

Invesco Van Kampen Bond Fund  
Form N-CSR  
May 09, 2011

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM N-CSR  
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES  
Investment Company Act file number 811-02090  
Invesco Van Kampen Bond Fund**

(Exact name of registrant as specified in charter)  
1555 Peachtree Street, N.E., Atlanta, Georgia 30309

(Address of principal executive offices) (Zip code)  
Colin Meadows 1555 Peachtree Street, N.E., Atlanta, Georgia 30309

(Name and address of agent for service)

Registrant's telephone number, including area code: (713) 626-1919

Date of fiscal year end: 2/28

Date of reporting period: 2/28/11

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Item 1. Reports to Stockholders.

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**Annual Report to Shareholders**

**February 28, 2011**

2	Performance Summary
2	Management Discussion
4	Supplemental Information
5	Dividend Reinvestment Plan
6	Schedule of Investments
20	Financial Statements
23	Financial Highlights
23	Notes to Financial Statements
30	Auditor s Report
31	Tax Information
T-1	Trustees and Officers

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## Management's Discussion of Fund Performance

### Performance summary

Please note that the fiscal year-end for Invesco Van Kampen Bond Fund has changed to February 28. Therefore, the period covered by this report is from June 30, 2010, the date of the last annual report, through February 28, 2011, the Fund's new fiscal year-end.

The Fund's return can be calculated based upon either the market price or the net asset value (NAV) of its shares. NAV per share is determined by dividing the value of the Fund's portfolio securities, cash and other assets, less all liabilities by the total number of common shares outstanding. Market price reflects the supply and demand for the shares. As a result, the two returns can differ, as they did during the reporting period. On an NAV basis, the Fund provided positive absolute returns for the period, with allocation to high yield corporate bonds as a major contributor. On a market price basis, the Fund's return was negative, reflecting increased selling pressure from waning investor demand for longer duration fixed income assets.

### Performance

*Cumulative total returns, 6/30/10 to 2/28/11*

Fund at NAV	5.30%
Fund at Market Value	-3.69
Barclays Capital Baa U.S. Corporate Bond Index	5.07
Market Price Discount to NAV as of 2/28/11	-8.91

### Lipper Inc.

*The performance data quoted represent past performance and cannot guarantee comparable future results; current performance may be lower or higher. Investment return, net asset value and common share market price will fluctuate so that you may have a gain or loss when you sell shares. Please visit [invesco.com/performance](http://invesco.com/performance) for the most recent month-end performance. Performance figures reflect Fund expenses, the reinvestment of distributions (if any) and changes in net asset value (NAV) for performance based on NAV and changes in market price for performance based on market price.*

*Since the Fund is a closed-end management investment company, shares of the Fund may trade at a discount or premium from the NAV. This characteristic is separate and distinct from the risk that NAV could decrease as a result of investment activities and may be a greater risk to investors expecting to sell their shares after a short time. The Fund cannot predict whether shares will trade at, above or below NAV. The Fund should not be viewed as a vehicle for trading purposes. It is designed primarily for risk-tolerant long-term investors.*

### How we invest

We invest primarily in fixed rate U.S. investment grade corporate bonds with flexibility to incorporate up to 20% in non-investment grade and non-dollar securities, as well as foreign sovereign and corporate securities (both developed and emerging markets). We also may invest in government securities, asset-backed securities (ABS), commercial mortgage backed securities (CMBS) and residential mortgage backed securities (MBS). The Fund also may invest in derivative instruments such as futures contracts and swap agreements, including but not limited to, interest rate futures and credit default swaps.

We believe dynamic and complex fixed income markets may create opportunities for investors that are best captured by independent specialist decision makers interconnected as a global team.

**Top Five Holdings**

1. International Lease Finance Corp.	1.6%
2. Prudential Financial, Inc.	1.6
3. Anheuser-Busch InBev Worldwide, Inc.	1.5
4. CVS Pass-Through Trust	1.4
5. Credit Suisse New York	1.4

The Fund's holdings are subject to change, and there is no assurance that the Fund will continue to hold any particular security.

**Portfolio Composition**

*By security type*

Corporate Bonds	95.6%
Municipal Bonds	1.8
Collateralized Mortgage Obligations	1.8
U.S. Government Agency Obligations	0.1
<i>Other Assets Less Liabilities</i>	0.7

Total Net Assets	\$227.8 million
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Total Number of Holdings	374
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We use this philosophy in an effort to generate a total return consisting of income and capital appreciation.

Our security selection is supported by a team of independent specialists. Team members conduct top-down macroeconomic analysis and bottom-up analysis on individual securities. Recommendations are communicated to portfolio managers through proprietary technology that allows all investment professionals to communicate in a timely manner.

Portfolio construction begins with a well-defined Fund design that establishes the target investment vehicles for generating the desired alpha (the extra return above a specific benchmark) as well as the risk parameters for the Fund. Investment vehicles are evaluated for liquidity and risk versus relative value.

Sell decisions are based on:

- n A conscious decision to alter the Fund's macro risk exposure (for example: duration, yield curve positioning or sector exposure).

- n The need to limit or reduce exposure to a particular sector or issuer.
- n Degradation of an issuer's credit quality.
- n Realignment of a valuation target.
- n Presentation of a better relative value opportunity.

**Market conditions and your Fund**

The U.S. economy showed signs of improvement during the Fund's eight-month reporting period, indicating that it potentially has transitioned from a contraction phase economy into an expansionary one. Nevertheless, the pace of recovery remained modest and the transition from government stimulus-induced growth to private economic recovery was uncertain.

The U.S. Federal Reserve's (the Fed) federal funds target rate remained low, in a range of zero to 0.25%. Real gross domestic product registered positive growth during the reporting period with quarterly increases of 2.6% and 3.1% for the third and fourth quarters of 2010, respectively.<sup>2</sup> Inflation, measured by the seasonally-adjusted Consumer Price Index, remained relatively benign. Although labor markets improved as layoffs moderated, new hiring remained

**2 Invesco Van Kampen Bond Fund**

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quite weak. Unemployment, after climbing steadily throughout 2009, fell slightly during 2010 and early 2011 to a rate of 8.9% nationwide as of February 2011.<sup>3</sup>

While bond market volatility increased during the reporting period, the U.S. investment grade bond market, as measured by the Barclays Capital U.S. Aggregate Index, generated a positive total return of 1.52% for the reporting period. Each of the major components that make up the Barclays Capital U.S. Aggregate Index also had positive total returns for the period, including the Barclays Capital U.S. Government Index, 0.06%; the Barclays Capital U.S. Credit Index, 3.65%; and the Barclays Capital Mortgage Backed Securities Index, 1.18%.<sup>4</sup> Slow but positive economic growth, avoidance of a double-dip recession, recovery in corporate financial health, strong demand for government and investment grade corporate bonds and low overall interest rates, contributed to the positive environment for fixed income investing. In November of 2010, debt concerns in Europe caused investors to scale back their risk profile and embrace the safe haven of U.S. government-related securities. Late in the year, U.S. Treasury yields began to rise. As the reporting period came to a close, turmoil in the Middle East and Africa had little impact on the fixed income market, causing only a slight widening in credit spreads.

With this economic environment as a backdrop, the Fund generated positive returns for the eight-month period on an NAV basis. However, selling pressure from waning investor demand for longer duration fixed income assets was a contributing factor to the negative returns realized during this same period on a market value basis.

For the reporting period, sector and security selection contributed to performance. Increased sector allocations to high yield and emerging market credits, as well as tactical exposure to CMBS, were some of the most beneficial investment decisions as each of these sectors were top performers for the reporting period. An emphasis on financials and a conscious effort to deemphasize consumer non-cyclicals were also beneficial to the Fund's returns. The Fund's exposure to taxable municipal bonds, consumer cyclicals and the energy sector delivered positive absolute returns.

Favorable security selection, from holding a relatively large percentage of lower quality investment grade bonds (rated BBB), benefited Fund performance, as lower quality bonds outperformed higher quality credit over the reporting period. Additional notable security performance was realized among holdings in the telecommunication services/ media/technology, basic industries/ capital goods, consumer cyclicals and transports sectors.

The Fund uses active duration and yield curve positioning for risk management and for generating alpha versus its benchmark. Duration measures a portfolio's price sensitivity to interest rate changes, with a shorter duration portfolio tending to be less sensitive to these changes. Yield curve positioning refers to actively emphasizing points (maturities) along the yield curve with favorable risk/ return expectations. A sustained, extended duration posture was detrimental to returns as rates rose during the reporting period. Yield curve positioning had a slightly negative effect, but we avoided the worst of the negative consequences of rising rates by emphasizing the 10 year area of the curve rather than longer maturities. U.S. Treasury futures contracts were an important tool used in the management of our targeted portfolio duration.

Thank you for investing in Invesco Van Kampen Bond Fund and for sharing our long-term investment horizon.

1 U.S. Federal Reserve

2 Bureau of Economic Analysis

3 Bureau of Labor Statistics

4 Lipper Inc.

*The views and opinions expressed in management's discussion of Fund performance are those of Invesco Advisers, Inc. These views and opinions are subject to change at any time based on factors such as market and economic conditions. These views and opinions may not be relied upon as investment advice or recommendations, or as an offer for a particular security. The information is not a complete analysis of every aspect of any market, country, industry, security or the Fund. Statements of fact are from sources considered reliable, but Invesco Advisers, Inc. makes no representation or warranty as to their completeness or accuracy. Although historical performance is no guarantee of future results, these insights may help you understand our investment management philosophy.*

See important Fund and, if applicable, index disclosures later in this report.

**Chuck Burge**

Portfolio manager, is manager of Invesco Van Kampen Bond Fund. He has been responsible for the Fund since 2010. Mr. Burge has been associated with Invesco or its investment advisory affiliates since 2002. He earned a B.S. in economics from Texas A&M University and an M.B.A. in finance and accounting from Rice University.

**John Craddock**

Portfolio manager, is manager of Invesco Van Kampen Bond Fund. He has been responsible for the Fund since 2010. Mr. Craddock has been associated with Invesco or its investment advisory affiliates since 1999. He earned a B.S. with honors in mechanical engineering from Clemson University and an M.B.A. in finance from Georgia Tech's Dupree School of Management.

**Peter Ehret**

Chartered Financial Analyst, portfolio manager, is manager of Invesco Van Kampen Bond Fund. He has been responsible for the Fund since 2011. Mr. Ehret has been associated with Invesco or its investment advisory affiliates since 2001. He earned a B.S. in economics with a minor in statistics from the University of Minnesota. He also earned an M.S. in real estate appraisal and investment analysis from the University of Wisconsin-Madison.

**3 Invesco Van Kampen Bond Fund**

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**Invesco Van Kampen Bond Fund's investment objective is to seek interest income while conserving capital.**

n Unless otherwise stated, information presented in this report is as of February 28, 2011, and is based on total net assets.

n Unless otherwise noted, all data provided by Invesco.

n To access your Fund's reports, visit [invesco.com/fundreports](http://invesco.com/fundreports).

**Principal risks of investing in the Fund**

n The prices of securities held by the Fund may decline in response to market risks.

n Other risks are described and defined later in this report.

**About indexes used in this report**

n The **Barclays Capital Baa U.S. Corporate Bond Index** is the Baa component of the Barclays Capital U.S. Corporate Investment Grade Index.

n The **Barclays Capital U.S. Corporate Investment Grade Index** consists of publicly issued, fixed rate, non convertible, investment grade debt securities.

n The **Barclays Capital U.S. Aggregate Index** is an unmanaged index considered representative of the U.S. investment grade, fixed rate bond market.

n The **Barclays Capital U.S. Government Index** is an unmanaged index considered representative of fixed-income obligations issued by the U.S. Treasury, government agencies and quasi-federal corporations.

n 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.

n The **Barclays Capital Mortgage Backed Securities Index** is an unmanaged index comprising 15- and 30-year fixed-rate securities backed by mortgage pools of Ginnie Mae, Freddie Mac and Fannie Mae.

n The Fund is not managed to track the performance of any particular index, including the index(es) defined here, and consequently, the performance of the Fund may deviate significantly from the performance of the index(es).

n A direct investment cannot be made in an index. Unless otherwise indicated, index results include reinvested dividends, and they do not reflect sales charges. Performance of the peer group, if applicable, reflects fund expenses; performance of a market index does not.

**Other information**

n The Chartered Financial Analyst® (CFA®) designation is globally recognized and attests to a charterholder's success in a rigorous and comprehensive study program in the field of investment management and research analysis.

n The returns shown in management's discussion of Fund performance are based on net asset values calculated for shareholder transactions. Generally accepted accounting principles require adjustments to be made to the net assets of the Fund at period end for financial reporting purposes, and as such, the net asset values for shareholder transactions and the returns based on those net asset values may differ from the net asset values and returns reported in the Financial Highlights.

**NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE**

**NYSE Symbol**

**VBF**

**4 Invesco Van Kampen Bond Fund**

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### **Dividend Reinvestment Plan**

The dividend reinvestment plan (the Plan) offers you a prompt and simple way to reinvest your dividends and capital gains distributions (Distributions) into additional shares of your Fund. Under the Plan, the money you earn from Distributions will be reinvested automatically in more shares of your Fund, allowing you to potentially increase your investment over time.

#### **Plan benefits**

**n Add to your account**

You may increase the amount of shares in your Fund easily and automatically with the Plan.

**n Low transaction costs**

Shareholders who participate in the Plan are able to buy shares at below-market prices when the Fund is trading at a premium to its net asset value (NAV). In addition, transaction costs are low because when new shares are issued by a Fund, there is no fee, and when shares are bought in blocks on the open market, the per share fee is shared among all Participants.

**n Convenience**

You will receive a detailed account statement from Computershare Trust Company, N.A. (the Agent) which administers the Plan. The statement shows your total Distributions, date of investment, shares acquired, and price per share, as well as the total number of shares in your reinvestment account. You can also access your account via the Internet. To do this, please go to [invesco.com/us](http://invesco.com/us).

**n Safekeeping**

The Agent will hold the shares it has acquired for you in safekeeping.

### **How to participate in the Plan**

If you own shares in your own name, you can participate directly in the Plan. If your shares are held in  street name  in the name of your brokerage firm, bank, or other financial institution  you must instruct that entity to participate on your behalf. If they are unable to participate on your behalf, you may request that they reregister your shares in your own name so that you may enroll in the Plan.

### **How to enroll**

To enroll in the Plan, please read the Terms and Conditions in the Plan Brochure. You can enroll in the Plan by visiting [invesco.com/us](http://invesco.com/us), calling toll-free 800 341 2929 or notifying us in writing at Invesco Van Kampen Closed-End Funds, Computershare Trust Company, N.A., P.O. Box 43078, Providence, RI 02940-3078. Please include your Fund name and account number and ensure that all shareholders listed on the account sign these written instructions. Your participation in the Plan will begin with the next Distribution payable after the Agent receives your authorization, as long as they receive it before the  record date, which is generally 10 business days before such Distributions are paid. If your authorization arrives after such record date, your participation in the Plan will begin with the following Distributions.

### **How the Plan works**

If you choose to participate in the Plan, your Distributions will be promptly reinvested for you, automatically increasing your shares. If the Fund is trading at a share price that is equal to its NAV, you  ll pay that amount for your

reinvested shares. However, if the Fund is trading above or below NAV, the price is determined by one of two ways:

1. **Premium:** If the Fund is trading at a premium a market price that is higher than its NAV you'll pay either the NAV or 95 percent of the market price, whichever is greater. When the Fund trades at a premium, you'll pay less for your reinvested shares than an investor purchasing shares on the stock exchange. Keep in mind, a portion of your price reduction may be taxable because you are receiving shares at less than market price.
2. **Discount:** If the Fund is trading at a discount a market price that is lower than NAV you'll pay the market price for your reinvested shares.

### **Costs of the Plan**

There is no direct charge to you for reinvesting Distributions because the Plan's fees are paid by your Fund. If your Fund is trading at or above its NAV, your new shares are issued directly by the Fund and there are no brokerage charges or fees. However, if your Fund is trading at a discount, the shares are purchased on the open market, and you will pay your portion of per share fees. These per share fees are typically less than the standard brokerage charges for individual transactions because shares are purchased for all Participants in blocks, resulting in lower fees for each individual Participant. Any service or per share fees are added to the purchase price. Per share fees include any applicable brokerage commissions the Agent is required to pay.

### **Tax implications**

The automatic reinvestment of Distributions does not relieve you of any income tax that may be due on Distributions. You will receive tax information annually to help you prepare your federal income tax return.

*Invesco does not offer tax advice. The tax information contained herein is general and is not exhaustive by nature. It was not intended or written to be used, and it cannot be used, by any taxpayer for avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws. Federal and state tax laws are complex and constantly changing. Shareholders should always consult a legal or tax adviser for information concerning their individual situation.*

### **How to withdraw from the Plan**

You may withdraw from the Plan at any time by calling 800 341 2929, visiting [invesco.com/us](http://invesco.com/us) or by writing to Invesco Van Kampen Closed-End Funds, Computershare Trust Company, N.A., P.O. Box 43078, Providence, RI 02940-3078. Simply indicate that you would like to withdraw from the Plan, and be sure to include your Fund name and account number. Also, ensure that all shareholders listed on the account have signed these written instructions. If you withdraw, you have three options with regard to the shares held in the Plan:

1. If you opt to continue to hold your non-certificated whole shares (Investment Plan Book Shares), they will be held by the Agent electronically as Direct Registration Book-Shares (Book-Entry Shares) and fractional shares will be sold at the then-current market price. Proceeds will be sent via check to your address of record after deducting applicable fees.
2. If you opt to sell your shares through the Agent, we will sell all full and fractional shares and send the proceeds via check to your address of record after deducting a \$2.50 per share fee and applicable per share fee. Per share fees include any applicable brokerage commissions the Agent is required to pay.
3. You may sell your shares through your financial adviser through the Direct Registration System (DRS). DRS is a service within the securities industry that allows Fund shares to be held in your name in electronic format. You retain full ownership of your shares, without having to hold a stock certificate. You should contact your financial adviser to learn more about any restrictions or fees that may apply.

