

AIM HIGHLIGHTS

Building Investor
Knowledge with
The AIM Family
of Funds®

How to Turn Uncertainty into Opportunity

*Here's One Way to Take Advantage of Short-Term Woes
for Potential Long-Term Gains*

You may wonder what effect national and international events have on your investments. Do things like elections, wars and disasters cause market instability? The volatility of technology stocks from 2000 through early 2001 suggests they might.

But history has proved that the market is more powerful than any single event. Though past performance cannot guarantee comparable future results, the stock market has often rebounded following sudden “flight-from-fright” downturns. Many other factors can and do affect the stock market, causing short-term traders to pull their hair out. But prudent investors know that such events may offer great buying opportunities.

The Market Has Survived These Headlines

The stock market has demonstrated the ability to rebound from sudden events. Whether it's two months or 22 months, patience can potentially pay off when you take a long-term view.

DATE	EVENT	% DROP (PRICE ONLY)	REGAINED LOST VALUE	NEXT MARKET HIGH
10/14/62– 10/28/62	Cuban missile crisis	-6.60%	One week	10 months (9/3/63)
11/22/63	President Kennedy assassinated	-2.81	Two days	Three weeks (12/17/63)
8/9/74	President Nixon resigns	-15.32	Six months	Nearly six years (7/17/80)
11/4/79	American hostages taken in Iran	-2.58	One week	Eight months (7/17/80)
3/30/81	Assassination attempt on President Reagan	-0.27	Next day	19 months (11/3/82)
10/19/87	Stock market crash	-20.47	One Year	Nine months (7/26/89)
8/2/90	Iraq invades Kuwait	-13.63	Six months	One week (2/13/91)
7/1/96	Technology stocks nose-dive	-7.28	Seven weeks	Same day (9/13/96)
10/27/97	Asian market tumbles	-6.87	One week	Five weeks (12/5/97)
8/18/98– 8/31/98	The devaluation of the Russian ruble; Russia defaults on billion-dollar debt	-13.07	Nine weeks	Three weeks (11/2/98)
1/13/99	The devaluation of the Brazilian real	-1.80	One day	11 days (1/29/01)

The stock market is represented by the S&P 500 Index, an unmanaged group of securities widely regarded to be representative of U.S. large-company stocks. Results assume reinvestment of distributions. An investment cannot be made directly in an index. This table is not intended to show any cause-and-effect relationship between events and market performance.

NOT FDIC- INSURED	May lose value No bank guarantee
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Today's Fears, Tomorrow's Cheers?

The year 2000 saw the first major market downturn in a decade. Could we face the bear market of 1973–1974 all over again in the new millennium?

During those two years, the S&P 500 Index plunged more than 40%, and the U.S. economy fell into a deep recession. If the same type of recession were to happen today, we might see inflation rising more than 12%, three-month T-bill rates of more than 10% and oil prices climbing to over \$100 per barrel.

When the market plunged in the '70s, smart investors knew that the down times wouldn't last forever. They looked beyond the loss to see an opportunity for potential gain. While speculators jump at the first signs of trouble, investors know they can put time on their side.

Could the 1973–1974 Bear Market Happen Today?

The economy was strong in 1972, but a recession led to a market slump of more than 40% by 1974. Though many factors contribute to economic downturns, here's what might happen to three key economic indicators if we were to experience a recession of that magnitude:

1972	1974		2000	2001?
3.41%	12.20%	Consumer Price Index	3.40%	12.16%
3.84%	8.00%	30-day T-bill	5.14%	10.71%
\$3.16	\$12.93	Oil price per barrel	\$26.80	\$109.66

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Talk to Your Financial Advisor

If you're concerned about fluctuations in the stock market, seek the combined expertise of your financial advisor and the investment management of AIM. Regardless of the market, AIM's disciplined investment strategy remains the same: We believe earnings drive stock prices and stock prices drive portfolio performance.

Perhaps that's why the AIM companies currently manage approximately \$154 billion in assets for financial institutions, corporate clients and individual investors like you, ranking among the nation's largest and most-respected mutual fund firms. AIM is a member of the \$370 billion AMVESCAP Group. Assets managed by AIM and AMVESCAP are as of March 31, 2001.

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Inflation is represented by the Consumer Price Index (CPI), a measure of change in consumer prices, as determined by the U.S. Bureau of Labor Statistics. An investment cannot be made directly in an index. U.S. Treasury bills offer a high degree of safety and are guaranteed as to the timely repayment of principal and interest if held to maturity. Mutual fund shares are not insured and their value and yield will vary with market conditions. This table is not intended to show any cause-and-effect relationship between events and market performance.

For more complete information on any AIM fund, including sales charges, fees and expenses, ask your financial advisor for a free prospectus(es) and investor guide(s). Please read the prospectus(es) carefully before you invest or send money.

History has proved that the market is more powerful than any single event. Consider taking advantage of down periods as prime investment opportunities.