



# AIM Financial Services Fund

## Sectors

Data as of Dec. 31, 2009

### Investment objective and strategy

The fund seeks capital growth by investing primarily in financial services stocks. These companies include banks, insurance companies, investment and miscellaneous industries, and suppliers to financial service companies.

### Portfolio management

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### 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 tactical or strategic allocation.
- **Focus on long-term absolute performance.** The fund seeks to create wealth by maintaining a long-term investment horizon and investing in financial services companies that are significantly undervalued on an absolute basis or that exhibit superior capital discipline.
- **Sector coverage.** The fund provides exposure to various industries within the financial services sector which may include banking, insurance, consumer finance, and asset management.

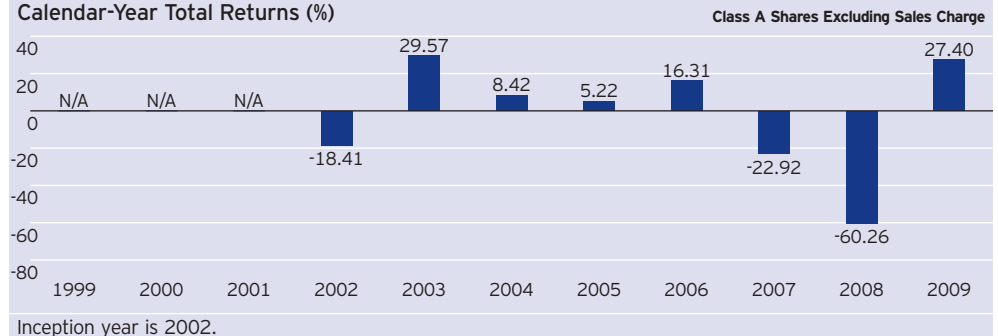
### Investment Results

Average Annual Total Returns (%)							as of Dec. 31, 2009
Period	Class A Shares Inception: 03/28/02		Class C Shares Inception: 02/14/00		Investor Class Shares Inception: 06/02/86	Class Y Shares Inception: 10/03/08	Style-Specific Index
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	NAV	S&P 500 Financials Index
Inception	-8.14	-7.47	-3.94	-3.94	7.81	-	-
20 Years					7.74	-	7.53
15 Years					4.53	-	6.97
10 Years					-4.29	-4.26	-2.61
5 Years	-14.71	-13.74	-14.39	-14.39	-13.74	-13.69	-11.56
3 Years	-28.28	-26.92	-27.49	-27.49	-26.93	-26.87	-24.74
1 Year	20.44	27.40	25.21	26.21	27.34	27.69	17.22
Quarter	-4.84	0.76	-0.47	0.52	0.75	0.76	-3.32

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. 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. 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 Investor Class 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 Investor Class shares. Had fees not been waived or expenses reimbursed on Class A shares 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 (%)



### About 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.

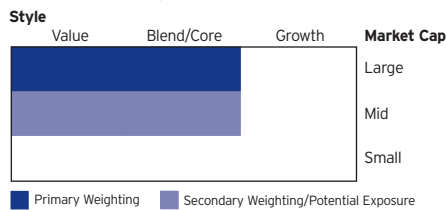
The financial services sector is subject to extensive government regulation, which may change frequently. The profitability of businesses in this sector depends heavily on the availability and cost of money and may fluctuate significantly in response to changes to interest rates and general economic conditions.