**To obtain a complete copy of the Dividend Reinvestment Plan, please call our Client Services department at 800 341 2929 or visit [invesco.com/us](http://invesco.com/us).**

**5 Invesco Van Kampen Bond Fund**

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**Schedule of Investments***February 28, 2011*

<b>Description</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Par Amount (000)</b>	<b>Value</b>
<b>Corporate Bonds 95.6%</b>				
Advertising 0.6%				
WPP Finance UK PLC (United Kingdom)	8.000%	09/15/14	\$ 1,080	\$ 1,256,877
Aerospace & Defense 0.7%				
Alliant Techsystems, Inc.	6.875%	09/15/20	35	36,400
Bombardier, Inc. (Canada) <sup>(a)</sup>	7.500%	03/15/18	225	244,406
Bombardier, Inc. (Canada) <sup>(a)</sup>	7.750%	03/15/20	455	498,225
L-3 Communications Corp.	4.950%	02/15/21	385	390,732
Raytheon Co.	1.625%	10/15/15	305	292,066
Spirit Aerosystems, Inc.	6.750%	12/15/20	25	25,750
				1,487,579
Agricultural Products 0.6%				
Cargill, Inc. <sup>(a)</sup>	5.600%	09/15/12	600	641,239
Corn Products International, Inc.	3.200%	11/01/15	460	461,432
Corn Products International, Inc.	6.625%	04/15/37	300	313,698
				1,416,369
Airlines 1.5%				

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America West Airlines Pass Through Trust	7.100%	04/02/21	381	386,579
American Airlines Pass Through Trust, Class B <sup>(a)</sup>	7.000%	01/31/18	830	832,075
Continental Airlines Pass Through Trust, Class B	6.000%	01/12/19	770	771,925
Delta Air Lines, Inc. <sup>(a)</sup>	12.250%	03/15/15	75	86,250
Delta Air Lines Pass Through Trust, Class A	4.950%	11/23/19	500	509,375
Delta Air Lines Pass Through Trust, Class A	6.200%	07/02/18	553	589,763
Delta Air Lines Pass Through Trust, Class B <sup>(a)</sup>	6.375%	01/02/16	15	14,963
Delta Air Lines Pass Through Trust, Class B <sup>(a)</sup>	6.750%	11/23/15	20	19,975
US Airways Pass Through Trust, Class C	6.820%	02/23/17	88	81,584
				3,292,489
Alternative Carriers 0.2%				
Cogent Communications Group, Inc. <sup>(a)</sup>	8.375%	02/15/18	25	26,000
Hughes Network Systems LLC	9.500%	04/15/14	120	125,550
Intelsat Subsidiary Holding Co., Ltd. (Bermuda)	8.500%	01/15/13	202	204,525
Level 3 Communications, Inc. <sup>(a)</sup>	11.875%	02/01/19	35	34,212
Level 3 Financing, Inc.	9.250%	11/01/14	60	62,175
				452,462
Apparel, Accessories & Luxury Goods 0.0%				
Hanesbrands, Inc.	6.375%	12/15/20	40	38,900
Phillips-Van Heusen Corp.	7.375%	05/15/20	55	58,850
				97,750
Asset Management & Custody Banks 0.2%				
State Street Capital Trust III <sup>(b)</sup>	8.250%	01/29/49	435	438,263

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**6 Invesco Van Kampen Bond Fund**

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Description	Coupon	Maturity	Par Amount (000)	Value
Auto Parts & Equipment 0.0%				
Dana Holding Corp.	6.500%	02/15/19	\$ 15	\$ 15,187
Dana Holding Corp.	6.750%	02/15/11	10	10,213
Tenneco, Inc. <sup>(a)</sup>	6.875%	12/15/20	75	78,000
				103,400
Automobile Manufacturers 0.1%				
Ford Motor Credit Co., LLC	7.450%	07/16/31	205	224,988
Automotive Retail 1.3%				
Advance Auto Parts, Inc.	5.750%	05/01/20	1,600	1,682,000
AutoZone, Inc.	6.500%	01/15/14	675	755,706
O Reilly Automotive, Inc.	4.875%	01/14/21	405	401,436
				2,839,142
Brewers 1.5%				
Anheuser-Busch InBev Worldwide, Inc.	3.000%	10/15/12	2,000	2,059,752
Anheuser-Busch InBev Worldwide, Inc.	4.375%	02/15/21	1,100	1,102,360
Anheuser-Busch InBev Worldwide, Inc. <sup>(a)</sup>	8.200%	01/15/39	120	162,126
				3,324,238
Broadcasting 1.8%				
CBS Corp.	8.875%	05/15/19	570	718,929
COX Communications, Inc.	6.750%	03/15/11	820	821,833

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COX Communications, Inc. <sup>(a)</sup>	8.375%	03/01/39	305	396,387
Discovery Communications LLC	3.700%	06/01/15	2,000	2,077,677
				4,014,826
Building Products 0.1%				
Building Materials Corp. of America <sup>(a)</sup>	7.500%	03/15/20	65	68,087
Ply Gem Industries, Inc. <sup>(a)</sup>	8.250%	02/15/18	25	25,813
USG Corp.	9.750%	01/15/18	35	37,275
				131,175
Cable & Satellite 3.8%				
Comcast Corp.	5.700%	05/15/18	1,545	1,694,758
Comcast Corp.	6.450%	03/15/37	580	601,134
Comcast Corp.	6.500%	01/15/15	500	565,726
CSC Holdings, Inc.	7.625%	07/15/18	250	276,250
DirecTV Holdings LLC	7.625%	05/15/16	2,100	2,320,500
Time Warner Cable, Inc.	5.875%	11/15/40	800	758,009
Time Warner Cable, Inc.	6.550%	05/01/37	310	322,006
Time Warner Cable, Inc.	6.750%	07/01/18	685	788,074
Time Warner Cable, Inc.	8.250%	04/01/19	295	363,897
Time Warner Cable, Inc.	8.750%	02/14/19	455	573,459
Virgin Media Secured Finance PLC (United Kingdom) <sup>(a)</sup>	5.250%	01/15/21	420	420,188
XM Satellite Radio, Inc. <sup>(a)</sup>	7.625%	11/01/18	50	53,062
				8,737,063

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**7 Invesco Van Kampen Bond Fund**

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Description	Coupon	Maturity	Par Amount (000)	Value
Casinos & Gaming 0.2%				
CityCenter Holdings LLC / CityCenter Finance Corp. <sup>(a)(c)</sup>	10.750%	01/15/17	\$ 15	\$ 15,769
MGM Resorts International	6.625%	07/15/15	270	259,200
MGM Resorts International <sup>(a)</sup>	10.000%	11/01/16	20	21,450
Snoqualmie Entertainment Authority <sup>(a)(b)</sup>	4.203%	02/01/14	10	9,175
Snoqualmie Entertainment Authority <sup>(a)</sup>	9.125%	02/01/15	85	86,062
Wynn Las Vegas LLC	7.875%	11/01/17	65	69,550
Wynn Las Vegas LLC / Wynn Las Vegas Capital Corp.	7.750%	08/15/20	30	31,950
				493,156
Coal & Consumable Fuels 0.2%				
Arch Coal, Inc.	7.250%	10/01/20	500	536,250
Communications Equipment 0.1%				
Avaya, Inc. <sup>(a)</sup>	7.000%	04/01/19	60	59,699
Juniper Networks, Inc.	5.950%	03/15/41	270	269,879
				329,578
Computer & Electronics Retail 0.0%				
Rent-A-Center, Inc. <sup>(a)</sup>	6.625%	11/15/20	75	74,813
Construction & Engineering 0.1%				
Dycom Investments, Inc. <sup>(a)</sup>	7.125%	01/15/21	20	20,500
Great Lakes Dredge & Dock Corp. <sup>(a)</sup>	7.375%	02/01/19	15	15,300

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MasTec, Inc.	7.625%	02/01/17	50	51,000
Tutor Perini Corp. <sup>(a)</sup>	7.625%	11/01/18	65	67,681
				154,481
Construction & Farm Machinery & Heavy Trucks 0.1%				
Navistar International Corp.	8.250%	11/01/21	100	110,750
Construction Materials 0.8%				
CRH America, Inc.	6.000%	09/30/16	720	775,739
CRH America, Inc.	8.125%	07/15/18	315	370,197
Holcim US Finance Sarl & Cie SCS (Luxembourg) <sup>(a)</sup>	6.000%	12/30/19	455	477,622
Texas Industries, Inc.	9.250%	08/15/20	115	125,637
				1,749,195
Consumer Finance 2.7%				
American Express Co.	8.125%	05/20/19	1,550	1,935,234
Capital One Bank USA NA	8.800%	07/15/19	645	817,554
Capital One Capital VI	8.875%	05/15/40	600	639,750
SLM Corp.	5.000%	10/01/13	1,930	2,009,059
SLM Corp.	6.250%	01/25/16	745	770,003
				6,171,600
Department Stores 1.0%				
Macy's Retail Holdings, Inc.	5.350%	03/15/12	2,000	2,070,000
Sears Holdings Corp. <sup>(a)</sup>	6.625%	10/15/18	150	147,375
				2,217,375

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**8 Invesco Van Kampen Bond Fund**

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Description	Coupon	Maturity	Par Amount (000)	Value
Distillers & Vintners 0.0%				
Constellation Brands, Inc.	7.250%	05/15/17	\$ 60	\$ 64,800
Diversified Banks 9.7%				
ABN Amro Bank NV (Netherlands) <sup>(a)</sup>	3.000%	01/31/14	1,000	996,711
Ally Financial, Inc. <sup>(a)</sup>	7.500%	09/15/20	205	224,987
Barclays Bank PLC (United Kingdom)	5.140%	10/14/20	520	505,661
Barclays Bank PLC (United Kingdom) <sup>(a)</sup>	6.050%	12/04/17	335	347,808
Barclays Bank PLC (United Kingdom)	6.750%	05/22/19	1,280	1,443,961
Credit Agricole SA (France) <sup>(a)(b)</sup>	8.375%	10/29/49	1,200	1,279,549
Credit Suisse (Switzerland)	5.400%	01/14/20	475	481,208
Credit Suisse New York (Switzerland)	6.000%	02/15/18	230	245,983
Groupe BPCE (France) <sup>(a)</sup>	2.375%	10/04/13	775	771,745
Hana Bank (Republic of Korea (South Korea)) <sup>(a)</sup>	4.500%	10/30/15	1,075	1,099,419
HBOS PLC (United Kingdom) <sup>(a)</sup>	6.750%	05/21/18	1,080	1,020,597
HSBC Bank PLC (United Kingdom) <sup>(a)</sup>	4.125%	08/12/20	1,275	1,238,127
HSBC Bank USA NA	4.875%	08/24/20	250	245,698
HSBC Finance Corp. <sup>(a)</sup>	6.676%	01/15/21	957	1,006,950
Korea Development Bank (Republic of Korea (South Korea))	4.375%	08/10/15	1,135	1,164,929
Lloyds TSB Bank PLC (United Kingdom)	4.875%	01/21/16	875	890,687
Lloyds TSB Bank PLC (United Kingdom) <sup>(a)</sup>	5.800%	01/13/20	690	687,657
Lloyds TSB Bank PLC (United Kingdom) <sup>(a)</sup>	6.500%	09/14/20	540	521,853

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Rabobank Nederland NV (Netherlands) <sup>(a)(b)</sup>	11.000%	06/29/49	210	273,960
Royal Bank of Scotland Group PLC (United Kingdom)	6.400%	10/21/19	760	778,235
Royal Bank of Scotland PLC (United Kingdom)	4.875%	03/16/15	1,160	1,196,852
Santander US Debt SA Unipersonal (Spain) <sup>(a)</sup>	2.991%	10/07/13	500	485,150
Santander US Debt SA Unipersonal (Spain) <sup>(a)</sup>	3.724%	01/20/15	800	772,280
Societe Generale (France) <sup>(a)</sup>	2.500%	01/15/14	600	597,212
Standard Chartered Bank (United Kingdom) <sup>(a)</sup>	6.400%	09/26/17	800	871,676
Standard Chartered PLC (United Kingdom) <sup>(a)</sup>	3.850%	04/27/15	270	277,225
US Bancorp	2.000%	06/14/13	625	634,901
VTB Bank Via VTB Capital SA (Luxembourg) <sup>(a)</sup>	6.551%	10/13/20	875	877,328
Wachovia Capital Trust I <sup>(a)</sup>	7.640%	01/15/27	1,130	1,159,662
				22,098,011
Diversified Capital Markets 1.8%				
Credit Suisse New York (Switzerland)	5.300%	08/13/19	2,785	2,931,310
UBS AG Stamford Branch (Switzerland)	5.875%	12/20/17	985	1,088,369
				4,019,679
Diversified Chemicals 1.1%				
Dow Chemical Co.	4.250%	11/15/20	2,500	2,410,266
Diversified Metals & Mining 2.3%				
Anglo American Capital PLC (United Kingdom) <sup>(a)</sup>	9.375%	04/08/19	660	878,111
Freeport-McMoRan Cooper & Gold, Inc.	8.375%	04/01/17	1,320	1,463,138
Rio Tinto Finance USA Ltd. (Australia)	9.000%	05/01/19	1,750	2,314,362

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**9 Invesco Van Kampen Bond Fund**

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Description	Coupon	Maturity	Par Amount (000)	Value
Diversified Metals & Mining (continued)				
Southern Copper Corp.	5.375%	04/16/20	\$ 230	\$ 241,421
Southern Copper Corp.	6.750%	04/16/40	335	348,483
				5,245,515
Diversified REIT s 0.2%				
Qatari Diar Finance QSC (Qatar) <sup>(a)</sup>	5.000%	07/21/20	545	534,484
Drug Retail 1.4%				
CVS Pass-Through Trust <sup>(a)</sup>	5.773%	01/10/33	1,687	1,714,010
CVS Pass-Through Trust	6.036%	12/10/28	1,273	1,333,731
CVS Pass-Through Trust <sup>(a)</sup>	8.353%	07/10/31	199	235,438
				3,283,179
Electric Utilities 3.4%				
DCP Midstream LLC <sup>(a)</sup>	9.700%	12/01/13	1,500	1,755,262
DCP Midstream LLC <sup>(a)</sup>	9.750%	03/15/19	500	649,114
Enel Finance International SA (Luxembourg) <sup>(a)</sup>	5.125%	10/07/19	820	824,812
Enel Finance International SA (Luxembourg) <sup>(a)</sup>	5.700%	01/15/13	500	530,167
Entergy Gulf States Louisiana LLC	5.590%	10/01/24	650	689,812
Ohio Power Co.	5.375%	10/01/21	350	375,717
Southern Co.	2.375%	09/15/15	400	396,583
Southern Power Co.	4.875%	07/15/15	1,175	1,270,694

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Spectra Energy Capital LLC	8.000%	10/01/19	225	275,170
Virginia Electric & Power Co.	8.875%	11/15/38	595	873,323
				7,640,654
Electrical Components & Equipment 0.0%				
Polypore International, Inc. <sup>(a)</sup>	7.500%	11/15/17	30	31,313
Electronic Components 0.3%				
Corning, Inc.	6.625%	05/15/19	140	161,912
Corning, Inc.	7.250%	08/15/36	490	558,631
				720,543
Electronic Manufacturing Services 0.1%				
Jabil Circuit, Inc.	5.625%	12/15/20	150	147,750
Environmental & Facilities Services 0.6%				
Waste Management, Inc.	4.600%	03/01/21	680	683,936
Waste Management, Inc.	5.000%	03/15/14	645	697,812
				1,381,748
Food Retail 1.0%				
Kroger Co.	5.400%	07/15/40	1,350	1,280,049
Safeway, Inc.	3.950%	08/15/20	1,000	954,570
				2,234,619

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**10 Invesco Van Kampen Bond Fund**

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Description	Coupon	Maturity	Par Amount (000)	Value
Gold 0.6%				
Gold Fields Orogen Holding Ltd. (British Virgin Islands) <sup>(a)</sup>	4.875%	10/07/20	\$ 1,000	\$ 957,450
Newmont Mining Corp.	6.250%	10/01/39	475	503,931
				1,461,381
Health Care Distributors 0.3%				
McKesson Corp.	3.250%	03/01/16	155	156,286
McKesson Corp.	4.750%	03/01/21	205	208,796
McKesson Corp.	6.000%	03/01/41	410	420,415
				785,497
Health Care Equipment 1.6%				
Boston Scientific Corp.	4.500%	01/15/15	1,445	1,491,551
Boston Scientific Corp.	6.000%	01/15/20	1,400	1,471,449
CareFusion Corp.	4.125%	08/01/12	600	623,069
				3,586,069
Health Care Facilities 0.1%				
HCA, Inc.	7.875%	02/15/20	155	171,275
Tenet Healthcare Corp.	9.250%	02/01/15	30	33,150
				204,425
Health Care Services 0.7%				

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Express Scripts, Inc.	5.250%	06/15/12	1,585	1,666,262
Health Care Technology 0.0%				
MedAssets, Inc. <sup>(a)</sup>	8.000%	11/15/18	85	87,763
Home Furnishings 0.0%				
American Standard Americas <sup>(a)</sup>	10.750%	01/15/16	40	42,900
Home Improvement Retail 0.7%				
Home Depot, Inc.	5.875%	12/16/36	800	809,246
Lowe's Cos, Inc.	3.750%	04/15/21	795	771,453
				1,580,699
Homebuilding 0.0%				
Beazer Homes USA, Inc.	6.875%	07/15/15	20	19,925
Beazer Homes USA, Inc.	8.125%	06/15/16	20	20,375
				40,300
Hotels, Resorts & Cruise Lines 0.6%				
Hyatt Hotels Corp. <sup>(a)</sup>	6.875%	08/15/19	155	170,747
Wyndham Worldwide Corp.	6.000%	12/01/16	1,145	1,218,710
				1,389,457
Housewares & Specialties 0.2%				
Fortune Brands, Inc.	6.375%	06/15/14	375	411,586

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**11 Invesco Van Kampen Bond Fund**

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Description	Coupon	Maturity	Par Amount (000)	Value
Independent Power Producers & Energy Traders 0.7%				
AES Corp.	8.000%	06/01/20	\$ 1,055	\$ 1,152,588
Indianapolis Power & Light Co. <sup>(a)</sup>	6.300%	07/01/13	255	278,140
NRG Energy, Inc.	8.500%	06/15/19	240	254,400
				1,685,128
Industrial Conglomerates 2.6%				
General Electric Capital Corp.	6.000%	08/07/19	1,000	1,107,754
General Electric Co.	5.250%	12/06/17	1,330	1,461,762
Hutchison Whampoa International 10 Ltd. (Cayman Islands) <sup>(a)(b)</sup>	6.000%	12/29/49	2,290	2,295,725
NBC Universal, Inc. <sup>(a)</sup>	2.100%	04/01/14	375	373,165
NBC Universal, Inc. <sup>(a)</sup>	5.150%	04/30/20	210	217,627
NBC Universal, Inc. <sup>(a)</sup>	5.950%	04/01/41	355	356,519
				5,812,552
Industrial Machinery 0.0%				
Cleaver-Brooks, Inc. <sup>(a)</sup>	12.250%	05/01/16	60	64,650
Integrated Oil & Gas 1.1%				
Hess Corp.	5.600%	02/15/41	450	436,129
Lukoil International Finance BV (Netherlands) <sup>(a)</sup>	6.125%	11/09/20	960	972,959
Marathon Petroleum Corp. <sup>(a)</sup>	6.500%	03/01/41	565	574,861
Petrobras International Finance Co. (Cayman Islands)	5.375%	01/27/21	410	413,164

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2,397,113

Integrated Telecommunication Services 3.9%

AT&T Corp.	8.000%	11/15/31	86	109,358
CenturyTel, Inc.	6.150%	09/15/19	295	308,484
Deutsche Telekom International Finance BV (Netherlands)	6.000%	07/08/19	150	170,386
Deutsche Telekom International Finance BV (Netherlands)	6.750%	08/20/18	225	264,602
Deutsche Telekom International Finance BV (Netherlands)	8.750%	06/15/30	440	577,431
Integra Telecom Holdings, Inc. <sup>(a)</sup>	10.750%	04/15/16	40	43,600
Qtel International Finance Ltd. (Bermuda) <sup>(a)</sup>	3.375%	10/14/16	515	483,490
Qtel International Finance Ltd. (Bermuda) <sup>(a)</sup>	4.750%	02/16/21	250	234,625
Qwest Communications International, Inc.	7.125%	04/01/18	15	16,163
Qwest Corp.	6.875%	09/15/33	210	208,950
SBC Communications, Inc.	6.150%	09/15/34	1,185	1,201,977
Telecom Italia Capital SA (Luxembourg)	6.999%	06/04/18	1,850	1,999,605
Telecom Italia Capital SA (Luxembourg)	7.175%	06/18/19	230	250,263
Telefonica Emisiones SAU (Spain)	5.462%	02/16/21	880	896,734
Verizon Communications, Inc.	6.400%	02/15/38	200	214,270
Verizon Communications, Inc.	8.950%	03/01/39	1,360	1,894,666
				8,874,604

