



AIM China Fund

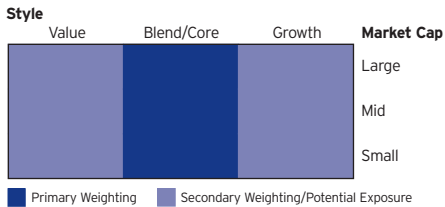
Emerging markets

Data as of Dec. 31, 2009

Fund Facts

Nasdaq	A: AACFX B: ABCFX C: CACFX Y: AMCYX I: IACFX
Total Net Assets	\$287,878,015
Total Number of Holdings	74
Annual Turnover (as of 10/31/09)	94%

Investment Map(s)



The map illustrates areas in which the fund typically invests, not necessarily within a limited period of time. This fund is not classified with regard to one primary market capitalization.

Top Equity Holdings

	% of Total Net Assets
China Mobile (Hong Kong) Ltd.	6.43
China Life Insurance Co. Ltd.	5.48
Industrial and Commercial Bank of China	4.27
China Construction	4.23
Bank of China Ltd.	3.89
CNOOC Limited	3.70
PetroChina Co. Ltd.	3.63
TENCENT Inc.	3.57
CNPC Ltd.	2.84
Hengan International Group Co. Ltd.	2.78

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

Top Industries

Diversified Banks	14.38
Life & Health Insurance	7.42
Oil & Gas Exploration & Production	6.99
Wireless Telecommunication Services	6.43
Integrated Oil & Gas	6.12
Industrial Conglomerates	5.13
Coal & Consumable Fuels	4.09
Internet Software & Services	3.57
Personal Products	3.47
Paper Products	3.01

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

Expense Ratios

	% Net	% Total
Class A Shares	1.76	1.77
Class C Shares	2.51	2.52
Class Y Shares	1.51	1.52

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 objective and strategy

The fund seeks long-term capital growth by investing in companies with substantial exposure to People's Republic of China, including Hong Kong and Macau.

Portfolio management

Samantha Ho, May Lo

How does the fund fit into your portfolio?

- **Potential alpha boost.** The fund is an emerging market country-specific product that can be added as a satellite in a core-plus-satellite strategy to help increase return potential.
- **Diversification.** The fund may provide diversification to shareholders of international and domestic equities due to China's historically low correlation with developed market stocks.

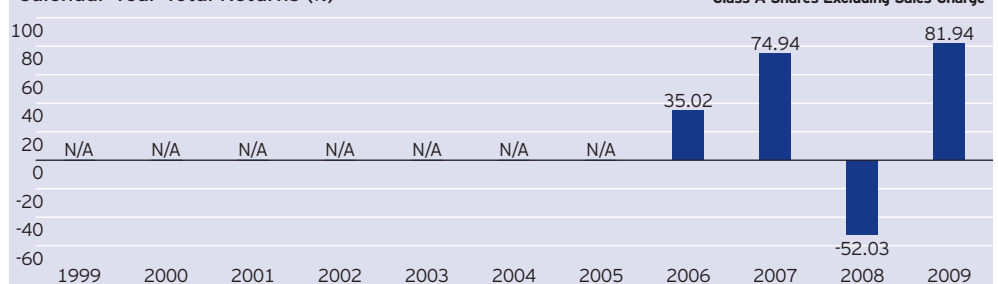
Investment Results

Period	Class A Shares Inception: 03/31/06		Class C Shares Inception: 03/31/06		Class Y Shares Inception: 10/03/08	as of Dec. 31, 2009
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	Style-Specific Index
	MSCI China 10/40 Index					
Inception	19.45	21.25	20.33	20.33	21.35	-
3 Years	13.00	15.15	14.27	14.27	15.26	10.35
1 Year	71.95	81.94	79.58	80.58	82.46	69.07
Quarter	8.46	14.77	13.53	14.53	14.83	9.93

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit 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. 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. A 2% redemption fee will be imposed on certain redemptions or exchanges out of the fund within 31 days of purchase. Exceptions to the redemption fee are listed in the fund's prospectus. Returns less than one year are cumulative; all other performance figures are annualized.

