



Invesco Pooled Fund Quarterly Report

For the period ended December 31, 2009

Invesco Canadian Equity Pool

Portfolio performance

	Q4 2009	YTD	1 Year	2 Year	3 Year	4 Year	Life [†]
Invesco Canadian Equity Pool	2.2%	26.6%	26.6%	-1.2%	1.8%	4.4%	7.9%
S&P/TSX Composite Index	3.9%	35.1%	35.1%	-4.9%	-0.2%	3.9%	8.7%

Source: Invesco Trimark, Zephyr StyleADVISOR

[†]Start date: September 30, 2004

In the fourth quarter of 2009, the S&P/TSX Composite Index continued its upward trend, with a return of 3.9%. Small-cap stocks significantly outperformed larger-cap stocks in the quarter, returning 12.9% versus 2.6% for the S&P/TSX 60 Index. Within the S&P/TSX Composite Index, above-benchmark performance was broadly based among seven sub-sectors, led by utilities with a 13.3% return, industrials with 8.7%, consumer staples with 8.2% and telecommunication services with 7.5%. Only two sub-sectors returned negative performance: health care, down 2.4%; and more significantly (representing 30.5% of the Index), financials, down 0.7%.

The S&P/TSX Composite Index remains highly concentrated with energy and materials representing 27.5% and 19.4% of the Index, respectively. The concentrated nature of the Index continued to have a significant impact on its overall performance, with the energy sector (which returned 4.6%) contributing 1.5% to Index performance and materials (up 6.2%) contributing 1.1% to Index performance. Within the energy sector, Invesco Canadian Equity Pool owned two of the three top-performing companies, Canadian Natural Resources Ltd. and TransCanada Pipelines Ltd., but was slightly underweight the sector. The Pool owned the top-performing materials company, Potash Corp. of Saskatchewan Inc., but was underweight the materials sector overall, within which gold represents 12.2% of the sector.

S&P/TSX sector performance

	Q4 2009 (%)	YTD (%)
S&P/TSX Composite Index	3.9	35.1
Utilities	13.3	19.0
Industrials	8.7	27.0
Consumer staples	8.2	8.1
Telecom services	7.5	6.6
Materials	6.2	34.2
Consumer discretionary	6.0	15.1
Energy	5.4	39.5
Information technology	0.8	44.3
Financials	-0.7	45.6
Health care	-2.4	34.4

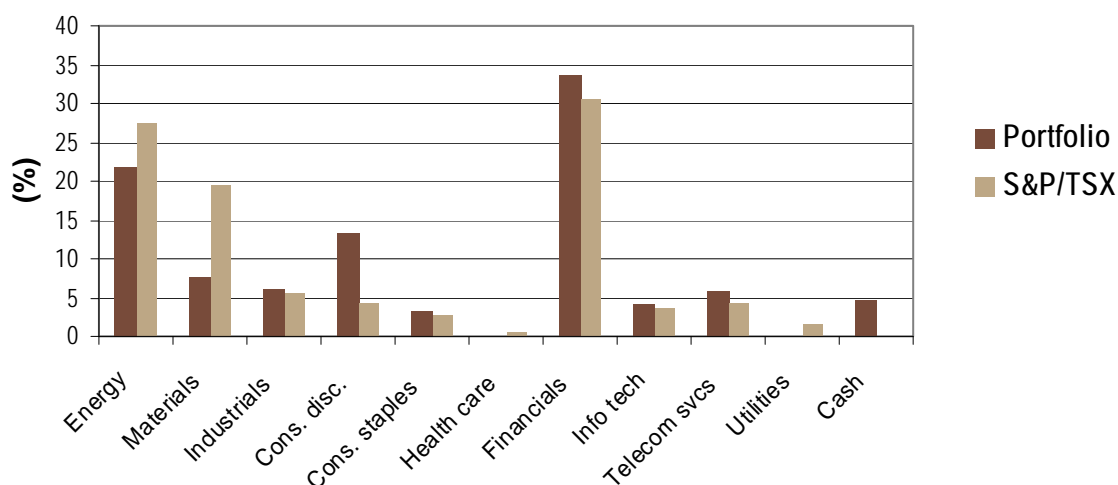
Source: FactSet Research Systems Inc.

