



AIM Real Estate Fund

Real estate

Data as of Dec. 31, 2009

Investment objective and strategy

The fund seeks high total return through growth of capital and current income by investing primarily in domestic real estate securities.

Portfolio management

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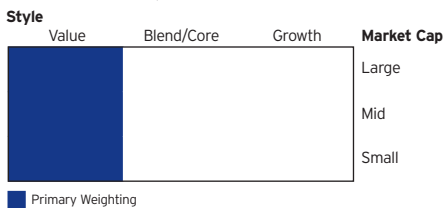
How does the fund fit into your portfolio?

■ **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 strategic or tactical allocation.

Fund Facts

Nasdaq	A: IARAX B: AARBX C: IARCX Investor: REINX Y: IARYX R: IARRX I: IARIX
Total Net Assets	\$1,264,235,940
Total Number of Holdings	85
Annual Turnover (as of 07/31/09)	74%

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 market capitalization.

Top Equity Holdings

	% of Total Net Assets
Simon Property Group Inc.	9.23
Vornado Realty Trust	5.06
Equity Residential	4.90
Public Storage Inc.	4.81
Digital Realty Trust Inc.	4.75
Boston Properties Inc.	4.49
Host Marriott Corp.	4.15
Ventas Inc.	4.02
SL Green Realty Corp.	3.30
Health Care REIT Inc.	3.25

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

Property Mix

Retail	18.74
Office	14.47
Residential	14.41
Health Care	14.21
Specialty/Other	6.72
Diversified	6.49
Lodging/Resorts	5.79
Industrial	5.34
Self-Storage	4.82
Industrial/Office Mixed	2.54

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

Expense Ratios

	% Net	% Total
Class A Shares	1.44	1.44
Class C Shares	2.19	2.19
Investor Class Shares	1.44	1.44
Class Y Shares	1.19	1.19

Per the current prospectus

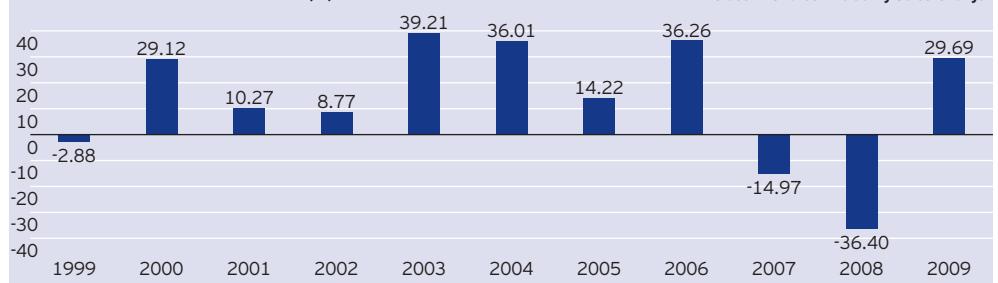
Investment Results

Period	Class A Shares Inception: 12/31/96		Class C Shares Inception: 05/01/95		Investor Class Shares Inception: 09/30/03	Class Y Shares Inception: 10/03/08	as of Dec. 31, 2009
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	NAV	Style-Specific Index FTSE NAREIT Equity REITs Index
Inception	8.02	8.49	9.75	9.75	-	-	-
10 Years	11.70	12.34	11.55	11.55	12.36	12.37	10.63
5 Years	0.63	1.77	1.02	1.02	1.78	1.83	0.36
3 Years	-12.81	-11.15	-11.81	-11.81	-11.15	-11.07	-12.41
1 Year	22.57	29.69	27.76	28.76	29.73	30.01	27.99
Quarter	2.60	8.58	7.43	8.43	8.59	8.72	9.39

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 (%)



About risk

Because the fund concentrates its investments in REITs and other companies related to the real estate industry, the value of your shares may rise and fall more than the value of shares of a fund that invests in a broader range of companies.

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.

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.

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.

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

About risk (continued)

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.

Because the fund concentrates its assets in the real estate industry, an investment in the fund will be closely linked to the performance of the real estate markets.

The fund may use enhanced investment techniques such as short sales. Short sales carry the risk of buying a security back at a higher price at which the fund's exposure is unlimited.

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.

