profile of the sub fund. The sub fund may use derivatives (complex instruments) in an attempt to reduce the overall risk of its 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 fund. The Manager, however, will ensure that the use of derivatives within the sub fund does not materially alter the overall risk profile of the sub fund. As one of the key objectives of the sub fund is to provide income, the ongoing charge is taken from capital rather than income. This can erode capital and reduce the potential for capital growth. 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.

Strategy, review and outlook

In the twelve months to 31 March 2016, the sub fund delivered a return of -2.9%, compared to the -3.9% return of the FTSE All-Share Index. This placed the sub fund in the second quartile of its peer group, the IA UK All Companies Sector NR, which fell by an average of 2.6%.

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

Past performance is not a guide to future returns.

The twelve month period saw the UK equity market demonstrate a high level of volatility, largely driven by events on the international stage. Concerns centred on a slowing Chinese economy, falling global commodity and energy prices and on what would be the impact of the US's first interest rate rise since 2006. The FTSE All-Share Index hit its lowest level since 2012 in February, as the oil price hit a ten year low and fears grew over the risk of a global recession, while oil and mining companies cut profit guidance and, in some cases, dividends. The turbulence moderated as the period drew to an end, primarily due to the US Federal Reserve stating that the US central bank should proceed cautiously with interest rate rises.

The sub fund's performance over the period was positively impacted by its holdings in the tobacco sector – Reynolds American, Imperial Brands and British American Tobacco (which owns 40% of

Invesco Perpetual Income Fund

Reynolds American). A deal concluded during the year, whereby Reynolds bought the tobacco business of Lorillard and sold certain brands to Imperial, was expected to be earnings enhancing to both companies – further underpinning their ability to deliver strong dividend growth.

Other notable contributions to sub fund performance came from Amlin, which agreed to a bid from Mitsui, as well as Provident Financial, whose long term share price performance led to it being included in the FTSE 100 Index of leading UK companies in March, and Cranswick, one of the UK's leading suppliers of pork, which delivered excellent trading news.

The holding in Rolls-Royce weighed on sub fund performance. The company published a negative trading update in November, forecasting that demand would weaken in 2016. Also contributing negatively were the holdings in Alkermes, where a novel anti-depressant drug failed to prove efficacy in Phase 3 trials, and G4S, where trading in the UK and emerging markets proved tougher than hoped.

The sub fund strategy remains unchanged from the recent past. The Manager favours companies that offer visibility of revenues, profits and cash-flows in this low growth world and which are managed for the primary purpose of delivering Shareholder value in the form of a sustainable and growing dividend.

Mark Barnett, Fund Manager

Where Mark Barnett has expressed opinions, they are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco Perpetual investment professionals.

Invesco Perpetual Income Fund

Fund facts

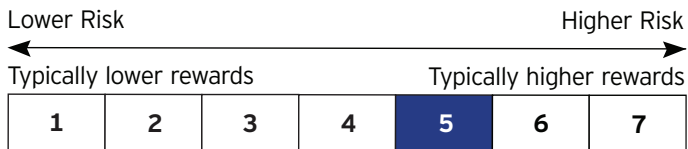
Launch date		16 June 1979
Fund size at 31.3.16		£5,912 million
Accounting date		31 March
Ex-dividend date		1 April and 1 October
Distribution payable		31 May and 30 November
Fund Management Fee	- Trail classes	1.66% per annum
	- No Trail classes	1.16% per annum
	- Z classes	0.91% per annum
	- Y classes	0.86% per annum
Entry charge		5%
Operating charges figure for the year ended 31.3.16	- Trail classes	1.66%
	- No Trail classes	1.16%
	- Z classes	0.91%
	- Y classes	0.86%
Operating charges figure for the year ended 31.3.15	- Trail classes	1.66%
	- No Trail classes	1.16%
	- Z classes	0.91%
	- Y classes	0.86%

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

Invesco Perpetual Income Fund

Risk and Reward Profiles

for the year 1 April 2015 to 31 March 2016



The risk category shown is 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 5 indicates its price has experienced significant 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.invescopetual.co.uk or by contacting us.