Internet Retail 0.7%

Expedia, Inc.	5.950%	08/15/20	1,555	1,581,590
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Internet Software & Services 0.0%

Equinix, Inc.	8.125%	03/01/18	50	54,375
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See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**12 Invesco Van Kampen Bond Fund**

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Description	Coupon	Maturity	Par Amount (000)	Value
Investment Banking & Brokerage 3.6%				
Charles Schwab Corp.	4.450%	07/22/20	\$ 875	\$ 889,156
Goldman Sachs Group, Inc.	3.700%	08/01/15	615	624,041
Goldman Sachs Group, Inc.	6.250%	02/01/41	495	501,400
Goldman Sachs Group, Inc.	6.750%	10/01/37	1,320	1,351,021
Jefferies Group, Inc.	6.875%	04/15/21	710	763,813
Macquarie Group Ltd. (Australia) <sup>(a)</sup>	6.000%	01/14/20	1,095	1,118,330
Macquarie Group Ltd. (Australia) <sup>(a)</sup>	7.625%	08/13/19	498	559,034
Morgan Stanley	3.450%	11/02/15	1,000	985,162
Morgan Stanley	4.000%	07/24/15	1,000	1,019,832
Schwab Capital Trust I <sup>(b)</sup>	7.500%	11/15/37	385	405,509
				8,217,298
Leisure Facilities 0.1%				
Speedway Motorsports, Inc. <sup>(a)</sup>	6.750%	02/01/19	10	10,175
Universal City Development Partners Ltd.	8.875%	11/15/15	150	164,625
				174,800
Life & Health Insurance 3.2%				
Aegon NV (Netherlands)	4.625%	12/01/15	650	675,294
Aflac, Inc.	8.500%	05/15/19	540	671,016
MetLife, Inc.	6.817%	08/15/18	50	58,719
MetLife, Inc.	10.750%	08/01/39	785	1,089,188

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Pacific LifeCorp <sup>(a)</sup>	6.000%	02/10/20	1,150	1,221,649
Prudential Financial, Inc.	4.750%	09/17/15	820	880,055
Prudential Financial, Inc.	6.200%	11/15/40	1,500	1,591,674
Prudential Financial, Inc.	6.625%	12/01/37	390	435,306
Prudential Financial, Inc.	7.375%	06/15/19	645	768,386
				7,391,287
Life Sciences Tools & Services 0.5%				
Life Technologies Corp.	6.000%	03/01/20	610	664,913
Thermo Fisher Scientific, Inc.	4.500%	03/01/21	545	556,820
				1,221,733
Managed Health Care 0.4%				
UnitedHealth Group, Inc.	3.875%	10/15/20	400	385,338
UnitedHealth Group, Inc.	5.950%	02/15/41	590	601,607
				986,945
Metal & Glass Containers 0.1%				
Ardagh Packing Finance PLC (Ireland) <sup>(a)</sup>	7.375%	10/15/17	200	212,933
Movies & Entertainment 1.1%				
AMC Entertainment, Inc.	8.750%	06/01/19	200	216,500
NAI Entertainment Holdings LLC <sup>(a)</sup>	8.250%	12/15/17	20	21,625
News America, Inc. <sup>(a)</sup>	6.150%	02/15/41	1,290	1,304,381

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**13 Invesco Van Kampen Bond Fund**

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Description	Coupon	Maturity	Par Amount (000)	Value
Movies & Entertainment (continued)				
News America, Inc.	6.400%	12/15/35	\$ 325	\$ 341,750
Time Warner, Inc.	6.500%	11/15/36	675	712,678
				2,596,934
Multi-Line Insurance 1.4%				
AIG SunAmerica Global Financing VI <sup>(a)</sup>	6.300%	05/10/11	795	804,142
American Financial Group, Inc.	9.875%	06/15/19	1,055	1,271,063
Health Care Service Corp. <sup>(a)</sup>	4.700%	01/15/21	530	537,614
Liberty Mutual Group, Inc. <sup>(a)</sup>	7.800%	03/15/37	450	452,250
				3,065,069
Multi-Utilities 0.9%				
CMS Energy Corp.	6.300%	02/01/12	50	52,375
Consumers Energy Co.	5.800%	09/15/35	480	498,053
Dominion Resources, Inc.	2.250%	09/01/15	500	488,776
Dominion Resources, Inc.	7.000%	06/15/38	315	371,662
Nisource Finance Corp.	6.800%	01/15/19	535	616,406
				2,027,272
Office REIT s 0.7%				
Digital Realty Trust LP	4.500%	07/15/15	1,525	1,576,327

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Office Services & Supplies 0.8%

Steelcase, Inc.	6.375%	02/15/21	1,730	1,776,954
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Oil & Gas Drilling 0.9%

Transocean, Inc. (Switzerland)	4.950%	11/15/15	1,985	2,101,769
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Oil & Gas Exploration & Production 2.8%

Anadarko Petroleum Corp.	6.375%	09/15/17	1,670	1,860,116
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Chaparral Energy, Inc. <sup>(a)</sup>	8.250%	09/01/21	65	66,625
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Chesapeake Energy Corp.	6.125%	02/15/21	5	5,106
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Chesapeake Energy Corp.	6.625%	08/15/20	70	74,112
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Comstock Resources, Inc.	7.750%	04/01/19	45	45,000
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Empresa Nacional de Petroleo (Chile) <sup>(a)</sup>	5.250%	08/10/20	365	361,272
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EnCana Corp. (Canada)	6.500%	02/01/38	945	1,025,986
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EOG Resources, Inc.	4.100%	02/01/21	475	461,072
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Forest Oil Corp.	7.250%	06/15/19	80	83,200
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Gaz Capital SA (Luxembourg) <sup>(a)</sup>	6.510%	03/07/22	265	273,626
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Newfield Exploration Co.	7.125%	05/15/18	290	311,025
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Petrohawk Energy Corp. <sup>(a)</sup>	7.250%	08/15/18	15	15,600
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Petrohawk Energy Corp.	7.250%	08/15/18	100	103,875
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Petroleos Mexicanos (Mexico)	5.500%	01/21/21	630	637,151
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Pioneer Natural Resources Co.	6.650%	03/15/17	145	156,963
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Plains Exploration & Production Co.	7.625%	06/01/18	320	343,600
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Range Resources Corp.	7.500%	05/15/16	500	522,500
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SM Energy Co. <sup>(a)</sup>	6.625%	02/15/19	20	20,300
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6,367,129

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**14 Invesco Van Kampen Bond Fund**

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<b>Description</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Par Amount (000)</b>	<b>Value</b>
<b>Oil &amp; Gas Refining &amp; Marketing 0.1%</b>				
Tesoro Corp.	6.500%	06/01/17	\$ 85	\$ 87,656
United Refining Co.	10.500%	08/15/12	15	15,047
United Refining Co. <sup>(a)</sup>	10.500%	02/28/18	70	69,650
				172,353
<b>Oil &amp; Gas Storage &amp; Transportation 2.9%</b>				
Copano Energy LLC	8.125%	03/01/16	110	114,950
Enterprise Products Operating LLC	5.250%	01/31/20	250	259,597
Enterprise Products Operating LLC	5.600%	10/15/14	720	797,516
Enterprise Products Operating LLC	6.450%	09/01/40	1,250	1,309,665
Inergy LP / Inergy Finance Corp. <sup>(a)</sup>	6.875%	08/01/21	35	36,006
Kinder Morgan Energy Partners LP	5.850%	09/15/12	560	598,419
Kinder Morgan Finance Co. (Canada)	5.700%	01/05/16	585	611,325
MarkWest Energy Partners LP / MarkWest Energy Finance Corp.	6.500%	08/15/21	85	85,106
Overseas Shipholding Group, Inc.	8.125%	03/30/18	105	105,263
Regency Energy Partners LP	6.875%	12/01/18	95	99,394
Spectra Energy Capital LLC	5.668%	08/15/14	500	551,568
Texas Eastern Transmission LP	7.000%	07/15/32	755	889,370
Williams Partners LP	7.250%	02/01/17	1,000	1,168,543
				6,626,722

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Other Diversified Financial Services 7.0%

Bank of America Corp.	3.700%	09/01/15	500	505,394
Bank of America Corp.	5.650%	05/01/18	800	845,853
Bank of America Corp.	7.625%	06/01/19	695	814,149
Bear Stearns Cos., LLC	5.550%	01/22/17	1,030	1,102,777
Bear Stearns Cos., LLC	6.400%	10/02/17	315	357,729
Bear Stearns Cos., LLC	7.250%	02/01/18	680	801,303
Citigroup, Inc.	6.125%	05/15/18	1,450	1,587,065
ERAC USA Finance LLC <sup>(a)</sup>	2.750%	07/01/13	555	568,192
ERAC USA Finance LLC <sup>(a)</sup>	5.800%	10/15/12	200	213,448
General Electric Capital Corp.	5.500%	01/08/20	320	341,377
ING Bank NV (Netherlands) <sup>(a)</sup>	3.000%	09/01/15	510	499,418
International Lease Finance Corp. <sup>(a)</sup>	6.500%	09/01/14	2,970	3,189,780
International Lease Finance Corp.	8.250%	12/15/20	450	501,750
JPMorgan Chase & Co.	3.450%	03/01/16	270	271,562
JPMorgan Chase Capital XXVII	7.000%	11/01/39	2,165	2,280,366
Merrill Lynch & Co., Inc.	7.750%	05/14/38	765	867,490
VTB Bank OJSC Via VTB Capital SA (Luxembourg) <sup>(a)</sup>	6.315%	02/22/18	1,190	1,206,946
				15,954,599

Packaged Foods & Meats 1.3%

Blue Merger Sub, Inc. <sup>(a)</sup>	7.625%	02/15/19	35	35,612
Grupo Bimbo SAB de CV (Mexico) <sup>(a)</sup>	4.875%	06/30/20	505	500,030

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

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<b>Description</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Par Amount (000)</b>	<b>Value</b>
Packaged Foods & Meats (continued)				
Kraft Foods, Inc.	6.875%	02/01/38	\$ 1,255	\$ 1,413,317
Kraft Foods, Inc.	6.875%	01/26/39	850	957,467
				2,906,426
Paper Products 0.8%				
Clearwater Paper Corp. <sup>(a)</sup>	7.125%	11/01/18	30	31,350
International Paper Co.	7.950%	06/15/18	1,000	1,221,074
International Paper Co.	9.375%	05/15/19	375	490,782
P.H. Glatfelter Co.	7.125%	05/01/16	45	46,856
				1,790,062
Pharmaceuticals 0.1%				
Valeant Pharmaceuticals International <sup>(a)</sup>	6.750%	10/01/17	85	88,400
Wyeth	6.450%	02/01/24	120	142,412
				230,812
Property & Casualty Insurance 1.2%				
CNA Financial Corp.	7.350%	11/15/19	1,100	1,257,693
WR Berkley Corp.	7.375%	09/15/19	600	683,601
XL Group PLC (Ireland)	5.250%	09/15/14	710	752,891
				2,694,185

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Railroads 1.0%

Canadian Pacific Railway Co. (Canada)	4.450%	03/15/23	225	218,960
CSX Corp.	5.500%	04/15/41	1,250	1,228,339
CSX Corp.	6.150%	05/01/37	770	827,731
				2,275,030

Regional Banks 2.0%

BB&T Corp.	3.200%	03/15/16	885	883,770
CIT Group, Inc.	7.000%	05/01/17	210	212,625
Nationwide Building Society (United Kingdom) <sup>(a)</sup>	6.250%	02/25/20	1,030	1,072,999
Regions Financial Corp.	5.750%	06/15/15	2,080	2,087,800
Synovus Financial Corp.	5.125%	06/15/17	35	32,900
Zions Bancorporation	6.000%	09/15/15	195	197,925
				4,488,019

Research & Consulting Services 0.5%

Novant Health, Inc.	5.850%	11/01/19	1,000	1,061,179
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Restaurants 0.4%

Yum! Brands, Inc.	6.875%	11/15/37	780	890,611
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Retail REIT s 0.5%

WEA Finance LLC <sup>(a)</sup>	6.750%	09/02/19	1,050	1,201,521
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Semiconductors 0.1%

Freescale Semiconductor, Inc. <sup>(a)</sup>	9.250%	04/15/18	170	189,975
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See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**16 Invesco Van Kampen Bond Fund**

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Description	Coupon	Maturity	Par Amount (000)	Value
Soft Drinks 0.3%				
Coca-Cola Enterprises, Inc.	1.125%	11/12/13	\$ 750	\$ 741,315
Specialized Finance 1.4%				
Moody's Corp.	5.500%	09/01/20	1,120	1,132,903
NASDAQ OMX Group, Inc.	5.550%	01/15/20	730	734,903
National Rural Utilities Cooperative Finance Corp.	1.900%	11/01/15	500	484,504
National Rural Utilities Cooperative Finance Corp.	3.050%	03/01/16	720	728,872
				3,081,182
Specialized REIT's 1.1%				
Entertainment Properties Trust <sup>(a)</sup>	7.750%	07/15/20	1,250	1,334,542
HCP, Inc.	3.750%	02/01/16	265	267,690
HCP, Inc.	5.375%	02/01/21	225	230,696
Senior Housing Properties Trust	4.300%	01/15/16	755	743,203
				2,576,131
Specialty Chemicals 0.0%				
PolyOne Corp.	7.375%	09/15/20	45	47,813
Specialty Stores 0.0%				
Michaels Stores, Inc. <sup>(a)</sup>	7.750%	11/01/18	20	20,750
Steel 1.9%				

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AK Steel Corp.	7.625%	05/15/20	50	51,500
ArcelorMittal (Luxembourg)	3.750%	08/05/15	970	980,702
ArcelorMittal (Luxembourg)	5.500%	03/01/21	135	134,132
ArcelorMittal (Luxembourg)	6.750%	03/01/41	135	133,888
ArcelorMittal (Luxembourg)	7.000%	10/15/39	625	655,825
ArcelorMittal (Luxembourg)	9.850%	06/01/19	770	991,076
United States Steel Corp.	7.000%	02/01/18	70	73,325
Vale Overseas Ltd. (Cayman Islands)	5.625%	09/15/19	545	579,662
Vale Overseas Ltd. (Cayman Islands)	6.875%	11/10/39	580	629,383
				4,229,493
Systems Software 0.2%				
Allen Systems Group, Inc. <sup>(a)</sup>	10.500%	11/15/16	120	124,500
Symantec Corp.	4.200%	09/15/20	305	288,604
				413,104
Technology Distributors 0.5%				
Avnet, Inc.	5.875%	06/15/20	1,200	1,210,150
Textiles 0.1%				
Levi Strauss & Co.	7.625%	05/15/20	260	270,400
Tobacco 0.9%				
Altria Group, Inc.	4.125%	09/11/15	1,000	1,043,081
Altria Group, Inc.	9.700%	11/10/18	340	447,759
Altria Group, Inc.	10.200%	02/06/39	410	585,681
				2,076,521

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**17 Invesco Van Kampen Bond Fund**

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Description	Coupon	Maturity	Par Amount (000)	Value
Trading Companies & Distributors 0.0%				
H&E Equipment Services, Inc.	8.375%	07/15/16	\$ 40	\$ 41,900
RSC Equipment Rental, Inc. / RSC Holdings III LLC <sup>(a)</sup>	8.250%	02/01/21	20	21,200
				63,100
Trucking 0.0%				
Avis Budget Car Rental LLC / Avis Budget Finance, Inc.	8.250%	01/15/19	30	32,025
Hertz Corp. <sup>(a)</sup>	6.750%	04/15/19	10	10,225
Hertz Corp. <sup>(a)</sup>	7.375%	01/15/21	35	36,662
Sunstate Equipment Co., LLC <sup>(a)</sup>	10.500%	04/01/13	20	19,700
				98,612
Wireless Telecommunication Services 1.5%				
American Tower Corp.	4.500%	01/15/18	515	510,820
American Tower Corp.	4.625%	04/01/15	820	856,286
Cricket Communications, Inc.	7.750%	10/15/20	115	110,975
Crown Castle Towers LLC <sup>(a)</sup>	4.883%	08/15/20	1,215	1,227,150
MetroPCS Wireless, Inc.	6.625%	11/15/20	65	63,294
MetroPCS Wireless, Inc.	7.875%	09/01/18	20	21,012
SBA Telecommunications, Inc.	8.250%	08/15/19	250	277,500
Sprint Capital Corp.	6.900%	05/01/19	205	207,819
Wind Acquisition Finance SA (Luxembourg) <sup>(a)</sup>	11.750%	07/15/17	150	173,250

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				3,448,106
Total Corporate Bonds	95.6%			217,667,352
<b>Municipal Bonds 1.8%</b>				
California 0.3%				
Alameda County CA Joint Powers	7.046%	12/01/44	530	528,972
California State Taxable Various Purpose 3	5.950%	04/01/16	230	247,395
				776,367
Georgia 0.4%				
Municipal Electric Authority of GA	6.637%	04/01/57	1,000	1,008,000
Kentucky 0.4%				
Kentucky Asset / Liability Commission Funding Notes	3.165%	04/01/18	870	856,602
New Jersey 0.5%				
New Jersey State Transportation Trust Fund Authority	5.754%	12/15/28	1,040	1,014,364
New York 0.2%				
New York, NY City Transitional Finance Authority	5.572%	11/01/38	525	516,369
Total Municipal Bonds	1.8%			4,171,702
Collateralized Mortgage Obligations 1.8%				
Bear Stearns Commercial Mortgage Securities <sup>(b)</sup>	5.471%	01/12/45	700	754,597
Commercial Mortgage Pass Through Certificates <sup>(a)(b)</sup>	0.355%	06/15/22	427	417,242
GS Mortgage Securities Corp. II <sup>(a)(b)</sup>	5.635%	08/10/43	1,000	1,041,826
LB-UBS Commercial Mortgage Trust	5.372%	09/15/39	760	818,645
PNC Mortgage Acceptance Corp., Class A	6.360%	03/12/34	296	295,879

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**18 Invesco Van Kampen Bond Fund**

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Description	Coupon	Maturity	Par Amount (000)	Value
Collateralized Mortgage Obligations (continued)				
TIAA Seasoned Commercial Mortgage Trust, Class A2 <sup>(b)</sup>	5.766%	08/15/39	\$ 635	\$ 662,987
Total Collateralized Mortgage Obligations	1.8%			3,991,176
Total Long-Term Investments	99.2% (Cost \$215,154,325)			225,830,230
United States Government Agency Obligations 0.1%				
United States Treasury Bills (\$250,000 par, yielding 6.257%, 04/28/11 Maturity) (Cost \$249,932) <sup>(d)</sup>				249,932
TOTAL INVESTMENTS	99.3% (Cost \$215,404,257)			226,080,162
OTHER ASSETS IN EXCESS OF LIABILITIES	0.7%			1,718,217
NET ASSETS	100.0%			\$ 227,798,379

Investment Abbreviation:

REIT Real Estate Investment Trust

Notes to Schedule of Investments:

- (a) Security purchased or received in a transaction exempt from registration under the Securities Act of 1933, as amended. The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The aggregate value of these securities at February 28, 2011 was \$53,723,212, which represented 23.58% of the Fund's Net Assets.
- (b) Interest or dividend rate is redetermined periodically. Rate shown is the rate in effect on February 28, 2011.
- (c) Payment-in-kind security.
- (d) All or a portion of this security has been physically segregated in connection with open futures contracts (See Note 1L and 4).

