



# AIM Income Fund

## Intermediate-term taxable investment grade

Data as of Dec. 31, 2009

### Investment objective and strategy

The fund seeks to achieve total return, comprised of current income and capital appreciation by investing in a diversified portfolio of corporate debt and government obligations.

### Portfolio management

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### Investment Results

Period	Class A Shares Inception: 05/03/68		Class C Shares Inception: 08/04/97		Investor Class Shares Inception: 09/30/03	Class Y Shares Inception: 10/03/08	as of Dec. 31, 2009
	Max Load 4.75%	NAV	Max CDSC 1.00%	NAV	NAV	NAV	Style-Specific Index Barclays Capital U.S. Credit Index
Inception	6.14	6.26	1.48	1.48	-	-	-
25 Years	6.24	6.45	-	-	-	-	8.53
20 Years	4.66	4.92	-	-	-	-	7.42
15 Years	3.92	4.25	-	-	-	-	7.15
10 Years	1.59	2.08	1.32	1.32	2.10	2.11	6.64
5 Years	-0.74	0.23	-0.53	-0.53	0.24	0.28	4.67
3 Years	-3.43	-1.86	-2.61	-2.61	-1.84	-1.78	5.74
1 Year	4.90	10.10	8.30	9.30	10.33	10.37	16.04
Quarter	-3.00	1.87	0.69	1.69	2.08	1.94	1.03

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. 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. Returns less than one year are cumulative; all other performance figures are annualized.

Index source: Lipper Inc.

### Calendar-Year Total Returns (%)



### About risk

Credit risk is the risk of loss on an investment due to the deterioration of an issuer's financial health. Such a deterioration of financial health may result in a reduction of the credit rating of the issuer's securities and may lead to the issuer's inability to honor its contractual obligations, including making timely payment of interest and principal.

The fund may use enhanced investment techniques such as derivatives. The principal risk of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets. Derivatives are subject to counterparty risk - the risk that the other party will not complete the transaction with the fund.

Investing in developing countries can add additional risk, such as high rates of inflation or sharply devalued currencies against the U.S. dollar. Transaction costs are often higher, and there may be delays in settlement procedures.

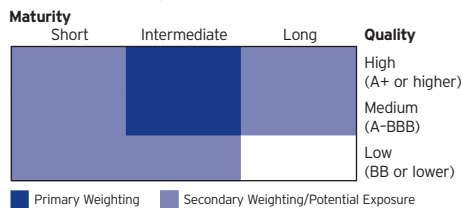
Foreign securities have additional risks, including exchange rate changes, political and economic upheaval, relative lack of information, relatively low market liquidity, and the potential lack of strict financial and accounting controls and standards.

Lower rated securities may be more susceptible to real or perceived adverse economic and competitive industry conditions, and the secondary markets in which lower rated securities are traded may be less liquid than higher grade securities. The loans in which the fund may invest are typically noninvestment-grade and involve a greater risk of default on interest and principal payments and of price changes due to the changes in the credit quality of the issuer.

### Fund Facts

Nasdaq	A: AMIFX B: ABIFX C: ACIFX Investor: AIIVX Y: AMIYX R: AMIRX I: AIIRX
Total Net Assets	\$323,724,415
Total Number of Holdings	347
Annual Turnover (as of 07/31/09)	135%

### 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 bond quality.

### Sectors (%)

U.S. Corporate Bonds	68.71
Foreign Corporate Bonds	16.52
U.S. Government Bonds	7.55
U.S. Mortgage-Backed Securities	3.02
Cash/Other	2.90
U.S. Government Agency Bonds	0.90
Foreign Government Bonds	0.39
U.S. Equities	0.01

Sectors may not equal 100% due to rounding.

### Bond Holding Statistics

Weighted Average Effective Maturity (years)	9.18
Effective Duration	6.13
Average Credit Quality	BBB

### 30-Day SEC Yields

	% Total
Class A Shares	3.83
Class C Shares	3.28
Investor Class Shares	4.03
Class Y Shares	4.28

### Expense Ratios

	% Net	% Total
Class A Shares	1.20	1.20
Class C Shares	1.95	1.95
Investor Class Shares	1.20	1.20
Class Y Shares	0.95	0.95

Per the current prospectus

## About risk (continued)

Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa.

Leveraging entails risks such as magnifying changes in the value of the portfolio's securities.

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.

Reinvestment risk is the risk that a bond's cash flows will be reinvested at an interest rate below that of the original bond.

The fund may invest in obligations issued by agencies and instrumentalities of the U.S. government that may vary in the level of support they receive from the U.S. government. The U.S. government may choose not to provide financial support to U.S.-government-sponsored agencies or instrumentalities if it is not legally obligated to do so. In this case, if the issuer defaulted, the underlying fund holding securities of such an issuer might not be able to recover its investment from the U.S. government.

