



## Invesco Capital Shield 90 (USD) Fund Fund Update

11 March 2009

**A Shares, data as at 10 March 2009, unless otherwise stated.**

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### Fund facts

**Fund name:** Invesco Capital Shield 90 (USD) Fund  
**Fund manager:** Martin Kolrep, Frankfurt  
**Launch date:** 25 March 2004  
**Fund domicile:** Luxembourg  
**Legal structure:** A sub-fund of Invesco Funds (Luxembourg SICAV)  
**Fund currency:** USD  
**ISIN:** A: LU0186047873  
**Minimum investment: (A)** USD 1,500  
**Max. initial fee:** A (acc): 5.25%  
**Annual mgmt. fee:** A: 1.00%  
**Reference index:** 3-Month LIBOR USD  
**Unit type:** Accumulation

### S&P Fund Management Rating

Invesco Capital Shield 90 (USD) Fund



Source: Standard & Poor's, July 2008

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

In our ongoing efforts to communicate timely and relevant information to our clients, we wish to take this opportunity to update investors on an important development with:

### Invesco Capital Shield 90 (USD) Fund

#### Fund update

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

In current market conditions, due to the size of the fund, diversification of the debt component of the portfolio, in line with the requirements of the UCITS directive has proven difficult. As a reaction to this, the Investment Advisor has reviewed the portfolio with a view to mitigating the diversification challenges, leading to the disposal of a number of the floating rate notes held within the portfolio in a market of limited liquidity. This action was instigated by the Board of the SICAV (Invesco Funds) in the interests of all shareholders in the fund and has had an impact on the NAV of the fund.

**The current intention is for the portfolio to hold pure cash or pure cash equivalent securities in the short term, pending a review of the investment management strategy. The fund will be closed for subscriptions as of trading day Thursday 12 March 2009 after 10:00 am Irish time pending the outcome of the investment strategy review.**

Background:

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 4 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.

The highest NAV per share of the Invesco Capital Shield 90 (USD) Fund was USD 11.93, registered on 16 July 2007. The NAV as of 4 February 2009 declined to USD 10.71, below the floor of 90% of the highest ever NAV during the life of the fund. The NAV of the fund declined further to USD 10.07 as of 10 March 2009. At this NAV, the fund is 6.24% beneath the floor.

Effective 10 November 2008, Invesco has taken the decision to not charge fees to the fund.



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Page						EquityGP
Hit <MENU> to return to graph or <PAGE> to continue.						Page 2/2
THIS PAGE: 03/10/09 - 01/28/09						Currency USD
DATE	NAV	DATE	NAV	DATE	NAV	
F 03/13		F 02/20	10.59	F 01/30	10.79	
T 03/12		T 02/19	10.59	T 01/29	10.78	
W 03/11		W 02/18	10.59	W 01/28	10.78	
T 03/10	10.07	T 02/17	10.50			
M 03/09	10.07	M 02/16	10.57			
F 03/06	10.00	F 02/13	10.57			
T 03/05	10.01	T 02/12	10.61			
W 03/04	10.34	W 02/11	10.59			
T 03/03	10.46	T 02/10	10.72			
M 03/02	10.46	M 02/09	10.61			
F 02/27	10.45	F 02/06	10.61			
T 02/26	10.56	T 02/05	10.72			
W 02/25	10.59	W 02/04	10.71			
T 02/24	10.55	T 02/03	10.75			
M 02/23	10.57	M 02/02	10.74			

Data as at 10 March 2009. Source: Bloomberg

Since October 2008, Invesco has made contributions to the fund on an ad hoc basis including waiver of fees and coverage of other fund costs. Past performance is not an indication of future performance, provides no guarantee for the future and is not constant over time.

**There has been a significant decline in the fund's NAV from USD 10.34 on 4 March 2009 to USD 10.01 on 5 March 2009.**

This drop in NAV corresponds to a **one-day decline of 3.19%** in percentage terms and is largely attributable to the cost of raising liquidity due to the decision to keep higher levels of liquidity in the portfolio to meet redemptions.

