



AIM Charter Fund

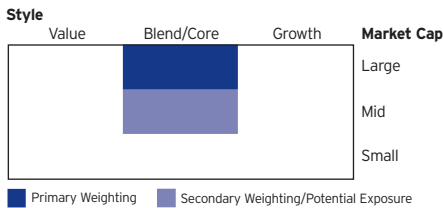
Large-cap blend

Data as of Dec. 31, 2009

Fund Facts

| | |
|----------------------------------|--|
| Nasdaq | A: CHTRX B: BCHTX C: CHTCX Y: CHTYX R: CHRRX I: CHTVX S: CHRXS |
| Total Net Assets | \$5,217,209,059 |
| Total Number of Holdings | 67 |
| Annual Turnover (as of 10/31/09) | 38% |

Investment Map(s)



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

Top Equity Holdings

| | % of Total Net Assets |
|--------------------------------|-----------------------|
| Progressive Corp. | 2.74 |
| American Express Co. | 2.57 |
| Microsoft Corp. | 2.52 |
| Symantec Corp. | 2.34 |
| Agilent Technologies Inc. | 2.29 |
| Comcast Corp. | 2.16 |
| Nokia Corp. | 1.96 |
| Berkshire Hathaway Inc. | 1.92 |
| Motorola Inc. | 1.77 |
| Automatic Data Processing Inc. | 1.74 |

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

Top Industries

| | |
|------------------------------------|------|
| Pharmaceuticals | 6.16 |
| Communications Equipment | 5.26 |
| Systems Software | 4.86 |
| Property & Casualty Insurance | 4.66 |
| Health Care Equipment | 4.32 |
| Oil & Gas Exploration & Production | 4.32 |
| Industrial Conglomerates | 4.20 |
| Aerospace & Defense | 3.41 |
| Drug Retail | 3.11 |
| Consumer Finance | 2.57 |

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

Expense Ratios

| | % Net | % Total |
|----------------|-------|---------|
| Class A Shares | 1.23 | 1.25 |
| Class C Shares | 1.98 | 2.00 |
| Class Y Shares | 0.98 | 1.00 |
| Class S Shares | 1.13 | 1.15 |

Per the current prospectus

Net = Total annual operating expenses less contractual advisory fee waivers by the adviser in effect through at least Dec. 31, 2012. See current prospectus for more information.

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 growth of capital by focusing on growth/value anomalies - companies with above-average growth prospects that are trading at below-average valuations. The fund may act as a conservative cornerstone within a diversified portfolio.

Portfolio management

Ronald Sloan, Tyler Dann II, Brian Nelson

How does the fund fit into your portfolio?

- **A conservative cornerstone within a diversified portfolio.** The fund seeks to deliver strong upside participation with stronger downside protection over a full market cycle.
- **Large-cap style-neutral portfolio.** Managers seek to smooth out the cyclicality of growth and value styles by focusing on growth-value "anomalies" - companies with strong prospects to grow shareholder value, managed by good stewards of capital that are trading at attractive valuations.
- **Low-risk profile.** The strategy's historically below-market-average beta and volatility reduce the risk profile of a diversified portfolio and complement more aggressive investments.

Investment Results

| Average Annual Total Returns (%) | | | | | | | as of Dec. 31, 2009 |
|----------------------------------|---------------------------------------|-------|---------------------------------------|-------|---------------------------------------|---------------------------------------|----------------------|
| Period | Class A Shares Inception: 11/26/68 | | Class C Shares Inception: 08/04/97 | | Class Y Shares Inception: 10/03/08 | Class S Shares Inception: 09/25/09 | Style-Specific Index |
| | Max Load 5.50% | NAV | Max CDSC 1.00% | NAV | NAV | NAV | Russell 1000 Index |
| Inception | 10.84 | 10.99 | 2.75 | 2.75 | - | - | - |
| 25 Years | 10.04 | 10.29 | - | - | - | - | 10.58 |
| 20 Years | 8.02 | 8.33 | - | - | - | - | 8.41 |
| 15 Years | 7.52 | 7.92 | - | - | - | - | 8.23 |
| 10 Years | -1.47 | -0.90 | -1.62 | -1.62 | -0.88 | -0.91 | -0.49 |
| 5 Years | 3.08 | 4.26 | 3.48 | 3.48 | 4.32 | 4.24 | 0.79 |
| 3 Years | -1.57 | 0.32 | -0.45 | -0.45 | 0.42 | 0.30 | -5.36 |
| 1 Year | 22.97 | 30.18 | 28.10 | 29.10 | 30.42 | 30.10 | 28.43 |
| Quarter | -0.77 | 5.03 | 3.75 | 4.75 | 5.03 | 4.89 | 6.07 |

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. Returns less than one year are cumulative; all other performance figures are annualized. Class S shares have no sales charge; therefore, performance is at NAV. Returns since the Class S shares' inception date are actual returns. All other returns are blended returns of actual Class S share performance and restated Class A share performance (for periods prior to the inception date of Class S shares) at NAV and reflect Rule 12b-1 fees as well as any fee waivers or expense reimbursements applicable to Class A shares. Performance includes litigation proceeds. Had these proceeds not been received, total return would have been lower.

