



Invesco Energy Fund

Sectors

Data as of Dec. 31, 2011

Investment objective and strategy

The fund seeks long-term capital growth by investing primarily in energy companies, which include oil companies, oil and gas exploration companies, natural gas pipeline companies, refiners, energy conservation companies, coal companies, alternative energy companies and innovative energy technology companies.

Portfolio management

Andrew Lees, Tyler Dann II

How does the fund fit into your portfolio?

- **Satellite position.** The fund is a sector-oriented product that can be added as a satellite position to enhance return potential when employed in a strategic or tactical allocation.
- **Focus on fundamentals.** Fund management seeks to invest in companies with the ability to grow earnings despite fluctuating commodity prices. The investment strategy focuses on identifying energy companies with the ability to increase production volumes while controlling costs.

Investment Results

Average Annual Total Returns (%)						as of Dec. 31, 2011	
Period	Class A Shares Inception: 03/28/02		Class C Shares Inception: 02/14/00		Investor Class Shares Inception: 01/19/84	Class Y Shares Inception: 10/03/08	Style-Specific Index
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	NAV	MSCI World Energy Index
Inception	11.51	12.16	12.60	12.60	9.81	-	-
25 Years	-	-	-	-	10.40	-	-
20 Years	-	-	-	-	11.29	-	-
15 Years	-	-	-	-	11.95	-	9.50
10 Years	-	-	12.18	12.18	12.99	13.08	10.05
5 Years	3.45	4.63	3.85	3.85	4.62	4.80	2.61
3 Years	13.36	15.52	14.66	14.66	15.51	15.80	12.26
1 Year	-13.33	-8.28	-9.89	-8.98	-8.31	-8.08	0.17
Quarter	10.57	17.00	15.81	16.81	16.97	17.06	16.40

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit invesco.com/performance 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, and 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. The Investor Class shares have no sales charge; therefore, performance is at NAV. Class Y shares have no sales charge; therefore, performance is at NAV. Performance shown prior to the inception date of Class Y shares is that of Investor Class shares and includes the 12b-1 fees applicable to Investor Class shares. Investor Class share performance reflects any applicable fee waivers or expense reimbursements. Had fees not been waived or expenses reimbursed on Class C shares in the past, returns would have been lower. Returns less than one year are cumulative; all others are annualized.

Index source: Lipper Inc.



Inception year is 2002.

About risk

The businesses in which the fund invests may be adversely affected by foreign, federal or state regulations governing energy production, distribution and sale.

The fund's foreign investments may be affected by changes in the foreign country's exchange rates; political and social instability; changes in economic or taxation policies; difficulties when enforcing obligations; decreased liquidity; and increased volatility. Foreign companies may be subject to less regulation resulting in less publicly available information about the companies.

The investment techniques and risk analysis used by portfolio managers may not produce desired results.

The fund's investments are concentrated in a comparatively narrow segment of the economy, which may make

Fund Facts

Nasdaq	A: IENAX C: IEFCX Investor: FSTEX Y: IENYX I: IENIX
Total Net Assets	\$1,556,580,686
Total Number of Holdings	45
Annual Turnover (as of 04/30/11)	58%

Top Equity Holdings

	% of Total Net Assets
Schlumberger Ltd.	6.98
National Oilwell Varco Inc.	5.62
Occidental Petroleum Corp.	5.60
Anadarko Petroleum Corp.	5.18
Halliburton Co.	5.00
Cameron Intl. Corp.	4.84
Apache Corp.	4.65
Baker Hughes Inc.	4.55
Exxon Mobil Corp.	4.45
Enscoc PLC	3.56

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

Top Industries

Oil & Gas Equipment & Services	35.62
Oil & Gas Exploration & Production	23.19
Integrated Oil & Gas	17.02
Oil & Gas Drilling	12.52
Oil & Gas Refining & Marketing	1.66
Coal & Consumable Fuels	0.92

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

Expense Ratios

	% Net	% Total
Class A Shares	1.13	1.13
Class C Shares	1.88	1.88
Investor Class Shares	1.13	1.13
Class Y Shares	0.88	0.88

Per the current prospectus

About risk (continued)

the fund more volatile.