Invesco Perpetual Income Fund

Distributions	01.4.15 to 31.3.16 p	01.4.14 to 31.3.15 p
Accumulation shares		
Paid 30 November 2015	47.7912	47.8175
Payable 31 May 2016	49.7907	43.6756
Total	97.5819	91.4931
Accumulation shares (No Trail)		
Paid 30 November 2015	2.6249	2.6091
Payable 31 May 2016	2.7381	2.3901
Total	5.3630	4.9992
Z Accumulation shares		
Paid 30 November 2015	4.6003	4.5591
Payable 31 May 2016	4.8067	4.1835
Total	9.4070	8.7426
Y Accumulation shares		
Paid 30 November 2015	3.4831	3.4490
Payable 31 May 2016	3.6423	3.1672
Total	7.1254	6.6162
Income shares		
Paid 30 November 2015	26.9923	27.8434
Payable 31 May 2016	27.6657	25.0115
Total	54.6580	52.8549
Income shares (No Trail)		
Paid 30 November 2015	1.9511	1.9996
Payable 31 May 2016	2.0058	1.8018
Total	3.9569	3.8014
Z Income shares		
Paid 30 November 2015	4.2437	4.3378
Payable 31 May 2016	4.3667	3.9137
Total	8.6104	8.2515
Y Income shares		
Paid 30 November 2015	3.3243	3.3936
Payable 31 May 2016	3.4232	3.0660
Total	6.7475	6.4596

Invesco Perpetual Income Fund

Price and revenue record by share class

Accounting period	Highest share price p	Lowest share price p	Net revenue per share p
Accumulation shares			
Year ended 31 March 2014	2,811.95	2,425.28	89.9663
Year ended 31 March 2015	3,252.93	2,715.52	91.4931
Year ended 31 March 2016	3,287.82	2,891.63	97.5819
Accumulation shares (No Trail)			
Year ended 31 March 2014	153.22	131.55	4.8947
Year ended 31 March 2015	178.18	148.08	4.9992
Year ended 31 March 2016	180.25	159.10	5.3630
Z Accumulation shares			
Year ended 31 March 2014	267.61	229.21	8.5278
Year ended 31 March 2015	312.03	258.71	8.7426
Year ended 31 March 2016	315.79	279.23	9.4070
Y Accumulation shares			
31 March 2014 to 31 March 2014	200.00	200.00	3.2204
Year ended 31 March 2015	236.28	195.79	6.6162
Year ended 31 March 2016	239.15	211.54	7.1254
Income shares			
Year ended 31 March 2014	1,664.05	1,460.79	53.7179
Year ended 31 March 2015	1,862.81	1,555.05	52.8549
Year ended 31 March 2016	1,856.95	1,608.16	54.6580
Income shares (No Trail)			
Year ended 31 March 2014	119.35	104.32	3.8474
Year ended 31 March 2015	134.32	111.88	3.8014
Year ended 31 March 2016	134.02	116.48	3.9569
Z Income shares			
Year ended 31 March 2014	258.68	225.40	8.3336
Year ended 31 March 2015	291.89	242.87	8.2515
Year ended 31 March 2016	291.37	253.67	8.6104
Y Income shares			
31 March 2014 to 31 March 2014	200.00	200.00	3.2204
Year ended 31 March 2015	228.65	190.22	6.4596
Year ended 31 March 2016	228.27	198.82	6.7475

Y Accumulation shares and Y Income shares were issued at 200p on 31 March 2014.

Invesco Perpetual Income Fund

Net asset value	Net asset value	Net asset value	Percentage growth %
	per share 31.3.16 p	per share 31.3.15 p	
Accumulation shares	3,087.03	3,153.94	-2.1
Accumulation shares (No Trail)	169.96	172.77	-1.6
Z Accumulation shares	298.39	302.58	-1.4
Y Accumulation shares	226.08	229.12	-1.3
Income shares	1,689.15	1,781.11	-5.2
Income shares (No Trail)	122.43	128.44	-4.7
Z Income shares	266.72	279.14	-4.4
Y Income shares	209.06	218.66	-4.4