Index source: Lipper Inc.

Calendar-Year Total Returns (%)



About risk

To the extent the fund holds cash or cash equivalents rather than equity securities for risk management purposes, the fund may not achieve its investment objective.

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.

Foreign securities have additional risks, including exchange rate changes, political and economic upheaval, relative

About risk (continued)

lack of information, relatively low market liquidity, and the potential lack of strict financial and accounting controls and standards.

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

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.

Class S shares are closed to most investors. See the prospectus for more information.

The Russell 1000® Index is an unmanaged index considered representative of large-cap stocks. The Russell 1000 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 Large Blend Category* | | | | | |
| A Shares (Load) | ★★★★ | N/A | ★★★★★ | ★★★★★ | ★★ |
| A Shares (Load Waived) | ★★★★ | N/A | ★★★★★ | ★★★★★ | ★★★★ |
| Number of Funds in Category | 1,757 | N/A | 1,757 | 1,376 | 710 |
| vs. Morningstar Large Blend Category** | | | | | |
| | (631 of 2,027) | 31% | (19 of 1,757) | 2% | 2% |
| vs. Lipper Large-Cap Core Funds Category*** | | | | | |
| | (249 of 906) | 28% | (6 of 773) | 1% | 2% |
| | | | | | 58% |
| | | | | | (216 of 374) |

*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 1000 Index

Valuation Statistics

| | Fund | Index |
|---|--------|--------|
| 12-Month Forward P/E | 14.76 | 14.67 |
| 12-Month Trailing P/E | 18.05 | 18.66 |
| Price/Book LTM (Wtd. Avg.) | 3.00 | 3.29 |
| 1-Year ROE (Wtd. Avg.) | 7.41 | 13.35 |
| 12-Month Fwd. Growth Rate (Median) (%) | 13.98 | 13.41 |
| 3-Year EPS Growth Rate (Wtd. Avg.) (%) | 5.40 | 8.36 |
| 5-Year Dividend Growth Rate (Wtd. Avg.) (%) | 7.33 | 4.17 |
| Weighted Average Market Cap (\$MM) | 52,630 | 73,375 |
| Weighted Median Market Cap (\$MM) | 27,106 | 34,123 |
| 3-Year Standard Deviation | 17.75 | 20.33 |

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

Statistics

| Fund vs. Index | 3 Years | 5 Years |
|--------------------|---------|---------|
| Alpha (%) | 4.62 | 3.02 |
| Beta | 0.86 | 0.86 |
| R-Squared | 0.96 | 0.96 |
| Tracking Error (%) | 4.48 | 3.83 |
| Up Capture (%) | 90.81 | 92.82 |
| Down Capture (%) | 80.53 | 81.68 |

Source: StyleADVISOR; based on Class A shares

Equity Sector Breakdown

| Market Sector | % of Total Net Assets | |
|----------------------------|-----------------------|-------|
| | Fund | Index |
| Information Technology | 20.99 | 19.40 |
| Health Care | 16.22 | 12.54 |
| Financials | 11.91 | 14.43 |
| Industrials | 11.90 | 10.41 |
| Consumer Staples | 8.46 | 10.68 |
| Energy | 7.84 | 11.26 |
| Consumer Discretionary | 2.45 | 10.18 |
| Telecommunication Services | 2.18 | 3.12 |
| Materials | 1.16 | 4.03 |
| Utilities | 0.00 | 3.95 |

Sources: Invesco, Frank Russell Co.

Capitalization Breakdown

| | % of Equities | |
|-------|---------------|-------|
| | Fund | Index |
| Giant | 39.12 | 43.97 |
| Large | 55.96 | 33.10 |
| Mid | 4.92 | 21.32 |
| Small | 0.00 | 1.60 |
| Micro | 0.00 | 0.00 |

Based on Morningstar capitalization ranges

Asset Mix (%)

| | at 12/31/09 | at 12/31/08 |
|-------------------------------|-------------|-------------|
| Domestic Common Stock | 67.06 | 74.36 |
| Cash | 16.65 | 10.38 |
| International Common Stock | 15.91 | 14.69 |
| Other | 0.26 | -0.02 |
| International Preferred Stock | 0.12 | 0.59 |

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 Charter Fund

Data as of Dec. 31, 2009

Performance summary

- Fourth quarter investment results for the fund's class A shares at net asset value (NAV) slightly lagged the benchmark, the Russell 1000 Index. (Please see the returns table on page 1 for fund and index performance.)
- Stock selection in the information technology (IT) sector and the fund's cash position negatively affected results relative to the index.
- The fund's holdings in the health care and industrials sectors had the largest positive effect on absolute returns, while detractors were limited to a number of stock-specific issues.