**Futures contracts outstanding as of February 28, 2011:**

Number of	Unrealized Appreciation
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	<b>Contracts</b>	<b>(Depreciation)</b>
<b>Long Contracts:</b>		
U.S. Treasury Bonds 30-Year Futures, June 2011 (Current Notional Value of \$120,344 per contract)	11	\$ 29,625
U.S. Treasury Bonds Ultra Long Futures, June 2011 (Current Notional Value of \$123,594 per contract)	32	134,683
U.S. Treasury Notes 5-Year Futures, June 2011 (Current Notional Value of \$116,938 per contract)	462	171,289
Total Long Contracts	505	335,597
<b>Short Contracts:</b>		
U.S. Treasury Notes 10-Year Futures, June 2011 (Current Notional Value of \$119,047 per contract)	338	(43,537)
Total Futures Contracts	843	\$ 292,060

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**19 Invesco Van Kampen Bond Fund**

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**Statement of Assets and Liabilities***February 28, 2011***Assets:**

Investments, at value (Cost \$215,404,257)	\$ 226,080,162
Receivables:	
Interest	3,262,945
Investment sold	2,266,396
Variation margin on futures	70,719
Dividends	332
Total assets	231,680,554

**Liabilities:**

Payables:	
Investments purchased	3,141,273
Custodian bank	558,505
Accrued other operating expenses	147,460
Income distributions	34,790
Accrued fees to affiliates	147
Total liabilities	3,882,175
Net assets	\$ 227,798,379
Net asset value (\$227,798,379 divided by 11,335,939 shares outstanding)	\$ 20.10

**Net assets consist of:**

Shares of beneficial interest (\$1.00 par value with 15,000,000 shares authorized, 11,335,939 shares issued and outstanding)	\$ 218,509,250
Net unrealized appreciation	10,967,965

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Accumulated undistributed net investment income (loss)	(395,570)
Accumulated net realized gain (loss)	(1,283,266)
Net assets	\$ 227,798,379

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**20 Invesco Van Kampen Bond Fund**

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**Statement of Operations***For the period July 1, 2010 to February 28, 2011 and the year ended June 30, 2010*

	<b>Eight months ended February 28, 2011</b>	<b>Year ended June 30, 2010</b>
<b>Investment income:</b>		
Interest	\$ 7,774,353	\$ 13,069,326
Dividends from affiliated money market funds	12,510	-0-
Other	-0-	180
Total income	7,786,863	13,069,506
<b>Expenses:</b>		
Advisory fees	637,723	916,899
Professional fees	45,564	58,040
Administrative services fees	34,923	74,147
Transfer agent fees	30,137	72,423
Custodian fees	11,472	28,375
Trustees and officers fees and benefits	12,849	42,005
Other	28,042	91,543
Total expenses	800,710	1,283,432
Less: Fees waived and/or expenses reimbursed	11,080	-0-
Net expenses	789,630	1,283,432
Net investment income	6,997,233	11,786,074

**Realized and unrealized gain (loss):**

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Realized gain (loss):		
Investments	9,110,127	9,701,249
Futures contracts	(749,512)	(1,038,011)
Swap agreements	-0-	(3,150,276)
Net realized gain	8,360,615	5,512,962
Unrealized appreciation (depreciation):		
Beginning of the period	14,816,514	147,892
End of the period:		
Investments	10,675,905	15,191,417
Futures contracts	292,060	(374,903)
	10,967,965	14,816,514
Net unrealized appreciation (depreciation) during the period	(3,848,549)	14,668,622
Net realized and unrealized gain	4,512,066	20,181,584
Net increase in net assets from operations	\$ 11,509,299	\$ 31,967,658

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**21 Invesco Van Kampen Bond Fund**

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**Statement of Changes in Net Assets***For the period July 1, 2010 to February 28, 2011 and the years ended June 30, 2010 and 2009*

	<b>Eight months ended February 28, 2011</b>	<b>Year ended June 30, 2010</b>	<b>Year ended June 30, 2009</b>
<b>From operations:</b>			
Net investment income	\$ 6,997,233	\$ 11,786,074	\$ 10,689,248
Net realized gain (loss)	8,360,615	5,512,962	(4,188,353)
Net unrealized appreciation (depreciation) during the period	(3,848,549)	14,668,622	1,673,676
Change in net assets from operations	11,509,299	31,967,658	8,174,571
Distributions from net investment income	(7,424,263)	(11,609,494)	(12,666,941)
Net change in net assets from operations	4,085,036	20,358,164	(4,492,370)
<b>From capital transactions:</b>			
Value of common shares issued through dividend reinvestment	107,791	261,395	140,312
Total increase (decrease) in net assets	4,192,827	20,619,559	(4,352,058)
<b>Net Assets:</b>			
Beginning of the period	223,605,552	202,985,993	207,338,051
End of the period (including accumulated undistributed net investment income (loss) of \$(395,570), \$(263,263), and \$(411,091), respectively)	\$ 227,798,379	\$ 223,605,552	\$ 202,985,993

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

**Financial Highlights**

The following schedule presents financial highlights for one share of the Fund outstanding throughout the periods indicated.

	<b>Eight months ended February 28, 2011</b>		<b>Year ended June 30,</b>			
	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	
Net asset value, beginning of the period	\$ 19.73	\$ 17.94	\$ 18.33	\$ 18.70	\$ 18.59	\$ 19.69
Net investment income <sup>(a)</sup>	0.62	1.04	0.95	0.92	0.90	0.89
Net realized and unrealized gain (loss)	0.41	1.78	(0.22)	(0.37)	0.15	(1.03)
Total income (loss) from investment operations	1.03	2.82	0.73	0.55	1.05	(0.14)
Less distributions from net investment income	0.66	1.03	1.12	0.92	0.94	0.96
Net asset value, end of the period	\$ 20.10	\$ 19.73	\$ 17.94	\$ 18.33	\$ 18.70	\$ 18.59
Market value end of the period	\$ 18.30	\$ 19.65	\$ 17.12	\$ 16.62	\$ 16.84	\$ 16.40
Total return at net asset value <sup>(b)</sup>	5.35%					
Total return at market value <sup>(c)</sup>	(3.69)%	21.02%	10.29%	4.17%	8.38%	(2.59)%
Net assets at end of the period (000 s omitted)	227,798	223,606	202,986	207,338	211,418	211,225
Ratio of expenses to average net assets with fee waivers and/or expense	0.52% <sup>(d)</sup>	N/A	N/A	N/A	N/A	N/A

reimbursements

Ratio of expenses to  
average net assets  
without fee waivers  
and/or expense

reimbursements	0.53% <sup>(d)</sup>	0.59%	0.58%	0.61%	0.57%	0.59%
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Ratio of net  
investment income to  
average net assets

	4.61% <sup>(d)</sup>	5.40%	5.54%	4.82%	4.72%	4.61%
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Portfolio turnover<sup>(e)</sup>

	79%	77%	59%	111%	188%	64%
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(a) Based on average shares outstanding.

(b) Includes adjustments in accordance with accounting principles generally accepted in the United States of America and as such, the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset value and returns for shareholder transactions. Not annualized for periods less than one year, if applicable.

(c) Total return assumes an investment at the common share market price at the beginning of the period indicated, reinvestment of all distributions for the period in accordance with the Fund's dividend reinvestment plan, and sale of all shares at the closing common share market price at the end of the period indicated. Not annualized for periods less than one year, if applicable.

(d) Ratios are annualized and based on average net assets (000's omitted) of \$228,067.

(e) Portfolio turnover is not annualized for periods less than one year, if applicable.

## Notes to Financial Statements

February 28, 2011

### NOTE 1 Significant Accounting Policies

Invesco Van Kampen Bond Fund (the Fund) is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a diversified, closed-end management investment company. As part of Invesco's June 1, 2010 acquisition of Morgan Stanley's retail asset management business (the Transaction), the Fund changed its name from Van Kampen Bond Fund to Invesco Van Kampen Bond Fund.

On February 28, 2011, the Fund's fiscal year-end changed from June 30 to February 28.

The Fund's investment objective is to seek interest income while conserving capital.

The following is a summary of the significant accounting policies followed by the Fund in the preparation of its financial statements.

**A. Security Valuations** Securities, including restricted securities, are valued according to the following policy.

A security listed or traded on an exchange (except convertible bonds) is valued at its last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded, or lacking any sales or official closing price on a particular day, the security may be valued at the closing bid price on that day. Securities traded in the over-the-counter market are valued based on prices furnished by independent pricing services or market makers. When such securities are valued by an independent pricing service they may be considered fair valued. Futures contracts are valued at the final settlement price set by an exchange on which they are principally traded. Listed options are valued at the mean between the last bid and ask prices from the exchange on which they are principally traded. Options not listed on an exchange are valued by an independent source at the mean between the last bid and ask prices. For purposes of determining net asset

value per share, futures and option contracts generally are valued 15 minutes after the close of the customary trading session of the New York Stock Exchange ( NYSE ).

Investments in open-end and closed-end registered investment companies that do not trade on an exchange are valued at the end of day net asset value per share. Investments in open-end and closed-end registered investment companies that trade on an exchange are valued at the last sales price or official closing price as of the close of the customary trading session on the exchange where the security is principally traded.

**23 Invesco Van Kampen Bond Fund**

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Swap agreements are fair valued using an evaluated quote provided by an independent pricing service. Evaluated quotes provided by the pricing service are valued based on a model which may include end of day net present values, spreads, ratings, industry, and company performance.

Debt obligations (including convertible bonds) and unlisted equities are fair valued using an evaluated quote provided by an independent pricing service. Evaluated quotes provided by the pricing service may be determined without exclusive reliance on quoted prices, and may reflect appropriate factors such as institution-size trading in similar groups of securities, developments related to specific securities, dividend rate, yield, quality, type of issue, coupon rate, maturity, individual trading characteristics and other market data. Short-term obligations, including commercial paper, having 60 days or less to maturity are recorded at amortized cost which approximates value. Debt securities are subject to interest rate and credit risks. In addition, all debt securities involve some risk of default with respect to interest and/or principal payments.

Swap agreements are fair valued using an evaluated quote provided by an independent pricing service. Evaluated quotes provided by the pricing service are valued based on a model which may include end of day net present values, spreads, ratings, industry, and company performance.

Foreign securities (including foreign exchange contracts) are converted into U.S. dollar amounts using the applicable exchange rates as of the close of the NYSE. If market quotations are available and reliable for foreign exchange traded equity securities, the securities will be valued at the market quotations. Because trading hours for certain foreign securities end before the close of the NYSE, closing market quotations may become unreliable. If between the time trading ends on a particular security and the close of the customary trading session on the NYSE, events occur that are significant and make the closing price unreliable, the Fund may fair value the security. If the event is likely to have affected the closing price of the security, the security will be valued at fair value in good faith using procedures approved by the Board of Trustees. Adjustments to closing prices to reflect fair value may also be based on a screening process of an independent pricing service to indicate the degree of certainty, based on historical data, that the closing price in the principal market where a foreign security trade is not the current value as of the close of the NYSE. Foreign securities meeting the approved degree of certainty that the price is not reflective of current value will be priced at the indication of fair value from the independent pricing service. Multiple factors may be considered by the independent pricing service in determining adjustments to reflect fair value and may include information relating to sector indices, American Depositary Receipts and domestic and foreign index futures. Foreign securities may have additional risks including exchange rate changes, potential for sharply devalued currencies and high inflation, political and economical upheaval, the relative lack of issuer information, relatively low market liquidity and the potential lack of strict financial and accounting controls and standards.

Securities for which market prices are not provided by any of the above methods may be valued based upon quotes furnished by independent sources. The last bid price may be used to value equity securities. The mean between the last bid and asked prices is used to value debt obligations, including Corporate Loans.

Securities for which market quotations are not readily available or are unreliable are valued at fair value as determined in good faith by or under the supervision of the Fund's officers following procedures approved by the Board of Trustees. Issuer specific events, market trends, bid/ask quotes of brokers and information providers and other market data may be reviewed in the course of making a good faith determination of a security's fair value.

Valuations change in response to many factors including the historical and prospective earnings of the issuer, the value of the issuer's assets, general economic conditions, interest rates, investor perceptions and market liquidity. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

- B. Securities Transactions and Investment Income** Securities transactions are accounted for on a trade date basis. Realized gains or losses on sales are computed on the basis of specific identification of the securities sold. Interest income is recorded on the accrual basis from settlement date. Paydown gains and losses on mortgage and asset-backed securities are recorded as adjustments to interest income. Dividend income (net of withholding tax, if any) is recorded on the ex-dividend date. Bond premiums and discounts are amortized and/or accreted for financial reporting purposes.

The Fund may periodically participate in litigation related to Fund investments. As such, the Fund may receive proceeds from litigation settlements. Any proceeds received are included in the Statement of Operations as realized gain (loss) for investments no longer held and as unrealized gain (loss) for investments still held.

Brokerage commissions and mark ups are considered transaction costs and are recorded as an increase to the cost basis of securities purchased and/or a reduction of proceeds on a sale of securities. Such transaction costs are included in the determination of net realized and unrealized gain (loss) from investment securities reported in the Statement of Operations and the Statement of Changes in Net Assets and the net realized and unrealized gains (losses) on securities per share in the Financial Highlights. Transaction costs are included in the calculation of the Fund's net asset value and, accordingly, they reduce the Fund's total returns. These transaction costs are not considered operating expenses and are not reflected in net investment income reported in the Statement of Operations and Statement of Changes in Net Assets, or the net investment income per share and ratios of expenses and net investment income reported in the Financial Highlights, nor are they limited by any expense limitation arrangements between the Fund and the investment adviser.

- C. Country Determination** For the purposes of making investment selection decisions and presentation in the Schedule of Investments, the investment adviser may determine the country in which an issuer is located and/or credit risk exposure based on various factors. These factors include the laws of the country under which the issuer is organized, where the issuer maintains a principal office, the country in which the issuer derives 50% or more of its total revenues and the country that has the primary market for the issuer's securities, as well as other criteria. Among the other criteria that may be evaluated for making this determination are the country in which the issuer maintains 50% or more of its assets, the type of security, financial guarantees and enhancements, the nature of the collateral and the sponsor organization. Country of issuer and/or credit risk exposure has been determined to be the United States of America, unless otherwise noted.
- D. Distributions** Distributions from income are declared and paid monthly and are recorded on ex-dividend date. Distributions from net realized capital gain, if any, are generally paid annually and recorded on ex-dividend date. The Fund may elect to treat a portion of the proceeds from redemptions as distributions for federal income tax purposes.
- E. Federal Income Taxes** The Fund intends to comply with the requirements of Subchapter M of the Internal Revenue Code necessary to qualify as a regulated investment company and to distribute substantially all of the Fund's taxable earnings to shareholders. As such, the Fund will not be subject to

federal income taxes on otherwise taxable income (including net realized capital gain) that is distributed to shareholders. Therefore, no provision for federal income taxes is recorded in the financial statements.

The Fund files tax returns in the U.S. Federal jurisdiction and certain other jurisdictions. Generally the Fund is subject to examinations by such taxing authorities for up to three years after the filing of the return for the tax period.

- F. Accounting Estimates** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ( GAAP ) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period including estimates and assumptions related to taxation. Actual results could differ from those estimates by a significant amount. In addition, the Fund monitors for material events or transactions that may occur or become known after the period-end date and before the date the financial statements are released to print.
- G. Securities Purchased on a When-Issued and Delayed Delivery Basis** The Fund may purchase and sell interests in portfolio securities on a when-issued and delayed delivery basis, with payment and delivery scheduled for a future date. No income accrues to the Fund on such interests or securities in connection with such transactions prior to the date the Fund actually takes delivery of such interests or securities. These transactions are subject to market fluctuations and are subject to the risk that the value at delivery may be more or less than the trade date purchase price. Although the Fund will generally purchase these securities with the intention of acquiring such securities, they may sell such securities prior to the settlement date.
- H. Indemnifications** Under the Fund's organizational documents, each Trustee, officer, employee or other agent of the Fund is indemnified against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund enters into contracts, including the Fund's servicing agreements that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss as a result of such indemnification claims is considered remote.
- I. Foreign Currency Translations** Foreign currency is valued at the close of the NYSE based on quotations posted by banks and major currency dealers. Portfolio securities and other assets and liabilities denominated in foreign currencies are translated into U.S. dollar amounts at date of valuation. Purchases and sales of portfolio securities (net of foreign taxes withheld on disposition) and income items denominated in foreign currencies are translated into U.S. dollar amounts on the respective dates of such transactions. The Fund does not separately account for the portion of the results of operations resulting from changes in foreign exchange rates on investments and the fluctuations arising from changes in market prices of securities held. The combined results of changes in foreign exchange rates and the fluctuation of market prices on investments (net of estimated foreign tax withholding) are included with the net realized and unrealized gain or loss from investments in the Statement of Operations. Reported net realized foreign currency gains or losses arise from (1) sales of foreign currencies, (2) currency gains or losses realized between the trade and settlement dates on securities transactions, and (3) the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign currency gains and losses arise from changes in the fair values of assets and liabilities, other than investments in securities at fiscal period end, resulting from changes in exchange rates.
- The Fund may invest in foreign securities which may be subject to foreign taxes on income, gains on investments or currency repatriation, a portion of which may be recoverable.
- J. Swap Agreements** The Fund may enter into various swap transactions, including interest rate, total return, index, currency exchange rate and credit default swap contracts ( CDS ) for investment purposes or to manage interest rate, currency or credit risk.
- Interest rate, total return, index, and currency exchange rate swap agreements are two-party contracts entered into primarily to exchange the returns (or differentials in rates of returns) earned or realized on particular predetermined investments or instruments. The gross returns to be exchanged or swapped between the parties are calculated with respect to a notional amount, i.e., the return on or increase in value of a particular dollar amount

invested at a particular interest rate or return of an underlying asset, in a particular foreign currency, or in a basket of securities representing a particular index.

A CDS is an agreement between two parties ( Counterparties ) to exchange the credit risk of an issuer. A buyer of a CDS is said to buy protection by paying a fixed payment over the life of the agreement and in some situations an upfront payment to the seller of the CDS. If a defined credit event occurs (such as payment default or bankruptcy), the Fund as a protection buyer would cease paying its fixed payment, the Fund would deliver eligible bonds issued by the reference entity to the seller, and the seller would pay the full notional value, or the par value , of the referenced obligation to the Fund. A seller of a CDS is said to sell protection and thus would receive a fixed payment over the life of the agreement and an upfront payment, if applicable. If a credit event occurs, the Fund as a protection seller would cease to receive the fixed payment stream, the Fund would pay the buyer par value or the full notional value of the referenced obligation, and the Fund would receive the eligible bonds issued by the reference entity. In turn, these bonds may be sold in order to realize a recovery value. Alternatively, the seller of the CDS and its counterparty may agree to net the notional amount and the market value of the bonds and make a cash payment equal to the difference to the buyer of protection. If no credit event occurs, the Fund receives the fixed payment over the life of the agreement. As the seller, the Fund would effectively add leverage to its portfolio because, in addition to its total net assets, the Fund would be subject to investment exposure on the notional amount of the CDS. In connection with these agreements, cash and securities may be identified as collateral in accordance with the terms of the respective swap agreements to provide assets of value and recourse in the event of default under the swap agreement or bankruptcy/insolvency of a party to the swap agreement.

