

AIM Charter Fund

A source of stability for building better portfolios

As the debate continues about whether the U.S. stock market favors—or will favor—growth or value, an investment strategy focused on large-cap quality companies may offset changing economic conditions and help investors avoid the perils of market-timing investment styles. AIM Charter Fund has an emphasis on selecting industry-leading companies with solid fundamentals and strong cash flow. As part of an overall asset allocation strategy, the fund may serve as a source of stability and complement more cyclical growth and value investment styles.

Charting a steady course through the large-cap core universe

Over the years, there has been a continued rotation in market leadership between growth and value investing. Unfortunately, investors often chase the performance of the in-vogue style just in time for another market rotation. This short-term perspective and performance-chasing tendency has caused some investors to earn returns well below the overall market—confirming that market timing can be detrimental to an individual's long-term wealth creation. Investors may be better served by establishing a core portfolio that can reduce the impact of cyclicity and complement style-specific growth and value funds. AIM Charter Fund, which is positioned primarily in the large-cap core space, can provide stability for long-term investors.

Understanding and protecting against risk

- **How do you define risk?** The actual definition is most likely different for each investor, as we all have different tolerances for risk taking. Some investors associate risk with the uncertainty of an expected outcome, while others may simply be concerned with losing money. AIM Charter Fund seeks to provide consistent results while preserving and growing capital.
- **How can AIM Charter Fund help investors avoid risk?** The fund's management team believes the best way to manage risk—however you define it—is to employ an investment strategy with exhaustive fundamental research. This focus helps identify attractively valued companies that may be high return businesses with industry leading management teams. AIM Charter Fund strives to own high-quality stocks that are less risky than the overall market and that generate attractive returns for investors—providing a measure of capital preservation during turbulent markets.

An AIM flagship fund under new leadership

AIM Charter Fund has a near-40-year history dating back to 1968. The fund has seen investors through good times and bad, weathered a variety of market environments and stood the test of time. In 2002, a new management team, under the leadership of

Continued on next page

Positioning a Core Fund Against the Growth and Value Shift

The Russell 1000 Index, the style-specific benchmark to AIM Charter Fund, has avoided the cyclical performance shifts between growth and value, demonstrating how a core ballast can provide stability over market cycles. The chart displays performance returns (%) for growth, core and value benchmarks in the large-cap arena for the last two decades.

1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
19.98	5.31	23.16	35.92	-0.26	41.27	13.58	18.07	2.62	38.36
17.87	2.93	17.26	30.43	-4.21	33.04	8.93	10.18	0.39	37.77
15.36	0.50	11.27	25.19	-8.08	24.55	4.99	2.87	-1.98	37.18
1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
23.12	35.18	38.71	33.16	7.01	-5.59	-15.52	30.03	16.49	7.05
22.45	32.85	27.02	20.91	-7.79	-12.45	-21.65	29.89	11.40	6.27
21.64	30.49	15.63	7.35	-22.42	-20.42	-27.88	29.75	6.30	5.26

- Large-Cap Growth: Russell 1000® Growth Index
- Large-Cap Core: Russell 1000® Index
- Large-Cap Value: Russell 1000® Value Index

Source: Lipper Inc.

Your goals.
Our solutions.®



Ron Sloan, assumed responsibility for the fund and has returned this AIM flagship to a place of leadership within the large-cap core universe. Mr. Sloan brings more than 30 years of investment industry experience—spanning up, down and sideways markets.

The current management team has sought to deliver a large-cap core portfolio that can serve as a cornerstone within an overall asset allocation. During this team's tenure, the fund's Class A shares at NAV have ranked in the 15th percentile of the Lipper Large-Cap Core Category and delivered returns in excess of the broad market with less volatility.

Lipper Rankings as of Sept. 30, 2006

Class A shares at NAV vs. Lipper Large-Cap Core Funds

Period	Percentile (%)	Rank
10 Years	61	156 of 258
5 Years	7	40 of 590
3 Years	36	255 of 711
1 Year	11	86 of 844
Since management inception (1/24/02)	15	87 of 586

Source: Lipper Inc.

NASDAQ Symbols

A Shares: CHTRX | B Shares: BCHTX | C Shares: CHTCX

For more information, contact your financial advisor.

Risk/Return Statistics During Current Management Tenure (Jan. 24, 2002–Sept. 30, 2006)

	Return (%)	Standard Deviation (%)	Beta
AIM Charter Fund Class A Shares at NAV	6.23	13.59	0.81
Russell 1000 Index	6.08	16.29	0.99

Source: StyleADVISOR

Average Annual Total Returns (%) as of Sept. 30, 2006

Period	Class A Shares Inception: 11/26/68 Max Load 5.5% NAV	Russell 1000 Index ¹	S&P 500 [®] Index ¹
Inception	11.62	11.79	—
10 Years	6.10	6.70	8.75
5 Years	7.05	8.26	7.64
3 Years	9.37	11.47	12.29
1 Year	5.92	12.12	10.78
Since management inception (1/24/02)	4.96	6.23	6.04

¹Source: Lipper Inc.

A word about risk

The fund can invest up to 20% of its assets in foreign securities that involve risks not associated with investing solely in the United States.

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 advisor and read it carefully before investing.

Note: Not all products available through all firms.

If used after Jan. 20, 2007, this piece must be accompanied by a fund *Performance & Commentary* for the most recent quarter-end.

The S&P 500 Index is an unmanaged index considered representative of the U.S. stock market. The Russell 1000 Index is an unmanaged index considered representative of large-cap stocks. The Russell 1000 Growth Index is an unmanaged index considered representative of large-cap growth stocks. The Russell 1000 Value Index is an unmanaged index considered representative of large-cap value stocks. The Russell 1000 Index, the Russell 1000 Growth Index and the Russell 1000 Value Index are trademarks/service marks of the Frank Russell Company. Russell[®] is a trademark of the Frank Russell Company. Performance reflects reinvestment of dividends. An investment cannot be made directly in an index.

All data provided by A I M Management Group Inc. unless otherwise noted.