



Invesco Tax-Free Intermediate Fund

Tax-free investment grade

Data as of Dec. 31, 2011

Investment objective and strategy

The fund seeks federal tax-exempt current income.

Portfolio management

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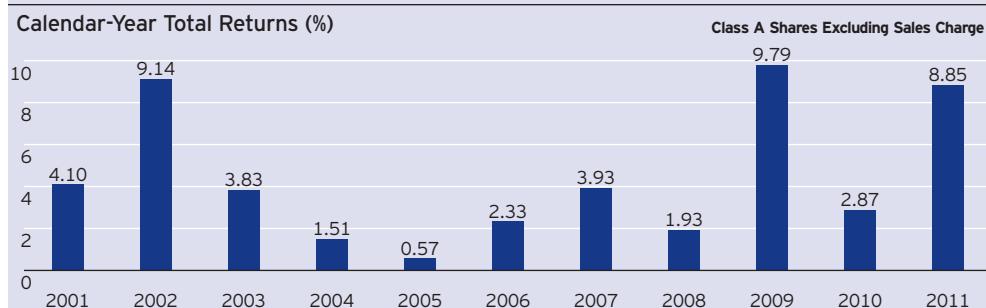
Investment Results

Before-Tax Average Annual Total Returns (%)						as of Dec. 31, 2011
Period	Class A2 Shares Inception: 05/11/87		Class A Shares Inception: 10/31/02		Class Y Shares Inception: 10/03/08	Style-Specific Index
	Max Load 1.00%	NAV	Max Load 2.50%	NAV	NAV	BofA Merrill Lynch 3-7 Year Municipal Index
Inception	5.42	5.46	-	-	-	-
10 Years	4.63	4.74	4.16	4.42	4.72	5.03
5 Years	5.47	5.69	4.89	5.42	5.66	5.71
3 Years	7.02	7.39	6.22	7.13	7.36	5.79
1 Year	8.05	9.12	6.17	8.85	9.13	6.89
Quarter	1.02	2.07	-0.58	2.00	2.07	1.40

After-Tax Average Annual Total Returns (%)							as of Dec. 31, 2011
Period	Class A2 Shares Inception: 05/11/87		Class A Shares Inception: 10/31/02		Class Y Shares Inception: 10/03/08		
	On Distributions	On Distributions and Sale of Fund Shares	On Distributions	On Distributions and Sale of Fund Shares	On Distributions	On Distributions and Sale of Fund Shares	
Inception	5.41	5.35	-	-	-	-	
10 Years	4.61	4.54	4.14	4.09	4.70	4.62	
5 Years	5.45	5.23	4.86	4.68	5.64	5.40	
3 Years	7.02	6.53	6.22	5.80	7.36	6.83	
1 Year	8.05	6.52	6.17	5.19	9.13	7.23	
Quarter	1.02	0.98	-0.58	-0.08	2.07	1.67	

After-tax returns on distributions reduce the distributions by the maximum tax rate before reinvestment. After-tax returns on distributions and sale of fund shares reduce the distributions by the maximum tax rate before reinvestment, assume holdings are redeemed at the end of the return period, and apply the appropriate tax rate to the capital gains or losses realized as a result of the redemption. 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. After-tax returns are preliminary. Final data was not available at print date. After-tax returns include sales charges, are calculated using the historical highest individual federal marginal income tax rate and do not reflect the effect of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. Performance shown prior to the inception date of Class A shares is that of Class A2 shares, restated to reflect the higher 12b-1 fees applicable to Class A shares. Class A2 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 A2 shares and includes the 12b-1 fees applicable to Class A2 shares. Class A2 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 source: Lipper Inc.



Inception year is 2002.

About risk

Many of the instruments that the fund expects to hold may be subject to the risk that the other party to a contract will not fulfill its contractual obligations.

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.

Fund Facts

Nasdaq A2: AITFX A: ATFAX Y: ATFYX
I: ATFIX

Total Net Assets	\$1,415,172,789
Total Number of Holdings	810
Annual Turnover (as of 02/28/11)	18%

Investment Categories (%)

Revenue Bonds	83.26
General Obligation Bonds	13.75
Cash/Other	2.87
Prerefunded Bonds	0.12

May not equal 100% due to rounding.

Bond Holding Statistics

Weighted Average Effective Maturity (years)	6.97
Effective Duration	4.53
Option Adjusted Duration	5.23

Alternative Minimum Tax (AMT)

Exposure	0.00
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30-Day SEC Yields

	SEC Yields	Taxable-Equivalent SEC Yields
Class A Shares	1.53	2.40
Class A2 Shares	1.79	2.75
Class Y Shares	1.81	2.78

The 30-day taxable-equivalent SEC yield represents the tax-adjusted 30-day SEC yield for investors in the highest individual marginal federal income tax bracket (35%).