Stocks of small and mid-sized companies tend to be more vulnerable to adverse developments in the above factors and may have little or no operating history or track record of success, and limited product lines, markets, management and financial resources. The securities of small and mid-sized companies may be more volatile due to less market interest and less publicly available issuer information. They also may be illiquid or restricted as to resale, or may trade less frequently and in smaller volumes, all of which may cause difficulty when establishing or closing a position at a desirable price.

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

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

Neither MSCI nor any 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 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 data is permitted without MSCI's express written consent.

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.

MSCI World Energy Index is a free float-adjusted market capitalization index that represents the energy segment in global developed market equity performance. 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 **median 12-Month Fwd. Growth Rate** is the percent change between the next twelve months' mean EPS estimate and the previous twelve months' actuals.

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. This measurement is not a forecast of the fund's performance. 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. This measurement is not a forecast of the fund's performance. **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 Based on Total or Risk-Adjusted Return

Morningstar Ratings and Rankings and Lipper Rankings

Class A Shares as of Dec. 31, 2011

	Overall	1 Year	3 Years	5 Years	10 Years
vs. Morningstar Equity Energy Category*					
A Shares (Load)	★★★	N/A	★★	★★★★	N/A
A Shares (Load Waived)	★★★★	N/A	★★★	★★★★	N/A
Number of Funds in Category	75	N/A	75	61	N/A
vs. Morningstar Equity Energy Category**		52% (53 of 101)	57% (43 of 75)	7% (5 of 61)	N/A
vs. Lipper Natural Resources Category***		59% (57 of 96)	58% (41 of 70)	20% (12 of 59)	N/A

*Source: ©2012 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 World Energy Index

Valuation Statistics

	Fund	Index
12-Month Forward P/E	10.27	8.99
12-Month Trailing P/E	12.46	9.33
Price/Book (Wtd. Avg.)	2.01	2.05
1-Year ROE (Wtd. Avg.)	12.58	15.37
12-Month Fwd. Growth Rate (Median) (%)	24.66	14.12
3-Year EPS Growth Rate (Wtd. Avg.) (%)	-11.21	-7.30
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	8.48	8.89
Weighted Average Market Cap (\$MM)	51,665	134,263
Weighted Median Market Cap (\$MM)	21,230	76,065
3-Year Standard Deviation	28.91	23.78

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

Statistics

Fund vs. Index	3 Years	5 Years
Alpha (%)	2.00	2.83
Beta	1.16	1.16
R-Squared	0.91	0.92
Tracking Error (%)	9.49	9.39
Up Capture (%)	128.61	129.99
Down Capture (%)	111.34	110.37

Source: StyleADVISOR; based on Class A shares

Equity Sector Breakdown

Market Sector	% of Total Net Assets	
	Fund	Index
Energy	90.93	100.00
Consumer Discretionary	0.00	0.00
Consumer Staples	0.00	0.00
Financials	0.00	0.00
Health Care	0.00	0.00
Industrials	0.00	0.00
Information Technology	0.00	0.00
Materials	0.00	0.00
Telecommunication Services	0.00	0.00
Utilities	0.00	0.00

Sources: Invesco, MSCI

Capitalization Breakdown

	% of Equities	
	Fund	Index
Giant	25.38	66.35
Large	48.69	23.80
Mid	21.50	9.85
Small	3.93	0.00
Micro	0.50	0.00

Based on Morningstar capitalization ranges

Asset Mix (%)

	at 12/31/11		at 12/31/10	
Domestic Common Stk	81.75		84.42	
Cash	9.22		1.62	
Int'l Common Stk	9.18		14.36	
Other	-0.15		-0.40	

A negative allocation to Cash or Other, as of the date shown, is normally due to fund activity that has accrued or is pending settlement.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

Consider the investment objectives, risks, charges and expenses carefully before investing. Please read the prospectus carefully before investing. For this and more complete information about the funds, contact your financial advisor or visit invesco.com/fundprospectus.

