



AIM Diversified Dividend Fund

Large-cap blend

Data as of Dec. 31, 2009

Investment objective and strategy

The fund seeks growth of capital by employing a total return approach, emphasizing capital appreciation, current income and principal preservation. The fund may act as a conservative cornerstone within a diversified portfolio.

Portfolio management

Meggan M. Walsh, Jonathan Harrington

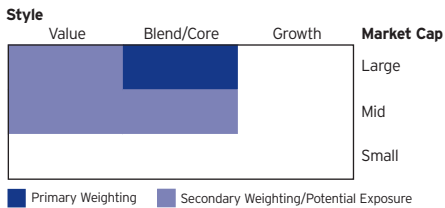
How does the fund fit into your portfolio?

- **A conservative cornerstone within a diversified portfolio.** The fund seeks to deliver strong upside participation with stronger downside protection over a full market cycle.
- **Dividend-paying stocks** have historically outperformed the broad market, provided better downside protection and lower volatility.
- **A total return approach.** The investment team emphasizes capital appreciation, current income and capital preservation - providing a well-balanced foundation for a diversified portfolio.
- **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.

Fund Facts

Nasdaq	A: LCEAX B: LCECX C: LCEVX Investor: LCEIX Y: LCEYX R: DDFRX I: DDFIX
Total Net Assets	\$1,388,688,852
Total Number of Holdings	76
Annual Turnover (as of 10/31/09)	18%

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
Johnson Controls Inc.	3.12
Kimberly-Clark Corp.	3.06
Capital One Financial Corp.	2.98
Pentair Inc.	2.73
Automatic Data Processing Inc.	2.57
Marsh & McLennan Cos.	2.26
Fifth Third Bancorp	2.25
SunTrust Banks Inc.	2.23
Dominion Resources Inc.	2.22
American Electric Power Co. Inc.	2.10

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

Top Industries

Industrial Machinery	7.64
Pharmaceuticals	6.80
Electric Utilities	4.91
Regional Banks	4.48
Packaged Foods	3.97
Data Processing & Outsourced Services	3.90
Diversified Chemicals	3.30
Asset Management & Custody Banks	3.15
Auto Parts & Equipment	3.12
Household Products	3.06

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

Expense Ratios

	% Net	% Total
Class A Shares	1.01	1.02
Class C Shares	1.76	1.77
Investor Class Shares	0.93	0.94
Class Y Shares	0.76	0.77

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

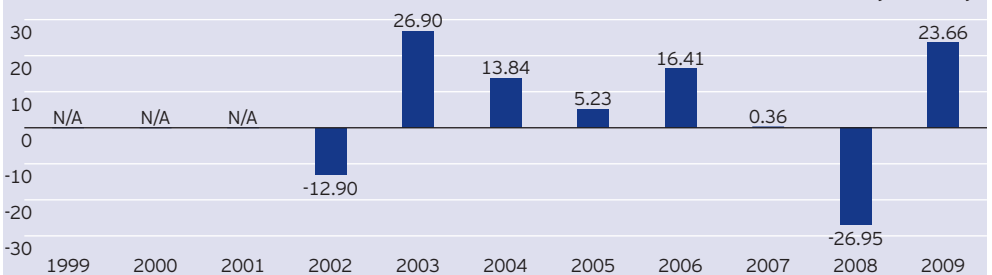
Average Annual Total Returns (%)

Period	Class A Shares Inception: 12/31/01		Class C Shares Inception: 12/31/01		Investor Class Shares Inception: 07/15/05	Class Y Shares Inception: 10/03/08	Style-Specific Index
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	NAV	Russell 1000 Index
Inception	3.54	4.27	3.57	3.57	4.33	4.32	-
5 Years	0.98	2.12	1.43	1.43	2.21	2.20	0.79
3 Years	-5.01	-3.22	-3.89	-3.89	-3.12	-3.09	-5.36
1 Year	16.89	23.66	21.76	22.76	23.75	24.07	28.43
Quarter	-0.92	4.88	3.74	4.74	5.00	4.95	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. 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. Had fees not been waived and/or expenses reimbursed currently or in the past, returns would have been lower. Returns less than one year are cumulative; all other performance figures are annualized.

Index source: Lipper Inc.

Calendar-Year Total Returns (%)



Inception year is 2001.

About risk

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.

The fund may invest in debt securities, such as notes and bonds, which carry interest rate and credit risk. 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 lack of information, relatively low market liquidity, and the potential lack of strict financial and accounting controls.

About risk (continued)

and standards.

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

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 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 Value Category*					
A Shares (Load)	★★★★	N/A	★★★★	★★★★	N/A
A Shares (Load Waived)	★★★★	N/A	★★★★★	★★★★	N/A
Number of Funds in Category	1,104	N/A	1,104	912	N/A
vs. Morningstar Large Value Category**					
	(602 of 1,272)	47%	8% (86 of 1,104)	14% (124 of 912)	N/A
vs. Lipper Large-Cap Core Funds Category***					
	(622 of 906)	69%	21% (161 of 773)	16% (101 of 653)	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. Had fees not been waived and/or expenses reimbursed in the past, the Morningstar rating would have been lower. 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	15.16	14.67
12-Month Trailing P/E	18.57	18.66
Price/Book LTM (Wtd. Avg.)	3.17	3.29
1-Year ROE (Wtd. Avg.)	13.97	13.35
12-Month Fwd. Growth Rate (Median) (%)	11.74	13.41
3-Year EPS Growth Rate (Wtd. Avg.) (%)	-0.12	8.36
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	3.04	4.17
Weighted Average Market Cap (\$MM)	37,519	73,375
Weighted Median Market Cap (\$MM)	19,743	34,123
3-Year Standard Deviation	19.46	20.33

