



# AIM Capital Development Fund

## Mid-cap growth

Data as of Dec. 31, 2009

### Investment objective and strategy

The fund seeks long-term capital growth by investing primarily in common stocks of mid-cap companies that management believes can generate sustainable growth in revenue, earnings and cash flow that is not fully reflected in investor expectations or equity valuations.

### Portfolio management

Paul J. Rasplicka, Brent Lium

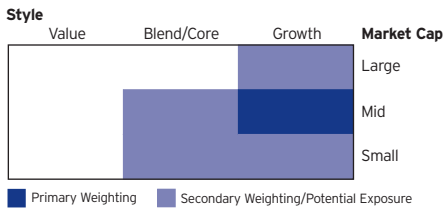
### How does the fund fit into your portfolio?

- **Mid-cap mainstay.** Mid-cap stocks fit a sweet spot for market size, generally providing more safety than smaller companies and potentially higher returns than large-cap stocks.
- **Style-pure solution.** While many peers invest heavily in large- and small-cap stocks, the fund is a style-pure, mid-cap growth product.
- **Entry point to growth for conservative investors.** The fund's more conservative approach to growth investing may be a good entry point for conservative investors looking to diversify their market-cap exposure.
- **Complement to core and value investments.** The fund's conservative growth approach may complement core, value and more aggressive growth investment styles, helping to maximize total return and mitigate volatility.

### Fund Facts

Nasdaq	A: ACDAX B: ACDBX C: ACDCX Investor: ACDIX Y: ACDYX R: ACDRX I: ACDVX
Total Net Assets	\$984,540,401
Total Number of Holdings	98
Annual Turnover (as of 10/31/09)	109%

### Investment Map(s)



The map illustrates areas in which the fund typically invests, not necessarily within a limited period of time.

### Top Equity Holdings

Company	% of Total Net Assets
Continental Resources Inc.	1.90
Cognizant Tech Solutions Corp.	1.51
KLA-Tencor Corp.	1.48
Solera Holdings Inc.	1.45
Marvell Technology Group Ltd.	1.44
Check Point Software Technologies Ltd.	1.43
Alliance Data Systems Corp.	1.39
Jarden Corp.	1.38
Walter Industries Inc.	1.28
AutoDesk Inc.	1.27

Holdings are subject to change and are not buy/sell recommendations.

### Top Industries

Semiconductors	6.01
Oil & Gas Exploration & Production	5.01
Application Software	3.73
Apparel & Accessories	3.68
Oil & Gas Equipment & Services	3.44
Computer Storage & Peripherals	3.42
Education Services	2.98
Systems Software	2.67
Semiconductor Equipment	2.66
Trucking	2.62

Holdings are subject to change and are not buy/sell recommendations.

### Expense Ratios

Class	% Net	% Total
Class A Shares	1.26	1.27
Class C Shares	2.01	2.02
Investor Class Shares	1.26	1.27
Class Y Shares	1.01	1.02

Per the current prospectus

Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least June 30, 2010. See current prospectus for more information.

### Investment Results

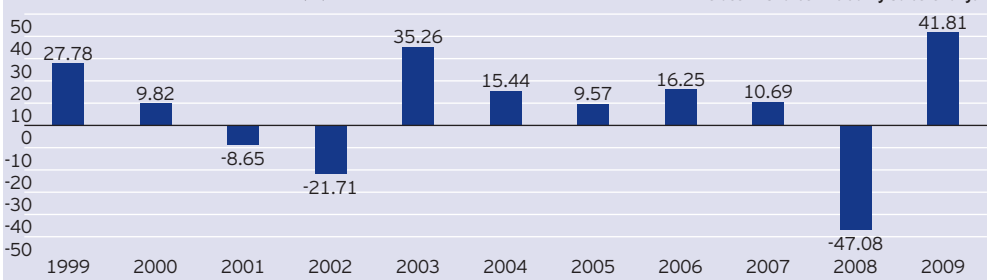
#### Average Annual Total Returns (%)

Period	Class A Shares Inception: 06/17/96		Class C Shares Inception: 08/04/97		Investor Class Shares Inception: 11/30/04	Class Y Shares Inception: 10/03/08	Style-Specific Index
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	NAV	Russell Midcap Growth Index
Inception	6.52	6.97	4.27	4.27	-	-	-
10 Years	2.06	2.64	1.93	1.93	2.64	2.67	-0.52
5 Years	-0.01	1.13	0.40	0.40	1.14	1.19	2.40
3 Years	-7.75	-6.00	-6.70	-6.70	-6.01	-5.91	-3.18
1 Year	33.95	41.81	39.87	40.87	41.77	42.08	46.29
Quarter	-0.07	5.76	4.65	5.65	5.76	5.82	6.69

