Clough Global Equity Fund
Form N-Q
August 27, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED

MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number: 811-21712

CLOUGH GLOBAL EQUITY FUND

(Exact name of registrant as specified in charter)

1290 Broadway, Suite 1100, Denver, Colorado 80203

(Address of principal executive offices) (Zip code)

Erin Nelson

Clough Global Equity Fund

1290 Broadway, Suite 1100

Denver, Colorado 80203

(Name and address of agent for service)

Registrant s telephone number, including area code: (303) 623-2577

Date of fiscal year end: March 31

Date of reporting period: June 30, 2013

Item 1 Schedule of Investments.

Clough Global Equity Fund

STATEMENT OF INVESTMENTS

June 30, 2013 (Unaudited)

	Shares	Value
COMMON STOCKS 124.40%		
Consumer Discretionary 29.97%		
Allison Transmission Holdings, Inc.[(a)(b)(c)]	174,073	$4,017,605
BorgWarner, Inc.[(a)(b)]	28,000	2,412,200
Charter Communications, Inc. - Class A[(a)(b)(d)]	35,100	4,347,135
Denso Corp.	15,200	714,943
Don Quijote Co., Ltd.	25,500	1,240,547
Fifth & Pacific Cos, Inc.[(a)(d)]	51,610	1,152,967
Fuji Heavy Industries Ltd.	23,607	581,963
GameStop Corp. - Class A	22,300	937,269
General Motors Co.[(a)(d)]	65,600	2,185,136
Honda Motor Co., Ltd.	24,030	892,827
Imax Corp.[(a)(b)(d)]	139,495	3,467,846
Liberty Global, Inc. - Class A[(a)(b)(d)]	65,808	4,875,057
Liberty Global, Inc. - Series C[(a)(d)]	36,700	2,491,563
Liberty Interactive Corp. - Class A[(a)(b)(d)]	223,986	5,153,918
Liberty Media Corp. - Class A[(a)(b)(d)]	41,468	5,256,484
Liberty Ventures - Series A[(a)(b)(d)]	59,134	5,026,981
Man Wah Holdings, Ltd.	2,456,000	3,081,063
Mazda Motor Corp.	120,131	473,596
News Corp. - Class A[(a)(d)]	147,300	4,801,980
News Corp. - New Class A - When Issued[(d)]	273,200	4,179,960
Nissan Motor Co., Ltd.	149,200	1,511,857
Orient-Express Hotels, Ltd. - Class A[(a)(d)]	119,537	1,453,570
Sally Beauty Holdings, Inc.[(a)(b)(d)]	120,071	3,734,208
Samsonite International S.A.	1,077,000	2,593,892
Sands China, Ltd.	272,800	1,285,556
Service Corp. International[(a)]	154,800	2,791,044
Signet Jewelers, Ltd.[(a)]	44,400	2,993,892
Sirius XM Radio, Inc.[(a)]	413,800	1,386,230
Sony Corp. - ADR[(a)]	68,600	1,453,634
Toyota Motor Corp.	32,000	1,932,648
Under Armour, Inc. - Class A[(a)(d)]	51,000	3,045,210
Viacom, Inc. - Class B[(a)(b)]	24,100	1,640,005
Wyndham Worldwide Corp.[(a)(b)]	129,600	7,417,008
		90,529,794

	Shares	Value
Consumer Staples 2.59%		
Brazil Pharma S.A.[c][d]	279,686	$1,259,706
Kirin Holdings Co., Ltd.	125,000	1,958,560
Mead Johnson Nutrition Co.[a][b]	36,403	2,884,210
Vinda International Holdings, Ltd.	1,685,222	1,723,017
		7,825,493
Energy 11.12%		
Energy Commodities 0.57%		
Pacific Coast Oil Trust[a][c]	95,800	1,727,274
Natural Gas Leveraged Exploration & Production 1.54%		
Cabot Oil & Gas Corp.[a][b]	33,900	2,407,578
Range Resources Corp.[a][b]	18,400	1,422,688
SM Energy Co.[a]	13,700	821,726
		4,651,992
Non-North American Producers 0.79%		
InterOil Corp.[a][b][d]	34,284	2,383,081
Oil Leveraged Exploration & Production 3.78%		
Anadarko Petroleum Corp.[a][b]	26,338	2,263,224
EOG Resources, Inc.[a]	8,000	1,053,440
Gulfport Energy Corp.[a][b][d]	70,031	3,296,359
Kodiak Oil & Gas Corp.[a][d]	157,171	1,397,250
Noble Energy, Inc.[a][b]	15,400	924,616
Oasis Petroleum, Inc.[a][d]	29,700	1,154,439
Occidental Petroleum Corp.[a]	14,900	1,329,527
		11,418,855
Oil Services & Drillers 4.10%		
Cameron International Corp.[a][b][d]	13,583	830,736
FMC Technologies, Inc.[a][d]	32,000	1,781,760
Halliburton Co.[a]	58,800	2,453,136
National Oilwell Varco, Inc.[a][b]	16,738	1,153,248
Noble Corp.[a][b]	45,623	1,714,512
Schlumberger, Ltd.[a]	8,724	625,162
Superior Energy Services, Inc.[a][d]	64,423	1,671,133

Weatherford International, Ltd.[(a)(b)(d)]	157,011	2,151,051
		12,380,738

	Shares	Value
Energy (continued)		
Tankers 0.34%		
Golar LNG, Ltd.[(a)(b)]	32,139	$1,024,913
TOTAL ENERGY		33,586,853
Energy Infrastructure & Capital Equipment 0.60%		
Dresser-Rand Group, Inc.[(a)(d)]	30,100	1,805,398
Financials 30.21%		
Capital Markets 1.61%		
Daiwa Securities Group, Inc.	317,157	2,663,761
Nomura Holdings, Inc.	298,200	2,197,864
		4,861,625
Commercial Banks 3.71%		
Mitsubishi UFJ Financial Group, Inc.	189,400	1,168,711
Mizuho Financial Group, Inc.	861,100	1,788,532
Sumitomo Mitsui Financial Group, Inc.	39,700	1,821,285
Sumitomo Mitsui Trust Holdings, Inc.	291,000	1,358,470
Wells Fargo & Co.[(a)(b)]	122,882	5,071,340
		11,208,338
Diversified Financials 7.89%		
Bank of America Corp.[(a)(b)]	574,581	7,389,112
BB&T Corp.[(a)]	37,700	1,277,276
Citigroup, Inc.[(a)(b)]	235,890	11,315,643
ING Groep NV[(d)]	270,711	2,466,583
ING US, Inc.[(a)(d)]	51,400	1,390,884
		23,839,498
Insurance 6.51%		
American International Group, Inc.[(a)(b)(d)]	147,976	6,614,527
Genworth Financial, Inc. - Class A[(a)(b)(d)]	535,767	6,113,102
Hartford Financial Services Group, Inc.[(a)]	198,728	6,144,670
National General Holdings Corp.[(c)(d)]	65,000	780,000
		19,652,299

Mortgage-Backed Securities Real Estate Investment Trusts 2.00%		
American Capital Mortgage Investment Corp.[(a)]	87,200	1,566,984
CYS Investments, Inc.[(a)]	193,600	1,783,056

	Shares	Value
Financials (continued)		
Hatteras Financial Corp.[(a)]	109,300	$2,693,152
		6,043,192
Real Estate Investment Trusts 5.65%		
American Homes 4 Rent[(a)(c)(d)]	181,300	2,900,800
American Residential Properties, Inc.[(a)(c)(d)]	56,000	963,200
American Tower Corp.[(a)]	32,600	2,385,342
Ares Commercial Real Estate Corp.[(a)(b)]	51,400	658,434
Digital Realty Trust, Inc.[(a)]	78,900	4,812,900
Redwood Trust, Inc.[(a)(b)]	69,400	1,179,800
Select Income REIT[(a)(c)]	29,700	832,788
Stonegate Mortgage Corp.[(d)]	111,111	1,999,998
Two Harbors Investment Corp.[(a)(b)]	129,000	1,322,250
		17,055,512
Real Estate Management & Development 0.32%		
BHG S.A. - Brazil Hospitality Group[(d)]	138,714	981,600
Thrifts & Mortgage Finance 2.52%		
Nationstar Mortgage Holdings, Inc.[(a)(b)(d)]	89,600	3,354,624
Ocwen Financial Corp.[(a)(d)]	60,200	2,481,444
Oritani Financial Corp.[(a)]	114,300	1,792,224
		7,628,292
TOTAL FINANCIALS		91,270,356
Health Care 17.87%		
Aetna, Inc.[(a)(b)]	24,113	1,532,140
Akorn, Inc.[(a)(d)]	133,600	1,806,272
Allergan, Inc.[(a)]	17,400	1,465,776
Amarin Corp. PLC - ADR[(a)(b)(d)]	246,492	1,429,654
Boston Scientific Corp.[(a)(d)]	140,000	1,297,800
Catamaran Corp.[(a)(b)(d)]	24,700	1,203,384
Celgene Corp.[(a)(b)(d)]	19,900	2,326,509
Centene Corp.[(a)(b)(d)]	72,800	3,819,088
Cigna Corp.[(a)(b)]	22,600	1,638,274
Community Health Systems, Inc.[(a)]	63,241	2,964,738
Elan Corp. PLC - ADR[(a)(d)]	78,917	1,115,886
Express Scripts Holding Co.[(a)(d)]	24,100	1,486,729
Forest Laboratories, Inc.[(a)(d)]	17,812	730,292
Gilead Sciences, Inc.[(a)(b)(d)]	45,783	2,344,547
HCA Holdings, Inc.[(a)(b)]	75,715	2,730,283