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

### Fund Facts

Nasdaq	A: IFSAX B: IFSBX C: IFSCX Investor: FSFSX Y: IFSYX
Total Net Assets	\$195,987,393
Total Number of Holdings	37
Annual Turnover (as of 03/31/09)	38%

### 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 equity style.

### Top Equity Holdings

	% of Total Net Assets
Capital One Financial Corp.	7.29
XL Capital Ltd.	6.76
JPMorgan Chase & Co.	6.71
American Express Co.	5.97
Bank of America Corp.	5.16
SLM Corp.	4.71
Moody's Corp.	4.70
Fifth Third Bancorp	4.65
Legg Mason Inc.	4.03
UnitedHealth Group Inc.	3.87

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

### Top Industries

Consumer Finance	18.29
Other Diversified Financial Services	14.70
Asset Management & Custody Banks	12.03
Regional Banks	9.67
Data Processing & Outsourced Services	7.23
Investment Banking & Brokerage	7.19
Property & Casualty Insurance	7.13
Specialized Finance	4.70
Insurance Brokers	4.17
Managed Health Care	3.87

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

### Expense Ratios

	% Net	% Total
Class A Shares	1.65	1.66
Class C Shares	2.40	2.41
Investor Class Shares	1.65	1.66
Class Y Shares	1.40	1.41

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.

**About risk (continued)**

and standards.

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.

Nondiversification increases the risk that the value of the fund's shares may vary more widely, and the fund may be subject to greater investment and credit risk than if it invested more broadly.

The fund's investments are concentrated in a comparatively narrow segment of the economy. Consequently, the fund may tend to be more volatile than other mutual funds, and the value of the fund's investments may tend to rise and fall more rapidly.

Because a large percentage of the fund's assets may be invested in securities of a limited number of companies, each investment has a greater effect on the fund's overall performance and any change in the value of those securities could significantly affect the value of an investment in the fund.

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 S&P 500® Financials Index is an unmanaged index considered representative of the financial market. 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 Financial Category*					
A Shares (Load)	★	N/A	★	★	N/A
A Shares (Load Waived)	★★	N/A	★★	★★	N/A
Number of Funds in Category	108	N/A	108	101	N/A
vs. Morningstar Financial Category**		42% (55 of 129)	91% (99 of 108)	85% (86 of 101)	N/A
vs. Lipper Financial Services Category***		27% (23 of 86)	91% (64 of 70)	79% (45 of 56)	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. S&P 500 Financials Index**

Valuation Statistics	Fund		Index		
	Fund	Index	Fund	Index	
12-Month Forward P/E	14.60	14.73			
12-Month Trailing P/E	53.54	33.33			
Price/Book LTM (Wtd. Avg.)	1.89	1.48			
1-Year ROE (Wtd. Avg.)	0.02	2.98			
12-Month Fwd. Growth Rate (Median) (%)	21.92	19.53			
3-Year EPS Growth Rate (Wtd. Avg.) (%)	-14.31	-16.26			
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	-20.34	-20.37			
Weighted Average Market Cap (\$MM)	34,071	66,985			
Weighted Median Market Cap (\$MM)	11,647	40,239			
3-Year Standard Deviation	37.35	36.57			
Sources: Invesco, Compustat, Thomson Financial, Standard & Poor's, StyleADVISOR					
Statistics		3 Years		5 Years	
Fund vs. Index					
Alpha (%)		-2.36		-2.13	
Beta		1.01		1.01	
R-Squared		0.97		0.97	
Tracking Error (%)		5.93		4.73	
Up Capture (%)		96.09		96.42	
Down Capture (%)		101.88		102.69	
Source: StyleADVISOR; based on Class A shares					
Equity Sector Breakdown		% of Total Net Assets			
Market Sector	Fund	Index			
Financials	85.56	100.00			
Information Technology	7.23	0.00			
Health Care	3.87	0.00			
Consumer Discretionary	2.03	0.00			
Consumer Staples	0.00	0.00			
Energy	0.00	0.00			
Industrials	0.00	0.00			
Materials	0.00	0.00			
Telecommunication Services	0.00	0.00			
Utilities	0.00	0.00			
Sources: Invesco, Standard & Poor's					
Capitalization Breakdown		% of Equities			
	Fund	Index			
Giant	24.16	45.63			
Large	29.02	37.55			
Mid	37.55	16.56			
Small	4.09	0.25			
Micro	5.19	0.00			
Based on Morningstar capitalization ranges					
Asset Mix (%)		at 12/31/09		at 12/31/08	
Domestic Common Stock	95.98	95.58			
International Common Stock	2.71	3.09			
Cash	0.79	1.63			
Other	0.52	-0.30			