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invescoaim.com](http://invescoaim.com) for the most recent month-end performance. Performance figures reflect reinvested distributions and changes in net asset value (NAV). Investment return and principal value will vary so that you may have a gain or a loss when you sell shares. No contingent deferred sales charge (CDSC) will be imposed on redemptions of Class C shares following one year from the date shares were purchased. Performance shown at NAV does not include applicable CDSC or front-end sales charges, which would have reduced the performance. Investor Class shares have no sales charge; therefore, performance is at NAV. Returns since the Investor Class shares' inception date are historical returns. All other returns are blended returns of historical Investor Class share performance and restated Class A share performance (for periods prior to the inception date of Investor Class shares) at NAV and reflect the Rule 12b-1 fees applicable to Class A shares. Class Y shares have no sales charge; therefore, performance is at NAV. Returns since the Class Y shares' inception date are actual returns. All other returns are blended returns of actual Class Y share performance and restated Class A share performance (for periods prior to the inception date of Class Y shares) at NAV and reflect the Rule 12b-1 fees as well as any fee waivers or expense reimbursements applicable to Class A shares. Returns less than one year are cumulative; all other performance figures are annualized.

Index source: Lipper Inc.

### Calendar-Year Total Returns (%)



### About risk

Portfolio turnover is greater than most funds, which may affect the fund's performance due to higher brokerage commissions. Active trading may also increase short-term gains and losses, which may result in taxable gain distributions to the fund's shareholders.

Prices of equity securities change in response to many factors, including the historical and prospective earnings of the issuer, the value of its assets, general economic conditions, interest rates, investor perceptions and market liquidity.

The fund invests in "growth" stocks, which may be more volatile than other investment styles because growth stocks are more sensitive to investor perceptions of an issuing company's growth potential.

## About risk (continued)

There is no guarantee that the investment techniques and risk analysis used by the fund's portfolio managers will produce the desired results.

The prices of securities held by the fund may decline in response to market risks.

The prices of initial public offering (IPO) securities may go up and down more than prices of equity securities of companies with longer trading histories. In addition, companies offering securities in IPOs may have less experienced management or limited operating histories. There can be no assurance that the fund will have favorable IPO investment opportunities.

Stocks fall into three broad market capitalization categories - large, medium and small. Investing primarily in one category carries the risk that, due to current market conditions, the category may be out of favor with investors. Small and mid-sized companies may tend to be more vulnerable to adverse developments and more volatile than larger companies. Investments in small and mid-sized companies may involve special risks, including those associated with dependence on a management group; little or no operating history; little or no track record of success; and limited product lines, market and financial resources. Also, there may be less publicly available information about the issuers of the securities or less market interest in such securities than in the case of larger companies, which can each cause significant price volatility. The securities of small and mid-sized companies may be illiquid, restricted as to resale or trade less frequently and in smaller volume than more widely held securities, which may make it difficult for an underlying fund to establish or close out position in these securities at prevailing market prices.

Investor Class shares are closed to new investors. Investors should contact their financial adviser about other share classes.

Class Y shares are available only to certain investors. See the prospectus for more information.

The fund holdings are organized according to the Global Industry Classification Standard, which was developed by and is the exclusive property and service mark of MSCI Inc. and Standard & Poor's.

The Russell Midcap® Growth Index is an unmanaged index considered representative of mid-cap growth stocks. The Russell Midcap Growth Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. An investment cannot be made directly in an index.

**12-month forward and trailing P/E** are calculated using weighted harmonic averaging, which helps avoid extreme results that may occur due to small relative numbers in the denominator. It doesn't exclude extreme values; instead, it reduces the effect of outliers on the aggregate calculation. The **price/book ratio** is the market price of a stock divided by the book value per share.

