



Invesco Capital Shield 90 (EUR) Fund

Fund Update

A Shares, data as at 24 February 2009, unless otherwise stated.

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Fund facts

Fund name: Invesco Capital Shield 90 (EUR) Fund
Fund manager: Martin Kolrep, Frankfurt
Launch date: 9 May 2003
Fund domicile: Luxembourg
Legal structure: A sub-fund of Invesco Funds (Luxembourg SICAV)
Fund currency: EUR
ISIN: A: LU0166421692
Minimum investment: (A) USD 1,500
Max. Initial fee: A (acc): 5.25%
Annual mgmt. fee: A: 1.00%
Reference index: 3-Month EURIBOR
Unit type: Accumulation

S&P Fund Management Rating

Invesco Capital Shield 90 (EUR) Fund



Source: Standard & Poor's, as at 30/01/2009.

Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time.

The Invesco Capital Shield 90 (EUR) Fund aims to provide an adequate total return through investment in a diversified portfolio of short-duration debt securities and exposure to equity and bond markets through the use of derivatives.

It was the intention of the Investment Advisor to preserve at least 90% of the highest ever NAV at any time during the life of the fund. The Investment Advisor has taken every reasonable effort to preserve this floor but neither the Investment Advisor, nor any other Invesco entity, guaranteed the floor.

As of 2 February 2009, the fund's NAV has fallen below the floor. This is due to extraordinary prevailing market conditions which put significant liquidity and pricing pressure on the floating rate notes within the fund's portfolio.

A comment on the current portfolio

At present, the fund is utilising floating rate notes to seek direct exposure to the debt market. The fund also has a pure cash exposure, which is invested in overnight time deposits. There is currently no derivative overlay in place.

In light of current market conditions Invesco has undertaken a review of the entire portfolio and consequently has in recent weeks reduced the exposure of the fund to the credit markets overall.

As at 17 February 2009 almost 38.9% of the funds assets are held in pure cash, compared to 13.5% at 31 January 2009. This should help meet any redemption requests.

As part of the review of the entire portfolio, Invesco has also reduced the exposure of the fund specifically to those issuers which we believe pose greater risk of future capital loss for the fund. There currently is no exposure to any issuer with a rating of less than A in the portfolio.

All of these measures have been undertaken with the belief that they will have both a stabilizing effect on the NAV of the fund while still maintaining the upside potential of a floating rate notes portfolio that is better positioned to benefit from current market conditions.

The table below lists the current statistics as of 17 February 2009 of the portfolio of Floating Rate Notes.

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| As of 17/02/2009 | | Credit Ratings | |
|-------------------------------|------------|----------------|-------|
| Number of holdings | 22 | AAA | 2.7% |
| Average Maturity | 1.97 years | AA | 39.5% |
| Average Price | 94.70 | A | 18.8% |
| Average Yield to Maturity | 3.68% | Pure Cash | 38.9% |
| Current Euribor 3 Month Yield | 1.91% | | |

Source: Invesco Quantitative Equity Strategies



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The table below lists the statistics of the portfolio of Floating Rate Notes as of 31 January 2009.

| As of 31/01/2009 | | Credit Ratings | |
|-------------------------------|------------|----------------|-------|
| Number of holdings | 42 | AAA | 14.1% |
| Average Maturity | 3.04 years | AA | 46.4% |
| Average Price | 93.15 | A | 25.2% |
| Average Yield to Maturity | 4.12% | BBB or below | 0.8% |
| Current Euribor 3 Month Yield | 2.08% | Pure Cash | 13.5% |

Source: Invesco Quantitative Equity Strategies

One of the floating rate notes in the portfolio, issued by an Icelandic bank, was downgraded to D in October 2008, at the time of the default the floating rate note accounted for around 0.1% of the portfolio. The current exposure is 0.0% as at 31 January 2009.

Fund NAV development

The highest NAV per share of the Invesco Capital Shield 90 (EUR) Fund was EUR 12.27, registered on 16 July 2007. The NAV as of 2 February 2009 declined to EUR 10.95, which did not meet the Investment Advisor's target to preserve at least 90% of the highest ever NAV during the life of the fund.

