



Invesco Real Estate Fund

Real estate

Data as of Dec. 31, 2011

Closed to New Investors

Investment objective and strategy

The fund seeks 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.

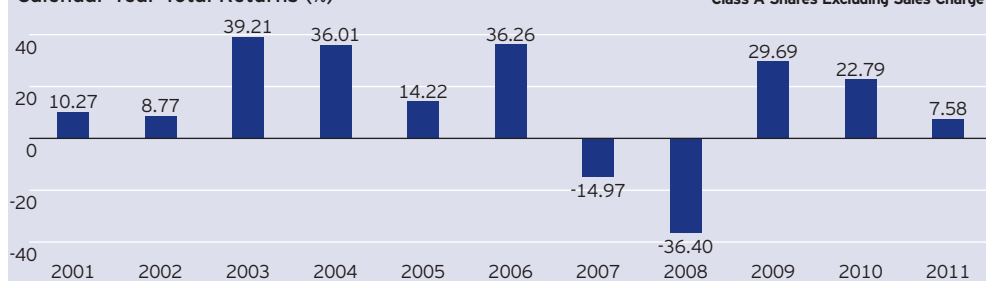
Investment Results

Average Annual Total Returns (%)							as of Dec. 31, 2011	
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	Style-Specific Index	FTSE NAREIT All Equity REITs Index
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	NAV		
Inception	8.92	9.33	10.26	10.26	-	-	-	-
15 Years	8.92	9.33	8.55	8.55	-	-	8.91	-
10 Years	10.87	11.50	10.71	10.71	11.52	11.58	10.20	-
5 Years	-2.62	-1.52	-2.25	-2.25	-1.52	-1.37	-1.42	-
3 Years	17.42	19.66	18.77	18.77	19.66	19.94	21.04	-
1 Year	1.65	7.58	5.83	6.83	7.54	7.86	8.28	-
Quarter	8.86	15.21	14.06	15.06	15.23	15.29	15.26	-

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. Investor Class shares have no sales charge; therefore, performance is at NAV. Performance shown prior to the inception date of Investor Class shares is that of Class A shares and includes the 12b-1 fees applicable to Class A shares. Class A share performance reflects any applicable fee waivers or expense reimbursements. 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 Class A shares and includes the 12b-1 fees applicable to Class A shares. Class A share performance reflects any applicable fee waivers or expense reimbursements. 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 others are annualized.

Index sources: Invesco, Bloomberg L.P.

Calendar-Year Total Returns (%)



About risk

To the extent the fund invests a greater amount in any one sector or industry, the fund's performance will depend to a greater extent on the overall condition of the sector or industry, and there is increased risk to the fund if conditions adversely affect that sector or industry.

The issuer of instruments in which the fund invests may be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating.

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.

Junk bonds involve a greater risk of default or price changes due to changes in the issuer's credit quality. The values of junk bonds fluctuate more than those of high-quality bonds in response to company, political, regulatory or economic developments. Values of junk bonds can decline significantly over short time periods.

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

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

Investments in real-estate related instruments may be affected by economic, legal, cultural, environmental or technological factors that affect property values, rents or occupancies of real estate related to the fund's holdings. Real estate companies, including REITs or similar structures, tend to be small and mid cap companies, and their shares may be more volatile and less liquid. The value of investments in real estate related companies may be

Fund Facts

Nasdaq A: IARAX C: IARCX
Investor: REINX
Y: IARYX R: IARRX I: IARIX

Total Net Assets \$2,110,475,728
Total Number of Holdings 61
Annual Turnover (as of 02/28/11) 90%

Top Equity Holdings	% of Total Net Assets
Simon Property Group Inc.	9.49
Ventas Inc.	5.00
HCP Inc.	4.46
Equity Residential	4.14
Boston Properties Inc.	4.14
ProLogis	4.00
Host Hotels & Resorts	3.88
AvalonBay Communities Inc.	3.71
Public Storage Inc.	3.63
Health Care REIT Inc.	3.62

