



Invesco Leisure Fund

Sectors

Data as of Dec. 31, 2011

Investment objective and strategy

The fund seeks long-term capital growth by investing primarily in stocks of companies engaged in the design, production and distribution of products and/or services related to the leisure activities of individuals.

Portfolio management

Ido Cohen, Juan R. Hartsfield

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.
- **Sector coverage.** The fund provides exposure to leisure-related companies within the consumer sector, which may include industries such as movies & entertainment, cable & satellite, advertising, hotels, resorts & cruise lines, restaurants, brewers, apparel, distillers & vintners, soft drinks, and computer & electronics retail.

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 | S&P 500 Consumer Discretionary Index |
| Inception | 2.10 | 2.69 | 1.72 | 1.72 | 12.76 | - | - |
| 25 Years | - | - | - | - | 12.02 | - | - |
| 20 Years | - | - | - | - | 10.23 | - | 8.20 |
| 15 Years | - | - | - | - | 8.69 | - | 7.21 |
| 10 Years | - | - | 2.17 | 2.17 | 2.98 | 3.06 | 3.82 |
| 5 Years | -3.78 | -2.69 | -3.41 | -3.41 | -2.69 | -2.52 | 2.02 |
| 3 Years | 13.27 | 15.43 | 14.56 | 14.56 | 15.42 | 15.71 | 24.17 |
| 1 Year | -9.22 | -3.94 | -5.57 | -4.65 | -3.95 | -3.68 | 6.13 |
| Quarter | 1.91 | 7.85 | 6.64 | 7.64 | 7.84 | 7.90 | 12.58 |

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. Returns less than one year are cumulative; all others are annualized.

Index source: Lipper Inc.

Calendar-Year Total Returns (%)



Inception year is 2002.

About risk

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 leisure sector depends on consumer discretionary spending, which generally falls during economic downturns. 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 the fund more volatile.

Stocks of small and mid-sized companies tend to be more vulnerable to adverse developments in the above factors

Fund Facts

| | |
|----------------------------------|---|
| Nasdaq | A: ILSAX C: IVLCX Investor: FLISX Y: ILSYX R: ILSRX |
| Total Net Assets | \$315,047,798 |
| Total Number of Holdings | 58 |
| Annual Turnover (as of 04/30/11) | 53% |

Top Equity Holdings

| | % of Total Net Assets |
|--------------------------------|-----------------------|
| Nike Inc. | 4.80 |
| Apple Inc. | 4.72 |
| Home Depot Inc. | 4.51 |
| Comcast Corp. | 4.48 |
| Macy's Inc. | 4.38 |
| Directv | 4.19 |
| Starbucks Corp | 4.19 |
| Interpublic Group of Cos. Inc. | 3.11 |
| Chipotle Mexican Grill Inc. | 2.74 |
| Amazon.com Inc. | 2.73 |

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

Top Industries

| | |
|-------------------------------------|------|
| Restaurants | 9.74 |
| Cable & Satellite | 8.67 |
| Movies & Entertainment | 8.56 |
| Footwear | 6.44 |
| Broadcasting | 6.15 |
| Home Improvement | 6.02 |
| Computer Hardware | 4.72 |
| Department Stores | 4.38 |
| Advertising | 3.86 |
| Apparel, Accessories & Luxury Goods | 3.74 |

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

Expense Ratios

| | % Net | % Total |
|-----------------------|-------|---------|
| Class A Shares | 1.33 | 1.33 |
| Class C Shares | 2.08 | 2.08 |
| Investor Class Shares | 1.33 | 1.33 |
| Class Y Shares | 1.08 | 1.08 |

Per the current prospectus

About risk (continued)

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.

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 Consumer Discretionary Index is an unmanaged, market capitalization-weighted index considered representative of the consumer discretionary market.

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 Consumer Cyclical Category* | | | | | |
| A Shares (Load) | ★★ | N/A | ★ | ★★ | N/A |
| A Shares (Load Waived) | ★★ | N/A | ★ | ★★ | N/A |
| Number of Funds in Category | 30 | N/A | 30 | 29 | N/A |
| vs. Morningstar Consumer Cyclical Category** | | 84% (28 of 33) | 82% (25 of 30) | 75% (22 of 29) | N/A N/A |
| vs. Lipper Consumer Services Funds Category*** | | 81% (34 of 41) | 85% (33 of 38) | 80% (28 of 34) | N/A 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. S&P 500 Consumer Discretionary Index

Valuation Statistics

| | Fund | Index |
|---|--------|--------|
| 12-Month Forward P/E | 14.92 | 13.71 |
| 12-Month Trailing P/E | 17.11 | 15.39 |
| Price/Book (Wtd. Avg.) | 4.22 | 4.45 |
| 1-Year ROE (Wtd. Avg.) | 22.81 | 25.42 |
| 12-Month Fwd. Growth Rate (Median) (%) | 16.41 | 14.81 |
| 3-Year EPS Growth Rate (Wtd. Avg.) (%) | 17.72 | 13.13 |
| 5-Year Dividend Growth Rate (Wtd. Avg.) (%) | 3.93 | 8.89 |
| Weighted Average Market Cap (\$MM) | 46,722 | 38,563 |
| Weighted Median Market Cap (\$MM) | 25,076 | 31,790 |
| 3-Year Standard Deviation | 21.50 | 23.00 |

