



# Invesco Capital Shield 90 (EUR) Fund

## Monthly Fund Analysis

A Shares, data as at 30 April 2009

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**Fund name:** Invesco Capital Shield 90 (EUR) Fund  
**Fund manager:** Martin Kolrep, Frankfurt  
**Fund domicile:** Luxembourg  
**Legal structure:** A sub-fund of Invesco Funds (Luxembourg SICAV)  
**Fund currency:** EUR  
**Launch date:** 9 May 2003  
**ISIN:** A: LU0166421692, C: LU0166421858, E: LU0166422070  
**Minimum investment:** (A) USD 1,500; (C) USD 250,000; (E) EUR 500  
**Bloomberg:** A: INVCSSA LX, C: INVCSCA LX, E: INVCSEA LX  
**Maximum initial fee:** A: 5.25%, C: 5.25%, E: 3.0928%  
**Annual mgmt. fee:** A: 1.0%, C: 0.6%, E: 1.5%  
**Reference index:** Euribor 3 Month  
**Unit type:** Accumulation

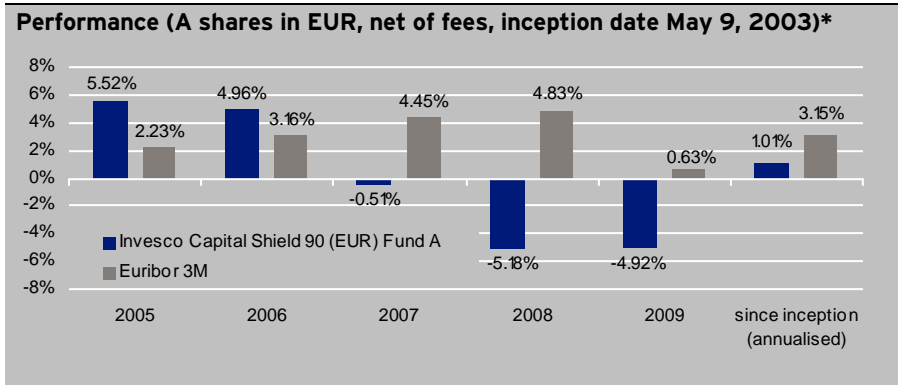
### Important Information for Investors

**As stipulated in the prospectus, 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.

**On 2 February 2009, the fund's NAV fell below the floor (90% of the highest ever NAV), and stayed below the floor throughout February. This is due to extraordinary prevailing market conditions causing significant liquidity and pricing pressure on the floating rate notes within the fund's portfolio.**

The highest NAV per share of the Capital Shield 90 (EUR) Fund was EUR 12.27, registered on 16 July 2007, making the floor EUR 11.04. 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 30 April was EUR 10.62.

Further developments and announcements on the fund will be made available at: [www.invescoeurope.com](http://www.invescoeurope.com)



	Apr 2009*	1 year	3 years	5 years	Since inception*
Fund	0.57%	-8.92%	-8.37%	1.34%	6.20%
Euribor 3 Month	0.12%	3.89%	12.67%	17.89%	20.41%

**Monthly Performance in % (A shares in EUR, net of fees, inception date May 9, 2003)\***

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2003					1.10	0.10	-0.49	0.79	0.30	1.28	0.10	1.16	4.40
2004	0.00	1.25	0.57	-1.41	-0.19	0.57	-0.76	-0.38	0.38	0.48	0.67	1.23	2.39
2005	0.00	0.28	-0.09	-0.47	1.59	1.02	0.37	-0.27	1.19	-0.45	1.54	0.71	5.52
2006	1.24	0.35	0.79	0.35	-1.38	0.00	0.00	0.79	0.69	0.52	0.51	1.02	4.96
2007	0.42	-0.50	0.08	1.35	1.25	0.25	-1.23	-1.16	0.34	0.17	-0.92	-0.51	-0.51
2008	-0.17	-0.26	-0.94	0.34	1.11	0.85	-0.76	0.17	-3.98	-0.88	-0.71	0.00	-5.18
2009	0.54	-5.08	-0.94	0.57									-4.92

\*Data as at 30 April 2009. Since January 2009, Invesco has made contributions to the fund on an ad hoc basis. During February 2009, the NAV declined and did not meet the Investment Advisor's target to preserve at least 90% of the highest ever NAV during the life of the fund. Past performance is not an indication of future performance and provides no guarantee for the future and is not constant over time. Source: Invesco Global Quantitative Equity.