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

Invesco Energy Fund

Data as of Dec. 31, 2011

Performance summary

- Despite a lack of meaningful resolutions to improve the global economy, U.S.-domiciled equities rallied in the fourth quarter. International equities also delivered positive, albeit muted, gains as the European sovereign debt crisis remained at the forefront of investor concerns.
- Volatility, as measured by the Chicago Board Options Exchange (CBOE) Volatility Index (VIX), decreased significantly during the fourth quarter.
- The energy, industrials and materials sectors led the equity market, producing double-digit gains for the fourth quarter. Telecommunication services, utilities and information technology (IT) were the market laggards, but still delivered high single-digit gains.
- Invesco Energy Fund Class A shares at net asset value (NAV) outperformed the MSCI World Energy Index. (Please see the returns table on page 1 for fund and index performance.)
- Crude oil prices, measured by Brent oil, rose 4.50% in the fourth quarter amid continued tensions in the Middle East, closing at \$107.38/bbl.¹
- North American natural gas prices fell -18.47% in the fourth quarter due to anemic demand and a continued storage backlog, closing at \$2.99/mcf.¹
- **Invesco Energy Fund invests in the *business* of energy not the *price* of energy. We seek to invest in companies with the ability to grow earnings despite fluctuating commodity prices, which is typically a result of increasing production volumes while controlling costs.**

Contributors to performance

- Oil & gas equipment & service stocks were the largest contributors to the fund's absolute and relative performance, benefiting from strong results in the energy sector.
- **National Oilwell Varco Inc.** and **Schlumberger Ltd.** (5.62% and 6.98% of total net assets, respectively) were top individual contributors within oil & gas equipment & services.
- Oil & gas exploration & production stocks also added to both absolute and relative return. Within this subsector, **Anadarko Petroleum Corp.** (5.18% of total net assets) was the largest individual contributor.

Detractors from performance

- No subsectors detracted from the fund's absolute performance during the fourth quarter. The fund's largest relative detractor was cash given the strong performance of energy stocks.
- Integrated oil & gas stocks, despite being a positive contributor to absolute performance, detracted from relative performance due to the fund's underweight exposure.
- It is important to note that the fund remains underweight in the integrated oil & gas subsector, relative to its benchmark. The MSCI World Energy Index, as a float-adjusted market capitalization index, averaged over 59% of its holdings in major integrated oil and gas stocks during the quarter, including over 14% exposure to **ExxonMobil Corp.** and close to 8% exposure in **Chevron Corp.** (4.45% and 0% of the fund's total net assets, respectively). The fund, on the other hand, averaged approximately 19% exposure to the entire integrated oil and gas sub-sector during the fourth quarter. Additionally, we sold the fund's **Chevron** holdings during the fourth quarter.
- The largest individual detractors from fund performance were **Rowan Companies Inc.** and **Suncor Energy Inc.** (2.75% and 0% of total net assets, respectively). **Rowan Companies**, provider of domestic and international drilling services, suffered following a slight decline in third quarter results compared to the previous year. **Suncor Energy**, an integrated oil & gas company focused on the development of Canada's Athabasca oil sands, reported mixed third-quarter production results and lowered its international guidance. We sold **Suncor Energy** during the fourth quarter, while continuing to hold **Rowan Companies**.

Top contributors and detractors

Contributors		Detractors	
	(% of Total Assets)		(% of Total Assets)
1. National Oilwell Varco Inc.	5.62	1. Rowan Companies Inc.	2.75
2. Occidental Petroleum Corp.	5.60	2. Suncor Energy Inc.	0.00
3. Anadarko Petroleum Corp.	5.18	3. Resolute Energy Corp.	0.45
4. Exxon Mobil Corp.	4.45	4. Southwestern Energy Co.	0.91
5. Schlumberger Ltd.	6.98		