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

Statistics

Fund vs. Index	3 Years	5 Years
Alpha (%)	1.65	1.12
Beta	0.92	0.91
R-Squared	0.93	0.93
Tracking Error (%)	5.34	4.46
Up Capture (%)	91.39	90.08
Down Capture (%)	90.34	88.06

Source: StyleADVISOR; based on Class A shares

Equity Sector Breakdown

Market Sector	% of Total Net Assets	
	Fund	Index
Financials	16.57	14.43
Consumer Staples	16.18	10.68
Industrials	13.73	10.41
Consumer Discretionary	13.59	10.18
Health Care	9.35	12.54
Information Technology	8.35	19.40
Utilities	7.63	3.95
Materials	5.19	4.03
Energy	3.84	11.26
Telecommunication Services	0.51	3.12

Sources: Invesco, Frank Russell Co.

Capitalization Breakdown

	% of Equities	
	Fund	Index
Giant	15.60	43.97
Large	62.43	33.10
Mid	19.60	21.32
Small	2.37	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	90.00	90.48
International Common Stock	4.92	4.25
Cash	4.90	5.32
Other	0.18	-0.05

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 Diversified Dividend Fund

Data as of Dec. 31, 2009

Performance summary

- During the fourth quarter, the fund's class A shares at net asset value (NAV) delivered a positive return, but lagged the Russell 1000 Index. (Please see the returns table on page 1 for fund and index performance.)
- The fund underperformed the benchmark primarily due to its relative overweight position in the consumer discretionary sector and underweight in the information technology (IT) sector.
- The industrials and consumer staples sectors were the largest contributors to the fund's return during the quarter, while holdings in the financials sector detracted from results.

Contributors to performance

- A number of the fund's holdings in the industrials sector were top contributors to the fund's return, including **Snap-on Inc.** and **Illinois Tool Works** (1.78% and 1.62% of total net assets, respectively).
- **Snap-on** manufactures and distributes premium professional-grade power and hand tools. Sales, though weak, did improve sequentially in the fourth quarter, and ongoing operating improvements again contributed to margins. The company's strong balance sheet enabled **Snap-on** to offer customer financing, a competitive advantage. We believe **Snap-on** is well-positioned for an economic recovery.
- **Illinois Tool Works**, a diversified industrial machinery company, has shown resilience through the cyclical downturn. The company's restructuring initiatives have resulted in cost savings which have supported margins. Some of the company's short-cycle business, including industrial packaging consumables, polymers and fluids, showed improvement in the quarter. As a company that is leveraged to the very early stages of an economic recovery, we expect further improvements in 2010 as manufacturing activity is expected to accelerate.
- Another large contributor was **Dominion Resources** (2.22% of total net assets), a utility operating primarily in regulated markets. The company witnessed relatively stable customer demand and benefited from a supportive regulatory environment in Virginia. Another driver was the company's announced plan to monetize Marcellus shale acreage, which could reduce equity needed for funding its long-term capital expenditure budget.

Detractors from performance

- The fund's largest detractor was **International Game Technology (IGT)** (2.04% of total net assets). **IGT** faced headwinds throughout 2009 as gaming operators cut capital expenses to preserve cash and consumer play levels fell. However, a focus on cost cutting and balance sheet repair has allowed the company to weather the downturn. Although play levels remain depressed, they have stabilized in recent months while replacements have slowly begun to increase.
- Holdings in the financials sector also detracted from results, including **Marsh & McLennan** and **SunTrust Banks** (2.26% and 2.23% of total net assets, respectively).
- **SunTrust's** shares have been under pressure for much of the year as the market feared heightened losses in its second mortgage, home equity and construction loan portfolios, particularly given its footprint in the hard-hit real estate markets in the Southeast. Credit losses remain at elevated levels, and the possibility of tighter capital standards weighed on shares in the fourth quarter.
- Risk insurer **Marsh & McLennan** experienced declining revenue growth in the quarter, particularly in its cyclically sensitive consulting divisions, as a result of the economic slowdown. On an encouraging note, the company shows continued positive trends in their efforts to improve margins in their key brokerage division.

Top contributors and detractors

Contributors	(%) of Total Assets	Detractors	(%) of Total Assets
1. Snap-On Inc.	1.78	1. International Game Technology	2.04
2. Illinois Tool Works	1.62	2. Marsh & McLennan Cos.	2.26
3. Dominion Resources Inc.	2.22	3. SunTrust Banks Inc.	2.23
4. Kimberly-Clark Corp.	3.06	4. State Street Corp.	1.01
5. American Electric Power	2.10	5. Fifth Third Bancorp	2.25

Positioning and outlook

- There were no major positioning changes in the fourth quarter; however, we selectively trimmed our exposure to the consumer discretionary sector in favor of increased exposure to consumer staples. We also trimmed select holdings in the health care sector.
- We have continued to emphasize select consumer discretionary companies that are attractively valued and tied to the early stages of an economic recovery. However, valuations have since expanded in these early cyclical sectors, making future opportunities more stock-specific than broad sector. We continue to maintain an overweight in consumer staples where we see opportunities for margin improvement.
- At the end of the quarter, our largest sector overweights versus the Russell 1000 were in the consumer staples, utilities and consumer discretionary sectors, while our primary underweights were in the IT, energy and health care sectors.
- In this volatile environment, we believe one of our competitive advantages is a disciplined approach to evaluating stocks from a total return perspective - focusing not only on their capital appreciation potential but also on their dividend income and downside protection. This approach helps create a well-diversified fund that can serve as a cornerstone allocation within an overall portfolio.

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

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