



## US High Quality Core

Results as of March 31, 2009

### Key Facts

Benchmark	Barclays Capital Aggregate Bond
Inception	12/31/1992
Total Product Assets*	\$2.3 Billion

### Target Objectives

Performance Objective	75 bps
Tracking Error	100 bps
Annual Turnover	200%

### Rep. Account Characteristics

Avg. Duration (yrs)	4.8
Weighted Avg. Life (yrs)	6.0
Avg. YTM	12.7%
Current Yield	7.9%
Avg. Weighted Coupon	7.4%
Avg. Quality (Moody's)	Aa1

### Available Investment Vehicles

Separate Account	\$25 M Min
Commingled (non-Qualified)	\$10 M Min

### Distinguishing Attributes

- High credit quality
- Investment grade securities
- Broad sector and issuer diversification

\*Total Product Assets shown above may include accounts that are not reflected in the GIPS composite performance.

These portfolio characteristics are subject to change, and current holdings may differ.

Sources: Invesco, Bloomberg, Barclays Capital

For General Institutional Investor Use

### Investment Objective

Invesco Fixed Income's High Quality Core product is a fixed income, total return strategy that seeks to outperform the Barclays Capital Aggregate Bond Index by an average of 75 basis points per year.

### Investment Strategy

High Quality Core returns are generated by actively managing a diversified portfolio of investment grade securities in the Treasury, agency, corporate, mortgage-backed and asset-backed sectors. This strategy may use derivatives, but does not rely on out-of-index sectors to produce returns. Duration, maturity selection, spread volatility, sector and security selection are each potential sources of return. The strategy is designed to maintain a duration range of +/- 25% of the index.

### 1Q09 Commentary

The fixed income market remained highly volatile in the 1st quarter of 2009. Economic uncertainty dominated the investment climate, with negative GDP growth, rising U.S. unemployment rate, burgeoning housing foreclosures, and consumer confidence on a continued freefall. Investors were increasingly apprehensive with the outlook for 2009. However, sizeable government interventions in the U.S. and globally were targeted to improve liquidity. These began to stimulate credit activity and restore investors' confidence. The Federal Reserve's Fund's target rate remained within the range 0%-0.25% in the continuing effort to improve market liquidity. With these significant government interventions, the equity market, as measured by the S&P 500 Index, rebounded significantly by the end of the quarter but still posted a negative 11%. The index is still off -38% for the trailing year.

The 2-year U.S. Treasury Note yield slightly increased from 0.76% to 0.80%. The 5-year grew from 1.55% to 1.66%. The 10- and 30-year yields were off of their record lows, gaining from 2.21% to 2.66% and 2.68% to 3.53%, respectively. Given the historically low interest rate environment and volatile prices, the bond market posted mild nominal returns, with the Barclays Capital Aggregate Index posting a 0.12% quarterly return. Non-Treasuries, which were marred by deteriorating fundamentals and impaired liquidity, garnered enhanced valuations relative to Treasuries. However, the U.S. investment-grade corporate sector still posted a -0.15% of excess return, as Financials weakened further slipping a -6.62%. Utilities and Industrials both posted strong excess returns for the quarter, 6.06% and 3.31% respectively. The structured security sectors generated mixed relative results with the asset-backed sector's spread compression, especially in the auto and credit card collaterals, posted a gain of 7.66%. The mortgage-backed sector (MBS) also posted a 1.72% for the quarter, while the commercial mortgage-backed sector (CMBS) underperformed at 1.42%. The CMBS sector did outperform in March, but collateral concerns have overwhelmed relative considerations.

The High Quality Core strategy's outperformance was primarily due to our overweight allocations to structured securities, lead by the ABS and MBS sectors relative outperformance. The CMBS overweight did prove to be a drag on returns for the period. Our corporate credit overweight exposure was slightly beneficial through the quarter on a relative basis. As interest rates moved, our duration positioning modestly benefited performance due to a tactical long position in March that enhanced value over the period.