Changes in the value of swap agreements are recognized as unrealized gains (losses) in the Statement of Operations by marking to market on a daily basis to reflect the value of the swap agreement at the end of each trading day. Payments received or paid at the beginning of the agreement are reflected as such on the Statement of Assets and Liabilities and may be referred to as upfront payments. The Fund accrues for the fixed payment stream and amortizes upfront payments, if any, on swap agreements on a daily basis with the net amount, recorded as a component of realized gain (loss) on the Statement of Operations. A liquidation payment received or made at the termination of a swap agreement is recorded as realized gain (loss) on the Statement of Operations. The Fund segregates liquid securities having a value at least equal to the amount of the potential obligation of a Fund under any

swap transaction. The Fund's maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the value of the contract. The risk may be mitigated by having a master netting arrangement between the Fund and the counterparty and by the posting of collateral by the counterparty to cover the Fund's exposure to the counterparty. Entering into these agreements involves, to varying degrees, lack of liquidity and elements of credit, market, and counterparty risk in excess of amounts recognized on the Statement of Assets and Liabilities. Such risks involve the possibility that a swap is difficult to sell or liquidate; the counterparty does not honor its obligations under the agreement and unfavorable interest rates and market fluctuations.

- K. Futures Contracts** The Fund may enter into futures contracts to manage exposure to interest rate, equity and market price movements and/or currency risks. A futures contract is an agreement between two parties to purchase or sell a specified underlying security, currency or commodity (or delivery of a cash settlement price, in the case of an index future) for a fixed price at a future date. The Fund currently invests only in exchange-traded futures and they are standardized as to maturity date and underlying financial instrument. Initial margin deposits required upon entering into futures contracts are satisfied by the segregation of specific securities or cash as collateral at the futures commission merchant (broker). During the period the futures contracts are open, changes in the value of the contracts are recognized as unrealized gains or losses by recalculating the value of the contracts on a daily basis. Subsequent or variation margin payments are received or made depending upon whether unrealized gains or losses are incurred. These amounts are reflected as receivables or payables on the Statement of Assets and Liabilities. When the contracts are closed or expire, the Fund recognizes a realized gain or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the Fund's basis in the contract. The net realized gain (loss) and the change in unrealized gain (loss) on futures contracts held during the period is included on the Statement of Operations. The primary risks associated with futures contracts are market risk and the absence of a liquid secondary market. If the Fund were unable to liquidate a futures contract and/or enter into an offsetting closing transaction, the Fund would continue to be subject to market risk with respect to the value of the contracts and continue to be required to maintain the margin deposits on the futures contracts. Futures contracts have minimal counterparty risk since the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. Risks may exceed amounts recognized in the Statement of Assets and Liabilities.
- L. Collateral** To the extent the Fund has pledged or segregated a security as collateral and that security is subsequently sold, it is the Fund's practice to replace such collateral no later than the next business day.

**NOTE 2 Advisory Fees and Other Fees Paid to Affiliates**

The Fund has entered into a master investment advisory agreement with Invesco Advisers, Inc. (the Adviser or Invesco). Under the terms of the investment advisory agreement, the Fund pays an advisory fee to the Adviser based on the annual rate of the Fund's average daily net assets as follows:

Average Net Assets	Rate
First \$500 million	0.42%
Over \$500 million	0.35%

Prior to the Transaction, the Fund paid an advisory fee of \$840,427 to Van Kampen Asset Management based on the annual rates above of the Fund's average daily net assets.

Under the terms of a master sub-advisory agreement between the Adviser and each of Invesco Asset Management Deutschland GmbH, Invesco Asset Management Limited, Invesco Asset Management (Japan) Limited, Invesco Australia Limited, Invesco Hong Kong Limited, Invesco Senior Secured Management, Inc. and Invesco Trimark Ltd.

(collectively, the Affiliated Sub-Advisers ) the Adviser, not the Fund, may pay 40% of the fees paid to the Adviser to any such Affiliated Sub-Adviser(s) that provide discretionary investment management services to the Fund based on the percentage of assets allocated to such Sub-Adviser(s).

The Adviser has contractually agreed, through at least June 30, 2012, to waive advisory fees and/or reimburse expenses to the extent necessary to limit the Fund's expenses (excluding certain items discussed below) to 0.58%. In determining the Adviser's obligation to waive advisory fees and/or reimburse expenses, the following expenses are not taken into account, and could cause the Fund's expenses to exceed the limit reflected above: (1) interest; (2) taxes; (3) dividend expense on short sales; (4) extraordinary or non-routine items; and (5) expenses that the Fund has incurred but did not actually pay because of an expense offset arrangement. Unless the Board of Trustees and Invesco mutually agree to amend or continue the fee waiver agreement, it will terminate on June 30, 2012. For the period July 1, 2010 to February 28, 2011 and the year ended June 30, 2010, the Adviser did not waive fees and/or reimburse expenses under this expense limitation.

Further, the Adviser has contractually agreed, through at least June 30, 2011, to waive the advisory fee payable by the Fund in an amount equal to 100% of the net advisory fees the Adviser receives from the affiliated money market funds on investments by the Fund of uninvested cash in such affiliated money market funds.

For the period July 1, 2010 to February 28, 2011 and the year ended June 30, 2010, the Adviser waived advisory fees of \$11,080 and \$0, respectively.

The Fund has entered into a master administrative services agreement with Invesco pursuant to which the Fund has agreed to pay Invesco for certain administrative costs incurred in providing accounting services to the Fund. For the period July 1, 2010 to February 28, 2011 and the year ended June 30, 2010, expenses incurred under these agreements are shown in the Statement of Operations as administrative services fees. Prior to the Transaction under separate accounting services and chief compliance officer ( CCO ) employment agreements, Van Kampen Inc. provided accounting services and the CCO provided compliance services to the Fund. Pursuant to such agreements, the Fund paid \$69,973 to Van Kampen Investments Inc. Also, Invesco has entered into service agreements whereby State Street Bank and Trust Company ( SSB ) serves as the custodian and fund accountant and provides certain administrative services to the Fund.

Certain officers and trustees of the Fund are officers and directors of Invesco.

**NOTE 3 Additional Valuation Information**

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. GAAP establishes a hierarchy that prioritizes the inputs to valuation methods giving the highest priority to readily available unadjusted quoted prices in an active market for identical assets (Level 1) and the lowest priority to significant unobservable inputs (Level 3) generally when market prices are not readily available or are unreliable. Based on the valuation inputs, the securities or other investments are tiered into one of three levels. Changes in valuation methods may result in transfers in or out of an investment's assigned level:

Level 1 Prices are determined using quoted prices in an active market for identical assets.

Level 2 Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, yield curves, loss severities, default rates, discount rates, volatilities and others.

Level 3 Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund's own assumptions about the factors market participants would use in determining fair value of the securities or instruments and would be based on the best available information.

The following is a summary of the tiered valuation input levels, as of February 28, 2011. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

During the period July 1, 2010 to February 28, 2011, there were no significant transfers between investment levels.

	Level 1	Level 2	Level 3	Total
Investments in an Asset Position				
Corporate Bonds	\$	\$ 217,667,352	\$	\$ 217,667,352
Collateralized Mortgage Obligations		3,991,176		3,991,176
Municipal Bonds		4,171,702		4,171,702
United States Government Agency Obligations		249,932		249,932
Futures Contracts	335,597			335,597
Total Investments in an Asset Position	\$ 335,597	\$ 226,080,162	\$	\$ 226,415,759
Investments in a Liability Position				
Futures Contracts	\$ (43,537)	\$	\$	\$ (43,537)

**NOTE 4 Derivative Investments**

The Fund has implemented the required disclosures about derivative instruments and hedging activities in accordance with GAAP. This disclosure is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position and financial performance. The enhanced disclosure has no impact on the results of operations reported in the financial statements.

**Value of Derivative Instruments at Period-End**

The Table below summarizes the value of the Fund's derivative instruments, detailed by primary risk exposure, held as of February 28, 2011:

Risk Exposure/ Derivative Type	Value	
	Assets	Liabilities
Interest rate risk Futures contracts <sup>(a)</sup>	\$ 335,597	\$ (43,537)

<sup>(a)</sup> Includes cumulative appreciation (depreciation) of futures contracts. Only current day's variation margin receivable (payable) is reported within the Statement of Assets & Liabilities.

**Effect of Derivative Instruments for the period July 1, 2010 to February 28, 2011 and the year ended June 30, 2010**

The table below summarizes the gains (losses) on derivative instruments, detailed by primary risk exposure, recognized in earnings during the period:

	<b>Location of Gain (Loss) on Statement of Operations Futures Contracts*</b>	
	<b>Eight months ended February 28, 2011*</b>	<b>Year ended June 30, 2010</b>
Realized Gain (Loss)		
Interest rate risk	\$ (749,512)	\$ (1,038,011)
Change in Unrealized Appreciation (Depreciation)		
Interest rate risk	666,963	(377,032)
Total	\$ (82,549)	\$ (1,415,043)

\* The average notional value of futures contracts outstanding during the period was \$14,762,500.

	<b>Location of Gain (Loss) on Statement of Operations Swap Agreements</b>	
	<b>Eight months ended February 28, 2011</b>	<b>Year ended June 30, 2010</b>
Realized Gain (Loss)		
Interest rate risk	\$ -0-	\$ (2,884,195)
Credit risk	-0-	(266,081)
Change in Unrealized Appreciation (Depreciation)		
Interest rate risk	-0-	1,022,285
Credit risk	-0-	35,751
Total	\$ -0-	\$ (2,092,240)

#### **NOTE 5 Trustees and Officers Fees and Benefits**

Trustees and Officers Fees and Benefits include amounts accrued by the Fund to pay remuneration to certain Trustees and Officers of the Fund.

For the period July 1, 2010 to February 28, 2011 and the year ended June 30, 2010, the Fund paid legal fees of \$14,314 and \$16,300, respectively, for services rendered by Skadden, Arps, Slate, Meagher & Flom LLP, as legal counsel to the Fund. A member of that firm is a Trustee of the Fund.

#### **NOTE 6 Cash Balances**

The Fund is permitted to temporarily carry a negative or overdrawn balance in its account with SSB, the custodian bank. To compensate the custodian bank for such overdrafts, the overdrawn Fund may either (1) leave funds as a

compensating balance in the account so the custodian bank can be compensated by earning the additional interest; or (2) compensate by paying the custodian bank at a rate agreed upon by the custodian bank and Invesco, not to exceed the contractually agreed upon rate.

**NOTE 7 Distributions to Shareholders and Tax Components of Net Assets**

**Tax Character of Distributions to Shareholders Paid During the period July 1, 2010 to February 28, 2011 and the years ended June 30, 2010 and 2009:**

	<b>Eight months ended February 28, 2011</b>	<b>Year ended June 30, 2010</b>	<b>Year ended June 30, 2009</b>
Ordinary income	\$ 7,424,263	\$ 11,609,494	\$ 12,709,428

**Tax Components of Net Assets at Period-End:**

	<b>2011</b>
Undistributed ordinary income	\$ 123,396
Net unrealized appreciation investments	10,156,937
Capital loss carryforward	(991,204)
Shares of beneficial interest	218,509,250
Total net assets	\$ 227,798,379

The difference between book-basis and tax-basis unrealized appreciation (depreciation) is due to differences in the timing of recognition of gains and losses on investments for tax and book purposes. The Fund's net unrealized appreciation (depreciation) difference is attributable primarily to bond amortization.

Capital loss carryforward is calculated and reported as of a specific date. Results of transactions and other activity after that date may affect the amount of capital loss carryforward actually available for the Fund to utilize. The ability to utilize capital loss carryforward in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

The Fund utilized \$8,711,919 of capital loss carryforward in the current period to offset net realized capital gain for federal income tax purposes. The Fund has a capital loss carryforward as of February 28, 2011 which expires as follows:

<b>Expiration</b>	<b>Capital Loss Carryforward*</b>
February 28, 2017	\$ 991,204

\* Capital loss carryforward as of the date listed above is reduced for limitations, if any, to the extent required by the Internal Revenue Code.

#### **NOTE 8 Investment Securities**

The aggregate amount of investment securities (other than short-term securities, U.S. Treasury obligations and money market funds, if any) purchased and sold by the Fund during the period July 1, 2010 to February 28, 2011 was \$191,996,750 and \$170,389,931, respectively. The cost of purchases and proceeds from sales of long-term U.S. Government securities, including paydowns on mortgage-backed securities for the period were \$0 and \$1,828,992, respectively. Cost of investments on a tax basis includes the adjustments for financial reporting purposes as of the most recently completed Federal income tax reporting period-end.

#### **Unrealized Appreciation (Depreciation) of Investment Securities on a Tax Basis**

Aggregate unrealized appreciation of investment securities	\$ 11,290,840
Aggregate unrealized (depreciation) of investment securities	(1,133,903)
Net unrealized appreciation of investment securities	\$ 10,156,937

Cost of investments for tax purposes is \$215,923,225.

#### **NOTE 9 Reclassification of Permanent Differences**

Primarily as a result of differing book/tax treatment of bond amortization, on February 28, 2011, accumulated undistributed net investment income (loss) was increased by \$294,723 and accumulated net realized gain (loss) was decreased by \$294,723. This reclassification had no effect on the net assets of the Fund.

#### **NOTE 10 Shares of Beneficial Interest**

Transactions in shares of beneficial interest were as follows:

	<b>Eight months ended February 28, 2011</b>	<b>Year ended June 30, 2010</b>	<b>Year ended June 30, 2009</b>
Beginning shares	11,330,647	11,317,176	11,308,623

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Shares Issued Through Dividend Reinvestment	5,292	13,471	8,553
Ending shares	11,335,939	11,330,647	11,317,176

**NOTE 11 Dividends**

The Fund declared the following dividends from net investment income subsequent to February 28, 2011:

<b>Declaration Date</b>	<b>Amount Per Share</b>	<b>Record Date</b>	<b>Payable Date</b>
March 1, 2011	\$ 0.08	March 15, 2011	March 31, 2011
April 1, 2011	0.08	April 15, 2011	April 29, 2011

**29 Invesco Van Kampen Bond Fund**

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**Report of Independent Registered Public Accounting Firm**

To the Board of Trustees and Shareholders of  
Invesco Van Kampen Bond Fund:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Invesco Van Kampen Bond Fund (hereafter referred to as the Fund ) at February 28, 2011, and the results of its operations, the changes in its net assets and the financial highlights for the period ended February 28, 2011 and the year ended June 30, 2010, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements ) are the responsibility of the Fund s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at February 28, 2011 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The statement of changes in net assets for the year ended June 30, 2009 and the financial highlights of the Fund for the periods ended June 30, 2009 and prior were audited by other independent auditors whose report dated August 21, 2009 expressed an unqualified opinion on those financial statements.

PRICEWATERHOUSECOOPERS LLP

April 21, 2011  
Houston, Texas

**30 Invesco Van Kampen Bond Fund**

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## Tax Information

Form 1099-DIV, Form 1042-S and other year-end tax information provide shareholders with actual calendar year amounts that should be included in their tax returns. Shareholders should consult their tax advisors.

The following distribution information is being provided as required by the Internal Revenue Code or to meet a specific state's requirement.

The Fund designates the following amounts or, if subsequently determined to be different, the maximum amount allowable for its fiscal year ended February 28, 2011:

### Federal and State Income Tax

Qualified Dividend Income*	0.16%
Corporate Dividends Received Deduction*	0.16%

\* The above percentages are based on ordinary income dividends paid to shareholders during the Fund's fiscal year.

## 31 Invesco Van Kampen Bond Fund

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**Trustees and Officers**

The address of each trustee and officer is 1555 Peachtree, N.E., Atlanta, Georgia 30309. Generally, each trustee serves for a three year term or until his or her successor has been duly elected and qualified, and each officer serves for a one year term or until his or her successor has been duly elected and qualified. Column two below includes length of time served with predecessor entities, if any.

Name, Year of Birth and Position(s) Held with the Trust	Trustee and/ or Officer Since	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee
<b>Interested Persons</b>				
Colin Meadows 1971 Trustee, President and Principal Executive Officer	2010	Chief Administrative Officer, Invesco Advisers, Inc., since 2006; Prior to 2006, Senior Vice President of business development and mergers and acquisitions at GE Consumer Finance; Prior to 2005, Senior Vice President of strategic planning and technology at Wells Fargo Bank; From 1996 to 2003, associate principal with McKinsey & Company, focusing on the financial services and venture capital industries, with emphasis in banking and asset management sectors.	18	None
<b>Independent Trustees</b>				
Wayne M. Whalen <sup>1</sup> 1939 Trustee and Chair	1997	Of Counsel, and prior to 2010, partner in the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, legal counsel to funds in the Fund Complex	227	Director of the Abraham Lincoln Presidential Library Foundation
	1997		227	

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David C. Arch Trustee	1945		Chairman and Chief Executive Officer of Blistex Inc., a consumer health care products manufacturer.		Member of the Heartland Alliance Advisory Board, a nonprofit organization serving human needs based in Chicago. Board member of the Illinois Manufacturers Association. Member of the Board of Visitors, Institute for the Humanities, University of Michigan
Jerry D. Choate Trustee	1938	2003	From 1995 to 1999, Chairman and Chief Executive Officer of the Allstate Corporation ( Allstate ) and Allstate Insurance Company. From 1994 to 1995, President and Chief Executive Officer of Allstate. Prior to 1994, various management positions at Allstate.	18	Trustee/Director/Managing General Partner of funds in the Fund Complex. Director since 1998 and member of the governance and nominating committee, executive committee, compensation and management development committee and equity award committee, of Amgen Inc., a biotechnological company. Director since 1999 and member of the nominating and governance committee and compensation and executive committee, of Valero Energy Corporation, a crude oil refining and marketing company. Previously, from 2006 to 2007, Director and member of the compensation committee and audit committee, of H&R Block, a tax preparation services company.
Rodney Dammeyer Trustee	1940	1997	President of CAC, LLC, a private company offering capital investment and management advisory services.	227	Director of Quidel Corporation and Stericycle, Inc. Prior to May 2008, Trustee of The Scripps Research Institute. Prior to February 2008, Director of Ventana

	<p>Formerly: Prior to January 2004, Director of TeleTech Holdings Inc.; Prior to 2002, Director of Arris Group, Inc.; Prior to 2001, Managing Partner at Equity Group Corporate Investments. Prior to 1995, Vice Chairman of Anixter International. Prior to 1985, experience includes Senior Vice President and Chief Financial Officer of Household International, Inc, Executive Vice President and Chief Financial Officer of Northwest Industries, Inc. and Partner of Arthur Andersen &amp; Co.</p>	<p>Medical Systems, Inc. Prior to April 2007, Director of GATX Corporation. Prior to April 2004, Director of TheraSense, Inc.</p>
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<sup>1</sup> Mr. Whalen is considered an interested person (within the meaning of Section 2(a)(19) of the 1940 Act) of certain Funds in the Fund Complex by reason of he and his firm currently providing legal services as legal counsel to such Funds in the Fund Complex.