Expense Ratios

	% Net	% Total
Class A2 Shares	0.35	0.35
Class A Shares	0.60	0.60
Class Y Shares	0.35	0.35

Per the current prospectus

About risk (continued)

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.

Leverage created from borrowing or certain types of transactions or instruments, including derivatives, may impair the fund's liquidity, cause it to liquidate positions at an unfavorable time, increase volatility or otherwise not achieve its intended objective.

The fund may hold illiquid securities that it is unable to sell at the preferred time or price and could lose its entire investment in such securities.

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

The fund may invest in municipal securities.

Constitutional amendments, legislative enactments, executive orders, administrative regulations, voter initiatives, and the issuer's regional economic conditions may affect the municipal security's value, interest payments, repayment of principal and the fund's ability to sell it. Failure of a municipal security issuer to comply with applicable tax requirements may make income paid thereon taxable, resulting in a decline in the security's value.

Reinvestment risk is the risk that a bond's cash flows (coupon income and principal repayment) will be reinvested at an interest rate below that on the original bond.

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.

Credit ratings, as represented by the **quality breakdown**, are based largely on the rating agency's investment analysis at the time of rating and the rating assigned to any particular security is not necessarily a reflection of the issuer's current financial condition. The rating assigned to a security by a rating agency does not necessarily reflect its assessment of the volatility of a security's market value or of the liquidity of an investment in the security. If securities are rated differently by the rating agencies, the higher rating is applied. For more information on the rating methodology, please visit Standard & Poor's at <http://www.standardandpoors.com/ratings/understanding-ratings/en/us> or Fitch Ratings at http://www.fitchratings.com/creditrisk/public/ratings_definitions/index.cfm?rd_file=intro#cr_rtns.

Class A2 shares have 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.

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

A portion of the fund's income may be subject to some state and local taxes, and the alternative minimum tax.

The BofA Merrill Lynch 3-7 Year Municipal Index consists of bonds with an outstanding par greater than or equal to \$25 million and a maturity range between three and seven years. 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 (WAM)** is a measure, as estimated by the fund's portfolio managers, of the length of time the

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 Muni National Intermediate Category*					
A Shares (Load)	★★★	N/A	★★	★★★★	N/A
A Shares (Load Waived)	★★★★	N/A	★★★	★★★★★	N/A
Number of Funds in Category	210	N/A	210	185	N/A
vs. Morningstar Muni National Intermediate Category**		56% (142 of 251)	59% (125 of 210)	7% (13 of 185)	N/A
vs. Lipper Intermediate Muni Debt Category***		48% (84 of 174)	56% (78 of 140)	8% (10 of 127)	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. 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

Statistics

Fund vs. Index	3 Years	5 Years
Alpha (%)	1.44	0.34
Beta	0.97	0.86
R-Squared	0.76	0.77
Tracking Error (%)	1.78	1.78
Up Capture (%)	114.20	91.69
Down Capture (%)	90.25	86.18

	Fund	Index
3-Year Standard Deviation	3.59	3.20

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

Quality Breakdown

	% Total
Cash	-0.20
AAA	1.37
AA	58.46
A	30.27
BBB	7.75
BB	0.09
Not Rated	2.26

Ratings source: Standard & Poor's, Moody's or Fitch, as applicable. See **credit rating** definition for more information.

Top States

	% of Total Net Assets
California	9.11
Texas	9.05
Pennsylvania	5.96
Florida	5.47
Ohio	5.41

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. **Option adjusted duration** is a modified duration calculation which incorporates the expected duration-shortening effect of an issuer's embedded call provision.

All data provided by Invesco unless otherwise noted.

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 Tax-Free Intermediate Fund

Data as of Dec. 31, 2011

Performance summary

- The fund's Class A shares at net asset value (NAV) outperformed the Bank of America (BofA) Merrill Lynch 3-7 Year Municipal Index during the fourth quarter. (Please see the returns table on page 1 for fund and index performance.)

Contributors to performance

- A significant overweight in hospitals bonds contributed to performance for the quarter.
- Strong security selection, coupled with an overweight allocation, in education bonds also added to return.
- The portfolio's overweight and strong performance in AA-rated holdings had a favorable effect in the fourth quarter.

Detractors from performance

- The fund's underweight in state general obligation bonds detracted for the quarter.
- Underweight exposure to AAA-rated bonds also hindered relative performance during the quarter.

Positioning and outlook

- We believe the country's fiscal challenges are significant, but not insurmountable for most issuers.
- Political, headline and event risk remain elevated and we recognize that difficult budget and policy decisions are needed.
- Issuers will continue to struggle with pension obligation deficits.
- Though we believe adverse credit events should be expected, we do not think the number will be oversized.
- We expect sector volatility due to credit concerns and uncertainty of federal funding.
- Currently, we are avoiding investments that are highly dependent on federal aid.
- We are striving to actively position the fund ahead of changing market conditions.
- We continue to emphasize high credit quality.
- We have been keeping portfolio duration shorter than that of the benchmark.

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