	Shares	Value
Health Care (continued)		
Health Management Associates, Inc. - Class A[(a)(b)(d)]	68,800	$1,081,536
Health Net, Inc.[(a)(d)]	37,400	1,190,068
Jazz Pharmaceuticals PLC[(a)(d)]	33,731	2,318,332
LifePoint Hospitals, Inc.[(a)(b)(d)]	69,085	3,374,111
McKesson Corp.[(a)]	20,470	2,343,815
Medivation, Inc.[(a)(d)]	34,200	1,682,640
Merck & Co., Inc.[(a)(b)]	57,000	2,647,650
Pfizer, Inc.[(a)(b)]	183,100	5,128,631
Sinopharm Group Co., Ltd. - Class H	435,600	1,094,048
Tenet Healthcare Corp.[(a)(d)]	27,200	1,253,920
UnitedHealth Group, Inc.[(a)]	22,500	1,473,300
WellPoint, Inc.[(a)(b)]	30,500	2,496,120
		53,975,543
Industrials 12.24%		
Air China, Ltd. - Class H	3,344,671	2,406,285
Brenntag AG	8,762	1,330,963
Cia de Locacao das Americas[(c)]	337,400	1,536,283
Colfax Corp.[(a)(d)]	22,428	1,168,723
Covanta Holding Corp.[(a)]	106,700	2,136,134
Edwards Group, Ltd. - ADR[(a)(d)]	104,400	887,400
Honeywell International, Inc.[(a)(b)]	71,900	5,704,546
IHI Corp.	285,251	1,081,411
Keyence Corp.	1,850	590,366
LIXIL Group Corp.	6,615	161,207
Mitsubishi Heavy Industries Ltd.	125,000	694,444
Omron Corp.	19,445	578,762
Sensata Technologies Holding NV[(a)(b)(d)]	97,508	3,403,029
SMC Corp.	2,138	429,411
Sumitomo Corp.	71,215	888,213
TransDigm Group, Inc.[(a)(b)]	35,894	5,627,102
UTi Worldwide, Inc.[(a)]	53,400	879,498
WABCO Holdings, Inc.[(a)(b)(d)]	73,676	5,502,860
WESCO International, Inc.[(a)(d)]	28,900	1,964,044
		36,970,681
Information Technology 16.53%		
ACI Worldwide, Inc.[(a)(d)]	17,100	794,808
Cisco Systems, Inc.[(a)]	127,400	3,097,094
eBay, Inc.[(a)(b)(d)]	164,300	8,497,596
EMC Corp.[(a)]	38,188	902,001

	Shares	Value
Information Technology (continued)		
FleetCor Technologies, Inc.[(a)(d)]	13,328	$1,083,566
FLIR Systems, Inc.[(a)]	76,600	2,065,902
Google, Inc. - Class A[(a)(d)]	14,721	12,959,927
Jive Software, Inc.[(a)(d)]	72,152	1,311,002
Mellanox Technologies, Ltd.[(a)(b)(d)]	26,700	1,321,650
Micron Technology, Inc.[(a)(d)]	91,173	1,306,509
NXP Semiconductor NV[(a)(b)(d)]	66,308	2,054,222
ON Semiconductor Corp.[(a)(d)]	60,924	492,266
Oracle Corp.	48,800	1,499,136
SanDisk Corp.[(a)(d)]	25,185	1,538,803
Seagate Technology[(a)]	41,100	1,842,513
Taiyo Yuden Co. Ltd.	8,921	135,911
ViaSat, Inc.[(a)(b)(d)]	67,994	4,858,851
VMware, Inc. - Class A[(a)(d)]	21,500	1,440,285
Western Digital Corp.[(a)]	43,900	2,725,751
		49,927,793
Materials 3.01%		
Berry Plastics Group, Inc.[(a)(d)]	83,190	1,836,003
Graphic Packaging Holding Co.[(a)(d)]	249,287	1,929,482
Martin Marietta Materials, Inc.[(a)(b)]	22,365	2,201,163
WR Grace & Co.[(a)(b)(d)]	37,300	3,134,692
		9,101,340
Utilities 0.26%		
National Fuel Gas Co.[(a)]	13,901	805,563
TOTAL COMMON STOCKS (Cost $342,668,288)		375,798,814
PREFERRED STOCKS 0.42%		
Consumer Discretionary 0.42%		
The Goodyear Tire & Rubber Co., 5.875%[(a)]	26,000	1,280,760
TOTAL PREFERRED STOCKS (Cost $1,301,625)		1,280,760

Description and Maturity Date	Principal Amount	Value
CORPORATE BONDS 0.92%		
Apple, Inc. 05/04/2043, 3.850% [a]	$3,090,000	$2,759,540
TOTAL CORPORATE BONDS (Cost $3,026,122)		2,759,540
GOVERNMENT & AGENCY OBLIGATIONS 2.38%		
U.S. Treasury Bonds		
11/15/2028, 5.250% [a]	3,300,000	4,194,867
11/15/2041, 3.125% [a]	1,900,000	1,784,070
02/15/2042, 3.125% [a]	1,300,000	1,219,156
TOTAL GOVERNMENT & AGENCY OBLIGATIONS (Cost $7,727,311)		7,198,093
GOVERNMENT BOND 2.50%		
U.S. Treasury Bonds 08/15/2022, 7.250% [a]	5,350,000	7,549,770
TOTAL GOVERNMENT BOND (Cost $8,003,525)		7,549,770

	Shares/Principal Amount	Value
SHORT-TERM INVESTMENTS 13.29%		
Money Market Fund		
Dreyfus Treasury Prime Money Market Fund (0.000% 7-day yield)[e]	40,146,198	40,146,198
TOTAL SHORT-TERM INVESTMENTS (Cost $40,146,198)		40,146,198
Total Investments - 143.91% (Cost $402,873,069)		434,733,175
Liabilities in Excess of Other Assets - (43.91%)		(132,641,453)
NET ASSETS - 100.00%		$302,091,722

SCHEDULE OF SECURITIES

SOLD SHORT [d]	Shares	Value
COMMON STOCKS (28.79%)		
Consumer Discretionary (0.62%)		
JC Penney Co. Inc	(48,700)	(831,796)
Sears Holdings Corp.	(24,812)	(1,044,089)
		(1,875,885)

Energy (3.84%)		
Oil Leveraged Exploration & Production (1.94%)		
Canadian Natural Resources, Ltd.	(38,700)	$(1,093,662)
Petroleo Brasileiro S.A. - ADR	(354,036)	(4,751,163)
		(5,844,825)
Refiners (1.90%)		
Marathon Petroleum Corp.	(20,117)	(1,429,514)
Phillips 66	(25,000)	(1,472,750)
Tesoro Corp.	(25,995)	(1,360,058)
Valero Energy Corp.	(42,600)	(1,481,202)
		(5,743,524)
TOTAL ENERGY		(11,588,349)
Financials (5.63%)		
Capital Markets (1.44%)		
Deutsche Bank AG	(103,634)	(4,347,446)
Commercial Banks (4.19%)		
Banco Bradesco S.A. - ADR	(43,171)	(561,655)
Banco Santander S.A.	(253,900)	(1,620,048)
BNP Paribas S.A.	(29,806)	(1,628,494)
Credit Agricole S.A.	(174,070)	(1,496,088)
Intesa Sanpaolo SpA	(638,415)	(1,022,946)
Itau Unibanco Holding S.A. - ADR	(43,163)	(557,666)
Lloyds Banking Group PLC	(3,958,491)	(3,802,675)
Societe Generale S.A.	(32,905)	(1,130,727)
UniCredit SpA	(182,023)	(852,470)
		(12,672,769)
TOTAL FINANCIALS		(17,020,215)
Health Care (3.30%)		
Health Care Select Sector SPDR Fund	(28,500)	(1,356,885)
iShares Nasdaq Biotechnology Index Fund	(32,693)	(5,684,659)
Waters Corp.	(29,400)	(2,941,470)
		(9,983,014)
Industrials (4.59%)		
Atlas Copco AB - A Shares	(62,900)	(1,519,482)
Caterpillar, Inc.	(74,800)	(6,170,252)
Emerson Electric Co.	(48,400)	(2,639,736)
Sandvik AB	(227,648)	(2,722,502)
Siemens AG	(7,923)	(800,798)
		(13,852,770)
Information Technology (4.94%)		
Applied Materials, Inc.	(194,200)	(2,895,522)

F5 Networks, Inc.	(30,000)	(2,064,000)
Intel Corp.	(171,400)	(4,151,308)