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

Performance

to 31 March 2016

	Since	Since	Since	Percentage growth	
	30.9.15 %	31.3.15 %	31.3.13 %	Since 31.3.11 %	Since 31.3.06 %
Invesco Perpetual Income Fund (income shares)	0.24	-2.94	25.43	65.59	106.29
FTSE All-Share Index	3.52	-3.92	11.42	31.91	58.27
IA UK All Companies Sector NR	2.71	-2.59	17.61	39.38	59.57
Fund Ranking	219/259	112/256	62/244	24/230	26/182

Standardised rolling 12 month performance

	31.3.11	31.3.12	31.3.13	Percentage growth	
	31.3.12 %	31.3.13 %	31.3.14 %	31.3.14 %	31.3.15 %
Invesco Perpetual Income Fund (income shares)	11.0	19.0	13.1	14.3	-2.9

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

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

The value of investments and any income from them will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Past performance is not a guide to future returns. Current tax levels and reliefs may change. Depending on individual circumstances, this may affect investment returns.

Invesco Perpetual Income Fund

Portfolio classification	As at 31.3.16 %	As at 31.3.15 %
Investment		
Finland		
Health Care	0.15	0.07
Guernsey		
Industrials	0.80	-
Luxembourg		
Industrials	-	0.33
Norway		
Industrials	0.68	0.49
Republic of Ireland		
Consumer Services	-	0.02
Switzerland		
Health Care	2.70	3.77
United Kingdom		
Oil & Gas	3.30	3.19
Industrials	12.93	15.84
Consumer Goods	11.27	10.83
Health Care	11.43	13.27
Consumer Services	9.13	7.00
Telecommunications	4.69	4.96
Utilities	4.58	4.85
Financials	29.84	25.93
Technology	0.29	0.34
United States		
Basic Materials	0.06	0.74
Consumer Goods	5.70	4.35
Health Care	2.31	4.06
Financials	0.22	0.18
Technology	0.26	0.22
Total investments	100.34	100.44
Net other liabilities	(0.34)	(0.44)
Net assets	100.00	100.00

For the year ended 31 March 2016 unquoted securities amounted to 5.21% (31 March 2015 - 6.55%) of the Net Asset Value of the sub fund.

Invesco Perpetual Income Fund

Portfolio Statement Breakdown

As at 31 March 2016

	Percentage of total net assets 31.3.16 %	Percentage of total net assets 31.3.15 %
Quoted securities	95.13	93.89
Unquoted securities	5.21	6.55
Portfolio of investments	100.34	100.44
Net other liabilities	(0.34)	(0.44)
Net assets	100.00	100.00

Invesco Perpetual Income Fund

10 largest investments

As at 31 March 2016:	%	As at 31 March 2015:	%
Reynolds American	5.70	BT	4.44
British American Tobacco	4.80	Reynolds American	4.35
BT	3.95	British American Tobacco	4.35
Imperial Brands	3.80	BAE Systems	4.19
AstraZeneca	3.79	AstraZeneca	4.11
BAE Systems	3.75	Imperial Brands	3.81
BP	3.26	Roche Holding	3.77
Provident Financial	3.05	Allied Minds	3.61
Roche Holding	2.70	BP	3.04
London Stock Exchange	2.40	GlaxoSmithKline	2.91

Invesco Perpetual UK Enhanced Index Fund

Investment objective and policy

The sub fund aims to achieve long term capital growth from investment primarily through a portfolio of investments in UK companies. In pursuing this objective, the fund managers may include other investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions as detailed in Appendix 2 of the most recent Prospectus.

Risk profile

The value of investments and income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested. Over time, inflation may erode the value of investments. The sub fund may use derivatives (complex instruments) in an attempt to reduce the overall risk of its 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 fund. The Manager, however, will ensure that the use of derivatives within the sub fund does not materially alter the overall risk profile of the sub fund. 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.

Strategy, review and outlook

The sub fund fell by 4.0% over the twelve months to the end of March 2016, compared to a 3.9% decrease in the FTSE All-Share Index. This placed the sub fund in the third quartile of its peer group, the IA UK All Companies Sector NR, which ended the period an average of 2.6% lower.