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### Performance commentary

First signs of stabilisation in economic data helped global equity markets to continue their recent rally throughout April supported at the start of the month by positive reaction to the G20 summit, where world leaders agreed on measures to combat the financial crisis. Markets were led by cyclical sectors as data from the US, China and the Euro zone raised hopes that the worst of the economic slowdown had been seen.

The month's equity market gains were also achieved despite the spread of swine flu, which resulted in a short period of profit-taking. Macroeconomic data remained weak, although there are tentative signs that some indicators are bottoming. In the US GDP fell by an annualised 6.1% in the first quarter, meaning the US has suffered its worst six-month GDP contraction in 61 years.

In Japan, the government announced a stimulus plan of the order of 15 trillion Yen (154 bln US-Dollars), the equivalent of around 3% of Japanese GDP. Throughout the globe investor sentiment improved.

Current tactical asset allocation model results		
	As of 31/03/2009	As of 30/04/2009
<b>Equities</b>		
Global	Neutral (O)	Moderately bearish (-)
Euro zone	Moderately bearish (-)	Bearish (- -)
UK	Moderately bearish (-)	Bearish (- -)
US	Moderately bullish (+)	Moderately bearish (-)
Japan	Moderately bullish (+)	Moderately bearish (-)
<b>Bonds</b>		
Euro zone	Bullish (++)	Bullish (++)
US	Bullish (++)	Bearish (- -)
Japan	Moderately bullish (+)	Moderately bearish (-)

Source: Invesco Global Quantitative Equity

### Current tactical asset allocation commentary

Currently the fund is not exposed to the bond or equity markets through the use of derivatives (there is currently no derivative overlay in place).

**Equities:** The signal from our model for global equities moved to moderately bearish from neutral during the month of April. Global equities are attractively valued according to our model. Raw results decreased broadly on lower readings for the economics & inflationary concept. The decrease is related to lower readings on several underlying indicators: a weaker earnings trend, higher expected inflation ahead and higher long-term interest rates.

Outlooks for all underlying regional models decreased, especially in the US and Japan we observe a strong reversal from moderately bullish to moderately bearish. Nevertheless all markets remain attractively valued according to our model except the US where we obtain fair value.

**Bonds:** Outlooks for bonds significantly degraded in the US and Japan during the month of April. The change is mainly due to a decrease in the economics & inflationary concept where the recent stock market rally is interpreted as a leading indicator for economic growth. For all three government bond markets our model indicates that these remain fairly valued.



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### A comment on the current portfolio

The Invesco Capital Shield 90 (EUR) Fund aims to have a diversified portfolio of debt securities and exposure to the bond and equity markets through the use of derivatives. At present, the fund is utilising floating rate notes and commercial paper to seek exposure to the debt market in addition to money market funds. There is only very little duration risk in this part of the portfolio. Currently there are no derivative holdings. As at 30 April 2009, there are 11 individual floating rate note securities in the portfolio.

The table below lists the statistics as of 30 April 2009 of the portfolio.

<b>Portfolio Characteristics</b>	<b>As of 30/04/2009</b>
Number of FRNs	11
Average Maturity	0.77 years
Average Price	97.45
Average Yield to Maturity	1.94%
Current Euribor 3 Month Yield	1.37%

Source: Invesco Global Quantitative Equity

<b>Portfolio Composition</b>	<b>As of 30/04/2009</b>
Floating Rate Notes	34.6%
Commercial Paper	28.2%
Short Term Liquidity Portfolio	8.9%
Cash	28.3%



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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 may invest 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.

The 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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