**Return on equity (ROE)** is net income divided by net worth. The **three-year EPS growth rate** is a weighted average of each stock holding's growth rate in earnings per share (EPS). EPS is total earnings divided by the number of shares outstanding. The **five-year dividend growth rate** is the weighted average of each stock holding's annualized percentage rate of growth in dividend yield over five years. **Alpha** (cash adjusted) is a measure of performance on a risk-adjusted basis. **Beta** (cash adjusted) is a measure of relative risk and the slope of regression. **R-squared** (cash adjusted) expresses the proportion of variation in the return of one fund explained by the return of a benchmark. **Tracking error** measures the difference between returns of a portfolio and its benchmark index. The **up and down capture** measures how well a manager was able to replicate or improve on periods of positive benchmark returns and how severely the manager was affected by periods of negative benchmark returns. **Standard deviation** measures a fund's range of total returns and identifies the spread of a fund's short-term fluctuations.

All data provided by Invesco unless otherwise noted.

## External Comparisons

### Morningstar Ratings and Rankings and Lipper Rankings

	Class A Shares as of Dec. 31, 2009				
	Overall	1 Year	3 Years	5 Years	10 Years
vs. Morningstar Mid-Cap Growth Category*					
A Shares (Load)	★★	N/A	★★	★★	★★★
A Shares (Load Waived)	★★★	N/A	★★	★★★	★★★★
Number of Funds in Category	727	N/A	727	631	338
vs. Morningstar Mid-Cap Growth Category**	(341 of 812)	42%	(569 of 727)	78%	62%
vs. Lipper Mid-Cap Growth Funds Category***	(215 of 474)	46%	(320 of 425)	76%	61%
				(213 of 353)	20%
				(82 of 338)	24%
				(35 of 178)	20%

\*Source: ©2010 Morningstar Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers. It may not be copied or distributed and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Ratings are based on a risk-adjusted return measure that accounts for variation in a fund's monthly performance, placing more emphasis on the downward variations and rewarding consistent performance. With-load ratings include the effect of sales charges, loads and redemption fees. Load-waived ratings exclude sales charges, loads and redemption fees, and are only applicable to investors not subject to sales charges. The overall rating is derived from a weighted average of three-, five- and 10-year rating metrics, as applicable. Ratings are as of the most recent quarter end and are subject to change every month. A fund is eligible for a Morningstar rating three years after inception. The top 10% of funds in a category receive five stars, the next 22.5% four stars, the next 35% three stars, the next 22.5% two stars and the bottom 10% one star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) Ratings for other share classes may differ due to different performance characteristics. Past performance does not guarantee future results.

\*\*Source: Morningstar Inc. Morningstar rankings are based on total return, excluding sales charges and including fees and expenses, versus all funds in the category tracked by Morningstar.

\*\*\*Source: Lipper Inc. Lipper fund percentile rankings are based on total returns, excluding sales charges and including fees and expenses, and are versus all funds in the category tracked by Lipper.

### Portfolio Characteristics: Fund vs. Russell Midcap Growth Index

#### Valuation Statistics

	Fund	Index
12-Month Forward P/E	15.65	16.67
12-Month Trailing P/E	19.90	21.40
Price/Book LTM (Wtd. Avg.)	4.12	4.15
1-Year ROE (Wtd. Avg.)	9.93	13.00
12-Month Fwd. Growth Rate (Median) (%)	15.51	13.76
3-Year EPS Growth Rate (Wtd. Avg.) (%)	12.09	13.80
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	-2.23	7.34
Weighted Average Market Cap (\$MM)	6,982	6,618
Weighted Median Market Cap (\$MM)	5,291	5,867
3-Year Standard Deviation	23.81	24.35

Sources: Invesco, Compustat, Thomson Financial, Frank Russell Co., StyleADVISOR

#### Statistics

Fund vs. Index	3 Years	5 Years
Alpha (%)	-3.11	-1.23
Beta	0.96	0.97
R-Squared	0.97	0.97
Tracking Error (%)	4.09	3.69
Up Capture (%)	89.77	94.86
Down Capture (%)	100.93	100.35

Source: StyleADVISOR; based on Class A shares

#### Equity Sector Breakdown

Market Sector	% of Total Net Assets	
	Fund	Index
Information Technology	23.32	24.04
Industrials	17.03	14.56
Consumer Discretionary	16.87	17.57
Health Care	11.49	13.48
Energy	10.57	5.40
Financials	8.96	8.82
Materials	5.83	4.69
Consumer Staples	2.52	7.30
Utilities	1.35	3.03
Telecommunication Services	1.06	1.12

Sources: Invesco, Frank Russell Co.