Sources: Invesco, Compustat, Thomson Financial, Standard and Poor's, StyleADVISOR

Statistics

| Fund vs. Index | 3 Years | 5 Years |
|--------------------|---------|---------|
| Alpha (%) | -5.31 | -4.45 |
| Beta | 0.91 | 0.94 |
| R-Squared | 0.94 | 0.92 |
| Tracking Error (%) | 5.61 | 6.42 |
| Up Capture (%) | 78.66 | 82.10 |
| Down Capture (%) | 101.88 | 101.02 |

Source: StyleADVISOR; based on Class A shares

Equity Sector Breakdown

| Market Sector | % of Total Net Assets | |
|----------------------------|-----------------------|--------|
| | Fund | Index |
| Consumer Discretionary | 84.47 | 100.00 |
| Information Technology | 10.86 | 0.00 |
| Consumer Staples | 3.57 | 0.00 |
| Financials | 0.48 | 0.00 |
| Energy | 0.00 | 0.00 |
| Health Care | 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 | 23.47 | 29.83 |
| Large | 41.55 | 48.36 |
| Mid | 25.11 | 21.61 |
| Small | 7.11 | 0.00 |
| Micro | 2.77 | 0.20 |

Based on Morningstar capitalization ranges

Asset Mix (%)

| | at 12/31/11 | at 12/31/10 |
|---------------------|-------------|-------------|
| Domestic Common Stk | 96.39 | 93.48 |
| Int'l Common Stk | 3.00 | 6.87 |
| Cash | 0.37 | -0.37 |
| Other | 0.24 | 0.02 |

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 Leisure Fund

Data as of Dec. 31, 2011

Performance summary

- Despite a lack of meaningful resolutions to improve the global economy, volatility decreased during the fourth quarter and U.S.-domiciled equities rallied. International equities also experienced growth, albeit muted, as the European sovereign debt crisis remained at the forefront of investor concerns.
- By sector, energy, industrials and materials led the equity market, producing double-digit gains for the fourth quarter. Telecommunication services, utilities and information technology (IT) were market laggards, but still delivered high single-digit gains.
- Consumer discretionary stocks, in general, outperformed the broad market, as measured by the S&P 500 Index.
- Invesco Leisure Fund's Class A shares at net asset value (NAV), however, underperformed the S&P 500 Consumer Discretionary Index during the fourth quarter. (Please see the returns table on page 1 for fund and index performance.)

Contributors to performance

- In a complete reversal of third quarter performance, the media industry and the hotels, restaurants and leisure industry were the greatest contributors to the fund's absolute performance during the fourth quarter.
- Relative to the S&P 500 Consumer Discretionary Index, the fund benefited from an underweight exposure in Internet & catalog retail, as well as security selection within the multiline retail group.
- **Starbucks Corp.** (4.19% of total net assets) was a leading individual contributor. During the quarter, **Starbucks** acquired Evolution Fresh, known for its premium juice brand Naked Juice, further affirming the company's expansion into consumer packaged goods.

Detractors from performance

- Software, Internet & catalog retail and consumer finance were the only industries to detract from the fund's absolute performance in the fourth quarter.
- Relative to the benchmark, security selection and an overweight exposure in the software industry detracted. Security selection and an overweight in textiles, apparel & luxury goods also hurt relative performance.
- Top individual detractors included **Rovi Corp.** and **Abercrombie & Fitch Co.** (1.41% and 0% of total net assets, respectively). Investors reacted negatively when **Rovi Corp.** announced expectations for the third quarter and 2011 fiscal year that could fall short of analyst estimates. We sold **Abercrombie & Fitch** during the quarter, while continuing to hold **Rovi**.

Top five contributors and detractors

| Contributors | (%) of Total Assets | Detractors | (%) of Total Assets |
|--------------------|---------------------|----------------------------|---------------------|
| 1. Macy's Inc. | 4.38 | 1. Amazon.com Inc. | 2.73 |
| 2. Starbucks Corp. | 4.19 | 2. Rovi Corp. | 1.41 |
| 3. Home Depot Inc. | 4.51 | 3. Deckers Outdoor Corp. | 1.63 |
| 4. Comcast Corp. | 4.48 | 4. Electronic Arts Inc. | 1.87 |
| 5. CBS Corp. | 2.70 | 5. Abercrombie & Fitch Co. | 0.00 |

Positioning and outlook

- We believe the growth rate for global discretionary spending may lag prior economic recoveries as U.S. consumer leverage remains above its long-term average and personal savings as a percentage of disposable personal income will likely remain above recent levels as consumers reduce their leverage.
- We believe consumer spending at the low end of the spectrum in the U.S. may also remain constrained given continued high levels of unemployment.
- During the past year, we increased exposure to several trends we expect to continue for the foreseeable future: A.) We expect that income growth in emerging markets will continue to outpace U.S. income growth, and that companies with exposure to both high and low end discretionary spending in emerging markets will continue to experience more rapid growth than U.S. and Europe-focused peers; B.) We expect the shift toward increased online retail consumption to continue. Namely, online retailers should continue to take market share from traditional retailers, and thus see more rapid growth; and C.) We expect the shift toward online media consumption to continue to take share from more traditional formats.

The S&P 500® Index is an unmanaged index considered representative of the U.S. stock market. An investment cannot be made directly in an index. Opinions expressed are those of the fund's portfolio management. Holdings are subject to change and are not buy/sell recommendations.