Positioning and outlook

- We continue to observe weakening economic conditions in Europe, though U.S. economic data appears to support a degree of optimism heading into the November Presidential elections.
- Signs of global inflation are beginning to appear, particularly in food and energy prices.
- We believe the weakening U.S. dollar trend caused by the Federal Reserve's seemingly perpetual Quantitative Easing, combined with secular growth in crude oil demand in China and India, will continue to underpin U.S. dollar-denominated crude oil prices.
- Chinese demand for crude oil appears to have shifted systemically, despite what appears to be a successfully orchestrated slowdown in the overheated sectors of its economy. However, we do not believe China is immune to recession in the U.S. and Europe, and we expect growth in demand for crude oil to slow over the next 12 months, but remain positive.
- In an apparent effort to manipulate commodity prices, the CME Group, London Metal Exchange and New York Mercantile Exchange have undertaken an aggressive campaign of surprise margin hikes on select energy and metals contracts. In addition, the International Energy Agency (IEA) has orchestrated the release of 60 mm barrels of mostly light-sweet crude from the Organisation for Economic Co-operation and Development (OECD) strategic petroleum reserves. These efforts at market manipulation have been responsible, in part at least, for the retrenchment in energy and metals prices during the second half of 2011.
- Fear of the effects of the European banking crises, combined with the U.S. governments' refusal to curb its deficit spending, have soured the short-term outlook for global equities. While we have a favorable view on the longer term fundamentals of the energy markets, we believe the next six to 12

months could be difficult and volatile.

- Longer term, we think the global oil supply-demand outlook is positive, even in the event of a slowdown in global economic growth. Before the effects of the Middle East/North Africa unrest, the Energy Information Administration and International Energy Agency estimated excess global crude oil & liquids capacity at 4-6 mmbbls/d by, or 4-6% of total production capacity.
- The U.S. natural gas market remains fundamentally oversupplied. Despite elevated natural gas storage, natural gas drilling remains robust and productivity improvements across the major shale basins in North America have resulted in unprecedented supply growth. Thus, in our opinion, U.S. natural gas appears to be range-bound between \$3.00-\$6.00/mcf over the next 12 to 24 months. At those Henry Hub price levels, very few producers generate a positive full-cycle return, which reinforces our preference for diversified oilfield service providers, equipment manufacturers, drillers and oil-leveraged producers.
- Beyond the potential for near-term economic weakness, we think 2012 will be a decent year for both metallurgical and thermal coal. Rising costs and environmental concerns have negatively affected China's coal production, and the headwinds are likely to continue. In addition, an increasingly hostile regulatory environment in the U.S. is delaying production, particularly in Central Appalachia. We believe rising global demand for base load coal-fired power, combined with the aforementioned supply constraints, may result in a relatively balanced market for coal in 2012, and result in fairly stable pricing.
- The Japan nuclear crisis, Middle East/North Africa unrest and coal supply constraints have shifted attention back to the one energy source with seemingly ample supply in the short-run - liquid natural gas (LNG). We believe LNG capacity utilization will be higher than previously thought in 2011 and 2012, and the long-term supply/demand fundamentals remain robust. We believe LNG will be the biggest beneficiary of decreased reliance on nuclear power in the wake of the Japanese disaster and Germany's decision to shut down its nuclear power industry.
- We believe the energy sector offers potential for long-term appreciation for the following reasons: oil supplies remain constrained, and global consumption should continue to expand; the world is likely to derive most of its energy from hydrocarbons for the foreseeable future, as alternatives remain largely uneconomic; global development and industrialization, driven by fast-growing nations such as India and China, is likely to continue, resulting in a growing need for coal, crude oil and natural gas; and, virtually all new sources of crude oil merely replace supplies being lost to depletion.
- While oil prices may be headline news, the fund should be considered a long-term investment based on fundamentals of constrained supply and long-term increases in demand.

The Henry Hub pipeline is the pricing point for natural gas futures on the New York Mercantile Exchange. Mcf is an abbreviation denoting a thousand cubic feet of natural gas. Diversification does not guarantee a profit or eliminate the risk of loss. Opinions expressed are those of the fund's portfolio management. Holdings are subject to change and are not buy/sell recommendations.

1 Source: Bloomberg L.P.