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

Past performance is not a guide to future returns.

The recovery of the UK economy continued in 2015, but grew at a slightly lower rate than in the earlier upswing of 2014. Concerns about China's economic health and the recovery of the global economy as well as a declining oil price affected the market sentiment. The decision made by the conservative government to call a referendum on 23 June 2016 to determine whether the UK will remain in the European Union (EU) or leave, led to a highly volatile market environment and a sharp decline of the British pound against all major currencies. The Bank of England voted unanimously against an interest rate hike and cut its forecast for the UK economic growth from 2.5% to 2.2%. However, sentiment rebounded later towards the end

Invesco Perpetual UK Enhanced Index Fund

of the reporting period with an oil price recovery, positive corporate news and bolstering monetary policy measures.

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

Stocks with positive scores in our concepts Earnings Expectations and Market Sentiment added most to performance whereas stocks with positive scores in our fundamentally driven concepts Value and Management & Quality only had a minor influence. In terms of individual stock performance, overweight positions relative to the benchmark index in WH Smith, Rightmove and QinetiQ contributed positively. Our most recent addition to the portfolio was Dechra Pharmaceuticals due to a favourable Management & Quality score. Furthermore, we increased our positions in GlaxoSmithKline and Vodafone as they showed attractive scores from our Earnings Expectations factor. On the other side, we sold out of Playtech due to declining attractiveness. Furthermore, we decreased our positions in BP and BT due to risk considerations.

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

Michael Fraikin, Fund Manager

Where Michael Fraikin has expressed opinions, they are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco Perpetual investment professionals.

Invesco Perpetual UK Enhanced Index Fund

Fund facts

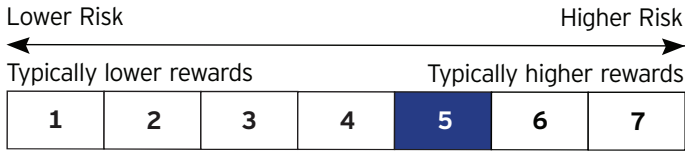
Launch date	16 February 1993
Fund size at 31.3.16	£75.4 million
Accounting date	31 March
Ex-dividend date	1 April and 1 October
Distribution payable	31 May and 30 November
Fund Management Fee	0.38% per annum
Entry charge	5%
Operating charges figure for the year ended 31.3.16	0.38%
Operating charges figure for the year ended 31.3.15	0.38%

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

Invesco Perpetual UK Enhanced Index Fund

Risk and Reward Profiles

for the year 1 April 2015 to 31 March 2016



The risk category shown is 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 5 indicates its price has experienced significant rises and falls historically.

The risk category for this sub fund changed from 6 to 5 on 1 September 2015.

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.invescopetperpetual.co.uk or by contacting us.

Invesco Perpetual UK Enhanced Index Fund

Distributions	01.4.15 to 31.3.16	01.4.14 to 31.3.15
	p	p
Accumulation shares (No Trail)		
Paid 30 November 2015	7.6189	7.1935
Payable 31 May 2016	6.3073	5.4882
Total	13.9262	12.6817
Income shares (No Trail)		
Paid 30 November 2015	4.8407	4.7207
Payable 31 May 2016	3.9287	3.5346
Total	8.7694	8.2553

Invesco Perpetual UK Enhanced Index Fund

Price and revenue record by share class

Accounting period	Highest share price p	Lowest share price p	Net revenue per share p
Accumulation shares (No Trail)			
Year ended 31 March 2014	387.61	324.79	11.2648
Year ended 31 March 2015	421.77	355.57	12.6817
Year ended 31 March 2016	428.48	350.85	13.9262
Income shares (No Trail)			
Year ended 31 March 2014	257.59	219.90	7.5674
Year ended 31 March 2015	271.60	228.97	8.2553
Year ended 31 March 2016	272.22	218.52	8.7694

Invesco Perpetual UK Enhanced Index Fund

Net asset value	Net asset value per share 31.3.16 p	Net asset value per share 31.3.15 p	Percentage growth %
Accumulation shares (No Trail)	392.17	406.51	-3.5
Income shares (No Trail)	240.32	258.24	-6.9