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**Trustees and Officers (continued)**

<b>Name, Year of Birth and Position(s) Held with the Trust</b>	<b>Trustee and/or Officer Since</b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Funds in Fund Complex Overseen by Trustee</b>	<b>Other Directorship(s) Held by Trustee</b>
<b>Independent Trustees</b>				
Linda Hutton Heagy Trustee	1948 2003	Prior to June 2008, Managing Partner of Heidrick & Struggles, the second largest global executive search firm, and from 2001-2004, Regional Managing Director of U.S. operations at Heidrick & Struggles. Prior to 1997, Managing Partner of Ray & Berndtson, Inc., an executive recruiting firm. Prior to 1995, Executive Vice President of ABN AMRO, N.A., a bank holding company, with oversight for treasury management operations including all non-credit product pricing. Prior to 1990, experience includes Executive Vice President of The Exchange National Bank with oversight of treasury management including capital markets operations, Vice President of Northern Trust Company and an Associate at Price Waterhouse.	18	Trustee/Director/Managing General Partner of funds in the Fund Complex. Prior to 2010, Trustee on the University of Chicago Medical Center Board, Vice Chair of the Board of the YMCA of Metropolitan Chicago and a member of the Women's Board of the University of Chicago.
R. Craig Kennedy Trustee	1952 2003	Director and President of the German Marshall Fund of the United States, an independent U.S. foundation created to deepen understanding, promote collaboration and stimulate exchanges of practical experience between Americans and Europeans. Formerly, advisor to	18	Trustee/Director/Managing General Partner of funds in the Fund Complex. Director of First Solar, Inc.

			the Dennis Trading Group Inc., a managed futures and option company that invests money for individuals and institutions. Prior to 1992, President and Chief Executive Officer, Director and member of the Investment Committee of the Joyce Foundation, a private foundation.		
Howard J Kerr Trustee	1935	1997	Retired. Previous member of the City Council and Mayor of Lake Forest, Illinois from 1988 through 2002. Previous business experience from 1981 through 1996 includes President and Chief Executive Officer of Pocklington Corporation, Inc., an investment holding company, President and Chief Executive Officer of Grabill Aerospace, and President of Custom Technologies Corporation. United States Naval Officer from 1960 through 1981, with responsibilities including Commanding Officer of United States Navy destroyers and Commander of United States Navy Destroyer Squadron Thirty-Three, White House experience in 1973 through 1975 as military aide to Vice Presidents Agnew and Ford and Naval Aid to President Ford, and Military Fellow on the Council of Foreign Relations in 1978-through 1979.	18	Trustee/Director/Managing General Partner of funds in the Fund Complex. Director of the Lake Forest Bank & Trust. Director of the Marrow Foundation.
Jack E. Nelson Trustee	1936	2003	President of Nelson Investment Planning Services, Inc., a financial planning company and registered investment adviser in the State of Florida. President of Nelson Invest Brokerage Services Inc., a member of the Financial Industry Regulatory Authority ( FINRA ), Securities Investors Protection Corp. and the Municipal Securities Rulemaking Board. President of Nelson Sales and Services Corporation, a marketing and services company to support	18	Trustee/Director/Managing General Partner of funds in the Fund Complex.

		affiliated companies.		
Hugo F. Sonnenschein 1940 Trustee	1997	President Emeritus and Honorary Trustee of the University of Chicago and the Adam Smith Distinguished Service Professor in the Department of Economics at the University of Chicago. Prior to July 2000, President of the University of Chicago.	227	Trustee of the University of Rochester and a member of its investment committee. Member of the National Academy of Sciences, the American Philosophical Society and a fellow of the American Academy of Arts and Sciences
Suzanne H. Woolsey, Ph.D. 1941 Trustee	2003	Chief Communications Officer of the National Academy of Sciences and Engineering and Institute of Medicine/National Research Council, an independent, federally chartered policy institution, from 2001 to November 2003 and Chief Operating Officer from 1993 to 2001. Executive Director of the Commission on Behavioral and Social Sciences and Education at the National Academy of Sciences/National Research Council from 1989 to 1993. Prior to 1980, experience includes Partner of Coopers & Lybrand (from 1980 to 1989), Associate Director of the US Office of Management and Budget (from 1977 to 1980) and Program Director of the Urban Institute (from 1975 to 1977).	18	Trustee/Director/Managing General Partner of funds in the Fund Complex. Independent Director and audit committee chairperson of Changing World Technologies, Inc., an energy manufacturing company, since July 2008. Independent Director and member of audit and governance committees of Fluor Corp., a global engineering, construction and management company, since January 2004. Director of Intelligent Medical Devices, Inc., a private company which develops symptom-based diagnostic tools for viral respiratory infections. Advisory Board member of ExactCost LLC, a private company providing activity-based costing for hospitals, laboratories, clinics, and physicians, since 2008.

**Trustees and Officers (continued)**

Name, Year of Birth and	Trustee and/or	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen by Trustee	Other Directorship(s) Held by Trustee
Position(s) Held with the	Officer			
Trust	Since			
<b>Independent Trustees</b>				<p>Chairperson of the Board of Trustees of the Institute for Defense Analyses, a federally funded research and development center, since 2000. Trustee from 1992 to 2000 and 2002 to present, current chairperson of the finance committee, current member of the audit committee, strategic growth committee and executive committee, and former Chairperson of the Board of Trustees (from 1997 to 1999), of the German Marshall Fund of the United States, a public foundation. Lead Independent Trustee of the Rocky Mountain Institute, a non-profit energy and environmental institute; Trustee since 2004. Chairperson of the Board of Trustees of the Colorado</p>

				College; Trustee since 1995. Trustee of California Institute of Technology. Previously, Independent Director and member of audit committee and governance committee of Neurogen Corporation from 1998 to 2006; and Independent Director of Arbros Communications from 2000 to 2002
<b>Other Officers</b>				
John M. Zerr	1962 Senior	2010	Director, Senior Vice President, Secretary and General Counsel, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.), Van Kampen Investments Inc. and Van Kampen Exchange Corp., Senior Vice President, Invesco Advisers, Inc. formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Senior Vice President and Secretary, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.); Director, Vice President and Secretary, Invesco Investment Services, Inc. (formerly known as Invesco Aim Investment Services, Inc.) and IVZ Distributors, Inc. (formerly known as INVESCO Distributors, Inc.); Director and Vice President, INVESCO Funds Group, Inc.; Senior Vice President, Chief Legal Officer and Secretary, The Invesco Funds; Manager, Invesco PowerShares Capital Management LLC; Director, Secretary and General Counsel, Van Kampen Asset Management; Director and Secretary, Van Kampen Advisors Inc.; Secretary and General Counsel, Van Kampen Funds Inc.; and	N/A
				N/A

			<p>Director, Vice President, Secretary and General Counsel, Van Kampen Investor Services Inc.; and Chief Legal Officer, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Fund Trust II, PowerShares India Exchange-Traded Fund Trust and PowerShares Actively Managed Exchange-Traded Fund Trust</p> <p>Formerly: Director, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.); Director, Senior Vice President, General Counsel and Secretary, Invesco Advisers, Inc.; Director, Vice President and Secretary, Fund Management Company; Director, Senior Vice President, Secretary, General Counsel and Vice President, Invesco Aim Capital Management, Inc.; Chief Operating Officer and General Counsel, Liberty Ridge Capital, Inc. (an investment adviser); Vice President and Secretary, PBHG Funds (an investment company) and PBHG Insurance Series Fund (an investment company); Chief Operating Officer, General Counsel and Secretary, Old Mutual Investment Partners (a broker-dealer); General Counsel and Secretary, Old Mutual Fund Services (an administrator) and Old Mutual Shareholder Services (a shareholder servicing center); Executive Vice President, General Counsel and Secretary, Old Mutual Capital, Inc. (an investment adviser); and Vice President and Secretary, Old Mutual Advisors Funds (an investment company)</p>		
Lisa O. Brinkley Vice President	1959	2010	<p>Global Compliance Director, Invesco Ltd.; Chief Compliance Officer, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.), Invesco Investment Services, Inc.(formerly known as Invesco Aim Investment</p>	N/A	N/A

Services, Inc.) and Van Kampen Investor Services Inc.; and Vice President, The Invesco Funds

Formerly: Senior Vice President, Invesco Management Group, Inc.; Senior Vice President and Chief Compliance Officer, Invesco Advisers, Inc. and The Invesco Funds; Vice President and Chief Compliance Officer, Invesco Aim Capital Management, Inc. and Invesco Distributors, Inc.; Vice President, Invesco Investment Services, Inc. and Fund Management Company

T-3

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**Trustees and Officers (continued)**

<b>Name, Year of Birth and Position(s) Held with the Trust</b>	<b>Trustee and/or Officer Since</b>	<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Funds in Fund Complex Overseen by Trustee</b>	<b>Other Directorship(s) Held by Trustee</b>
<b>Other Officers</b>				
Karen Dunn Kelley Vice President	1960 2010	Head of Invesco's World Wide Fixed Income and Cash Management Group; Senior Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser) and Van Kampen Investments Inc.; Executive Vice President, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.); Senior Vice President, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.); and Director, Invesco Mortgage Capital Inc.; Vice President, The Invesco Funds (other than AIM Treasurer's Series Trust (Invesco Treasurer's Series Trust) and Short-Term Investments Trust); President and Principal Executive Officer, The Invesco Funds (AIM Treasurer's Series Trust (Invesco Treasurer's Series Trust) and Short-Term Investments Trust only).  Formerly: Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.); Director of Cash Management and Senior Vice President, Invesco Advisers, Inc. and Invesco Aim Capital Management, Inc.; President and Principal Executive Officer,	N/A	N/A

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		Tax-Free Investments Trust; Director and President, Fund Management Company; Chief Cash Management Officer, Director of Cash Management, Senior Vice President, and Managing Director, Invesco Aim Capital Management, Inc.; Director of Cash Management, Senior Vice President, and Vice President, Invesco Advisers, Inc. and The Invesco Funds (AIM Treasurers Series Trust (Invesco Treasurers Series Trust), Short-Term Investments Trust and Tax-Free Investments Trust only)		
Sheri Morris 1964 Vice President, Principal Financial Officer and Treasurer	2010	Vice President, Treasurer and Principal Financial Officer, The Invesco Funds; and Vice President, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser)	N/A	N/A
		Formerly: Vice President, Invesco Advisers, Inc., Invesco Aim Capital Management, Inc. and Invesco Aim Private Asset Management, Inc.; Assistant Vice President and Assistant Treasurer, The Invesco Funds and Assistant Vice President, Invesco Advisers, Inc., Invesco Aim Capital Management, Inc. and Invesco Aim Private Asset Management, Inc.		
Lance A. Rejsek 1967 Anti-Money Laundering Compliance Officer	2010	Anti-Money Laundering Compliance Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.), Invesco Investment Services, Inc. (formerly known as Invesco Aim Investment Services, Inc.), The Invesco Funds, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares	N/A	N/A

		<p>Actively Managed Exchange-Traded Fund Trust, Van Kampen Asset Management, Van Kampen Investor Services Inc., and Van Kampen Funds Inc.</p> <p>Formerly: Anti-Money Laundering Compliance Officer, Fund Management Company, Invesco Advisers, Inc., Invesco Aim Capital Management, Inc. and Invesco Aim Private Asset Management, Inc.</p>		
Todd L. Spillane Chief Compliance Officer	1958 2010	<p>Senior Vice President, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.), Van Kampen Investments Inc. and Van Kampen Exchange Corp.; Senior Vice President and Chief Compliance Officer, Invesco Advisers, Inc. (registered investment adviser) (formerly known as Invesco Institutional (N.A.), Inc.); Chief Compliance Officer, The Invesco Funds, PowerShares Exchange-Traded Fund Trust, PowerShares Exchange-Traded Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Fund Trust, INVESCO Private Capital Investments, Inc. (holding company), and Invesco Private Capital, Inc. (registered investment adviser); Vice President, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.), Invesco Investment Services, Inc. (formerly known as Invesco Aim Investment Services, Inc.) and Van Kampen Investor Services Inc.</p> <p>Formerly: Senior Vice President and Chief Compliance Officer, Invesco Advisers, Inc. and Invesco Aim Capital Management, Inc.; Chief Compliance Officer, Invesco Global Asset Management (N.A.), Inc. and Invesco Senior Secured</p>	N/A	N/A

Management, Inc. (registered investment adviser); Vice President, Invesco Aim Capital Management, Inc. and Fund Management Company

**Office of the Fund**

1555 Peachtree Street, N.E.  
Atlanta, GA 30309

**Investment Adviser**

Invesco Advisers, Inc.  
1555 Peachtree Street, N.E.  
Atlanta, GA 30309

**Auditors**

PricewaterhouseCoopers LLP  
1201 Louisiana Street, Suite 2900  
Houston, TX 77002-5678

**Custodian**

State Street Bank and Trust Company  
225 Franklin  
Boston, MA 02110-2801

**Counsel to the Fund**

Skadden, Arps, Slate, Meagher & Flom , LLP  
155 West Wacker Drive  
Chicago, IL 60606

**Transfer Agent**

Computershare Trust Company, N.A.  
P.O. Box 43078  
Providence, RI 02940-3078

**T-4**

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### **Invesco privacy policy**

You share personal and financial information with us that is necessary for your transactions and your account records. We take very seriously the obligation to keep that information confidential and private.

Invesco collects nonpublic personal information about you from account applications or other forms you complete and from your transactions with us or our affiliates. We do not disclose information about you or our former customers to service providers or other third parties except to the extent necessary to service your account and in other limited circumstances as permitted by law. For example, we use this information to facilitate the delivery of transaction confirmations, financial reports, prospectuses and tax forms.

Even within Invesco, only people involved in the servicing of your accounts and compliance monitoring have access to your information. To ensure the highest level of confidentiality and security, Invesco maintains physical, electronic and procedural safeguards that meet or exceed federal standards. Special measures, such as data encryption and authentication, apply to your communications with us on our website. More detail is available to you at [invesco.com/privacy](http://invesco.com/privacy).

### **Fund holdings and proxy voting information**

The Fund provides a complete list of its holdings four times in each fiscal year, at the quarter-ends. For the second and fourth quarters, the lists appear in the Fund's semiannual and annual reports to shareholders. For the first and third quarters, the Fund files the lists with the Securities and Exchange Commission (SEC) on Form N-Q. Shareholders can also look up the Fund's Forms N-Q on the SEC website at [sec.gov](http://sec.gov). Copies of the Fund's Forms N-Q may be reviewed and copied at the SEC Public Reference Room in Washington, D.C. You can obtain information on the operation of the Public Reference Room, including information about duplicating fee charges, by calling 202 551 8090 or 800 732 0330, or by electronic request at the following email address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov). The SEC file number for the Fund is 811-02090.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, from our Client Services department at 800 341 2929 or at [invesco.com/proxyguidelines](http://invesco.com/proxyguidelines). The information is also available on the SEC website, [sec.gov](http://sec.gov).

Information regarding how the Fund voted proxies related to its portfolio securities during the 12 months ended June 30, 2010, is available at [invesco.com/proxysearch](http://invesco.com/proxysearch). In addition, this information is available on the SEC website at [sec.gov](http://sec.gov).

Invesco Advisers, Inc. is an investment adviser; it provides investment advisory services to individual and institutional clients and does not sell securities. Invesco Distributors, Inc. is the U.S. distributor for Invesco Ltd.'s retail mutual funds, exchange-traded funds and institutional money market funds. Both are wholly owned, indirect subsidiaries of Invesco Ltd.

VK-CE-BOND-AR-1      Invesco Distributors, Inc.

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ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the Registrant had adopted a code of ethics (the Code) that applies to the Registrant's principal executive officer (PEO) and principal financial officer (PFO). There were no amendments to the Code during the period covered by the report. The Registrant did not grant any waivers, including implicit waivers, from any provisions of the Code to the PEO or PFO during the period covered by this report.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The Board of Trustees has determined that the Registrant has at least one audit committee financial expert serving on its Audit Committee. The Audit Committee financial experts are Jerry D. Choate, Linda Hutton Heagy and R. Craig Kennedy. Jerry D. Choate, Linda Hutton Heagy and R. Craig Kennedy are independent within the meaning of that term as used in Form N-CSR.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Fees Billed by PWC Related to the Registrant

PWC billed the Registrant aggregate fees for services rendered to the Registrant for the last two fiscal years as follows:

	Fees Billed for Services Rendered to the Registrant for fiscal year end 2/28/2011	Percentage of Fees Billed Applicable to Non-Audit Services Provided for fiscal year end 2/28/2011 Pursuant to Waiver of Pre-Approval Requirement <sup>(1)</sup>	Fees Billed for Services Rendered to the Registrant for fiscal year end 6/30/2010	Percentage of Fees Billed Applicable to Non-Audit Services Provided for fiscal year end 6/30/2010 Pursuant to Waiver of Pre-Approval Requirement <sup>(1)</sup>
Audit Fees	\$ 26,250	N/A	\$ 35,000	N/A
Audit-Related Fees	\$ 0	0%	\$ 0	0%
Tax Fees <sup>(2)</sup>	\$ 2,800	0%	\$ 6,000	0%
All Other Fees <sup>(3)</sup>	\$ 1,667	0%	\$ 0	0%
Total Fees	\$ 30,717	0%	\$ 41,000	0%

PWC billed the Registrant aggregate non-audit fees of \$4,467 for the fiscal year ended February 28, 2011, and \$6,000 for the fiscal year ended June 30, 2010, for non-audit services rendered to the Registrant.

(1) With respect to the provision of non-audit services, the pre-approval requirement is waived pursuant to a de minimis exception if (i) such services were not recognized as non-audit services by the Registrant at the time of engagement, (ii) the aggregate amount of all such services provided is no more than 5% of the aggregate audit and non-audit fees paid by the Registrant to PWC during a fiscal year; and (iii) such services are promptly brought to the attention of the Registrant's Audit Committee and approved by the Registrant's Audit Committee prior to the completion of the audit.

(2)

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Tax fees for the fiscal year end February 28, 2011 includes fees billed for reviewing tax returns. Tax fees for the fiscal year end June 30, 2010 includes fees billed for reviewing tax returns.