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

Property Mix

Retail	23.94
Residential	18.02
Health Care	14.35
Office	11.63
Lodging/Resorts	6.53
Diversified	5.85
Timber	5.70
Self-Storage	5.17
Industrial	5.10
Industrial/Office Mixed	1.70

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

Expense Ratios	% Net	% Total
Class A Shares	1.31	1.31
Class C Shares	2.06	2.06
Investor Class Shares	1.31	1.31
Class Y Shares	1.06	1.06

Per the current prospectus

About risk (continued)

affected by the quality of management, the ability to repay loans, the utilization of leverage and financial covenants related thereto, whether the company carries adequate insurance and environmental factors. If a real estate related company defaults, the fund may own real estate directly, which involves the following additional risks: environmental liabilities; difficulty in valuing and selling the real estate; and economic or regulatory changes.

Short sales may cause the fund to repurchase a security at a higher price, thereby causing a loss. As there is no limit on how much the price of the security can increase, the fund's exposure is unlimited.

Fluctuations in the values of synthetic instruments may not correlate perfectly with the instruments they are designed to replicate. Some synthetic instruments are more sensitive to interest rate changes and market price fluctuations than others.

The fund may invest in obligations issued by U.S. government agencies and instrumentalities that may receive varying levels of support from the government, which could affect the fund's ability to recover should they default.

The fund has limited public sales of its shares to certain investors. For more information on who may continue to invest in the fund, please see the prospectus.

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

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 All 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 **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 Real Estate Category*					
A Shares (Load)	★★★★	N/A	★★	★★★★	★★★★★
A Shares (Load Waived)	★★★★	N/A	★★★	★★★★	★★★★★
Number of Funds in Category	212	N/A	212	192	105
vs. Morningstar Real Estate Category**					
	(135 of 242)	(164 of 212)	(80 of 192)	(11 of 105)	
vs. Lipper Real Estate Funds Category***					
	(117 of 209)	(141 of 181)	(64 of 154)	(9 of 84)	

*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. 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 All Equity REITs Index

Valuation Statistics	Fund		Index	
	Fund	Index	Fund	Index
12-Month Forward P/E	48.67	48.37		
12-Month Trailing P/E	55.44	57.46		
Price/Book (Wtd. Avg.)	2.96	2.95		
1-Year ROE (Wtd. Avg.)	5.04	4.81		
12-Month Fwd. Growth Rate (Median) (%)	16.83	30.86		
3-Year EPS Growth Rate (Wtd. Avg.) (%)	-4.48	-5.34		
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	-3.68	-4.55		
Weighted Average Market Cap (\$MM)	12,116	11,377		
Weighted Median Market Cap (\$MM)	10,015	9,756		
3-Year Standard Deviation	29.11	31.69		
Sources: Invesco, Compustat, Thomson Financial, FTSE, StyleADVISOR				
Statistics				
Fund vs. Index	3 Years		5 Years	
Alpha (%)	0.12	-0.81		
Beta	0.92	0.91		
R-Squared	0.99	0.99		
Tracking Error (%)	3.50	3.96		
Up Capture (%)	91.28	89.65		
Down Capture (%)	95.98	95.66		
Source: StyleADVISOR; based on Class A shares				
Equity Sector Breakdown		% of Total Net Assets		
Market Sector	Fund	Index	Fund	Index
Financials	97.68	100.00		
Consumer Discretionary	0.35	0.00		
Consumer Staples	0.00	0.00		
Energy	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, FTSE				
Capitalization Breakdown		% of Equities		
	Fund	Index	Fund	Index
Giant	0.00	0.00		
Large	45.16	42.42		
Mid	43.39	37.56		
Small	10.62	16.53		
Micro	0.83	3.48		
Based on Morningstar capitalization ranges				
Asset Mix (%)		at 12/31/11 at 12/31/10		
Domestic Common Stk	97.98	93.33		
Cash	1.56	1.62		
Other	0.20	0.35		
Mortgage Backed	0.16	1.60		
Int'l Corp Bonds	0.05	0.06		
Int'l Common Stk	0.05	1.94		
Domestic Pref Stk	0.00	1.04		
Domestic Corp Bonds	0.00	0.06		

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.