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

Performance to 31 March 2016	Since 30.9.15 %	Since 31.3.15 %	Since 31.3.13 %	Percentage growth Since 31.3.11 %	Since 31.3.06 %
Invesco Perpetual UK Enhanced Index Fund (accumulation shares (No Trail))	3.07	-3.99	14.08	41.81	61.16
FTSE All-Share (ex Investment Trusts) Index	3.50	-3.99	11.16	31.70	57.92
FTSE All-Share Index	3.52	-3.92	11.42	31.91	58.27
IA UK All Companies Sector NR	2.71	-2.59	17.61	39.38	59.57
Fund Ranking	126/259	132/256	142/244	100/230	85/182

Standardised rolling 12 month performance	31.3.11 31.3.12 %	31.3.12 31.3.13 %	31.3.13 31.3.14 %	Percentage growth 31.3.14 31.3.15 %	31.3.15 31.3.16 %
Invesco Perpetual UK Enhanced Index Fund (accumulation shares (No Trail))	3.4	20.2	10.1	7.9	-4.0

This standardised past performance information is updated on a quarterly basis. Should you require up to date past performance information, this is available on our website www.invescoperpetual.co.uk or by contacting us.

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

The value of investments and any income from them will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Past performance is not a guide to future returns. Current tax levels and reliefs may change. Depending on individual circumstances, this may affect investment returns.

Invesco Perpetual UK Enhanced Index Fund

Portfolio classification	As at 31.3.16 %	As at 31.3.15 %
Investment		
Republic of Ireland		
Industrials	0.48	0.24
Switzerland		
Basic Materials	0.53	-
Consumer Goods	0.16	-
United Kingdom		
Oil & Gas	11.07	12.99
Basic Materials	5.63	7.33
Industrials	7.99	8.74
Consumer Goods	18.47	13.08
Health Care	8.77	8.54
Consumer Services	12.97	13.51
Telecommunications	6.23	5.63
Utilities	4.60	3.91
Financials	19.15	21.22
Technology	1.23	2.64
Futures & Derivatives		
Futures	0.01	(0.01)
Total investments	97.29	97.82
Net other assets	2.71	2.18
Net assets	100.00	100.00

Invesco Perpetual UK Enhanced Index Fund

10 largest investments

As at 31 March 2016:	%	As at 31 March 2015:	%
Royal Dutch Shell	6.86	Royal Dutch Shell	7.49
British American Tobacco	5.03	HSBC	4.94
Vodafone	4.44	BP	4.65
HSBC	3.92	British American Tobacco	4.49
BP	3.87	AstraZeneca	3.86
AstraZeneca	3.54	BT	2.90
GlaxoSmithKline	3.29	Vodafone	2.60
Reckitt Benckiser	3.01	Reckitt Benckiser	2.43
Imperial Brands	2.80	Legal & General	2.25
Rio Tinto	2.35	Rio Tinto	2.22

Invesco Perpetual UK Strategic Income Fund

Investment objective and policy

The sub fund aims to produce an above average income with capital growth primarily through a portfolio of investments in UK companies. In pursuing this objective, the fund managers may include other investments that they consider appropriate which include transferable securities, unlisted securities, money market instruments, warrants, collective investment schemes, deposits and other permitted investments and transactions as detailed in Appendix 2 of the most recent Prospectus.

Risk profile

The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested. Over time, inflation may erode the value of investments. As one of the key objectives of the sub fund is to provide income, the ongoing charge is taken from capital rather than income. This can erode capital and reduce the potential for capital growth. The sub fund may invest in private and unlisted equities which may involve additional risks such as lack of liquidity and concentrated ownership. These investments may result in greater fluctuations of the value of the sub fund. The Manager, however, will ensure that any investments in private and unlisted equities do not materially alter the overall risk profile of the sub fund. The sub fund may use derivatives (complex instruments) in an attempt to reduce the overall risk of its 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 fund. The Manager, however, will ensure that the use of derivatives within the sub fund does not materially alter the overall risk profile of the sub fund. 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.