Despite its solid return, the S&P/TSX Composite Index lagged other major markets such as the U.S., the U.K., Germany, France and Japan in the quarter and also global emerging markets, with the latter averaging a return over 8% in local currencies. Globally, markets were buoyed by signs of gradually recovering global economies and the prospect of improving corporate profits.

The Canadian dollar ended the quarter worth US\$0.95, 2.1% higher than its US\$0.93 close at the end of the prior quarter. The price of crude oil closed the year at US\$79.36 a barrel, up 12.4% over the quarter. With the onset of colder weather, natural gas also rose by 15%, to US\$5.572 per million BTU. After reaching a high of US\$1,215.70, gold prices retreated and closed the quarter at US\$1,095, but still up 8.6% over the period.

Invesco Canadian Equity Pool returned 2.2% in the quarter. The best-performing holdings included West Fraser Timber Co. Ltd., IESI-BFC Ltd., Potash Corp. and Gildan Activewear Inc., all up over 20% in the quarter. West Fraser benefited as lumber and pulp prices came off their bottoms and the company reported better-than-expected quarterly results. IESI-BFC announced an accretive acquisition of Waste Services. Potash Corp., the world's largest producer of potash, moved on news of recent contract settlements with the Chinese government at prices considered a floor for potash, leading to the expectation that stability will return to the market. Gildan Activewear was awarded several new retail contracts, increased its market share and gave a favourable outlook.

Diversification by industry



Source: FactSet Research Systems Inc.

The worst-performing position was Manulife Financial Corp., which surprised the market by raising more equity capital during the quarter. Questions arose as to whether this move was defensive (reflecting the company's continued sensitivity to equity markets and declining interest rates) or offensive (to provide the company with flexibility in advance of a possible transaction). With this issue, Manulife stated it has now achieved its goal of "fortress capital." The current valuation is attractive.

Other holdings that hurt the Pool's performance were largely from the financials sector, including The Toronto-Dominion Bank (although the position had been reduced in light of its strong performance), Brookfield Asset Management Inc., Power Corp. of Canada, and Thomson Reuters Corp., a high-quality company adequately reflecting near-term concerns.

New to the portfolio was Magna International Inc., a leading auto-parts supplier, which designs, engineers and produces a complete range of exterior and interior vehicle systems for original equipment manufacturers of cars and light trucks. The company has a solid long-term record of growth, interrupted recently by the sharp decline in global demand for vehicles. Magna aggressively

restructured and cut costs in the downturn. As a leaner operator with significant operating leverage, it is well-positioned to benefit from a gradual improvement in vehicle production. In addition, new "takeover" design wins will also have a positive impact enabling Magna to further increase its market share. The company has a strong balance sheet. The stock was purchased at a price which adequately discounts the poor near-term outlook.

The Pool added opportunistically to Research In Motion Ltd., Manulife, EnCana Corp., Nexen Inc., Husky Energy Inc. and Yellow Pages Income Fund, while reducing exposure to Canadian Tire Corp., Ltd., Transcontinental Inc., Brookfield Properties Corp., Cineplex Galaxy Income Fund, Fort Chicago Energy Partners L.P. and Genworth Financial Inc. based on price appreciation.

The Canadian market performed very well in 2009, ending the year 59% above its March 9 low. Valuations and an improving economy would suggest that the market can yet move higher, but the recent price strength makes future gains less well assured.

Strategy

Invesco Canadian Equity Pool is managed with a continued focus on investing for the long term in high-quality companies with strong management and whose shares can be purchased at attractive prices.

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