Information Technology (continued)		
KLA-Tencor Corp.	(36,900)	$(2,056,437)
Lam Research Corp.	(52,000)	(2,305,680)
Texas Instruments, Inc.	(41,800)	(1,457,566)
		(14,930,513)
Materials (5.87%)		
Alcoa, Inc.	(318,552)	(2,491,077)
BHP Billiton Ltd.	(214,154)	(6,143,979)
BHP Billiton, Ltd. - ADR	(21,464)	(1,237,614)
Fortescue Metals Group, Ltd.	(309,586)	(860,724)
Freeport-McMoRan Copper & Gold, Inc.	(39,000)	(1,076,790)
United States Steel Corp.	(184,500)	(3,234,285)
Vale S.A. - ADR	(204,361)	(2,687,347)
		(17,731,816)
TOTAL COMMON STOCKS (Proceeds $90,559,632)		(86,982,562)
EXCHANGE TRADED FUNDS (14.29%)		
iShares MSCI Brazil Capped Index Fund	(55,993)	(2,455,853)
iShares® FTSE China 25 Index Fund	(246,869)	(8,028,180)
iShares® MSCI Emerging Markets Index Fund	(69,225)	(2,670,008)
iShares® Russell 2000® Index Fund	(49,000)	(4,760,840)
Market Vectors® Oil Service ETF	(29,808)	(1,275,186)
Powershares QQQ Trust Series 1	(72,909)	(5,191,850)
SPDR® S&P 500® ETF Trust	(81,750)	(13,080,818)
United States Natural Gas Fund LP	(76,515)	(1,449,959)
United States Oil Fund LP	(124,641)	(4,256,490)
TOTAL EXCHANGE TRADED FUNDS (Proceeds $43,191,199)		(43,169,184)
TOTAL SECURITIES SOLD SHORT (Proceeds $133,750,831)		$(130,151,746)

(a) Pledged security; a portion or all of the security is pledged as collateral for securities sold short or borrowings as of June 30, 2013. (See Note 1 and Note 6)
(b) Loaned security; a portion or all of the security is on loan at June 30, 2013.
(c) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. As of June 30, 2013, these securities had a total value of $14,017,656 or 4.64% of net assets.
(d) Non-income producing security.
(e) Less than 0.0005%.

Abbreviations:

1D FEDEF - Federal Funds Effective Rate (Daily)

AB - Aktiebolag is the Swedish equivalent of the term corporation

ADR - American Depositary Receipt

AG - Aktiengesellschaft is a German term that refers to a corporation that is limited by shares, i.e., owned by shareholders

Bps - Basis Points

CNY - Chinese Yuan Renminbi

CSI - China Securities Index Company Limited

CSOP - China Southern Asset Management

ETF - Exchange Traded Fund

FTSE - Financial Times and the London Stock Exchange

LP - Limited Partnership

Ltd. - Limited

MSCI - Morgan Stanley Capital International

NV - Naamloze Vennootschap (Dutch: Limited Liability Company)

PLC - Public Limited Liability

REIT - Real Estate Investment Trust

RQFII - Renminbi Qualified Foreign Institutional Investors

S.A. - Generally designates corporations in various countries, mostly those employing the civil law

SpA - Societa` Per Azioni is an Italian shared company

S&P - Standard & Poor s

SPDR - Standard & Poor s Depositary Receipt

TOTAL RETURN SWAP CONTRACTS

Counter Party	Reference Entry/Obligation	Notional Amount	Floating Rate Paid by the Fund	Floating Rate Index	Termination Date	Net Unrealized Loss
Morgan Stanley	Bharti Infratel, Ltd.	2,468,093	30 Bps + 1D FEDEF	1D FEDEF	12/30/2014	$ (895,087)
Morgan Stanley	Daqin Railway Co., Ltd.	2,685,658	55 Bps + 1D FEDEF	1D FEDEF	6/19/2014	(603,170)
		$ 5,153,751				$ (1,498,257)

INCOME TAX INFORMATION

Net unrealized appreciation/depreciation of investments based on federal tax costs were as follows:

		As of June 30, 2013
Gross appreciation (excess of value over tax cost)	$	39,349,247
Gross depreciation (excess of tax cost over value)		(9,511,843)
Net unrealized appreciation	$	29,837,404
Cost of investments for income tax purposes	$	404,895,771

See Notes to Quarterly Statement of Investments.

CLOUGH GLOBAL EQUITY FUND

NOTES TO QUARTERLY STATEMENT OF INVESTMENTS

JUNE 30, 2013 (UNAUDITED)

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING AND OPERATING POLICIES

Clough Global Equity Fund (the Fund) is a closed-end management investment company that was organized under the laws of the state of Delaware by an Amended Agreement and Declaration of Trust dated January 25, 2005. The Fund is a non-diversified series with an investment objective to provide a high level of total return. Each Declaration of Trust provides that the Trustees may authorize separate classes of shares of beneficial interest.

The net asset value per share of the Fund is determined no less frequently than daily, on each day that the New York Stock Exchange (the Exchange) is open for trading, as of the close of regular trading on the Exchange (normally 4:00 p.m. New York time). Trading may take place in foreign issues held by the Fund at times when the Fund is not open for business. As a result, the Fund s net asset value may change at times when it is not possible to purchase or sell shares of the Fund.

Investment Valuation: Securities held by the Fund for which exchange quotations are readily available are valued at the last sale price, or if no sale price or if traded on the over-the-counter market, at the mean of the bid and asked prices on such day. Most securities listed on a foreign exchange are valued at the last sale price at the close of the exchange on which the security is primarily traded. In certain countries market maker prices are used since they are the most representative of the daily trading activity. Market maker prices are usually the mean between the bid and ask prices. Certain markets are not closed at the time that the Fund prices its portfolio securities. In these situations, snapshot prices are provided by the individual pricing services or other alternate sources at the close of the NYSE as appropriate. Securities not traded on a particular day are valued at the mean between the last reported bid and the asked quotes, or the last sale price when appropriate; otherwise fair value will be determined by the board-appointed fair valuation committee. Debt securities for which the over-the-counter market is the primary market are normally valued on the basis of prices furnished by one or more pricing services or dealers at the mean between the latest available bid and asked prices. As authorized by the Trustees, debt securities (other than short-term obligations) may be valued on the basis of valuations furnished by a pricing service which determines valuations based upon market transactions for normal, institutional-size trading units of securities or a matrix method which considers yield or price of comparable bonds provided by a pricing service. Short-term obligations maturing within 60 days are valued at amortized cost, which approximates value, unless the Trustees determine that under particular circumstances such method does not result in fair value. Over-the-counter options are valued at the mean between bid and asked prices provided by dealers. Financial futures contracts listed on commodity exchanges and exchange-traded options are valued at closing settlement prices. Total return swaps are priced based on valuations provided by a board approved independent third party pricing agent. If a total return swap price cannot be obtained from an independent third party pricing agent the Fund shall seek to obtain a bid price from at least one independent and/or executing broker.

If the price of a security is unavailable in accordance with the aforementioned pricing procedures, or the price of a security is unreliable, e.g., due to the occurrence of a significant event, the security may be valued at its fair value determined by management pursuant to procedures adopted by the Board of Trustees. For this purpose, fair value is the price that the Fund reasonably expects to receive on a current sale of the security. Due to the number of variables affecting the price of a security, however; it is possible that the fair value of a security may not accurately reflect the price that a Fund could actually receive on a sale of the security.

A three-tier hierarchy has been established to classify fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability that are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity s own assumptions about the assumptions market participants would use in pricing the asset or liability that are developed based on the best information available.

Various inputs are used in determining the value of the Fund s investments as of the reporting period end. These inputs are categorized in the following hierarchy under applicable financial accounting standards:

Level 1 Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Fund has the ability to access at the measurement date;

Level 2 Quoted prices which are not active, quoted prices for similar assets or liabilities in active markets or inputs other than quoted prices that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and

Level 3 Significant unobservable prices or inputs (including the Fund s own assumptions in determining the fair value of investments) where there is little or no market activity for the asset or liability at the measurement date.

The following is a summary of the inputs used as of June 30,2013 in valuing the Fund s investments carried at value. The Fund recognizes transfers between the levels as of the beginning of the annual period in which the transfer occurred. There were no transfers between Levels 1 and 2 during the period ended June 30, 2013:

Clough Global Equity Fund

Investments in Securities at Value*	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Common Stocks				
Consumer Discretionary	$ 90,529,794	$	$	$ 90,529,794
Consumer Staples	7,825,493			7,825,493
Energy	33,586,853			33,586,853
Energy Infrastructure & Capital Equipment	1,805,398			1,805,398
Financials	85,589,558	5,680,798		91,270,356
Health Care	53,975,543			53,975,543
Industrials	36,970,681			36,970,681
Information Technology	49,927,793			49,927,793
Materials	9,101,340			9,101,340
Utilities	805,563			805,563
Preferred Stocks	1,280,760			1,280,760
Corporate Bonds		2,759,540		2,759,540
Government & Agency Obligations	7,198,093			7,198,093
Government Bond	7,549,770			7,549,770
Short-Term Investments	40,146,198			40,146,198
TOTAL	$ 426,292,837	$ 8,440,338	$	$ 434,733,175

Other Financial Instruments				
Liabilities				
Securities Sold Short	$ (130,151,746)	$	$	$ (130,151,746)
Total Return Swap Contracts		(1,498,257)		(1,498,257)
TOTAL	$ (130,151,746)	$ (1,498,257)	$	$ (131,650,003)

**For detailed industry descriptions, see the accompanying Statement of Investments.*

***Swap contracts are reported at their unrealized appreciation/(depreciation) at measurement date, which represents the change in the contract s value from trade date.*

In the event a board approved independent pricing service is unable to provide an evaluated price for a security or Clough Capital Partners L.P. (the advisor) believes the price provided is not reliable, securities of the Fund may be valued at fair value as described above. In these instances the advisor may seek to find an alternative independent source, such as a broker/dealer to provide a price quote, or by using evaluated pricing models similar to the techniques and models used by the independent pricing service. These fair value measurement techniques may utilize unobservable inputs (Level 3).