Strategy, review and outlook

The sub fund rose in value by 1.0% during the twelve months to the end of March 2016 compared to the -3.9% return of the FTSE All-Share Index. This placed the sub fund in the first quartile of its peer group, the IA UK All Companies Sector NR, which fell by an average of 2.6%.

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

Past performance is not a guide to future returns.

The twelve month period saw the UK equity market demonstrate a high level of volatility, largely driven by events on the international stage. Concerns centred on a slowing Chinese economy, falling global commodity and energy prices and on what would be the impact of the US's first interest rate rise since 2006. The FTSE All-Share Index hit its lowest level since 2012 in February, as the oil price hit a ten year low and fears grew over the risk of a global recession, while oil and mining companies cut profit guidance and, in some cases, dividends. The turbulence moderated as the period drew to an end, primarily due to the US Federal Reserve stating that the US central bank should proceed cautiously with interest rate rises.

The sub fund's performance over the period was positively impacted by its holdings in the tobacco sector – Reynolds American, Imperial Brands and British American Tobacco (which owns 40% of Reynolds American). A deal concluded during the year, whereby Reynolds bought the tobacco business of Lorillard and sold certain brands to Imperial, was expected to be earnings enhancing to both companies – further underpinning their ability to deliver strong dividend growth.

Invesco Perpetual UK Strategic Income Fund

Other notable contributions to sub fund performance came from Amlin, which agreed to a bid from Mitsui, and Provident Financial – whose long term share price performance led to it being included in the FTSE 100 Index of leading UK companies in March.

The holding in Rolls-Royce weighed on performance. The company published a negative trading update in November, forecasting that demand would weaken in 2016. Also detracting were the holdings in Game Digital, which announced disappointing sales over the key pre-Christmas trading period, and G4S, where trading in the UK and emerging markets proved tougher than hoped.

The sub fund strategy remains unchanged from the recent past. The Manager favours companies that offer visibility of revenues, profits and cash-flows in this low growth world and which are managed for the primary purpose of delivering shareholder value in the form of a sustainable and growing dividend.

Mark Barnett, Fund Manager

Where Mark Barnett has expressed opinions, they are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco Perpetual investment professionals.

Invesco Perpetual UK Strategic Income Fund

Fund facts

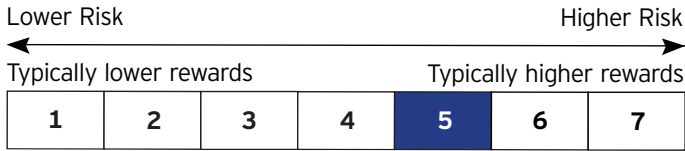
Launch date		25 June 1971
Fund size at 31.3.16		£1,091 million
Accounting date		31 March
Ex-dividend date		1 April and 1 October
Distribution payable		31 May and 30 November
Fund Management Fee	- Trail classes	1.67% per annum
	- No Trail classes	1.17% per annum
	- Z classes	0.92% per annum
	- Y classes	0.87% per annum
Entry charge		5%
Operating charges figure for the year ended 31.3.16	- Trail classes	1.67%
	- No Trail classes	1.17%
	- Z classes	0.92%
	- Y classes	0.87%
Operating charges figure for the year ended 31.3.15	- Trail classes	1.67%
	- No Trail classes	1.17%
	- Z classes	0.92%
	- Y classes	0.87%

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

Invesco Perpetual UK Strategic Income Fund

Risk and Reward Profiles

for the year 1 April 2015 to 31 March 2016



The risk category shown is 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 5 indicates its price has experienced significant 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.invescopetual.co.uk or by contacting us.