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 FTSE NAREIT Equity REITs Index is an unmanaged index considered representative of U.S. REITs. 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 Real Estate Category*					
A Shares (Load)	★★★★★	N/A	★★★★	★★★★	★★★★★
A Shares (Load Waived)	★★★★★	N/A	★★★★	★★★★★	★★★★★
Number of Funds in Category	227	N/A	227	201	95
vs. Morningstar Real Estate Category**					
	(125 of 262)	48%	(36 of 227)	16%	12%
				(25 of 201)	(5 of 95)
vs. Lipper Real Estate Funds Category***					
	(100 of 229)	44%	(30 of 190)	16%	12%
				(19 of 169)	(4 of 76)

*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. FTSE NAREIT Equity REITs Index

Valuation Statistics			Equity Sector Breakdown		
	Fund	Index	Market Sector	Fund	Index
12-Month Forward P/E	53.03	34.61	Financials	92.53	100.00
12-Month Trailing P/E	40.07	36.55	Consumer Discretionary	0.80	0.00
Price/Book LTM (Wtd. Avg.)	2.42	2.19	Consumer Staples	0.00	0.00
1-Year ROE (Wtd. Avg.)	3.94	4.24	Energy	0.00	0.00
12-Month Fwd. Growth Rate (Median) (%)	-3.56	3.43	Health Care	0.00	0.00
3-Year EPS Growth Rate (Wtd. Avg.) (%)	-0.30	-0.62	Industrials	0.00	0.00
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	-2.02	-5.31	Information Technology	0.00	0.00
Weighted Average Market Cap (\$MM)	7,461	6,571	Materials	0.00	0.00
Weighted Median Market Cap (\$MM)	5,452	4,003	Telecommunication Services	0.00	0.00
3-Year Standard Deviation	35.82	39.69	Utilities	0.00	0.00
Sources: Invesco, Compustat, Thomson Financial, FTSE, StyleADVISOR			Sources: Invesco, FTSE		
Statistics			Capitalization Breakdown		
Fund vs. Index	3 Years	5 Years		Fund	Index
Alpha (%)	-0.83	0.73	Giant	0.08	0.00
Beta	0.90	0.90	Large	21.23	17.31
R-Squared	0.99	0.99	Mid	67.98	56.13
Tracking Error (%)	4.91	4.05	Small	9.17	22.75
Up Capture (%)	88.58	91.88	Micro	1.54	3.81
Down Capture (%)	95.22	93.83	Based on Morningstar capitalization ranges		
Source: StyleADVISOR; based on Class A shares			Asset Mix (%)		
			at 12/31/09 at 12/31/08		
			Domestic Common Stock	90.63	93.64
			Cash	4.36	1.16
			International Common Stock	2.37	0.00
			Mortgage Backed	1.86	0.00
			Domestic Corporate Bonds	0.69	0.10
			Domestic Preferred Stock	0.32	2.00
			International Corporate Bonds	0.07	0.00
			Domestic Government Bonds	0.00	1.76
			Other	-0.30	1.34

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 Real Estate Fund

Data as of Dec. 31, 2009

Performance summary

- AIM Real Estate Fund Class A shares at net asset value (NAV) underperformed the FTSE NAREIT Equity REITs Index for the fourth quarter. (Please see the returns table on page 1 for fund and index performance.)
- The U.S. economy provided signs of continued improvement during the fourth quarter, offering indications that the economy has transitioned from a contraction phase into an expansionary phase. Nevertheless, the pace of the recovery remains relatively modest, and the transition from government stimulus-induced growth to a private economic recovery is uncertain. While the labor markets have improved as layoffs have moderated, significant capacity persists and new hiring remains quite weak.
- Following the improvement in many economic indicators, most equity markets trended higher during the quarter. However, rising interest rates remain a potential headwind to future economic growth.
- Real estate property fundamentals remained challenging, with most property sectors still experiencing weak tenant demand and falling rents. Despite the challenging underlying property fundamentals, the U.S. real estate investment trust (REIT) market generally followed the overall equity markets and continued to post gains during the quarter.
- As a reminder, AIM Real Estate Fund focuses on commercial real estate, not residential real estate.