The NAV as of 11 February 2009 declined to EUR 10.53 however the NAV has recovered over recent days to EUR 10.71 as of 24 February 2009.

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|--------------------------------|-------|---------|-------|---------|-------|--------------|
| THIS PAGE: 02/24/09 - 12/31/08 | | | | | | Currency EUR |
| DATE | NAV | DATE | NAV | DATE | NAV | |
| F 02/27 | | F 02/06 | 10.80 | F 01/16 | 11.14 | |
| T 02/26 | | T 02/05 | 10.90 | T 01/15 | 11.14 | |
| W 02/25 | | W 02/04 | 10.90 | W 01/14 | 11.15 | |
| T 02/24 | 10.71 | T 02/03 | 10.95 | T 01/13 | 11.14 | |
| M 02/23 | 10.71 | M 02/02 | 10.95 | M 01/12 | 11.14 | |
| F 02/20 | 10.74 | F 01/30 | 11.23 | F 01/09 | 11.14 | |
| T 02/19 | 10.75 | T 01/29 | 11.13 | T 01/08 | 11.17 | |
| W 02/18 | 10.75 | W 01/28 | 11.14 | W 01/07 | 11.17 | |
| T 02/17 | 10.75 | T 01/27 | 11.14 | T 01/06 | 11.28 | |
| M 02/16 | 10.73 | M 01/26 | 11.13 | M 01/05 | 11.14 | |
| F 02/13 | 10.71 | F 01/23 | 11.13 | F 01/02 | 11.16 | |
| T 02/12 | 10.54 | T 01/22 | 11.13 | T 01/01 | 11.17 | |
| W 02/11 | 10.53 | W 01/21 | 11.14 | W 12/31 | 11.17 | |
| T 02/10 | 10.75 | T 01/20 | 11.14 | | | |
| M 02/09 | 10.82 | M 01/19 | 11.13 | | | |

Data as at 24 February 2009. Source: Bloomberg

In an environment of extraordinary market conditions, pricing pressure on the floating rate notes within the fund's portfolio has resulted in a negative performance in February; however the fund NAV has increased from the lowest level so far in 2009, which was registered at 11 February. In the year to 24 February, Invesco Capital Shield 90 (EUR) Fund has registered a performance of - 4.12%.

In January 2009, Invesco has made contributions to the fund on an ad hoc basis. Past performance is not an indication of future performance, provides no guarantee for the future and is not constant over time.



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Data as at 24 February 2009. Source: Bloomberg

Fund total asset development

Total Assets of Invesco Capital Shield 90 (EUR) Fund have declined so far in the month of February 2009, partially due to the decline in the fund's NAV. As of 24 February 2009 the Fund's Total Assets accounted for EUR 482.05m.



Data as at 24 February 2009. Source: Bloomberg

Further developments and announcements on the Fund will be made available at: www.invescoeurope.com



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Important Information

This document is for existing investors as well as their advisors' and distributors' update purposes only and does not constitute an offer. For this purpose in Luxembourg, Austria, Germany, the Netherlands, Spain, France, Belgium, Italy, Switzerland, Finland, Greece, Norway, Sweden and Portugal. Data as at 24 February 2009, unless otherwise stated.

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 amount invested. The fund invests in derivatives. Therefore, the net asset value of the fund may, at times, be highly volatile. The reference index of the Invesco Capital Shield 90 (EUR) Fund was chosen to reflect the long-term target of the fund which is to achieve an attractive total return. Please note, however, that this index is not an indicator of the fund's volatility which is expected to be higher due to the exposure to bond and equity markets.

Investors should note that due to the net asset value falling in excess of 10% sufficient income needs to be generated by the debt securities component to enable a significant participation in the markets to be regained (which may take some time). Transactions in futures carry a high degree of risk as the amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement may have a proportionately larger impact which may work for or against the investor.

Invesco Capital Shield 90 (EUR) Fund is a sub-fund of the Invesco Funds SICAV, organized in Luxembourg and authorized by the Commission de Surveillance du Secteur Financier.

Please refer to the latest Full Prospectus, the relevant Simplified Prospectus, any local Addendum, as well as the latest annual and semi-annual reports for more information on the fund.

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