The Investment Advisor continues to review the portfolio to ensure sufficient liquidity levels exist to enable the fund to meet potentially increased client redemption levels. **During this time the fund will remain closed for subscriptions.**



# Invesco Capital Shield 90 (USD) Fund

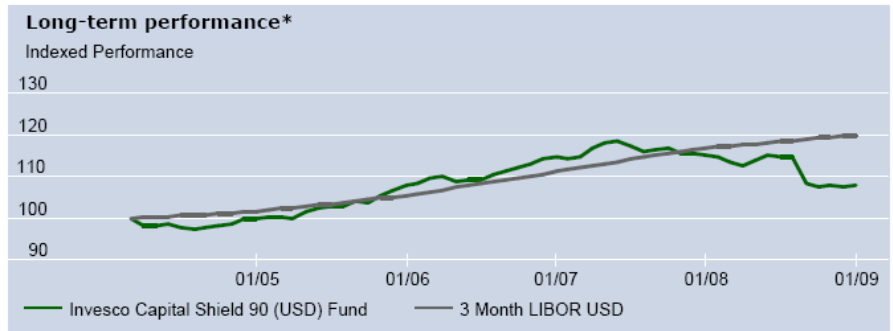
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In terms of performance, the fund has registered a negative return of - 6.24% in the year to 10 March 2009. For performance information over longer periods as of 30 January 2009 please refer to the chart below:



**Cumulative performance\***

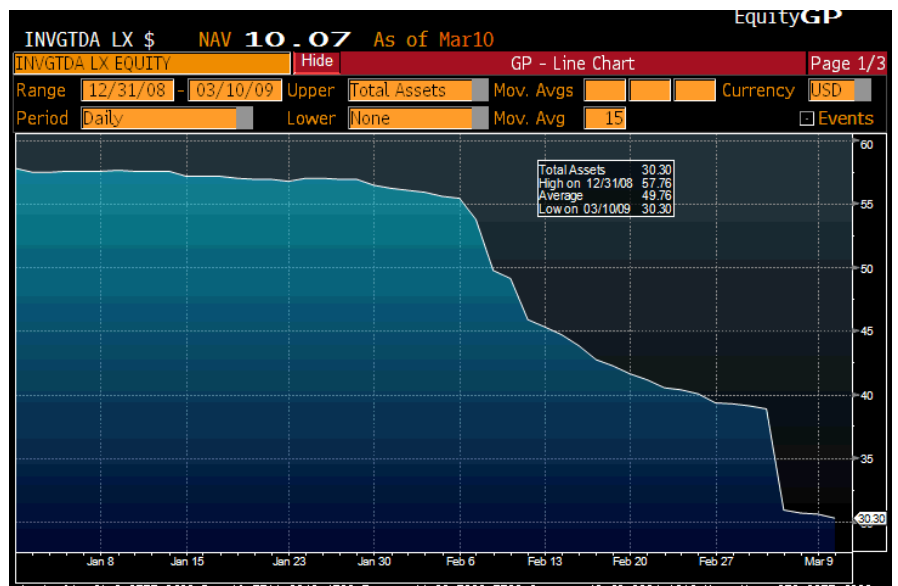
	YTD	1 year	3 years	5 years	Since Inception
Fund	0.47	-6.17	0.09	-	7.90
Index	0.10	2.62	13.58	-	-

Since October 2008, Invesco has made contributions to the fund on an ad hoc basis including waiver of fees and coverage of some fund costs. Past performance is not an indication of future performance, provides no guarantee for the future and is not constant over time. (Source: © 2009 Morningstar)

\*Mid to mid, gross income re-invested to 30 January 2009. The figures do not reflect the initial charge payable by individual investors. Long-term performance is shown since inception of the fund on 25 March 2004.

Total assets in the fund have declined to USD 30.30m as of 10 March 2009.

As of 10 March, Invesco Capital Shield 90 (USD) Fund is 100% invested in pure cash which is currently held in the form of term deposits spread across 6 credit institutions rated A1 or above.



Data as at 10 March 2009. Source: Bloomberg



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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 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 (USD) 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.

Where Invesco has expressed its own views and opinions, these may change.

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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. Further information is available from the contact details below.

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