Index source: Lipper Inc.

Calendar-Year Total Returns (%)



Inception year is 2006.

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.

The values of convertible securities in which the fund invests may be affected by market interest rates, the risk that the issuer may default on interest or principal payments, and the value of the underlying common stock into which these securities may be converted.

Credit risk is the risk of loss on an investment due to the deterioration of an issuer's financial health. Such a deterioration of financial health may result in a reduction of the credit rating of the issuer's securities and may lead to the issuer's inability to honor its contractual obligations, including making timely payment of interest and principal.

The fund is subject to currency/exchange rate risk because it may buy or sell currencies other than the U.S. dollar.

Investing in developing countries can add additional risk, such as high rates of inflation or sharply devalued currencies against the U.S. dollar. Transaction costs are often higher, and there may be delays in settlement procedures.

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.

About risk (continued)

Foreign securities have additional risks, including exchange rate changes, political and economic upheaval, relative lack of information, relatively low market liquidity, and the potential lack of strict financial and accounting controls and standards.

Investing in a single-country mutual fund involves greater risk than investing in a more diversified fund due to lack of exposure to other countries.

Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa.

Certain securities issued by companies in China may be less liquid, harder to sell and more volatile than many U.S. securities.

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 fund may invest in A shares, which have limitations to repatriate fund assets back to the U.S.

Political and economic conditions and changes in regulatory, tax or economic policy in China could significantly affect the market in that country and surrounding or related countries.

The fund's returns during certain periods were positively affected by its investments in initial public offerings (IPOs). There can be no assurance that the fund will have favorable IPO investment opportunities in the future. Moreover, the prices of 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. For additional information regarding the fund's performance, please see the fund's prospectus.

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.

Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

The MSCI EAFE® Index is an unmanaged index considered representative of stocks of Europe, Australasia and the Far East. An investment cannot be made directly in an index.

The MSCI China 10/40 Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in China, taking into consideration the concentration constraints of the European Union's UCITS III regulations.

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

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 Pacific/Asia ex-Japan Stock Category* A Shares (Load)	★★★★	N/A	★★★★	N/A	N/A
A Shares (Load Waived)	★★★★★	N/A	★★★★★	N/A	N/A
Number of Funds in Category	107	N/A	107	N/A	N/A
vs. Morningstar Pacific/Asia ex-Japan Stock Category**		25% (41 of 160)	5% (6 of 107)	N/A	N/A
vs. Lipper China Region Funds Category***		19% (14 of 75)	9% (5 of 55)	N/A	N/A

*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. MSCI EAFE Index

Valuation Statistics

	Fund	Index
12-Month Forward P/E	16.49	13.21
12-Month Trailing P/E	20.74	17.84
Price/Book LTM (Wtd. Avg.)	3.81	2.37
1-Year ROE (Wtd. Avg.)	17.87	12.32
12-Month Fwd. Growth Rate (Median) (%)	24.12	15.64
3-Year EPS Growth Rate (Wtd. Avg.) (%)	21.75	1.02
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	18.30	12.05
Weighted Average Market Cap (\$MM)	37,038	53,111
Weighted Median Market Cap (\$MM)	9,058	33,941
3-Year Standard Deviation	37.05	23.91

Sources: Invesco, Compustat, Thomson Financial, MSCI, StyleADVISOR

Statistics

Fund vs. Index	3 Years	5 Years
Alpha (%)	28.77	N/A
Beta	1.23	N/A
R-Squared	0.63	N/A
Tracking Error (%)	23.12	N/A
Up Capture (%)	207.70	N/A
Down Capture (%)	98.61	N/A

Source: StyleADVISOR; based on Class A shares

Equity Sector Breakdown

Market Sector	% of Total Net Assets	
	Fund	Index
Financials	27.45	25.43
Energy	17.39	8.35
Consumer Discretionary	11.75	9.72
Materials	10.01	10.42
Telecommunication Services	8.28	5.81
Industrials	7.85	11.19
Consumer Staples	7.11	10.01
Information Technology	5.75	4.76
Utilities	1.81	5.86
Health Care	1.38	8.46

Sources: Invesco, MSCI

Capitalization Breakdown

	% of Equities	
	Fund	Index
Giant	32.74	55.76
Large	32.17	32.07
Mid	28.63	12.14
Small	5.94	0.03
Micro	0.51	0.00

Based on Morningstar capitalization ranges

Asset Mix (%)

	at 12/31/09		at 12/31/08	
	Fund	Index	Fund	Index
International Common Stock	97.90	93.19		
Cash	1.96	7.28		
Other	0.13	-0.50		
Domestic Common Stock	0.01	0.03		

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.