Contributors to performance

- **American Express Co.** (2.57% of total net assets) was the top contributor in the fourth quarter. Measured by purchase volume, the company is the world's largest issuer of credit cards. During the fourth quarter, the company continued to show improvements on multiple fronts. Declines in consumer spending have started to abate, and credit card charge-offs and delinquencies have started to trend lower, possibly indicating a sustainable improvement in credit quality. Shares of the company have rebounded strongly since the peak of the credit crisis, and we believe the company has maintained a durable competitive advantage with its repeatable revenue stream and attractive growth opportunities in its non-U.S. and merchant processing businesses.
- Software giant **Microsoft Corp.** (2.52% of total net assets) was another top contributor, posting a double-digit return. Returns were strong due to the launch and positive reviews of its Windows 7 operating system. The launch signals the start of a new product cycle for the company, including the forthcoming launch of Office 201. We believe this new cycle along with recovering end-demand will be a source of strength for the firm.
- Another large contributor was **WellPoint Inc.** (1.32% of total net assets). **WellPoint** is the largest managed care organization based on membership, and it has a strong brand in its Blue Cross and Blue Shield companies. The company has faced headwinds from the health care reform package being debated in Congress, which is largely viewed as unfavorable to managed care providers. However, recent progress on the bill, including the removal of the so-called "public option," has mitigated some of the uncertainty. We have maintained our position in the company, as it has significant reserves that should buoy earnings over the short term. The company is entering a new managed care pricing cycle, and we expect more favorable cost trends versus 2009, which were elevated because of Cobra costs and a "fearful" flu season.

Detractors from performance

- The largest detractor from returns was mobile device manufacturer **Nokia ADR** (1.96% of total net assets). During the quarter, the company reported an unexpected loss due to a write-off of goodwill from a joint venture, which sent shares downward. Additionally, **Nokia** continues to lose ground in the smartphone market to competitors such as Apple (not a fund holding) with its popular iPhone. However, we expect conditions to improve for **Nokia** as margins improve and new product releases in 2010 help to hold and regain market share. Longer term, we believe **Nokia** possesses important competitive advantages with regards to scale, manufacturing, logistics and its brand.
- **Motorola** was another detractor (1.77% of total net assets). The stock has been under pressure due to weakness in its handset business, a segment which has been losing market share to rivals. The company's Android handsets are a promising new entry into the market, but it is still too early to assess its effect on results, as wireless carriers have not committed to offering the devices. Still, we believe **Motorola** has strong global distribution, good brand recognition and a sound balance sheet, and we also believe that today's valuation does not adequately reflect the company's worth.
- Biotechnology firm **Genzyme Corp.** (0.94% of total net assets) also detracted from results. Shares of the company have been under pressure due to contamination issues at a plant which manufactures a number of its largest drug brands. The company has been working closely with the FDA to resolve these issues, and we believe that the situation will be resolved expeditiously, as manufacturing issues are not uncommon in the industry. In the meantime, the company's well-diversified product portfolio and strong history of innovation have produced an attractive pipeline. In addition, we feel that the company's balance sheet is in good shape and that it has strong cash flow growth and profitability.

Top contributors and detractors

| Contributors | | Detractors | |
|-------------------------|---------------------|--------------------------|---------------------|
| | (%) of Total Assets | | (%) of Total Assets |
| 1. American Express Co. | 2.57 | 1. Nokia ADR | 1.96 |
| 2. Microsoft Corp. | 2.52 | 2. Motorola Inc. | 1.77 |
| 3. WellPoint Inc. | 1.32 | 3. Genzyme Corp. | 0.94 |
| 4. Philips Electronics | 1.27 | 4. March & McLennan Cos. | 0.72 |
| 5. Agilent Technologies | 2.29 | 5. Avon Products Inc. | 0.98 |

Positioning and outlook

- There were no major changes to the fund's positioning in the quarter. At the end of the quarter, the fund's largest sector weightings were in the IT, health care, financials and industrials sectors.
- The fund's largest overweights versus the index were in the health care, IT and industrials sectors.
- The fund's largest underweights relative to the benchmark were in the energy, utilities and consumer discretionary sectors. The energy underweight is largely attributable to our lack of exposure to integrated oil companies. Our consumer discretionary sector weighting remains low, as we believe that it will be difficult for many of these companies to recover to pre-crisis earnings levels in the near term.
- As always, we continue to focus on good companies with sound balance sheets, reliable management teams and attractive valuations. We work diligently to provide investors with a conservative cornerstone fund, seeking to deliver strong upside participation and stronger downside protection over a full market cycle.
- We believe this prudent wealth creation strategy can serve as a source of stability within an overall asset allocation. This objective has become increasingly important as we continue to experience increased volatility in the financial markets and work through the current economic slowdown.

Asset allocation does not guarantee a profit or eliminate the risk of loss.

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

All 3 pages of this document, including the fund fact sheet beginning on page 1, must be used together.

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