On a monthly basis, the Fair Value Committee of the Fund meets and discusses securities that have been fair valued during the preceding month in accordance with the Fund s Fair Value Procedures and reports quarterly to the Board of Trustees on the results of those meetings.

Foreign Securities: The Fund may invest a portion of its assets in foreign securities. In the event that the Fund executes a foreign security transaction, the Fund will generally enter into a forward foreign currency contract to settle the foreign security transaction. Foreign securities may carry more risk than U.S. securities, such as political, market and currency risks.

The accounting records of the Fund are maintained in U.S. dollars. Prices of securities denominated in foreign currencies are translated into U.S. dollars at the closing rates of exchange at period end. Amounts related to the purchase and sale of foreign securities and investment income are translated at the rates of exchange prevailing on the respective dates of such transactions.

A foreign currency contract is a commitment to purchase or sell a foreign currency at a future date, at a negotiated rate. The Fund may enter into foreign currency contracts to settle specific purchases or sales of securities denominated in a foreign currency and for protection from adverse exchange rate fluctuation. Risks to the Fund include the potential inability of the counterparty to meet the terms of the contract.

The net U.S. dollar value of foreign currency underlying all contractual commitments held by the Fund and the resulting unrealized appreciation or depreciation are determined using prevailing forward foreign currency exchange rates. These spot contracts are used by the broker to settle investments denominated in foreign currencies.

Short Sales: The Fund may sell a security it does not own in anticipation of a decline in the fair value of that security. When the Fund sells a security short, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale. A gain, limited to the price at which the Fund sold the security short, or a loss, unlimited in size, will be recognized upon the termination of the short sale.

The Fund may also sell a security short if it owns at least an equal amount of the security sold short or another security convertible or exchangeable for an equal amount of the security sold short without payment of further compensation (a short sale against-the-box). In a short sale against-the-box, the short seller is exposed to the risk of being forced to deliver stock that it holds to close the position if the borrowed stock is called in by the lender, which would cause gain or loss to be recognized on the delivered stock. The Fund expects normally to close its short sales against-the-box by delivering newly acquired stock.

Derivatives Instruments and Hedging Activities: The following discloses the Fund s use of derivative instruments and hedging activities.

The Fund s investment objectives not only permit the Fund to purchase investment securities, they also allow the Fund to enter into various types of derivative contracts, including, but not limited to, purchased and written options, swaps, and warrants. In doing so, the Fund will employ strategies in differing combinations to permit it to increase, decrease, or change the level or types of exposure to market factors. Central to those strategies are features inherent to derivatives that make them more attractive for this purpose than equity securities; they require little or no initial cash investment, they can focus exposure on only certain selected risk factors, and they may not require the ultimate receipt or delivery of the underlying security (or securities) to the contract. This may allow the Fund to pursue its objective more quickly and efficiently than if it was to make direct purchases or sales of securities capable of effecting a similar response to market factors.

Market Risk Factors: In pursuit of its investment objective, the Fund may seek to use derivatives to increase or decrease its exposure to the following market risk factors:

Equity Risk: Equity risk relates to the change in value of equity securities as they relate to increases or decreases in the general market.

Risk of Investing in Derivatives: The Fund s use of derivatives can result in losses due to unanticipated changes in the market risk factors and the overall market. In instances where the Fund is using derivatives to decrease or hedge exposures to market risk factors for securities held by the Fund, there are also risks that those derivatives may not perform as expected, resulting in losses for the combined or hedged positions.

Derivatives may have little or no initial cash investment relative to their market value exposure and therefore can produce significant gains or losses in excess of their cost. This use of embedded leverage allows the Fund to increase its market value exposure relative to its net assets and can substantially increase the volatility of the Fund s performance.

Additional associated risks from investing in derivatives also exist and potentially could have significant effects on the valuation of the derivative and the Fund. Typically, the associated risks are not the risks that the Fund is attempting to increase or decrease exposure to, per its investment objective, but are the additional risks from investing in derivatives.

Examples of these associated risks are liquidity risk, which is the risk that the Fund will not be able to sell the derivative in the open market in a timely manner, and counterparty credit risk, which is the risk that the counterparty will not fulfill its obligation to the Fund. Associated risks can be different for each type of derivative and are discussed by each derivative type in the notes that follow.

The Fund may acquire put and call options and options on stock indices and enter into stock index futures contracts, certain credit derivatives transactions and short sales in connection with its equity investments. In connection with the Fund s investments in debt securities, it may enter into related derivatives transactions such as interest rate futures, swaps and options thereon and certain credit derivatives transactions. Derivatives transactions of the types described above subject the Fund to increased risk of principal loss due to imperfect correlation or unexpected price or interest rate movements. The Fund also will be subject to credit risk with respect to the counterparties to the derivatives contracts purchased by a Fund. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivatives contract due to financial difficulties, the Fund may experience significant delays in obtaining any recovery under the derivatives contract in a bankruptcy or other reorganization proceeding. The Fund may obtain only a limited recovery or may obtain no recovery in such circumstances.

Option Writing/Purchasing: The Fund may purchase or write (sell) put and call options. One of the risks associated with purchasing an option among others, is that the Fund pays a premium whether or not the option is exercised. Additionally, the Fund bears the risk of loss of premium and change in market value should the counterparty not perform under the contract. The cost of securities acquired through the exercise of call options is increased by premiums paid. The proceeds from securities sold through the exercise of put options are decreased by the premiums paid. The Fund is obligated to pay interest to the broker for any debit balance of the margin account relating to options.

When the Fund writes an option, an amount equal to the premium received by the Fund is recorded as a liability and is subsequently adjusted to the current value of the option written. Premiums received from writing options that expire unexercised are treated by the Fund on the expiration date as realized gains. The difference between the premium received and the amount paid on effecting a closing purchase transaction, including brokerage commissions, is recorded as a realized gain or loss. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security or currency in determining whether the Fund has realized a gain or loss. If a put option is exercised, the premium reduces the cost basis of the securities purchased by the Fund. The Fund, as writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option. There was no written option activity during the three month period ended June 30, 2013.

Swaps: During the period the Fund engaged in total return swaps. A swap is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset. The Fund may utilize swap agreements as a means to gain exposure to certain assets and/or to hedge or protect the Fund from adverse movements in securities prices or interest rates. The Fund is subject to equity risk and interest rate risk in the normal course of pursuing its investment objective through investments in swap contracts. Swap agreements entail the risk that a party will default on its payment obligation to the Fund. If the other party to a swap defaults, the Fund would risk the loss of the net amount of the payments that it contractually is entitled to receive. If the Fund utilizes a swap at the wrong time or judges market conditions incorrectly, the swap may result in a loss to the Fund and reduce the Fund s total return. Swap agreements traditionally were privately negotiated and entered into in the over-the-counter market. However, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) of 2010 now permits certain swap agreements to be cleared through a clearinghouse and traded on an exchange or swap execution facility. New regulations under the Dodd-Frank Act could, among other things, increase the cost of such transactions.

Total return swaps involve an exchange by two parties in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains over the payment period. The Fund s maximum risk of loss from counterparty risk or credit risk is the discounted value of the payments to be received from/paid to the counterparty over the contract s remaining life, to the extent that the amount is positive. The risk is mitigated by having a netting arrangement between the Fund and the counterparty and by the posting of collateral to the Fund to cover the Fund s exposure to the counterparty.

International Swaps and Derivatives Association, Inc. Master Agreements (ISDA Master Agreements) govern OTC financial derivative transactions entered into by a Fund and those counterparties. The ISDA Master Agreements maintain provisions for general obligations, representations, agreements, collateral and events of default or termination. Events of termination include conditions that may entitle counterparties to elect to terminate early and cause settlement of all outstanding transactions under the applicable ISDA Master Agreement. Any election to early terminate could be material to the financial statements.

During the three month period ended June 30, 2013, the Fund invested in swap agreements consistent with the Fund s investment strategies to gain exposure to certain markets or indices.

Warrants: The Fund may purchase or otherwise receive warrants or rights. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a set price. Funds typically use warrants and rights in a manner similar to their use of purchased options on securities, as described in options above. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of purchased options. However, warrants and rights often do not have standardized terms, and may have longer maturities and may be less liquid than exchange-traded options. In addition, the terms of warrants or rights may limit the Fund s ability to exercise the warrants or rights at such times and in such quantities as the Fund would otherwise wish. The Fund held no rights or warrants at the end of the period.

Item 2 - Controls and Procedures.