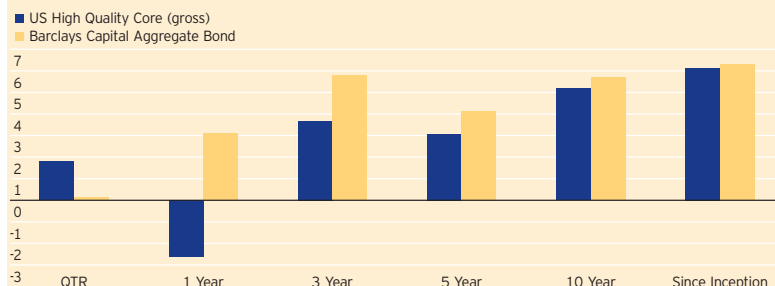
## Important Information

All materials presented are compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. Past performance is not an assurance of future results. This is not to be construed as an offer to buy or sell any financial instruments. As with all investments there are associated inherent risks. Please obtain and review all financial material carefully before investing.

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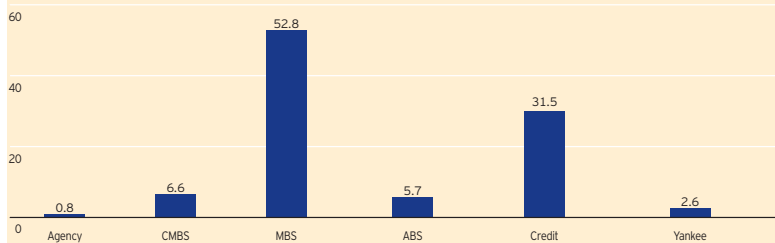
### Periodic Total Returns



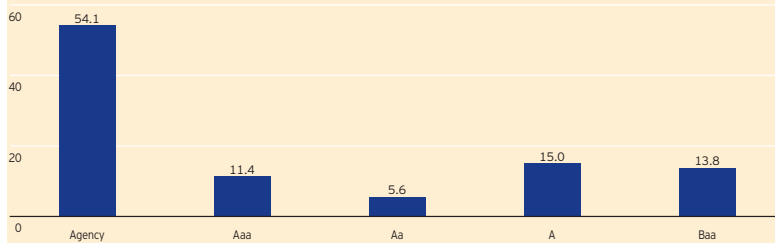
### Performance (%)

	QTR	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
US High Quality Core (gross)	1.79	-2.62	3.68	3.06	5.18	6.13
Barclays Capital Aggregate Bond	0.12	3.13	5.78	4.13	5.70	6.30

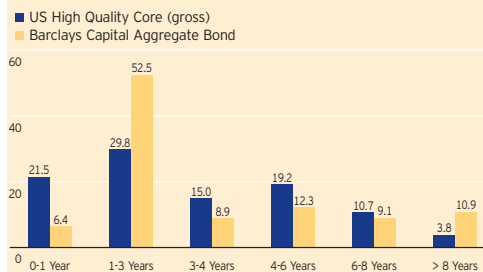
### Sector Distribution (%)



### Quality Distribution (%)



### Duration Allocation Bucket (%)



### 3 Year Regression Analysis

Alpha	-0.13
Beta	0.83
Tracking Error	3.03
Standard Dev	4.43
Sharpe Ratio	0.06
Information Ratio	-0.69
R Squared	0.58

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## Schedule of Investment Performance as of December 31, 2008

	Gross Rate of Return (%)	Net Rate of Return (%)	Benchmark Return (%)
2008	-2.52	-2.86	5.24
2007	7.20	6.82	6.97
2006	4.46	4.10	4.33
2005	2.98	2.62	2.43
2004	4.32	3.95	4.34

## Annualized Compound Rates of Return Ending December 31, 2008

1 Year	-2.52	-2.86	5.24
3 Year	2.96	2.61	5.51
5 Year	3.24	2.88	4.65
10 Year	4.89	4.53	5.63
Since Inception	6.11	5.74	6.40

Invesco Worldwide claims compliance with the Global Investment Performance Standards (GIPS®).