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 China Fund

Data as of Dec. 31, 2009

Performance summary

- During the fourth quarter the fund's class A shares at net asset value (NAV) posted gains and outperformed the MSCI China Index. (Please see the returns table on page 1 for fund and index performance.)
- Most sectors posted gains during the period with the largest contributors to performance coming from the consumer discretionary, financials and energy sectors.
- Conversely, holdings in the telecommunications services (telecom) sector declined and detracted from results during the quarter.

Contributors to performance

- All of the fund's top five contributors posted strong gains during the quarter.
- **Skyworth Digital** (1.78% of total net assets), a leading provider of digital set top boxes, was the single largest contributor to performance and posted a gain of more than 120%.
- As a group, our financial holdings performed well and helped overall results as did our holdings in energy companies like **CNPC Hong Kong Ltd.** and **CNOOC Ltd.** (2.84% and 3.70% of total net assets, respectively).
- Information Technology company **Tencent Holdings Ltd.** was also among the top contributors to performance during the quarter (3.57% of total net assets).

Detractors from performance

- With the exception of telecommunications services, all sectors contributed positively to absolute results during the quarter.
- Telecom giant **China Mobile Ltd.** (6.43% of total net assets) was the largest detractor from fund performance. Although the stock posted a very small decline, our large weight in the company made it the largest detractor. The telecom sector continued to underperform due to the sector's weak earnings growth on increased competition.

Top contributors and detractors

Contributors	(%) of Total Assets	Detractors	(%) of Total Assets
1. kyworth Digital Holdings	1.78	1. China Mobile	6.43
2. Tencent Holdings	3.57	2. Minmetals Land Ltd..	0.97
3. CNPC Hong Kong Ltd.	2.84	3. China Telecom Corp.	0.94
4. CNOOC Ltd.	3.70	4. Denway Motors Ltd.	0.00
5. Hi Sun Technology	0.00	5. China Resources Power	0.00

Positioning and outlook

- We intend to focus on companies that offer strong cash flows and healthy balance sheets.
- In the current environment, we prefer domestically (China) focused companies, including consumer-related companies with strong brands, respected franchises, solid distribution networks and positive pricing power.
- We are also paying close attention to infrastructure-related companies, which clearly stand to benefit from the government's commitment to large-scale infrastructure projects.
- We will continue to focus on fundamentals and use our bottom-up stock selection process to identify companies with strong long-term prospects.
- We believe we may see volatility in the near term because of prevalent negative market sentiment due to concerns about slower lending growth and policy changes.
- After the 2008 plunge, the Chinese equity market was the first to rebound since early March 2009 and experienced the fastest recovery versus the broader market. As such, we believe it's sensible for investors to lock in profits from hefty gains over the past few months. That said, the medium-term secular outlook remains promising - especially when compared with developed markets.
- While policies may be fine tuned, we believe that the Chinese government will maintain an accommodative policy stance until export recovery is confirmed and inflationary pressures start to emerge.
- Over time, we have solid conviction that investors looking for long-term growth will be rewarded once equity markets converge and return their focus to fundamentals and corporate profitability.
- Regarding valuation, we keep to our view that valuations are reasonable compared with historical averages, but not as cheap as they were previously.
- In the medium term, we don't foresee major downside risk unless developed economies deteriorate further. That said, stock-by-stock research would be key to identifying the best opportunities.
- As always, for global investors, the percentage allocation to Chinese equities should be a function of the investor's risk tolerance and time horizon.
- Markets have experienced a strong recovery during 2009. 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.