Invesco Perpetual UK Strategic Income Fund

Distributions	01.4.15 to 31.3.16 p	01.4.14 to 31.3.15 p
Accumulation shares		
Paid 30 November 2015	3.1316	2.8210
Payable 31 May 2016	2.8681	2.8103
Total	5.9997	5.6313
Accumulation shares (No Trail)		
Paid 30 November 2015	12.4397	11.1285
Payable 31 May 2016	11.4030	11.1245
Total	23.8427	22.2530
Z Accumulation shares		
Paid 30 November 2015	5.5242	4.9308
Payable 31 May 2016	5.0715	4.9362
Total	10.5957	9.8670
Y Accumulation shares		
Paid 30 November 2015	3.8705	3.4516
Payable 31 May 2016	3.5542	3.4568
Total	7.4247	6.9084
Income shares		
Paid 30 November 2015	2.3478	2.1850
Payable 31 May 2016	2.1136	2.1401
Total	4.4614	4.3251
Income shares (No Trail)		
Paid 30 November 2015	9.3266	8.6209
Payable 31 May 2016	8.4034	8.4740
Total	17.7300	17.0949
Z Income shares		
Paid 30 November 2015	5.0762	4.6808
Payable 31 May 2016	4.5803	4.6071
Total	9.6565	9.2879
Y Income shares		
Paid 30 November 2015	3.6815	3.3887
Payable 31 May 2016	3.3234	3.3398
Total	7.0049	6.7285

Invesco Perpetual UK Strategic Income Fund

Price and revenue record by share class

Accounting period	Highest share price p	Lowest share price p	Net revenue per share p
Accumulation shares			
Year ended 31 March 2014	166.19	136.77	5.5089
Year ended 31 March 2015	188.60	157.35	5.6313
Year ended 31 March 2016	191.91	170.05	5.9997
Accumulation shares (No Trail)			
Year ended 31 March 2014	654.57	536.23	21.6556
Year ended 31 March 2015	746.75	621.65	22.2530
Year ended 31 March 2016	760.53	676.32	23.8427
Z Accumulation shares			
Year ended 31 March 2014	289.78	236.84	9.5772
Year ended 31 March 2015	331.46	275.63	9.8670
Year ended 31 March 2016	337.73	300.86	10.5957
Y Accumulation shares			
31 March 2014 to 31 March 2014	200.00	200.00	3.4706
Year ended 31 March 2015	232.21	193.05	6.9084
Year ended 31 March 2016	236.62	210.88	7.4247
Income shares			
Year ended 31 March 2014	131.01	109.78	4.3827
Year ended 31 March 2015	143.63	119.82	4.3251
Year ended 31 March 2016	143.86	125.28	4.4614
Income shares (No Trail)			
Year ended 31 March 2014	516.04	430.46	17.2225
Year ended 31 March 2015	568.73	473.44	17.0949
Year ended 31 March 2016	570.17	498.30	17.7300
Z Income shares			
Year ended 31 March 2014	279.95	232.99	9.3342
Year ended 31 March 2015	309.36	257.25	9.2879
Year ended 31 March 2016	310.29	271.67	9.6565
Y Income shares			
31 March 2014 to 31 March 2014	200.00	200.00	3.4706
Year ended 31 March 2015	224.36	186.51	6.7285
Year ended 31 March 2016	225.05	197.11	7.0049

Y Accumulation shares and Y Income shares were issued at 200p on 31 March 2014.

Invesco Perpetual UK Strategic Income Fund

Net asset value

	Net asset value per share 31.3.16 p	Net asset value per share 31.3.15 p	Percentage growth %
Accumulation shares	180.73	181.06	-0.2
Accumulation shares (No Trail)	719.28	716.97	0.3
Z Accumulation shares	320.08	318.26	0.6
Y Accumulation shares	224.36	222.96	0.6
Income shares	131.04	135.74	-3.5
Income shares (No Trail)	521.55	537.57	-3.0
Z Income shares	284.44	292.44	-2.7
Y Income shares	206.40	212.08	-2.7

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

Performance

to 31 March 2016

	Since 30.9.15 %	Since 31.3.15 %	Since 31.3.13 %	Percentage growth Since 31.3.11 %	Since 31.3.06 %
Invesco Perpetual UK Strategic Income Fund (income shares (No Trail))	1.58	1.01	33.42	81.33	122.56
FTSE All-Share Index	3.52	-3.92	11.42	31.91	58.27
IA UK All Companies Sector NR	2.71	-2.59	17.61	39.38	59.57
Fund Ranking	182/259	54/256	23/244	10/230	13/182

Standardised rolling 12 month performance

	31.3.11 31.3.12 %	31.3.12 31.3.13 %	31.3.13 31.3.14 %	Percentage growth 31.3.14 31.3.15 %	31.3.15 31.3.16 %
Invesco Perpetual UK Strategic Income Fund (income shares (No Trail))	6.9	27.1	18.3	11.6	1.0

This standardised past performance information is updated on a quarterly basis. Should you require up to date past performance information, this is available on our website www.invesco-perpetual.co.uk or by contacting us.