- (3) All Other fees for the fiscal year end February 28, 2011 includes fees billed for completing professional services related to benchmark analysis.
-

Fees Billed by PWC Related to Invesco and Invesco Affiliates

PWC billed Invesco Advisers, Inc. ( Invesco ), the Registrant's adviser, and any entity controlling, controlled by or under common control with Invesco that provides ongoing services to the Registrant ( Invesco Affiliates ) aggregate fees for pre-approved non-audit services rendered to Invesco and Invesco Affiliates for the last two fiscal years as follows:

	Fees Billed for Non- Audit Services Rendered to Invesco and Invesco Affiliates for fiscal year end 2/28/2011 That Were Required to be Pre-Approved by the Registrant's Audit Committee	Percentage of Fees Billed Applicable to Non-Audit Services Provided for fiscal year end 2/28/2011 Pursuant to Waiver of Pre-Approval Requirement <sup>(1)</sup>	Fees Billed for Non- Audit Services Rendered to Invesco and Invesco Affiliates for fiscal year end 6/30/2010 That Were Required to be Pre-Approved by the Registrant's Audit Committee	Percentage of Fees Billed Applicable to Non-Audit Services Provided for fiscal year end 6/30/2010 Pursuant to Waiver of Pre-Approval Requirement <sup>(1)</sup>
Audit-Related Fees	\$ 0	0%	\$ 0	0%
Tax Fees	\$ 0	0%	\$ 0	0%
All Other Fees	\$ 0	0%	\$ 0	0%
Total Fees <sup>(2)</sup>	\$ 0	0%	\$ 0	0%

- (1) With respect to the provision of non-audit services, the pre-approval requirement is waived pursuant to a de minimis exception if (i) such services were not recognized as non-audit services by the Registrant at the time of engagement, (ii) the aggregate amount of all such services provided is no more than 5% of the aggregate audit and non-audit fees paid by the Registrant, Invesco and Invesco Affiliates to PWC during a fiscal year; and (iii) such services are promptly brought to the attention of the Registrant's Audit Committee and approved by the Registrant's Audit Committee prior to the completion of the audit.
- (2) Including the fees for services not required to be pre-approved by the registrant's audit committee, PWC billed Invesco and Invesco Affiliates aggregate non-audit fees of \$0 for the fiscal year ended February 28, 2011, and \$0 for the fiscal year ended June 30, 2010, for non-audit services rendered to Invesco and Invesco Affiliates.

The Audit Committee also has considered whether the provision of non-audit services that were rendered to Invesco and Invesco Affiliates that were not required to be pre-approved pursuant to SEC regulations, if any, is compatible with maintaining PWC's independence. To the extent that such services were provided, the Audit Committee determined that the provision of such services is compatible with PWC maintaining independence with respect to the Registrant.



PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES  
POLICIES AND PROCEDURES

As adopted by the Audit Committees of  
the Invesco Funds (the Funds )  
Last Amended May 4, 2010

Statement of Principles

Under the Sarbanes-Oxley Act of 2002 and rules adopted by the Securities and Exchange Commission ( SEC ) ( Rules ), the Audit Committees of the Funds (the Audit Committees ) Board of Trustees (the Board ) are responsible for the appointment, compensation and oversight of the work of independent accountants (an Auditor ). As part of this responsibility and to assure that the Auditor 's independence is not impaired, the Audit Committees pre-approve the audit and non-audit services provided to the Funds by each Auditor, as well as all non-audit services provided by the Auditor to the Funds investment adviser and to affiliates of the adviser that provide ongoing services to the Funds ( Service Affiliates ) if the services directly impact the Funds operations or financial reporting. The SEC Rules also specify the types of services that an Auditor may not provide to its audit client. The following policies and procedures comply with the requirements for pre-approval and provide a mechanism by which management of the Funds may request and secure pre-approval of audit and non-audit services in an orderly manner with minimal disruption to normal business operations.

Proposed services either may be pre-approved without consideration of specific case-by-case services by the Audit Committees ( general pre-approval ) or require the specific pre-approval of the Audit Committees ( specific pre-approval ). As set forth in these policies and procedures, unless a type of service has received general pre-approval, it will require specific pre-approval by the Audit Committees. Additionally, any fees exceeding 110% of estimated pre-approved fee levels provided at the time the service was pre-approved will also require specific approval by the Audit Committees before payment is made. The Audit Committees will also consider the impact of additional fees on the Auditor 's independence when determining whether to approve any additional fees for previously pre-approved services.

The Audit Committees will annually review and generally pre-approve the services that may be provided by each Auditor without obtaining specific pre-approval from the Audit Committee generally on an annual basis. The term of any general pre-approval runs from the date of such pre-approval through September 30<sup>th</sup> of the following year, unless the Audit Committees consider a different period and state otherwise. The Audit Committees will add to or subtract from the list of general pre-approved services from time to time, based on subsequent determinations.

The purpose of these policies and procedures is to set forth the guidelines to assist the Audit Committees in fulfilling their responsibilities.

Delegation

The Audit Committees may from time to time delegate pre-approval authority to one or more of its members who are Independent Trustees. All decisions to pre-approve a service by a delegated member shall be reported to the Audit Committees at the next quarterly meeting.

Audit Services

The annual audit services engagement terms will be subject to specific pre-approval of the Audit Committees. Audit services include the annual financial statement audit and other procedures such as tax provision work that is required to be performed by the independent auditor to be able to form an opinion on the Funds financial statements. The Audit Committees will obtain, review and consider sufficient information concerning the proposed Auditor to make a reasonable evaluation of the Auditor 's qualifications and independence.

In addition to the annual Audit services engagement, the Audit Committees may grant either general or specific pre-approval of other audit services, which are those services that only the independent auditor reasonably can provide. Other Audit services may include services such as issuing consents for the

inclusion of audited financial statements with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings.

#### Non-Audit Services

The Audit Committees may provide either general or specific pre-approval of any non-audit services to the Funds and its Service Affiliates if the Audit Committees believe that the provision of the service will not impair the independence of the Auditor, is consistent with the SEC's Rules on auditor independence, and otherwise conforms to the Audit Committees' general principles and policies as set forth herein.

#### Audit-Related Services

Audit-related services are assurance and related services that are reasonably related to the performance of the audit or review of the Fund's financial statements or that are traditionally performed by the independent auditor. Audit-related services include, among others, accounting consultations related to accounting, financial reporting or disclosure matters not classified as Audit services; assistance with understanding and implementing new accounting and financial reporting guidance from rulemaking authorities; and agreed-upon procedures related to mergers, compliance with ratings agency requirements and interfund lending activities.

#### Tax Services

Tax services include, but are not limited to, the review and signing of the Funds' federal tax returns, the review of required distributions by the Funds and consultations regarding tax matters such as the tax treatment of new investments or the impact of new regulations. The Audit Committees will scrutinize carefully the retention of the Auditor in connection with a transaction initially recommended by the Auditor, the major business purpose of which may be tax avoidance or the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. The Audit Committees will consult with the Funds' Treasurer (or his or her designee) and may consult with outside counsel or advisors as necessary to ensure the consistency of Tax services rendered by the Auditor with the foregoing policy.

No Auditor shall represent any Fund or any Service Affiliate before a tax court, district court or federal court of claims.

Under rules adopted by the Public Company Accounting Oversight Board and approved by the SEC, in connection with seeking Audit Committees' pre-approval of permissible Tax services, the Auditor shall:

1. Describe in writing to the Audit Committees, which writing may be in the form of the proposed engagement letter:
  - a. The scope of the service, the fee structure for the engagement, and any side letter or amendment to the engagement letter, or any other agreement between the Auditor and the Fund, relating to the service; and
  - b. Any compensation arrangement or other agreement, such as a referral agreement, a referral fee or fee-sharing arrangement, between the Auditor and any person (other than the Fund) with respect to the promoting, marketing, or recommending of a transaction covered by the service;
2. Discuss with the Audit Committees the potential effects of the services on the independence of the Auditor; and
3. Document the substance of its discussion with the Audit Committees.

#### All Other Auditor Services

The Audit Committees may pre-approve non-audit services classified as All other services that are not categorically prohibited by the SEC, as listed in Exhibit 1 to this policy.

#### Pre-Approval Fee Levels or Established Amounts

Pre-approval of estimated fees or established amounts for services to be provided by the Auditor under general or specific pre-approval policies will be set periodically by the Audit Committees. Any proposed fees exceeding 110% of the maximum estimated pre-approved fees or established amounts for pre-approved audit and non-audit services will be reported to the Audit Committees at the quarterly Audit Committees meeting and will require specific approval by the Audit Committees before payment is made. The Audit Committees will always factor in the overall relationship of fees for audit and non-audit services in determining whether to pre-approve any such services and in determining whether to approve any additional fees exceeding 110% of the maximum pre-approved fees or established amounts for previously pre-approved services.

#### Procedures

Generally on an annual basis, Invesco Advisers, Inc. ( Invesco ) will submit to the Audit Committees for general pre-approval, a list of non-audit services that the Funds or Service Affiliates of the Funds may request from the Auditor. The list will describe the non-audit services in reasonable detail and will include an estimated range of fees and such other information as the Audit Committee may request.

Each request for services to be provided by the Auditor under the general pre-approval of the Audit Committees will be submitted to the Funds' Treasurer (or his or her designee) and must include a detailed description of the services to be rendered. The Treasurer or his or her designee will ensure that such services are included within the list of services that have received the general pre-approval of the Audit Committees. The Audit Committees will be informed at the next quarterly scheduled Audit Committees meeting of any such services for which the Auditor rendered an invoice and whether such services and fees had been pre-approved and if so, by what means.

Each request to provide services that require specific approval by the Audit Committees shall be submitted to the Audit Committees jointly by the Funds' Treasurer or his or her designee and the Auditor, and must include a joint statement that, in their view, such request is consistent with the policies and procedures and the SEC Rules.

Each request to provide tax services under either the general or specific pre-approval of the Audit Committees will describe in writing: (i) the scope of the service, the fee structure for the engagement, and any side letter or amendment to the engagement letter, or any other agreement between the Auditor and the audit client, relating to the service; and (ii) any compensation arrangement or other agreement between the Auditor and any person (other than the audit client) with respect to the promoting, marketing, or recommending of a transaction covered by the service. The Auditor will discuss with the Audit Committees the potential effects of the services on the Auditor's independence and will document the substance of the discussion.

Non-audit services pursuant to the de minimis exception provided by the SEC Rules will be promptly brought to the attention of the Audit Committees for approval, including documentation that each of the conditions for this exception, as set forth in the SEC Rules, has been satisfied.

On at least an annual basis, the Auditor will prepare a summary of all the services provided to any entity in the investment company complex as defined in section 2-01(f)(14) of Regulation S-X in sufficient detail as to the nature of the engagement and the fees associated with those services.

The Audit Committees have designated the Funds' Treasurer to monitor the performance of all services provided by the Auditor and to ensure such services are in compliance with these policies and procedures. The Funds' Treasurer will report to the Audit Committees on a periodic basis as to the results of such monitoring. Both the Funds' Treasurer and management of Invesco will immediately report to the chairman of the Audit Committees any breach of these policies and procedures that comes to the attention of the Funds' Treasurer or senior management of Invesco.

Exhibit 1 to Pre-Approval of Audit and Non-Audit Services Policies and Procedures

Conditionally Prohibited Non-Audit Services (not prohibited if the Fund can reasonably conclude that the results of the service would not be subject to audit procedures in connection with the audit of the Fund's financial statements)

Bookkeeping or other services related to the accounting records or financial statements of the audit client

Financial information systems design and implementation

Appraisal or valuation services, fairness opinions, or contribution-in-kind reports

Actuarial services

Internal audit outsourcing services

Categorically Prohibited Non-Audit Services

Management functions

Human resources

Broker-dealer, investment adviser, or investment banking services

Legal services

Expert services unrelated to the audit

Any service or product provided for a contingent fee or a commission

Services related to marketing, planning, or opining in favor of the tax treatment of confidential transactions or aggressive tax position transactions, a significant purpose of which is tax avoidance

Tax services for persons in financial reporting oversight roles at the Fund

Any other service that the Public Company Oversight Board determines by regulation is impermissible.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

(a) The registrant has a separately-designed standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. Members of the audit committee are: Jerry D. Choate, Linda Hutton Heagy and R. Craig Kennedy.

(a) Not applicable.

ITEM 6. SCHEDULE OF INVESTMENTS.

Investments in securities of unaffiliated issuers is included as part of the reports to stockholders filed under Item 1 of this Form.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

**I.2. PROXY POLICIES AND PROCEDURES RETAIL**

<b>Applicable to</b>	Retail Accounts
<b>Risk Addressed by Policy</b>	breach of fiduciary duty to client under Investment Advisers Act of 1940 by placing Invesco personal interests ahead of client best economic interests in voting proxies
<b>Relevant Law and Other Sources</b>	Investment Advisers Act of 1940
<b>Last Tested Date</b>	
<b>Policy/Procedure Owner</b>	Advisory Compliance
<b>Policy Approver</b>	Fund Board
<b>Approved/Adopted Date</b>	January 1, 2010

The following policies and procedures apply to certain funds and other accounts managed by Invesco Advisers, Inc. ( Invesco ).

**A. POLICY STATEMENT**

**Introduction**

**Our Belief**

The Invesco Funds Boards of Trustees and Invesco’s investment professionals expect a high standard of corporate governance from the companies in our portfolios so that Invesco may fulfill its fiduciary obligation to our fund shareholders and other account holders. Well governed companies are characterized by a primary focus on the interests of shareholders, accountable boards of directors, ample transparency in financial disclosure, performance-driven cultures and appropriate consideration of all stakeholders. Invesco believes well governed companies create greater shareholder wealth over the long term than poorly governed companies, so we endeavor to vote in a manner that increases the value of our investments and fosters good governance within our portfolio companies.

In determining how to vote proxy issues, Invesco considers the probable business consequences of each issue and votes in a manner designed to protect and enhance fund shareholders’ and other account holders’ interests. Our voting decisions are intended to enhance each company’s total shareholder value over Invesco’s typical investment horizon. Proxy voting is an integral part of Invesco’s investment process. We believe that the right to vote proxies should be managed with the same care as all other elements of the investment process. The objective of Invesco’s proxy-voting activity is to promote good governance and advance the economic interests of our clients. At no time will Invesco exercise its voting power to advance its own

January 2010

I.2 1

commercial interests, to pursue a social or political cause that is unrelated to our clients' economic interests, or to favor a particular client or business relationship to the detriment of others.

## **B. OPERATING PROCEDURES AND RESPONSIBLE PARTIES**

### **Proxy administration**

The Invesco Retail Proxy Committee (the "Proxy Committee") consists of members representing Invesco's Investments, Legal and Compliance departments. Invesco's Proxy Voting Guidelines (the "Guidelines") are revised annually by the Proxy Committee, and are approved by the Invesco Funds Boards of Trustees. The Proxy Committee implements the Guidelines and oversees proxy voting.

The Proxy Committee has retained outside experts to assist with the analysis and voting of proxy issues. In addition to the advice offered by these experts, Invesco uses information gathered from our own research, company managements, Invesco's portfolio managers and outside shareholder groups to reach our voting decisions.

Generally speaking, Invesco's investment-research process leads us to invest in companies led by management teams we believe have the ability to conceive and execute strategies to outperform their competitors. We select companies for investment based in large part on our assessment of their management teams' ability to create shareholder wealth. Therefore, in formulating our proxy-voting decisions, Invesco gives proper consideration to the recommendations of a company's Board of Directors.

### **Important principles underlying the Invesco Proxy Voting Guidelines**

#### **I. Accountability**

Management teams of companies are accountable to their boards of directors, and directors of publicly held companies are accountable to their shareholders. Invesco endeavors to vote the proxies of its portfolio companies in a manner that will reinforce the notion of a board's accountability to its shareholders. Consequently, Invesco votes against any actions that would impair the rights of shareholders or would reduce shareholders' influence over the board or over management.

The following are specific voting issues that illustrate how Invesco applies this principle of accountability.

*Elections of directors.* In uncontested director elections for companies that do not have a controlling shareholder, Invesco votes in favor of slates if they are comprised of at least a majority of independent directors and if the board's key committees are fully independent. Key committees include the Audit, Compensation and Governance or Nominating Committees. Invesco's standard of independence excludes directors who, in addition to the directorship, have any material business or family relationships with the companies they serve.

Contested director elections are evaluated on a case-by-case basis and are decided within the context of Invesco's investment thesis on a company.

*Director performance.* Invesco withholds votes from directors who exhibit a lack of accountability to shareholders, either through their level of attendance at meetings or by enacting egregious corporate-governance or other policies. In cases of material financial restatements, accounting fraud, habitually late filings, adopting shareholder rights plan ( "poison pills" ) without shareholder approval, or other areas of poor performance, Invesco may withhold votes from some or all of a company's directors. In situations where directors' performance is a concern, Invesco may also support shareholder proposals to take corrective actions such as so-called "clawback" provisions.

*Auditors and Audit Committee members.* Invesco believes a company's Audit Committee has a high degree of responsibility to shareholders in matters of financial disclosure, integrity of the financial statements and effectiveness of a company's internal controls. Independence, experience and financial expertise are critical elements of a well-functioning Audit Committee. When electing directors who are members of a company's Audit Committee, or when ratifying a company's auditors, Invesco considers the past performance of the Committee and holds its members accountable for the quality of the company's financial statements and reports.

*Majority standard in director elections.* The right to elect directors is the single most important mechanism shareholders have to promote accountability. Invesco supports the nascent effort to reform the U.S. convention of electing directors, and votes in favor of proposals to elect directors by a majority vote.

*Classified boards.* Invesco supports proposals to elect directors annually instead of electing them to staggered multi-year terms because annual elections increase a board's level of accountability to its shareholders.

*Supermajority voting requirements.* Unless proscribed by law in the state of incorporation, Invesco votes against actions that would impose any supermajority voting requirement, and supports actions to dismantle existing supermajority requirements.

*Responsiveness.* Invesco withholds votes from directors who do not adequately respond to shareholder proposals that were approved by a majority of votes cast the prior year.

*Cumulative voting.* The practice of cumulative voting can enable minority shareholders to have representation on a company's board. Invesco supports proposals to institute the practice of cumulative voting at companies whose overall corporate-governance standards indicate a particular need to protect the interests of minority shareholders.

*Shareholder access.* On business matters with potential financial consequences, Invesco votes in favor of proposals that would increase shareholders' opportunities to express their views to boards of directors, proposals that would lower barriers to shareholder action and proposals to promote the adoption of generally accepted best practices in corporate governance.

## **II. Incentives**

Invesco believes properly constructed compensation plans that include equity ownership are effective in creating incentives that induce managements and employees of our portfolio companies to create greater shareholder wealth. Invesco supports equity compensation plans that promote the proper alignment of incentives, and votes against plans that are overly dilutive to existing shareholders, plans that contain objectionable structural features, and plans that appear likely to reduce the value of an account's investment.

Following are specific voting issues that illustrate how Invesco evaluates incentive plans.

*Executive compensation.* Invesco evaluates compensation plans for executives within the context of the company's performance under the executives' tenure. Invesco believes independent compensation committees are best positioned to craft executive-compensation plans that are suitable for their company-specific circumstances. We view the election of those independent compensation committee members as the appropriate mechanism for shareholders to express their approval or disapproval of a company's compensation practices. Therefore, Invesco generally does not support shareholder proposals to limit or eliminate certain forms of executive compensation. In the interest of reinforcing the notion of a compensation committee's accountability to shareholders, Invesco supports proposals requesting that companies subject each year's compensation record to an advisory shareholder vote, or so-called "say on pay" proposals.

*Equity-based compensation plans.* When voting to approve or reject equity-based compensation plans, Invesco compares the total estimated cost of the plans, including stock options and restricted stock, against a carefully selected peer group and uses multiple performance metrics that help us determine whether the incentive structures in place are creating genuine shareholder wealth. Regardless of a plan's estimated cost relative to its peer group, Invesco votes against plans that contain structural features that would impair the alignment of incentives between shareholders and management. Such features include the ability to reprice or reload options without shareholder approval, the ability to issue options below the stock's current market price, or the ability to automatically replenish shares without shareholder approval.

*Employee stock-purchase plans.* Invesco supports employee stock-purchase plans that are reasonably designed to provide proper incentives to a broad base of employees, provided that the price at which employees may acquire stock is at most a 15 percent discount from the market price.