#### Capitalization Breakdown

	% of Equities	
	Fund	Index
Giant	0.00	0.00
Large	24.42	21.06
Mid	65.66	74.94
Small	9.93	3.99
Micro	0.00	0.01

Based on Morningstar capitalization ranges

#### Asset Mix (%)

	at 12/31/09		at 12/31/08	
	Fund	Index	Fund	Index
Domestic Common Stock	90.76	91.02		
International Common Stock	8.23	5.55		
Cash	1.12	3.59		
Other	-0.11	-0.16		

## NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

Consider the investment objectives, risks, and charges and expenses carefully. For this and other information about AIM funds, obtain a prospectus from your financial adviser and read it carefully before investing.

Note: Not all products, materials or services available at all firms. Advisers, please contact your home office.

# AIM Capital Development Fund

Data as of Dec. 31, 2009

## Performance summary

- The fund's Class A shares at net asset value (NAV) had positive performance and performed in line with the Russell Midcap Growth Index. (Please see the returns table on page 1 for fund and index performance.)
- Outperformance versus the Russell Midcap Growth Index was driven largely by stock selection in the materials, industrials, consumer staples and health care sectors.
- Some of this outperformance was offset by underperformance in other sectors, including consumer discretionary, financials and utilities.

## Contributors to performance

- Materials: The fund outperformed the Russell Midcap Growth Index by the widest margin in the materials sector, driven by stock selection. Key contributors to performance included **Walter Energy Inc.**, **Intrepid Potash Inc.** and **Freeport-McMoran Copper & Gold Inc.** (1.28%, 1.20% and 0.76% of total net assets, respectively). All three companies benefited from accelerating demand for commodities as the global economic environment continued its strong recovery.
- Industrials: Outperformance in the industrials sector was also due to stock selection. Two holdings that made strong contributions to performance were **Cooper Industries** and **Regal Beloit Corp.** (1.13% and 1.08% of total net assets, respectively).
- Consumer Staples: Outperformance in this sector was due to stock selection and an underweight position. Fund holding **Estee Lauder Co.** was the leading contributor to performance during the quarter (1.03% of total net assets). The fund's underweight position was a benefit as many more economically sensitive holdings outperformed holdings in this more defensive sector during the quarter.
- Health care: The fund also outperformed in the health care sector due to stock selection.

## Detractors from performance

- Consumer discretionary: The fund underperformed versus the Russell Midcap Growth Index by the widest margin in the consumer discretionary sector, driven by stock selection. Several of the fund's holdings were among the leading detractors from performance during the quarter: teen-oriented retailer **Aeropostale Inc.**, **Goodyear Tire & Rubber Co.** and for-profit education services provider **Apollo Group Inc.** (0%, 1.03% and 0.98% of total net assets, respectively). While we sold **Aeropostale** due to deteriorating fundamentals, we continued to own **Goodyear Tire & Rubber Co.** and **Apollo Group Inc.** at the close of the quarter.
- Financials: Underperformance in the financials sector was driven by stock selection. Financials services provider **State Street Boston Corp.** (0.73% of total net assets) was one of the leading detractors from performance during the quarter.
- Utilities: Underperformance in the utilities sector was also due to stock selection.

## Top contributors and detractors

Contributors		Detractors	
	(%) of Total Assets		(%) of Total Assets
1. Estee Lauder Co.	1.03	1. Aeropostale Inc.	0.00
2. Marvell Technology Group Ltd.	1.44	2. Goodyear Tire & Rubber Co.	1.03
3. Netapp Inc.	1.15	3. Apollo Group Inc.	0.98
4. Nordstrom Inc.	1.24	4. State Street Boston Corp.	0.73
5. Cognizant Tech Solutions Corp.	1.51	5. Sandridge Energy Inc.	0.94

## Positioning and outlook

- During the quarter, we made no significant changes to sector weights. However, we did increase the fund's exposure to more economically sensitive holdings. For example, within the industrials and materials sectors, we sold a few more defensive holdings and added several more cyclical holdings that should benefit from continued global economic expansion and development.
- At the close of the quarter, the fund's largest overweight positions included the energy, industrials and materials sectors. The fund's largest underweight positions were in the more defensive consumer staples, health care and utilities sectors. The fund had equal weight positions in the information technology, telecommunications services, financials and consumer discretionary sectors.
- Markets have experienced a strong recovery during 2009, which continued into the fourth quarter. We would like to caution investors against making investment decisions based on short-term performance. As always, we recommend that you consult a financial advisor to discuss your individual financial program.

Opinions expressed are those of the fund's portfolio management.