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

The value of investments and any income from them will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Past performance is not a guide to future returns. Current tax levels and reliefs may change. Depending on individual circumstances, this may affect investment returns.

Invesco Perpetual UK Strategic Income Fund

Portfolio classification	As at 31.3.16 %	As at 31.3.15 %
Investment		
Guernsey		
Industrials	0.64	0.75
Financials	1.11	1.15
Macau		
Financials	0.40	0.73
Switzerland		
Health Care	3.66	5.38
United Kingdom		
Oil & Gas	3.52	3.09
Basic Materials	-	0.08
Industrials	14.67	15.90
Consumer Goods	10.11	9.96
Health Care	12.39	12.92
Consumer Services	8.59	8.51
Telecommunications	5.87	6.50
Utilities	4.84	4.20
Financials	26.77	25.98
Technology	0.10	0.11
United States		
Basic Materials	0.01	0.02
Consumer Goods	5.59	4.44
Health Care	2.32	2.09
Total investments	100.59	101.81
Net other liabilities	(0.59)	(1.81)
Net assets	100.00	100.00

For the year ended 31 March 2016 unquoted securities amounted to 1.65% (31 March 2015 - 2.28%) of the Net Asset Value of the sub fund.

Portfolio Statement Breakdown

As at 31 March 2016

	Percentage of total net assets 31.3.16 %	Percentage of total net assets 31.3.15 %
Quoted securities	98.94	99.53
Unquoted securities	1.65	2.28
Portfolio of investments	100.59	101.81
Net other liabilities	(0.59)	(1.81)
Net assets	100.00	100.00

Invesco Perpetual UK Strategic Income Fund

10 largest investments

As at 31 March 2016:	%	As at 31 March 2015:	%
Reynolds American	5.59	British American Tobacco	4.46
British American Tobacco	4.92	BT	4.45
Imperial Brands	4.01	Reynolds American	4.44
BT	3.80	AstraZeneca	4.20
AstraZeneca	3.61	Roche Holding	3.71
BP	3.52	Imperial Brands	3.56
BAE Systems	3.48	BAE Systems	3.18
Provident Financial	3.23	BP	3.09
Legal & General	2.68	Provident Financial	2.81
Roche Holding	2.59	GlaxoSmithKline	2.61

The Company

The Invesco Perpetual UK 2 Investment Series is an investment company with variable capital, incorporated in England and Wales on 11 April 2003 .

The Company is 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 March 2016, the Company consisted of three sub funds:

Invesco Perpetual Income Fund
Invesco Perpetual UK Enhanced Index Fund
Invesco Perpetual UK Strategic Income Fund

Authorised Corporate Director (“the Manager”)

Invesco Fund Managers Limited
Registered Office: Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK
Registered in England No. 898166

The Manager's investment adviser is:

Invesco Asset Management Limited, Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK
Registered in England No. 949417

Invesco Asset Management Limited and Invesco Fund Managers Limited are authorised and regulated by the Financial Conduct Authority.

Registrar

Invesco Fund Managers Limited
Registered Office: Perpetual Park, Perpetual Park Drive, Henley-on-Thames, Oxfordshire RG9 1HH, UK

For registration enquiries please call free on telephone 0800 085 8677 or write to us at:

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

Depository

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

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside, London SE1 2RT, UK

Further information

General enquiries

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

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

www.invescoperpetual.co.uk
enquiry@invescoperpetual.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.

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.

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.invescoperpetual.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.invescoperpetual.co.uk).

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

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

60684/PRG/190516