



30 Finsbury Square, London EC2A 1AG
United Kingdom

Telephone/Investor Services 0800 085 8677
Telephone/Switchboard +44 (0)20 7065 4000
Facsimile +44 (0)20 7638 0752
www.invesco.com

17 October 2008

Counterparty exposure in your Invesco fund

In light of the recent problems experienced by many local authorities and other public sector institutions I thought it would be helpful to reassure you that the funds Invesco's Worldwide Fixed Income team manage on your behalf are being proactively monitored with respect to credit risk and we remain confident that those names our credit analysts allow us to invest with, on your behalf, minimise credit risks to a very low level.

To briefly explain our process we undertake a number of steps to arrive at an approved list of counterparties. Initially, we set a minimum credit rating filter for any counterparty of AA- long-term and F1+ short-term by Fitch (or equivalent). Once this has been applied our own credit analysts undertake an assessment to arrive at a final list of counterparties they consider appropriate for a client such as yourself whom we believe to be at the very low end of the risk spectrum. We then apply maximum counterparty exposure limits and also maximum tenor periods per counterparty which can vary from overnight through to one year.

In some cases, for very specific reasons, a client will request we do not use certain counterparties on our approved list we have developed internally but the majority adopt it.

Invesco is highly resourced with credit analysts spread globally across Europe, US and Australasia. In total we have 32 credit analysts of whom specifically 6 have direct responsibility for undertaking bank credit research.

We believe that the current verbal and written guarantees provided by many national Governments over the past few days has lowered credit risk even further on many of those counterparties with whom we currently invest. These announcements and guarantees are evolving and as a result, details on exactly how they apply in some instances are still unclear. We of course will continue to review them as they are announced.

If you have any questions please do not hesitate to contact me.

Regards,

Paul Mueller
Fixed Income Product Director
020-7065-3595

Invesco Fund Managers Ltd Reg No 898166
Invesco Asset Management Ltd Reg No 949417
Invesco Pensions Ltd Reg No 3507379
Authorised and regulated by the Financial
Services Authority

All companies are registered in England at
30 Finsbury Square, London EC2A 1AG, UK
Group VAT No 245 055 771