Contributors to performance

- Relative to the FTSE NAREIT Equity REITs Index, the fund benefited from positive stock selection in the office, shopping center and regional mall property sectors.
- A lack of freestanding retail REITs also positively affected the fund's performance relative to the index during the fourth quarter.
- For the third consecutive quarter, **Simon Property Group Inc.** and **Vornado Realty Trust** (9.23% and 5.06% of total net assets, respectively) were the fund's top contributors to performance.
- Recent equity offerings and debt refinancing by **Simon Property Group**, a REIT that offers an attractive portfolio of top-tier U.S. regional malls, have covered near-term debt maturities and provided necessary capital for attractive acquisition opportunities.
- Similarly, **Vornado's** recent equity offering has provided liquidity for new acquisitions of higher returning office and retail properties in Manhattan. Rental fundamentals in Manhattan appear to have stabilized.

Detractors from performance

- Underperformance relative to the index during the quarter was generally due to unfavorable stock selection in the specialty properties and industrial property sectors.
- A modest level of cash detracted from relative performance given the market's positive performance during the quarter.
- One of the detractors during the quarter, **Kimco Realty** (0% of total net assets), was sold as a result of changes in management and increased strategic risks. **Omega Healthcare** (0% of total net assets), although a minor position, also detracted from fund performance and was sold.
- During this beta-oriented rally, the stocks of lower quality companies generally outperformed the higher quality stocks. Many companies with higher leverage and/or greater potential fundamental declines outperformed as a measure of stability returned to the financial markets amid indications of stabilizing economic data and improved credit spreads/availability of capital.

Top contributors and detractors

Contributors		Detractors	
	(%) of Total Assets		(%) of Total Assets
1. Simon Property Group Inc.	9.23	1. Omega Healthcare	0.00
2. Ventas Inc.	4.02	2. Washington Real Estate Investment Trust	0.44
3. Vornado Realty Trust	5.06	3. Liberty Property Trust	2.53
4. Digital Realty Trust Inc.	4.75	4. Kimco Realty	0.00
5. Equity Residential	4.90	5. Retail Opportunity Investments	0.65

Positioning and outlook

- As market volatility continued at elevated levels, we remained active in trading given changes in relative value between stocks.
- Across sectors, we added to certain positions where valuations began to reflect significant deterioration in operating fundamentals. In addition, we reduced exposure to several relatively low-risk stocks where valuations appeared relatively rich.
- We generally added to positions in the lodging sector given favorable relative valuations that have incorporated a significant decline in underlying fundamentals. If economic growth continues to progress, then lodging fundamentals should stabilize and begin to improve during 2010 and 2011.
- We added to existing positions in **Regency Centers Corp.** and **AMB Property Corp.** (2.42% and 1.43% of total net assets, respectively) given favorable valuations relative to peers.
- We also added to our existing position in **Digital Realty Trust Inc.** (4.75% of total net assets) given the outlook for better-than-peer earnings growth, supported by above-average fundamentals in the data center space and the firm's growing external growth pipeline (e.g., acquisitions and redevelopments).
- Regardless of sector, we reduced exposure to several relatively low-risk stocks where valuations appeared relatively rich. Such reductions occurred in several positions in the shopping center and apartment sectors.
- The global economic environment continues to trend with generally positive momentum. A resumption of quarter-on-quarter gross domestic product (GDP) growth, continued positive confidence and investment indicators, and a slowdown in the deterioration of labor markets have formed the base of what we expect to be a slow recovery phase.
- Key concerns remain over prospects for government debt levels, fiscal deficits and tax increases, while the timetable for significant business expansion remains uncertain.
- Underlying real estate markets continue to register modestly falling occupancy levels, and reduced tenant demand is pressuring market rental levels.
- However, supply of new real estate remains limited, and absolute levels of vacancy remain below historical high points. Ultimately, the relative lack of new construction should provide for a more orderly recovery once GDP growth accelerates and employment creation begins to pick up.

All 4 pages of this document, including the fund fact sheet beginning on page 1, must be used together.

- Security of earnings from lease contracts and the effect of reduced interest rates are proving relatively supportive for cash flow from the sector versus other equity investment sectors.
- The current level of uncertainty in the investment marketplace supports a view that successfully managing real estate exposures requires an emphasis on companies with longer-than-average lease terms, higher quality assets and tenant rosters, and flexible balance sheets with longer term debt maturities.
- We expect to maintain well-diversified portfolios across all property types and believe the best prospects for relative outperformance are based on a combination of relative fundamentals and stock valuations.
- Markets experienced a strong recovery during 2009. 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.

Diversification does not guarantee a profit or eliminate the risk of loss.

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