(a) The Registrant s Principal Executive Officer and Principal Financial Officer have evaluated the Registrant s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) within 90 days of this filing and have concluded that the Registrant s disclosure controls and procedures were effective, as of that date.

(b) There was no change in the Registrant s internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) during Registrant s last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant s internal control over financial reporting.

Item 3 Exhibits.

Separate certifications for the Registrant s Principal Executive Officer and Principal Financial Officer, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and Rule 30a-2(a) under the Investment Company Act of 1940, are attached as Ex-99.CERT.

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.

CLOUGH GLOBAL EQUITY FUND

By: /s/ Edmund J. Burke
Edmund J. Burke
President (principal executive officer)

Date: August 27, 2013

Pursuant to the requirements of the Securities 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/ Edmund J. Burke
Edmund J. Burke
President (principal executive officer)

Date: August 27, 2013

By: /s/ Jeremy O. May
Jeremy O. May
Treasurer (principal financial officer)

Date: August 27, 2013

s:

Investments in securities, at value (Cost $279,590,362)
$ 291,081,136
Cash
82,963
Receivable for:

Interest
4,042,165
Other assets
30,231
Total assets
295,236,495
Liabilities:

Floating rate note and dealer trusts obligations	39,890,000	
Payable for:		
Investments purchased	571,912	
Accrued fees to affiliates	751	
Accrued other operating expenses	184,793	
Trustee deferred compensation and retirement plans	59,458	
Total liabilities	40,706,914	
Preferred shares	55,000,000	
Net assets applicable to common shares	$ 199,529,581	
Net assets consist of:		
Shares of beneficial interest	$ 198,889,914	
Undistributed net investment income	3,395,057	
Undistributed net realized gain (loss)	(14,246,164)	
Unrealized appreciation	11,490,774	$ 199,529,581
Shares outstanding, $0.01 par value per common share:		
Common shares outstanding	13,454,169	
Net asset value per common share	$ 14.83	
Market value per common share	$ 14.31	
Market price premium (discount) to net asset value per share	(3.51)%	

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

Statement of Operations

For the year ended October 31, 2010

Investment income:	
Interest Income	$ 14,063,308
Expenses:	
Advisory fees	777,393
Administrative services fees	153,435
Custodian fees	9,018
Transfer agent fees	8,825
Trustees and officers fees and benefits	29,254
Professional fees	166,947
Preferred share maintenance fees	135,915
Interest expense	268,438
Other	94,489
Total expenses	1,643,714
Less: Fees waived	(1,987)
Net expenses	1,641,727
Net investment income	12,421,581
Realized and unrealized gain (loss) from:	
Net realized gain (loss) from: Investment securities	(1,035,797)
Futures contracts	469,418
	(566,379)

Change in net unrealized appreciation (depreciation) of:	
Investment securities	11,533,224
Futures contracts	(324,970)
	11,208,254
Net realized and unrealized gain	10,641,875
Distributions to preferred shareholders from net investment income	(221,268)
Net increase in net assets resulting from operations applicable to common shares	$ 22,842,188

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

Statements of Changes in Net Assets

For the years ended October 31, 2010 and 2009

	For the year ended October 31, 2010	For the year ended October 31, 2009
Operations:		
Net investment income	$ 12,421,581	$ 12,719,068
Net realized gain (loss)	(566,379)	(11,418,077)
Net change in unrealized appreciation (depreciation)	11,208,254	31,138,157
Distributions to preferred shareholders from net investment income	(221,268)	(598,588)
Net increase	22,842,188	31,840,560
Distributions to common shareholders from net investment income	(11,301,500)	(10,275,622)
Net increase in net assets	11,540,688	21,564,938
Net assets:		
Beginning of year	187,988,893	166,423,955
End of year (Including accumulated undistributed net investment income of $3,395,057 and $2,500,748, respectively)	$ 199,529,581	$ 187,988,893

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

Statement of Cash Flows

For the year ended October 31, 2010

Cash provided by operating activities	
Net increase in net assets from operations (including preferred shares distributions)	$ 22,842,188
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:	
Net realized gain (loss) on investment securities	1,035,797
Unrealized appreciation on investment securities	(11,533,224)
Amortization of premiums and accretion of discounts on investment securities	(834,331)
Purchases of investments	(30,064,661)
Proceeds from disposition of investments	29,303,697
Net sale of short-term investments	286,437
Increase in interest receivables and other assets	(11,458)
Increase in accrued expenses and other payables	17,018
Net cash provided by operating activities	11,041,463
Cash provided by financing activities:	
Dividends and distributions paid to common shareholders	(11,301,500)
Net proceeds from and repayments of floating rate note and dealer trusts obligations	343,000
Net cash provided by financing activities	(10,958,500)
Net increase in cash and cash equivalents	82,963
Cash and cash equivalents at beginning of period	
Cash and cash equivalents at end of period	$ 82,963

Supplemental disclosure of cash flow information:

Cash paid during the period for interest	$	268,438

Notes to Financial Statements

October 31, 2010

NOTE 1 Significant Accounting Policies

Invesco Quality Municipal Securities (the Trust), is a Massachusetts business trust registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a diversified, closed-end management investment company. Effective June 1, 2010, the Trust s name changed from Morgan Stanley Quality Municipal Securities to Invesco Quality Municipal Securities.

The Trust s investment objective is to provide current income which is exempt from federal income tax.

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

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

Securities are fair valued using an evaluated quote provided by an independent pricing service approved by the Board of Trustees. 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, yield, quality, coupon rate, maturity, type of issue, 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. Securities with a demand feature exercisable within one to seven days are valued at par. 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 principal payments.

Securities for which market quotations either are not readily available or are unreliable are valued at fair value as determined in good faith by or under the supervision of the Trust s officers following procedures approved by the Board of Trustees. Some of the factors which may be considered in determining fair value are fundamental analytical data relating to the investment; the nature and duration of any restrictions on transferability or disposition; trading in similar securities by the same issuer or comparable companies; relevant political, economic or issuer specific news; and other relevant factors under the circumstances.

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. 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 Trust may periodically participate in litigation related to Trust investments. As such, the Trust 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 Trust s net asset value and, accordingly, they reduce the Trust 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 Trust 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 Distribution to common shareholders from income are declared and paid monthly. Distribution of net realized capital gain, if any are generally paid annually and recorded on ex-dividend date.

E. Federal Income Taxes The Trust 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 Trust s taxable earnings to shareholders. As such, the Trust 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 Trust files tax returns in the U.S. Federal jurisdiction and certain other jurisdictions. Generally the Trust 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 Trust 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. Indemnifications Under the Trust s organizational documents, each Trustee, officer, employee or other agent of the Trust is indemnified against certain liabilities that may arise out of performance of their duties to the Trust. Additionally, in the normal course of business, the Trust enters into contracts, including the Trust s servicing agreements that contain a variety of indemnification clauses. The Trust s maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Trust that have not yet occurred. The risk of material loss as a result of such indemnification claims is considered remote.

H. Inverse Floating Rate Obligations The Trust may invest in inverse floating rate securities, such as Residual Interest Bonds (RIBs) or Tender Option Bonds (TOBs) for investment purposes and to enhance the yield of the Trust. Inverse floating rate investments tend to underperform the market for fixed rate bonds in a rising interest rate environment, but tend to outperform the market for fixed rate bonds when interest rates decline or remain relatively stable. Such transactions may be purchased in the secondary market without first owning the underlying bond or by the sale of fixed rate bonds by the Trust to Special Purpose Trusts established by a broker dealer (Dealer Trusts) in exchange for cash and residual interests in the Dealer Trusts assets and cash flows, which are in the form of inverse floating rate obligations. The Dealer Trusts finance the purchases of the fixed rate bonds by issuing floating rate notes to third parties and allowing the Trust to retain residual interest in the bonds. The floating rate notes issued by the Dealer Trusts have interest rates that reset weekly and the floating rate note holders have the option to tender their notes to the Dealer Trusts for redemption at par at each reset date. The residual interests held by the Trust (inverse floating rate investments) include the right of the Trust (1) to cause the holders of the floating rate notes to tender their notes at par at the next interest rate reset date, and (2) to transfer the municipal bond from the Dealer Trusts to the Trust, thereby collapsing the Dealer Trusts.

TOBs are presently classified as private placement securities. Private placement securities are subject to restrictions on resale because they have not been registered under the Securities Act of 1933, as amended or are otherwise not readily marketable. As a result of the absence of a public trading market for these securities, they may be less liquid than publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized from these sales could be less than those originally paid by the Trust or less than what may be considered the fair value of such securities.

The Trust accounts for the transfer of bonds to the Dealer Trusts as secured borrowings, with the securities transferred remaining in the Trust s investment assets, and the related floating rate notes reflected as Trust liabilities under the caption *Floating rate note and dealer trust obligations* on the Statement of Assets and Liabilities. The Trust records the interest income from the fixed rate bonds under the caption *Interest* and records the expenses related to floating rate obligations and any administrative expenses of the Dealer Trusts under the caption *Interest expense* on the Statement of Operations.