*Severance agreements.* Invesco generally votes in favor of proposals requiring advisory shareholder ratification of executives' severance agreements. However, we oppose proposals requiring such agreements to be ratified by shareholders in advance of their adoption.

### **III. Capitalization**

Examples of management proposals related to a company's capital structure include authorizing or issuing additional equity capital, repurchasing outstanding stock, or enacting a stock split or reverse stock split. On requests for additional capital stock, Invesco analyzes the company's stated reasons for the request. Except where the request could adversely affect the fund's ownership stake or voting rights, Invesco generally supports a board's decisions on its needs for additional capital stock. Some capitalization proposals require a case-by-case analysis within the context of Invesco's investment thesis on a company. Examples of such proposals include authorizing common or preferred stock with special voting rights, or issuing additional stock in connection with an acquisition.

### **IV. Mergers, Acquisitions and Other Corporate Actions**

Issuers occasionally require shareholder approval to engage in certain corporate actions such as mergers, acquisitions, name changes, dissolutions, reorganizations, divestitures and reincorporations. Invesco analyzes these proposals within the context of our investment thesis on the company, and determines its vote on a case-by-case basis.

### **V. Anti-Takeover Measures**

Practices designed to protect a company from unsolicited bids can adversely affect shareholder value and voting rights, and they create conflicts of interests among directors, management and shareholders. Except under special issuer-specific circumstances, Invesco votes to reduce or eliminate such measures. These measures include adopting or renewing poison pills, requiring supermajority voting on certain corporate actions, classifying the election of directors instead of electing each director to an annual term, or creating separate classes of common or preferred stock with special voting rights. Invesco generally votes against management proposals to impose these types of measures, and generally votes for shareholder proposals designed to reduce such measures. Invesco supports shareholder proposals directing companies to subject their anti-takeover provisions to a shareholder vote.

### **VI. Shareholder Proposals on Corporate Governance**

Invesco generally votes for shareholder proposals that are designed to protect shareholder rights if a company's corporate-governance standards indicate that such additional protections are warranted.

## **VII. Shareholder Proposals on Social Responsibility**

The potential costs and economic benefits of shareholder proposals seeking to amend a company's practices for social reasons are difficult to assess. Analyzing the costs and economic benefits of these proposals is highly subjective and does not fit readily within our framework of voting to create greater shareholder wealth over Invesco's typical investment horizon. Therefore, Invesco abstains from voting on shareholder proposals deemed to be of a purely social, political or moral nature.

## **VIII. Routine Business Matters**

Routine business matters rarely have a potentially material effect on the economic prospects of fund holdings, so we generally support the board's discretion on these items. However, Invesco votes against proposals where there is insufficient information to make a decision about the nature of the proposal. Similarly, Invesco votes against proposals to conduct other unidentified business at shareholder meetings.

### **Summary**

These Guidelines provide an important framework for making proxy-voting decisions, and should give fund shareholders and other account holders insight into the factors driving Invesco's decisions. The Guidelines cannot address all potential proxy issues, however. Decisions on specific issues must be made within the context of these Guidelines and within the context of the investment thesis of the funds and other accounts that own the company's stock. Where a different investment thesis is held by portfolio managers who may hold stocks in common, Invesco may vote the shares held on a fund-by-fund or account-by-account basis.

### **Exceptions**

In certain circumstances, Invesco may refrain from voting where the economic cost of voting a company's proxy exceeds any anticipated benefits of that proxy proposal.

### **Share-lending programs**

One reason that some portion of Invesco's position in a particular security might not be voted is the securities lending program. When securities are out on loan and earning fees for the lending fund, they are transferred into the borrower's name. Any proxies during the period of the loan are voted by the borrower. The lending fund would have to terminate the loan to vote the company's proxy, an action that is not generally in the best economic interest of fund shareholders. However, whenever Invesco determines that the benefit to shareholders or other account holders of voting a particular proxy outweighs the revenue lost by terminating the loan, we recall the securities for the purpose of voting the fund's full position.

### **Share-blocking**

Another example of a situation where Invesco may be unable to vote is in countries where the exercise of voting rights requires the fund to submit to short-term trading restrictions, a practice known as share-blocking. Invesco generally

refrains from voting proxies in share-blocking countries unless the portfolio manager determines that the benefit to fund shareholders and other account holders of voting a specific proxy outweighs the fund's or other account's temporary inability to sell the security.

**International constraints**

An additional concern that sometimes precludes our voting non-U.S. proxies is our inability to receive proxy materials with enough time and enough information to make a voting decision. In the great majority of instances, however, we are able to vote non-U.S. proxies successfully. It is important to note that Invesco makes voting decisions for non-U.S. issuers using these Guidelines as our framework, but also takes into account the corporate-governance standards, regulatory environment and generally accepted best practices of the local market.

**Exceptions to these Guidelines**

Invesco retains the flexibility to accommodate company-specific situations where strictly adhering to the Guidelines would lead to a vote that the Proxy Committee deems not to be in the best interest of the fund's shareholders and other account holders. In these situations, the Proxy Committee will vote the proxy in the manner deemed to be in the best interest of the fund's shareholders and other account holders, and will promptly inform the fund's Boards of Trustees of such vote and the circumstances surrounding it.

**Resolving potential conflicts of interest**

A potential conflict of interest arises when Invesco votes a proxy for an issuer with which it also maintains a material business relationship. Examples could include issuers that are distributors of Invesco's products, or issuers that employ Invesco to manage portions of their retirement plans or treasury accounts. Invesco reviews each proxy proposal to assess the extent, if any, to which there may be a material conflict between the interests of the fund shareholders or other account holders and Invesco.

Invesco takes reasonable measures to determine whether a potential conflict may exist. A potential conflict is deemed to exist only if one or more of the Proxy Committee members actually knew or should have known of the potential conflict.

If a material potential conflict is deemed to exist, Invesco may resolve the potential conflict in one of the following ways: (1) if the proposal that gives rise to the potential conflict is specifically addressed by the Guidelines, Invesco may vote the proxy in accordance with the predetermined Guidelines; (2) Invesco may engage an independent third party to determine how the proxy should be voted; or (3) Invesco may establish an ethical wall or other informational barrier between the persons involved in the potential conflict and the persons making the proxy-voting decision in order to insulate the potential conflict from the decision makers.

Because the Guidelines are pre-determined and crafted to be in the best economic interest of shareholders and other account holders, applying the Guidelines to vote client proxies should, in most instances, adequately resolve any potential conflict of

interest. As an additional safeguard against potential conflicts, persons from Invesco's marketing, distribution and other customer-facing functions are precluded from becoming members of the Proxy Committee.

On a quarterly basis, the Invesco Funds Boards of Trustees review a report from Invesco's Internal Compliance Controls Committee. The report contains a list of all known material business relationships that Invesco maintains with publicly traded issuers. That list is cross-referenced with the list of proxies voted over the period. If there are any instances where Invesco's voting pattern on the proxies of its material business partners is inconsistent with its voting pattern on all other issuers, they are brought before the Trustees and explained by the Chairman of the Proxy Committee.

*Personal conflicts of interest.* If any member of the Proxy Committee has a personal conflict of interest with respect to a company or an issue presented for voting, that Proxy Committee member will inform the Proxy Committee of such conflict and will abstain from voting on that company or issue.

*Funds of funds.* Some Invesco Funds offering diversified asset allocation within one investment vehicle own shares in other Invesco Funds. A potential conflict of interest could arise if an underlying Invesco Fund has a shareholder meeting with any proxy issues to be voted on, because Invesco's asset-allocation funds or target-maturity funds may be large shareholders of the underlying fund. In order to avoid any potential for a conflict, the asset-allocation funds and target maturity funds vote their shares in the same proportion as the votes of the external shareholders of the underlying fund.

### **C. RECORDKEEPING**

Records are maintained in accordance with Invesco's Recordkeeping Policy.

#### **Policies and Vote Disclosure**

A copy of these Guidelines and the voting record of each Invesco Fund are available on our web site, [www.invesco.com](http://www.invesco.com). In accordance with Securities and Exchange Commission regulations, all funds file a record of all proxy-voting activity for the prior 12 months ending June 30th. That filing is made on or before August 31st of each year.

January 2010

I.2 8

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**ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.**

The following individuals are jointly and primarily responsible for the day-to-day management of the Fund:

Chuck Burge, Portfolio Manager, who has been responsible for the Fund since 2010 and has been associated with Invesco and/or its affiliates since 2002.

John Craddock, Portfolio Manager, who has been responsible for the Fund since 2010 and has been associated with Invesco and/or its affiliates since 1999.

Peter Ehret, Portfolio Manager, who has been responsible for the Fund since 2011 and has been associated with Invesco and/or its affiliates since 2001.

***Portfolio Manager Fund Holdings and Information on Other Managed Accounts***

Invesco's portfolio managers develop investment models which are used in connection with the management of certain Invesco Funds as well as other mutual funds for which Invesco or an affiliate acts as sub-adviser, other pooled investment vehicles that are not registered mutual funds, and other accounts managed for organizations and individuals. The following chart reflects the portfolio managers' investments in the Funds that they manage. The chart also reflects information regarding accounts other than the Funds for which each portfolio manager has day-to-day management responsibilities. Accounts are grouped into three categories: (i) other registered investment companies, (ii) other pooled investment vehicles and (iii) other accounts. To the extent that any of these accounts pay advisory fees that are based on account performance (performance-based fees), information on those accounts is specifically broken out. In addition, any assets denominated in foreign currencies have been converted into U.S. Dollars using the exchange rates as of the applicable date.

The following information is as of February 28, 2011:

Portfolio Manager	Dollar Range of Investments in Each Fund <sup>1</sup>	Other Registered Investment Companies		Other Pooled Investment Vehicles		Other Accounts	
		Number of Accounts	Managed (assets in millions) Assets	Number of Accounts	Managed (assets in millions) Assets	Number of Accounts	Managed (assets in millions) Assets
<b>Invesco Van Kampen Bond Fund</b>							
Chuck Burge	None	17	\$ 16,623.9	7	\$3,060.9	1	\$5,070.7
John Craddock	None	11	\$ 2,621.9	None	None	None	None
Peter Ehret	None	13	\$ 2,918.6	1	\$ 23.8	None	None

***Potential Conflicts of Interest***

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one Fund or other account. More specifically,

<sup>1</sup> This column reflects investments in a Fund's shares owned directly by a portfolio manager or beneficially owned by a portfolio manager (as determined in accordance with Rule 16a-1(a) (2) under the Securities Exchange Act of 1934, as amended). A portfolio manager is presumed to be a beneficial owner of securities that are held by his or her immediate family members sharing the same household.

portfolio managers who manage multiple Funds and/or other accounts may be presented with one or more of the following potential conflicts:

- Ø The management of multiple Funds and/or other accounts may result in a portfolio manager devoting unequal time and attention to the management of each Fund and/or other account. The Adviser and each Sub-Adviser seek to manage such competing interests for the time and attention of portfolio managers by having portfolio managers focus on a particular investment discipline. Most other accounts managed by a portfolio manager are managed using the same investment models that are used in connection with the management of the Funds.
- Ø If a portfolio manager identifies a limited investment opportunity which may be suitable for more than one Fund or other account, a Fund may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible Funds and other accounts. To deal with these situations, the Adviser, each Sub-Adviser and the Funds have adopted procedures for allocating portfolio transactions across multiple accounts.
- Ø The Adviser and each Sub-Adviser determine which broker to use to execute each order for securities transactions for the Funds, consistent with its duty to seek best execution of the transaction. However, for certain other accounts (such as mutual funds for which Invesco or an affiliate acts as sub-adviser, other pooled investment vehicles that are not registered mutual funds, and other accounts managed for organizations and individuals), the Adviser and each Sub-Adviser may be limited by the client with respect to the selection of brokers or may be instructed to direct trades through a particular broker. In these cases, trades for a Fund in a particular security may be placed separately from, rather than aggregated with, such other accounts. Having separate transactions with respect to a security may temporarily affect the market price of the security or the execution of the transaction, or both, to the possible detriment of the Fund or other account(s) involved.
- Ø Finally, the appearance of a conflict of interest may arise where the Adviser or Sub-Adviser has an incentive, such as a performance-based management fee, which relates to the management of one Fund or account but not all Funds and accounts for which a portfolio manager has day-to-day management responsibilities.

The Adviser, each Sub-Adviser, and the Funds have adopted certain compliance procedures which are designed to address these types of conflicts. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

#### ***Description of Compensation Structure***

##### ***For the Adviser and each affiliated Sub-Adviser***

The Adviser and each Sub-Adviser seek to maintain a compensation program that is competitively positioned to attract and retain high-caliber investment professionals. Portfolio managers receive a base salary, an incentive bonus opportunity and an equity compensation opportunity. Portfolio manager compensation is reviewed and may be modified each year as appropriate to reflect changes in the market, as well as to adjust the factors used to determine bonuses to promote competitive Fund performance. The Adviser and each Sub-Adviser evaluate competitive market compensation by reviewing compensation survey results conducted by an independent third party of investment industry compensation. Each portfolio manager's compensation consists of the following three elements:

***Base Salary.*** Each portfolio manager is paid a base salary. In setting the base salary, the Adviser and each Sub-Adviser's intention is to be competitive in light of the particular portfolio manager's experience and responsibilities.

***Annual Bonus.*** The portfolio managers are eligible, along with other employees of the Adviser and each Sub-Adviser, to participate in a discretionary year-end bonus pool. The Compensation Committee of Invesco Ltd. reviews and approves the amount of the bonus pool available for the Adviser and each of the Sub-Adviser's investment centers. The Compensation Committee considers investment performance and financial results in its review. In addition, while having no direct impact on individual bonuses, assets under management are considered when determining the starting bonus funding levels. Each portfolio



manager is eligible to receive an annual cash bonus which is based on quantitative (i.e. investment performance) and non-quantitative factors (which may include, but are not limited to, individual performance, risk management and teamwork).

Each portfolio manager's compensation is linked to the pre-tax investment performance of the Funds/accounts managed by the portfolio manager as described in Table 1 below.

Table 1

<b>Sub-Adviser</b>	<b>Performance time period<sup>2</sup></b>
Invesco <sup>3,4,5</sup> Invesco Australia Invesco Deutschland	One-, Three- and Five-year performance against Fund peer group.
Invesco Senior Secured	N/A
Invesco Trimark <sup>3</sup>	One-year performance against Fund peer group.  Three- and Five-year performance against entire universe of Canadian funds.
Invesco Hong Kong <sup>3</sup> Invesco Asset Management	One-, Three- and Five-year performance against Fund peer group.
Invesco Japan <sup>6</sup>	One-, Three- and Five-year performance against the appropriate Micropol benchmark.

Invesco Senior Secured's bonus is based on annual measures of equity return and standard tests of collateralization performance.

High investment performance (against applicable peer group and/or benchmarks) would deliver compensation generally associated with top pay in the industry (determined by reference to the third-party provided compensation survey information) and poor investment performance (versus applicable peer group) would result in low bonus compared to the applicable peer group or no bonus at all. These decisions are reviewed and approved collectively by senior leadership which has responsibility for executing the compensation approach across the organization.

*Equity-Based Compensation.* Portfolio managers may be granted an award that allows them to select receipt of shares of certain Invesco Funds with a vesting period as well as common shares and/or restricted shares of Invesco Ltd. stock from pools determined from time to time by the Compensation

<sup>2</sup> Rolling time periods based on calendar year-end.

<sup>3</sup> Portfolio Managers may be granted a short-term award that vests on a pro-rata basis over a four year period and final payments are based on the performance of eligible Funds selected by the portfolio manager at the time the award is granted.

<sup>4</sup> Portfolio Managers for Invesco Global Real Estate Fund, Invesco Real Estate Fund, Invesco Select Real Estate Income Fund and Invesco V.I. Global Real Estate Fund base their bonus on new operating profits of the U.S. Real Estate Division of Invesco.

<sup>5</sup> Portfolio Managers for Invesco Balanced Fund, Invesco Basic Balanced Fund, Invesco Basic Value Fund, Invesco Fundamental Value Fund, Invesco Large Cap Basic Value Fund, Invesco Large Cap Relative Value Fund, Invesco Mid Cap Basic Value Fund, Invesco Mid-Cap Value Fund, Invesco U.S. Mid Cap Value Fund, Invesco Value Fund, Invesco Value II Fund, Invesco V.I. Basic Balanced Fund, Invesco V.I. Basic Value Fund,

Invesco V.I. Select Dimensions Balanced Fund, Invesco V.I. Income Builder Fund, Invesco Van Kampen American Value Fund, Invesco Van Kampen Comstock Fund, Invesco Van Kampen Equity and Income Fund, Invesco Van Kampen Growth and Income Fund, Invesco Van Kampen Value Opportunities Fund, Invesco Van Kampen V.I. Comstock Fund, Invesco Van Kampen V.I. Growth and Income Fund, Invesco Van Kampen V.I. Equity and Income Fund, Invesco Van Kampen V.I. Mid Cap Value Fund and Invesco Van Kampen V.I. Value Fund's compensation is based on the one-, three- and five-year performance against the Fund's peer group. Furthermore, for the portfolio manager(s) formerly managing the predecessor funds to the Funds in this footnote 5, they also have a ten-year performance measure.

- <sup>6</sup> Portfolio Managers for Invesco Pacific Growth Fund's compensation is based on the one-, three- and five-year performance against the appropriate Micropol benchmark. Furthermore, for the portfolio manager(s) formerly managing the predecessor fund to Invesco Pacific Growth Fund, they also have a ten-year performance measure.
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Committee of Invesco Ltd.'s Board of Directors. Awards of equity-based compensation typically vest over time, so as to create incentives to retain key talent.

Portfolio managers also participate in benefit plans and programs available generally to all employees.

**ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.**

Not applicable.

**ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.**

None

**ITEM 11. CONTROLS AND PROCEDURES.**

- (a) As of March 21, 2011, an evaluation was performed under the supervision and with the participation of the officers of the Registrant, including the PEO and PFO, to assess the effectiveness of the Registrant's disclosure controls and procedures, as that term is defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the Act), as amended. Based on that evaluation, the Registrant's officers, including the PEO and PFO, concluded that, as of March 21, 2011, the Registrant's disclosure controls and procedures were reasonably designed to ensure: (1) that information required to be disclosed by the Registrant on Form N-CSR is recorded, processed, summarized and reported within the time periods specified by the rules and forms of the Securities and Exchange Commission; and (2) that material information relating to the Registrant is made known to the PEO and PFO as appropriate to allow timely decisions regarding required disclosure.
- (b) There have been no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

**ITEM 12. EXHIBITS.**

12(a) Code of Ethics.

(1)

12(a) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.

(2)

12(a) Not applicable.

(3)

12(b) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(b) under the Investment Company Act of 1940.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: Invesco Van Kampen Bond Fund

By: /s/ Colin Meadows

Colin Meadows  
Principal Executive Officer

Date: May 9, 2011

Pursuant to the requirements of the Securities and Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Colin Meadows

Colin Meadows  
Principal Executive Officer

Date: May 9, 2011

By: /s/ Sheri Morris

Sheri Morris  
Principal Financial Officer

Date: May 9, 2011

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EXHIBIT INDEX

- 12(a)(1) Code of Ethics.
- 12(a)(2) Certifications of principal executive officer and principal Financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.
- 12(a)(3) Not applicable.
- 12(b) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(b) under the Investment Company Act of 1940.