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Data as of Dec. 31, 2011

Performance summary

- While long-term structural issues of excess debt persist, U.S. economic data improved during the quarter. Employment growth and jobless claims, in particular, were better than economists' estimates and suggested potential for a stronger pace of growth in 2012.
- Nevertheless, economic growth is expected to remain modest by historical standards as structural issues such as the U.S. federal deficit have not yet been addressed and may restrict U.S. economic growth. The U.S. equity market moved higher as several macroeconomic risks, including European sovereign risk, appeared to stabilize during the quarter.
- Real estate fundamentals continued to modestly improve due to low levels of new construction coupled with positive net absorption for most property sectors and markets. Within the real estate investment trust (REIT) market, the more cyclical lodging sector outperformed during the quarter, benefiting from stabilization of macro risks.
- Invesco Real Estate Fund Class A shares at net asset value (NAV) performed in line with the FTSE NAREIT All Equity REITs Index during the fourth quarter. (Please see the returns table on page 1 for fund and index performance.)
- As a reminder, Invesco Real Estate Fund focuses on commercial real estate, not residential real estate.

Contributors to performance

- On an absolute basis, regional mall, apartment and health care REITs were the largest contributors to the fund's fourth quarter performance.
- Relative to the FTSE NAREIT All Equity REITs Index, the fund benefited from positive stock selection across several sectors. Selection was most favorable in the lodging/resorts and office REIT sectors as improvement in the U.S. economic outlook benefited these more cyclical sectors. The portfolio also benefited from favorable security selection in the apartments and mixed office/industrial REIT sectors.

Detractors from performance

- No REIT sectors detracted from the fund's absolute fourth quarter performance.
- A modest market allocation to cash was the largest detractor from performance relative to the benchmark.
- The regional mall REIT sector also detracted from relative performance. The portfolio has a bias toward higher quality companies, which tended to lag the benchmark as the sector's lower quality stocks rallied.

Top contributors and detractors

Contributors		Detractors	
	(%) of Total Assets		(%) of Total Assets
1. Simon Property Group Inc.	9.49	1. National Retail Properties Inc.	1.42
2. Host Hotels & Resorts Inc.	3.88	2. SL Green Realty Series C Preferred	0.00
3. HCP Inc.	4.46	3. BALL 2006-BIX1 E	0.05
4. Public Storage	3.63	4. BRCP Realty LPI PRVT PLCMT IPO	0.04
5. ProLogis Inc.	4.00	5. CGCMT 2006-C5 AMP3	0.12

Positioning and outlook

- During the quarter, we increased the fund's exposure to the apartment REIT sector, following improvement in relative value and given the outlook for healthy earnings growth. Similarly, we made modest additions to the lodging/resorts sector.
- We also added to the health care and freestanding retail REIT sectors given attractive dividend yields and potential for earnings accretive acquisitions.
- We modestly reduced holdings in the diversified REITs sector. Specifically, we trimmed **Vornado Realty Trust** (3.38% of total net assets) given less favorable relative value and a moderating outlook for growth in its primary markets. We also reduced the fund's weighting in the self-storage REIT sector because we believe values in this sector are less favorable than other alternatives. While markets continue to reappraise risk and return requirements for all investment classes, in our view, real estate securities valuations currently appear fair by longer term standards. Their yields are also relatively attractive compared to fixed income investments and other equity sectors.
- With generally healthy balance sheets and access to multiple sources of investment capital, most listed real estate companies are able to focus on earnings growth through acquisition and, where appropriate, modest new development.
- We maintain our bias toward companies with higher quality assets, tenant rosters and flexible, generally less leveraged balance sheets with longer term debt maturities.
- We expect to maintain a well-diversified portfolio across all property types and believe the best prospects for relative outperformance are based on a combination of relative fundamentals and stock valuations.

Opinions expressed are those of the fund's portfolio management. Holdings are subject to change and are not buy/sell recommendations.