The Trust generally invest in inverse floating rate obligations that include embedded leverage, thus exposing the Trust to greater risks and increased costs. The primary risks associated with inverse floating rate obligations are varying degrees of liquidity and the changes in the value of such securities in response to changes in market rates of interest to a greater extent than the value of an equal principal amount of a fixed rate security having similar credit quality, redemption provisions and maturity which may cause the Trust s net asset value to be more volatile than if it had not invested in inverse floating rate investments. In certain instances, the short-term floating rate interests created by the special purpose trust may not be able to be sold to third parties or, in the case of holders tendering (or putting) such interests for repayment of principal, may not be able to be remarketed to third parties. In such cases, the special purpose trust holding the long-term fixed rate bonds may be collapsed. In the case of RIBs or TOBs created by the contribution of long-term fixed income bonds by the Trust, the Trust will then be required to repay the principal amount of the tendered securities. During times of market volatility, illiquidity or uncertainty, the Trust could be required to sell other portfolio holdings at a disadvantageous time to raise cash to meet that obligation.

I. Futures Contracts The Trust 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 Trust 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 Trust recognizes a realized gain or loss equal to the difference between the proceeds from, or cost of, the closing transaction and the Trust 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 Trust were unable to liquidate a futures contract and/or enter into an offsetting closing transaction, the Trust 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.

NOTE 2 Advisory Fees and Other Fees Paid to Affiliates

Effective June 1, 2010, the Trust 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 Trust pays an advisory fee to the Adviser based on the annual rate 0.27% of the Trust s average weekly net assets including current preferred shares and a portion of floating rate and dealer trust obligations that the Trust entered into to retire outstanding preferred shares of the Trust. Prior June 1, 2010, the Trust paid an advisory fee of $447,090 to Morgan Stanley Investment Advisors Inc. (MSIA) based on the annual rate and Trust s average weekly net assets as discussed above.

Effective June 1, 2010, 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 Trust, 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 Trust based on the percentage of assets allocated to such Sub-Adviser(s).

Effective June 1, 2010, 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 Trust s expenses (excluding certain items discussed below) to 0.66%. 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 Trust 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 Trust 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. The Adviser did not waive fees and/or reimburse expenses during the period under this expense limitation.

Prior June 1, 2010, investment advisory fees paid by the Fund were reduced by an amount equal to the advisory and administrative service fees paid by Morgan Stanley Institutional Liquidity Funds Tax Exempt Portfolio Institutional Class shares.

For the year ended October 31, 2010, the Adviser and MSIA waived advisory fees of $1,854 and $133, respectively.

The Trust has entered into a master administrative services agreement with Invesco pursuant to which the Trust has agreed to pay Invesco for certain administrative costs incurred in providing accounting services to the Trust. Prior to June 1, 2010, the Trust paid an administration fee of $132,476 to Morgan Stanley Services Company, Inc. For the year ended October 31, 2010, expenses incurred under these agreements are shown in the Statement of Operations as administrative services fees. 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 Trust.

Certain officers and trustees of the Trust are officers and directors of Invesco, IIS and/or IDI.

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 Trust 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 October 31, 2010. 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.

	Level 1	**Level 2**	**Level 3**	**Total**
Municipal Obligations		$ 291,081,136	$	$ 291,081,136

NOTE 4 Derivative Investments

The Trust 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.

Effect of Derivative Instruments for the year ended October 31, 2010

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

	Location of Gain (Loss) on Statement of Operations Futures*
Realized Gain	
Interest rate risk	$ 469,418
Change in Unrealized Appreciation (Depreciation)	
Interest rate risk	(324,970)

Total	$ 144,448

* The average value of futures outstanding during the period was $943,952.

NOTE 5 Trustees and Officers Fees and Benefits

Trustees and Officers Fees and Benefits include amounts accrued by the Trust to pay remuneration to certain Trustees and Officers of the Trust. Trustees have the option to defer compensation payable by the Trust, and Trustees and Officers Fees and Benefits also include amounts accrued by the Trust to fund such deferred compensation amounts. Those Trustees who defer compensation have the option to select various Invesco Funds in which their deferral accounts shall be deemed to be invested. Finally, certain current Trustees are eligible to participate in a retirement plan that provides for benefits to be paid upon retirement to Trustees over a period of time based on the number of years of service. The Trust may have certain former Trustees who also participate in a retirement plan and receive benefits under such plan. Trustees and Officers Fees and Benefits include amounts accrued by the Trust to fund such retirement benefits. Obligations under the deferred compensation and retirement plans represent unsecured claims against the general assets of the Trust.

For the period June 1, 2010 to October 31, 2010, the Trust paid legal fees of $72 for services rendered by Kramer, Levin, Naftalis & Frankel LLP as counsel to the Independent Trustees.

NOTE 6 Cash Balances and Borrowings

The Trust is permitted to temporarily carry a negative or overdrawn balance in its account with The State Street Bank and Trust Company, the custodian bank. To compensate the custodian bank for such overdrafts, the overdrawn Trust 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.

Inverse floating rate note obligations resulting from the transfer of bonds to Dealer Trusts are accounted for as secured borrowings. The average floating rate notes outstanding and average annual interest and fees related to inverse floating rate note obligations during the period ending October 31, 2010 were $39,547,000 and 0.68%, respectively.

NOTE 7 Distributions to Shareholders and Tax Components of Net Assets

Tax Character of Distributions to Shareholders Paid During the Years Ended October 31, 2010 and 2009:

	2010	**2009**
Tax-exempt income	$ 11,518,176	$ 10,874,210
Ordinary income	4,592	
Total distributions	$ 11,522,768	$ 10,874,210

Tax Components of Net Assets at Period-End:

	2010
Undistributed ordinary income	$ 3,203,286
Net unrealized appreciation investmnts	11,800,733
Temporary book/tax differences	(59,490)
Capital loss carryforward	(14,304,862)
Shares of beneficial interest common shares	198,889,914
Total net assets	$ 199,529,581

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 Trust s net unrealized appreciation difference is attributable primarily to TOBs and bond amortization/accretion.

The temporary book/tax differences are a result of timing differences between book and tax recognition of income and/or expenses. The Trust s temporary book/tax differences are the result of the trustee deferral of compensation and retirement plan benefits.

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 Trust 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.

Expiration	**Capital Loss Carryforward***
October 31, 2015	$ 249,765

October 31, 2016	1,475,005
October 31, 2017	11,693,456
October 31, 2018	886,636
Total capital loss carryforward	$ 14,304,862

* 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 Trust during the year ended October 31, 2010 was $28,383,721 and $27,313,355, 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	$ 18,272,438
Aggregate unrealized (depreciation) of investment securities	(6,471,705)
Net unrealized appreciation of investment securities	$ 11,800,733

Cost of investments for tax purposes is $279,280,403.

NOTE 9 Reclassification of Permanent Differences

Primarily as a result of differing book/tax treatment of bond amortization/accretion on October 31, 2010, undistributed net investment income (loss) was decreased by $4,504, undistributed net realized gain (loss) was increased by $4,712 and shares of beneficial interest decreased by $208. This reclassification had no effect on the net assets of the Trust.

NOTE 10 Preferred Shares of Beneficial Interest

The Trust is authorized to issue up to 1,000,000 non-participating preferred shares of beneficial interest having a par value of $.01 per share, in one or more series, with rights as determined by the Trustees, without approval of the common shareholders. The Trust has issued Series 1 through 5 Auction Rate Preferred Shares (preferred shares) which have a liquidation value of $50,000 per share plus the redemption premium, if any, plus accumulated but unpaid dividends, whether or not declared, thereon to the date of distribution. The Trust may redeem such shares, in whole or in part, at the original purchase price of $50,000 per share plus accumulated but unpaid dividends, whether or not declared, thereon to the date of redemption.

Historically, the Trust paid annual fees equivalent to 0.25% of the preferred share liquidation value for the remarketing efforts associated with the preferred auction. Effective March 31, 2009, the Trust decreased this amount to 0.15% due to auction failures. In the future, if auctions no longer fail, the Trust may return to an annual fee payment of 0.25% of the preferred share liquidation value. These fees are included as a component of Preferred Share Maintenance expense on the Statement of Operations.

Dividends, which are cumulative, are reset through auction procedures.

Series	Shares	Amount (000 s omitted)	Rate	Reset Date	Range of Dividend Rates	
1	193	$ 9,650	0.442%	11/2/2010	0.244%	0.503%
2	170	8,500	0.442	11/3/2010	0.259	0.503
3	170	8,500	0.426	11/4/2010	0.259	0.503
4	340	17,000	0.442	11/2/2010	0.244	0.503
5	227	11,350	0.442	11/2/2010	0.244	0.503

As of October 31, 2010.

For the year ended October 31, 2010.

Subsequent to October 31, 2010 and up through December 2, 2010, the Trust paid dividends to each of the Series 1 through 5 at rates ranging from 0.381% to 0.442% in the aggregate amount of $22,028.

The Trust is subject to certain restrictions relating to the preferred shares. Failure to comply with these restrictions could preclude the Trust from declaring any distributions to common shareholders or purchasing common shares and/or could trigger the mandatory redemption of preferred shares at liquidation value.

Beginning mid-February 2008 and continuing through October 31, 2010, all series of preferred shares of the Trust were not successfully remarketed. As a result, the dividend rates of these preferred shares were reset to the maximum applicable rate.

The preferred shares, which are entitled to one vote per share, generally vote with the common shares but vote separately as a class to elect two Trustees and on any matters affecting the rights of the preferred shares.