### Composite Notes

1 Invesco Worldwide ("The Firm") manages a broad array of investment strategies around the world. The Firm comprises all Invesco firms outside of North America, combined with two major Invesco firms within the United States, Invesco Institutional (N.A.), Inc. ("IINA"), and Invesco Global Asset Management (N.A.), Inc. ("IGNA"). The Firm was inceptioned on 1st January 2003. For periods prior to 1st January 2006, the Firm excluded the managed account businesses within IINA and IGNA. From that date forward, these portfolios are included within the Firm definition. During 2006, the Firm completed a project to bring its stable value portfolios into compliance retroactively effective from 1st January 2001. During 2007, the Firm incorporated the fixed income business of Invesco Aim, an affiliate of IINA and IGNA, into its operating structure and currently includes this business, with the exception of the fixed income portion of balanced accounts managed by Invesco Aim, which are excluded from firm assets, within its Firm definition. Historic assets under management prior to 2006 and 2007, respectively, have not been restated to reflect these extensions of the Firm definition. IINA and IGNA were verified from 1st January 2001 and 1st January 1995, respectively. The ex-North America Invesco firms (previously defined separately for performance reporting purposes as "Invesco Global") were verified from 1st January 1997. All verifications have been completed through 31 December 2007. Composite history and Firm assets prior to 1st January 2003 are those of its respective components. All entities within the Firm are directly or indirectly owned by Invesco Ltd. GIPS compliant firms whose assets are managed by subsidiaries of Invesco Ltd. are Invesco Worldwide, Invesco Aim Private Asset Management, Inc., Invesco Trimark Ltd., Invesco Aim U.S., and Atlantic Trust. Invesco Senior Secured Management, Inc. and Invesco Private Capital, Inc. are affiliates of the Firm. Each is an SEC registered investment adviser and is marketed as a separate entity. Their assets are excluded from total Firm assets.

2 The High Quality Core Fixed Income product is a fixed income, total return strategy that seeks to outperform the Barclays Capital U.S. Aggregate Bond Index.

3 The Composite returns are benchmarked to the Barclays Capital U.S. Aggregate Bond Index. The benchmark is used for comparative purposes only and generally reflects the risk or investment style of the product. Investments made by the Firm for the portfolios it manages according to respective strategies may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of the benchmark. Accordingly, investment results and volatility will differ from those of the benchmark.

4 Interest rate futures, options, swaps, and forwards may be used to replicate cash investments, manage yield curve or other risk positions and to pursue investment strategies generally allowed by the Composite. Derivatives must be included in the duration calculations of portfolios in the Composite and must abide by the duration, credit quality, and all other constraints of Composite accounts.

5 Valuations and portfolio total returns are computed and stated in U.S. Dollars. The firm consistently values all portfolios each day on a trade date basis. Portfolio level returns are calculated as time-weighted total returns on daily basis. Accrual accounting is used for all interest and dividend income. Past performance is not an indication of future results.

6 Composite dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year.

7 Gross-of-fee performance results are presented before management and custodial fees but after all trading commissions and withholding taxes on dividends, interest and capital gains, when applicable. Net-of-fee performance results are calculated by subtracting the highest tier of our published fee schedule for the product from the monthly returns. The management fee schedule is as follows:

35 basis points on the first \$25 million  
25 basis points on the next \$25 million  
20 basis points on the next \$50 million  
15 basis points thereafter.

8 The minimum portfolio size for the Composite is \$10,000,000.

9 The composite creation date is September 30, 2000.

10 A complete list and description of Firm composites and performance results is available upon request. Additional information regarding policies for calculating and reporting returns is available upon request.

To receive a presentation that adheres to the GIPS standards, please contact Gwen Lansing at 404-439-3117 or by email at [Gwen.Lansing@invesco.com](mailto:Gwen.Lansing@invesco.com).

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**Contact Us**

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