**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 Financial Services Fund

Data as of Dec. 31, 2009

## Performance summary

- During the fourth quarter, the fund's class A shares at net asset value (NAV) outperformed the S&P 500 Financials Index. (Please see the returns table on page 1 for fund and index performance.)
- Financial stocks took a break from the sharp rebound of the last two quarters. The fund outperformed mainly because of an overweight in consumer credit and investments in an eclectic group of stocks that provide finance-related administrative services.

## Contributors to performance

- Our investments in **American Express Co.**, **Moody's Corp.** and **SLM Corp. (Sallie Mae)** (5.97%, 4.70% and 4.71% of total net assets, respectively) posted double-digit gains and made significant contributions to fund performance.
- **American Express** declined in early 2009 ahead of the bank stress tests and amidst concerns over credit card losses. The stock rebounded as credit trends stabilized, convincing investors that earlier fears were overblown.
- After declining in the third quarter, our investments in **Moody's Corp.** and **Sallie Mae** rebounded and were among the largest contributors to performance during the fourth quarter. We continue to believe that the shares of both companies trade at a large enough discount to intrinsic value to compensate for uncertainties surrounding pending legislation in the student loan market for **Sallie Mae** and regulatory scrutiny of credit ratings for **Moody's**.

## Detractors from performance

- Our investments in **Zions Bancorporation**, **Citigroup Inc.** and **State Street Boston Corp.** (1.93%, 2.83% and 3.46% of total net assets, respectively) were the largest detractors from performance during the fourth quarter.
- The shares of **Zions Bancorporation**, a regional banking franchise we admire, fell during the quarter as investor worries shifted to potential commercial real estate loan losses and the effect such losses could have on capital adequacy. We continued to hold the company at quarter end because we believed its depressed stock price represented an attractive value opportunity, even as we expected the company to further bolster regulatory capital.
- In February, **Citigroup** took the dramatic step of recapitalizing the company via a preferred-for-common exchange. The result bolstered **Citigroup's** capital position to among the strongest in the world, but diluted our estimate of per-share intrinsic value severely.
- The shares of **State Street** declined during the quarter after the company modestly reduced its EPS outlook following third-quarter results.

## Top contributors and detractors

Contributors	(%) of Total Assets	Detractors	(%) of Total Assets
1. American Express Co.	5.97	1. Zions Bancorporation	1.93
2. Moody's Corp.	4.70	2. Citigroup Inc.	2.83
3. SLM Corp. (Sallie Mae)	4.71	3. State Street Boston Corp.	3.46
4. UnitedHealth Group Inc.	3.87	4. Bank of America	5.16
5. Capital One Financial Corp.	7.29	5. UBS AG	2.71

## Positioning and outlook

- We sold our remaining position in **Coventry Health Care** (0% of total net assets) during the quarter.
- We believe many stressed financial companies have now raised enough capital to handle credit losses that are widely expected to be severe. Economies around the world are showing signs of stabilization or recovery.
- Financial stocks have rebounded dramatically from extremely depressed levels in March of 2009. Despite strong stock performance in the sector, we continue to see opportunities given historical low valuation levels and unusually wide valuation differences within the sector.
- While regulatory and political developments will grab headlines in 2010, and some changes will prove important, we believe the path and robustness of economic recovery will be the ultimate determinant of financial sector stock performance. We expect financial stocks will remain volatile as the economy works toward recovery and credit losses ultimately peak, the timing of which is impossible to pinpoint.
- Investors in the fund should expect further turnover of portfolio holdings as we continue to capitalize on this opportunity.
- Regardless of the macroeconomic environment, we remain focused on identifying financial companies that are undervalued and exhibit capital discipline.
- 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.