The preferred shares are not listed on an exchange. Investors in preferred shares may participate in auctions through authorized broker-dealers; however, such broker-dealers are not required to maintain a secondary market in preferred shares, and there can be no assurance that a secondary market will develop, or if it does develop, a secondary market may not provide you with liquidity. When a preferred share auction fails, investors may not be able to sell any or all of their preferred shares and because of the nature of the market for preferred shares, investors may receive less than the price paid for their preferred shares if sold outside of the auction.

The Trust entered into additional floating rate note and dealer trusts obligations as an alternative form of leverage in order to redeem and to retire a portion of its preferred shares. Transactions in preferred shares were as follows:

	Shares	Value
Outstanding at October 31, 2008	1,449	$ 72,450,000
Shares retired	(349)	(17,450,000)

Outstanding at October 31, 2009	1,100	55,000,000
Shares retired		
Outstanding at October 31, 2010	1,100	$ 55,000,000

NOTE 11 Common Shares of Beneficial Interest

Transactions in shares of beneficial interest were as follows:

	Shares	Par Value of Shares	Capital Paid In Excess of Par Value
Balance, October 31, 2008	13,454,169	$ 134,542	$ 198,754,183
Shares Repurchased			
Reclassification due to permanent book/tax differences			1,397
Balance, October 31, 2009	13,454,169	134,542	198,755,580
Shares Repurchased			
Reclassification due to permanent book/tax differences			(208)
Balance, October 31, 2010	13,454,169	$ 134,542	$ 198,755,372

The Trustees have approved share repurchases whereby the Trust may, when appropriate, purchase shares in the open market or in privately negotiated transactions at a price not above market value or net asset value, whichever is lower at the time of purchase.

NOTE 12 Dividends

The Trust declared the following dividends from net investment income subsequent to October 31, 2010:

Declaration Date	Amount per Share	Record Date	Payable Date
November 09, 2010	0.07	November 19, 2010	November 26, 2010

NOTE 13 Financial Highlights

The following schedule presents financial highlights for a share of the Trust outstanding throughout the periods indicated.

	For the year ended October 31, 2010	2009	2008	2007	2006
Selected per share data:					
Net asset value, beginning of period	$ 13.97	$ 12.37	$ 15.27	$ 16.04	$ 15.86
Income (loss) from investment operations:					
Net investment income[(a)]	0.92	0.95	0.96	0.97	0.95
Net realized and unrealized gain (loss)	0.80	1.45	(2.91)	(0.71)	0.43
Common share equivalent of dividends paid to preferred shareholders[(a)]	(0.02)	(0.04)	(0.25)	(0.26)	(0.22)
Total income (loss) from investment operations	1.70	2.36	(2.20)		1.16
Less dividends and distributions from:					
Net investment income	(0.84)	(0.76)	(0.72)	(0.72)	(0.80)
Net realized gain				(0.08)	(0.23)
Total dividends and distributions	(0.84)	(0.76)	(0.72)	(0.80)	(1.03)
Anti-dilutive effect of shares repurchased[(a)]			0.02	0.03	0.05
Net asset value, end of period	$ 14.83	$ 13.97	$ 12.37	$ 15.27	$ 16.04
Market value, end of period	$ 14.31	$ 12.80	$ 10.55	$ 13.63	$ 14.70
Total return[(b)]	12.81%	29.60%	(18.14)%	(2.04)%	12.11%

Total return at market value(b)	18.81%				
Ratios to average net assets of common shareholders:					
Total expenses with fee waivers and/or expense reimbursements	0.85%(c)	0.99%(d)	1.23%(d)	1.28%(d)	0.93%
Total expenses without fee waivers and/or expense reimbursements	0.85%(c)	0.99%(d)	1.23%(d)	1.28%(d)	0.93%
Total expenses with fee waivers and/or expense reimbursements, exclusive of interest expense	0.71%(c)	0.78%(d)	0.79%(d)	0.76%(d)	0.79%
Net investment income before preferred stock dividends	6.41%(c)	7.33%(d)	6.57%(d)	6.19%(d)	6.08%
Preferred stock dividends	0.11%(c)	0.34%	1.70%	1.67%	1.38%
Net investment income available to common shareholders	6.30%(c)	6.99%(d)	4.87%(d)	4.52%(d)	4.70%
Rebate from Morgan Stanley affiliate		0.00%(e)	0.00%(e)	0.00%(e)	
Supplemental data:					
Net assets applicable to common shareholders, end of period, in thousands	$ 199,530	$ 187,989	$ 166,424	$ 207,833	$ 223,185
Asset coverage on preferred shares at end of period(f)	463%	442%	330%	314%	330%
Portfolio turnover rate(g)	11%	21%	9%	14%	15%

(a) Calculated using average shares outstanding.

(b) Net asset value return includes adjustments in accordance with accounting principles generally accepted in the United States of America and measures the change in common shares value over the period indicated, taking into account dividends are reinvested. Market value total return is computed based on the New York Stock Exchange market price of the Fund s common shares and excludes the effects of brokerage commissions. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under the Fund s dividend reinvestment plan.

(c) Ratios are based on average daily net assets (000 s omitted) of $193,604.

(d) The ratios reflect the rebate of certain Fund expenses in connection with investments in a Morgan Stanley affiliate during the period. The effect of the rebate on the ratios is disclosed in the above table as Rebate from Morgan Stanley affiliate .

(e) Amount is less than 0.005%.

(f) Calculated by adding Net Assets attributable to Common Shares plus Preferred Shares at liquidation value and dividing this by Preferred Shares at liquidation value.

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

NOTE 14 Change in Independent Registered Public Accounting Firm

The Audit Committee of the Board of Trustees of the Trust appointed, and the Board of Trustees ratified thereafter and approved, PricewaterhouseCoopers LLP (PWC) as the independent registered public accounting firm of the Trust for the fiscal year following October 31, 2010. Prior to May 31, 2010, the Trust was audited by a different independent registered public accounting firm (the Prior Auditor). The Board of Trustees selected a new independent auditor for the Trust s current fiscal year in connection with the appointment of Invesco Advisers as investment adviser to the Trust (New Advisory Agreement).

Effective June 1, 2010, the Prior Auditor resigned as the independent registered public accounting firm of the Trust. The Prior Auditor s report on the financial statements of the Trust for the past two years did not contain an adverse or disclaimer of opinion, and was not qualified or modified as to uncertainty, audit scope or accounting principles. During the period the Prior Auditor was engaged, there were no disagreements with the Prior Auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure which, if not resolved to the Prior Auditor s satisfaction, would have caused it to make reference to that matter in connection with its report.

Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of Invesco Quality Municipal Securities:

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations, of changes in net assets and of cash flows and the financial highlights present fairly, in all material respects, the financial position of Invesco Quality Municipal Securities (formerly known as Morgan Stanley Quality Municipal Securities hereafter referred to as the Trust) at October 31, 2010, the results of its operations, the changes in its net assets and of cash flows and the financial highlights for the year then ended, 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 Trust s management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 audit, which included confirmation of securities at October 31, 2010 by correspondence with the custodian and brokers, provides a reasonable basis for our opinion. The statement of changes in net assets for the year ended October 31, 2009 and the financial highlights of the Trust for the periods ended October 31, 2009 and prior were audited by other independent auditors whose report dated December 24, 2009 expressed an unqualified opinion on those financial statements.

PRICEWATERHOUSECOOPERS LLP

December 22, 2010
Houston, Texas

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 Trust designates the following amounts or, if subsequently determined to be different, the maximum amount allowable for its fiscal year ended October 31, 2010:

Federal and State Income Tax	
Qualified Dividend Income*	0.00%
Corporate Dividends Received Deduction*	0.00%
U.S. Treasury Obligation	0.00%
Tax-Exempt Interest Dividends	99.96%

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

Proxy Results

An Annual Meeting (Meeting) of Shareholders of Invesco Quality Municipal Securities was held on Friday, July 16, 2010. The Meeting was held for the following purpose:

(1) Elect four Trustees by the holders of Common Shares and Preferred Shares voting together, and one Trustee by the holders of Preferred Shares voting separately, each of whom will serve for a three year term or until a successor has been duly elected and qualified.

The results of the voting on the above matters were as follows:

	Matters	Votes For	Votes Withheld
(1)	Albert R. Dowden	11,919,461	288,264
	Lewis F. Pennock	11,928,559	279,166
	Hugo F. Sonnenschein	11,930,879	276,846
	Raymond Stickel, Jr.	11,917,527	290,198
	Prema Mathai-Davis[P]	724	4

[P] Election of trustee by preferred shareholders only.