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 Barclays Capital U.S. Credit Index is an unmanaged index considered representative of publicly issued, SEC-registered U.S. corporate and specified foreign debentures and secured notes. An investment cannot be made directly in an index.

**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. **Weighted average effective maturity** is a measure, as estimated by the fund's portfolio managers, of the length of time the average security in a bond fund will mature or be redeemed by its issuer. It takes into account mortgage prepayments, puts, adjustable coupons and potential call dates. **Effective duration** is a measure, as estimated by the fund's portfolio managers, of a bond fund's price sensitivity to changes in interest rates. It takes into account mortgage prepayments, puts, adjustable coupons and potential call dates. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations, including specific securities, money market instruments or other debts. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. NR indicates the debtor was not rated and should not be interpreted as indicating low quality.

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 Intermediate-Term Bond Category*					
A Shares (Load)	★	N/A	★	★	★
A Shares (Load Waived)	★	N/A	★	★	★
Number of Funds in Category	978	N/A	978	866	496
vs. Morningstar Intermediate-Term Bond Category**					
	(764 of 1,123)	68%	(933 of 978)	95%	(822 of 866)
		84%		94%	(488 of 496)
vs. Lipper Corporate Debt BBB-Rated Category***					
	(125 of 149)	84%	(119 of 126)	96%	(60 of 62)

\*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

### Statistics

Fund vs. Index	3 Years	5 Years
Alpha (%)	-7.19	-4.17
Beta	1.03	0.99
R-Squared	0.77	0.76
Tracking Error (%)	4.55	3.70
Up Capture (%)	60.37	69.00
Down Capture (%)	136.30	120.58
	<b>Fund</b>	<b>Index</b>
3-Year Standard Deviation	9.51	8.06

Source: StyleADVISOR; based on Class A shares and fund's style-specific index

### Quality Breakdown

	% Total
AAA	12.41
AA	8.80
A	25.52
BBB	41.39
BB	4.24
B	3.50
CCC	1.29
CC	0.00
C	0.00
D	0.00
NR	0.78

May not equal 100% due to exclusion of cash, payables and receivables; AAA may include Treasuries and agency securities.

### Top Industries

	% of Total Net Assets
Other Diversified Financial Services	11.71
Investment Banking & Brokerage	5.90
Integrated Telecommunication Services	4.62
Electric Utilities	4.25
Diversified Banks	4.02
Life & Health Insurance	3.03
Cable & Satellite	2.99
Oil & Gas Exploration & Production	2.88
Broadcasting & Cable TV	2.27
Airlines	2.23

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

## 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 Income Fund

Data as of Dec. 31, 2009

## Performance summary

- The fund's Class A shares at net asset value (NAV) outperformed the Barclays Capital U.S. Credit Index in the fourth quarter. (Please see the returns table on page 1 for fund and index performance.)
- Performance of our investment grade corporate bonds as well as out-of-index exposures to high-yield bonds and structured securities markets were the primary reasons the fund outperformed.

## Contributors to performance

- The fund benefited from allocations to corporate credit (both investment grade and high yield), asset backed securities (ABS) and commercial mortgage-backed securities (CMBS), all of which experienced improving valuations during the quarter.
- Security selection within the investment-grade credit sector positioned the fund positively for the period, as our holdings outperformed those of the benchmark.
- Our bias towards shorter-than-benchmark duration benefited relative returns as interest rates increased during the quarter.

## Detractors from performance

- U.S. government bond exposure was a detractor, as the sector returns trailed those of the credit-focused benchmark.
- Volatile markets have made capturing incremental return via yield curve strategies difficult. Yield curve positioning continued to weigh on performance.
- The relatively high average credit quality of the fund's high-yield corporate holdings kept the fund from fully participating in the high-yield rally that favored lower quality segments of the high-yield corporate market.

## Positioning and outlook

- U.S. bond yields are expected to remain in a trading range, with interest rates currently trending higher even though economic uncertainties persist. Declining market volatility and massive Treasury issuance remain the primary catalysts pushing interest rates higher. Rising inflation expectations remain less of a factor given consumption constraints. Therefore, we are maintaining a duration strategy that is neutral to the benchmark. Tactical trades will occur as opportunities are presented by market conditions.
- We believe corporate spreads are likely to tighten further, as the technical environment remains robust. An improving economy and equity market bode well for expanding risk appetites. Therefore, we are maintaining the focus on the investment-grade corporate credit sector and maintaining a notable allocation to out-of-index, high-yield corporate bonds to capitalize on the attractive market opportunity in this space.
- We expect structured securities to continue to experience improvements in valuations. Government stimulus programs have directly supported these sectors and investors have less concern with the lingering fundamental risks. We are therefore remaining overweight to these sectors in aggregate, where appropriate, and we continue to focus on securities eligible for several government programs.
- Markets experienced a strong recovery during 2009, which continued through 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 adviser to discuss your individual financial program.

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