Trustees and Officers

The address of each trustee and officer is 1555 Peachtree, N.E., Atlanta, Georgia 30309. The trustees serve for the life of the Trust, subject to their earlier death, incapacitation, resignation, retirement or removal as more specifically provided in the Trust s organizational documents. Each officer serves for a one year term or until their successors are 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
Independent Trustees				
Martin L. Flanagan[1] 1960 Trustee	2010	Executive Director, Chief Executive Officer and President, Invesco Ltd. (ultimate parent of Invesco and a global investment management firm); Advisor to the Board, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.); Trustee, The Invesco Funds; Vice Chair, Investment Company Institute; and Member of Executive Board, SMU Cox School of Business Formerly: Chairman, Invesco Advisers, Inc. (registered investment adviser); Director, Chairman, Chief Executive Officer and President, IVZ Inc. (holding company), INVESCO Group Services, Inc. (service provider) and Invesco North American Holdings, Inc. (holding company); Director, Chief Executive Officer and President, Invesco Holding Company Limited (parent of Invesco and a global	207	None

			investment management firm); Director, Invesco Ltd.; Chairman, Investment Company Institute and President, Co-Chief Executive Officer, Co-President, Chief Operating Officer and Chief Financial Officer, Franklin Resources, Inc. (global investment management organization)		
Philip A. Taylor[2] Trustee, President and Principal Executive Officer	1954	2010	Head of North American Retail and Senior Managing Director, Invesco Ltd.; Director, Co-Chairman, Co-President and Co-Chief Executive Officer, Invesco Advisers, Inc. (formerly known as Invesco Institutional (N.A.), Inc.) (registered investment adviser); Director, Chief Executive Officer and President, 1371 Preferred Inc. (holding company); Director, Chairman, Chief Executive Officer and President, Invesco Management Group, Inc. (formerly Invesco Aim Management Group, Inc.) (financial services holding company); Director and President, INVESCO Funds Group, Inc. (registered investment adviser and registered transfer agent) and AIM GP Canada Inc. (general partner for limited partnerships); Director and Chairman, Invesco Investment Services, Inc. (formerly known as Invesco Aim Investment Services,	207	None

Inc.) (registered transfer agent) and IVZ Distributors, Inc. (formerly known as INVESCO Distributors, Inc.) (registered broker dealer); Director, President and Chairman, INVESCO Inc. (holding company) and Invesco Canada Holdings Inc. (holding company); Chief Executive Officer, Invesco Trimark Corporate Class Inc. (corporate mutual fund company) and Invesco Trimark Canada Fund Inc. (corporate mutual fund company); Director and Chief Executive Officer, Invesco Trimark Ltd./Invesco Trimark Ltèe (registered investment adviser and registered transfer agent) and Invesco Trimark Dealer Inc. (registered broker dealer); Trustee, President and Principal Executive Officer, The Invesco Funds (other than AIM Treasurer s Series Trust (Invesco Treasurer s Series Trust) and Short-Term Investments Trust); Trustee and Executive Vice President, The Invesco Funds (AIM Treasurer s Series Trust (Invesco Treasurer s Series Trust) and Short-Term Investments Trust only); Director, Van Kampen Asset Management; Director, Chief Executive Officer and President, Van Kampen Investments Inc. and Van Kampen

Exchange Corp.; Director and Chairman, Van Kampen Investor Services Inc. and Director and President, Van Kampen Advisors, Inc.

Formerly: Director, Invesco Distributors, Inc. (formerly known as Invesco Aim Distributors, Inc.) (registered broker dealer); Manager, Invesco PowerShares Capital Management LLC; Director, Chief Executive Officer and President, Invesco Advisers, Inc.; Director, Chairman, Chief Executive Officer and President, Invesco Aim Capital Management, Inc.; President, Invesco Trimark Dealer Inc. and Invesco Trimark Ltd./Invesco Trimark Ltèe; Director and President, AIM Trimark Corporate Class Inc. and AIM Trimark Canada Fund Inc.; Senior Managing Director, Invesco Holding Company Limited; Trustee and Executive Vice President, Tax-Free Investments Trust; Director and Chairman, Fund Management Company (former registered broker dealer); President and Principal Executive Officer, The Invesco Funds (AIM Treasurer s Series Trust (Invesco Treasurer s Series Trust), Short-Term Investments Trust and

			Tax-Free Investments Trust only); President, AIM Trimark Global Fund Inc. and AIM Trimark Canada Fund Inc.		
Wayne M. Whalen[3] Trustee	1939	2010	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	225	Director of the Abraham Lincoln Presidential Library Foundation
Independent Trustees					
Bruce L. Crockett Trustee and Chair	1944	2010	Chairman, Crockett Technology Associates (technology consulting company) Formerly: Director, Captaris (unified messaging provider); Director, President and Chief Executive Officer COMSAT Corporation; and Chairman, Board of Governors of INTELSAT (international communications company)	207	ACE Limited (insurance company); and Investment Company Institute
David C. Arch Trustee	1945	2010	Chairman and Chief Executive Officer of Blistex Inc., a consumer health care products manufacturer.	225	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

1 Mr. Flanagan is considered an interested person of the Trust because he is an officer of the adviser to the Trust, and an officer and a director of Invesco Ltd., ultimate parent of the adviser to the Trust.

[2] Mr. Taylor is considered an interested person of the Trust because he is an officer and a director of the adviser to, and a director of the principal underwriter of, the Trust.

[3] 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)

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
Independent Trustees				
Bob R. Baker 1936 Trustee	2010	Retired Formerly: President and Chief Executive Officer, AMC Cancer Research Center; and Chairman and Chief Executive Officer, First Columbia Financial Corporation	207	None
Frank S. Bayley 1939 Trustee	2010	Retired Formerly: Director, Badgley Funds, Inc. (registered investment company) (2 portfolios) and Partner, law firm of Baker & McKenzie	207	None
James T. Bunch 1942 Trustee	2010	Managing Member, Grumman Hill Group LLC (family office private equity management) Formerly: Founder, Green, Manning & Bunch Ltd. (investment banking firm)(1988-2010); Executive Committee, United States Golf Association; and Director, Policy Studies, Inc. and Van Gilder Insurance Corporation	207	Vice Chairman, Board of Governors, Western Golf Association/Evans Scholars Foundation and Director, Denver Film Society
Rodney Dammeyer 1940 Trustee	2010	President of CAC, LLC, a private company offering capital investment and	225	Director of Quidel Corporation and Stericycle, Inc. Prior to May 2008, Trustee of

			management advisory services. 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, Chief Executive Officer of Itel Corporation. 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 & Co.		The Scripps Research Institute. Prior to February 2008, Director of Ventana Medical Systems, Inc. Prior to April 2007, Director of GATX Corporation. Prior to April 2004, Director of TheraSense, Inc.
Albert R. Dowden Trustee	1941	2010	Director of a number of public and private business corporations, including the Boss Group, Ltd. (private investment and management); Reich & Tang Funds (5 portfolios) (registered investment company); and Homeowners of America Holding Corporation/ Homeowners of America Insurance Company (property casualty company) Formerly: Director, Continental Energy Services, LLC (oil and gas pipeline service); Director, CompuDyne Corporation (provider of product and services to the public security	207	Board of Nature s Sunshine Products, Inc.

			market) and Director, Annuity and Life Re (Holdings), Ltd. (reinsurance company); Director, President and Chief Executive Officer, Volvo Group North America, Inc.; Senior Vice President, AB Volvo; Director of various public and private corporations; Chairman, DHJ Media, Inc.; Director Magellan Insurance Company; and Director, The Hertz Corporation, Genmar Corporation (boat manufacturer), National Media Corporation; Advisory Board of Rotary Power International (designer, manufacturer, and seller of rotary power engines); and Chairman, Cortland Trust, Inc. (registered investment company)		
Jack M. Fields Trustee	1952	2010	Chief Executive Officer, Twenty First Century Group, Inc. (government affairs company); and Owner and Chief Executive Officer, Dos Angelos Ranch, L.P. (cattle, hunting, corporate entertainment), Discovery Global Education Fund (non-profit) and Cross Timbers Quail Research Ranch (non-profit) Formerly: Chief Executive Officer, Texana Timber LP (sustainable forestry company) and member of the U.S. House of Representatives	207	Administaff

Carl Frischling 1937 Trustee	2010	Partner, law firm of Kramer Levin Naftalis and Frankel LLP	207	Director, Reich & Tang Funds (16 portfolios)
Prema Mathai-Davis 1950 Trustee	2010	Retired Formerly: Chief Executive Officer, YWCA of the U.S.A.	207	None
Lewis F. Pennock 1942 Trustee	2010	Partner, law firm of Pennock & Cooper	207	None
Larry Soll 1942 Trustee	2010	Retired Formerly, Chairman, Chief Executive Officer and President, Synergen Corp. (a biotechnology company)	207	None

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Trustees and Officers (continued)

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
Independent Trustees				
Hugo F. Sonnenschein 1940 Trustee	2010	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.	225	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
Raymond Stickel, Jr. 1944 Trustee	2010	Retired Formerly: Director, Mainstay VP Series Funds, Inc. (25 portfolios) and Partner, Deloitte & Touche	207	None
Other Officers				
Russell C. Burk 1958 Senior Vice President and Senior Officer	2010	Senior Vice President and Senior Officer of Invesco Funds	N/A	N/A
John M. Zerr 1962 Senior Vice President, Chief Legal Officer and Secretary	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	N/A

(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.; Director, Vice President, Secretary and General Counsel, Van Kampen Investor Services Inc.; and General Counsel, 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

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)

N/A

Lisa O. Brinkley 1959 Vice President	2010	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 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	N/A	N/A
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) Formerly: Vice President, Invesco Advisers, Inc., Invesco Aim Capital Management, Inc. and Invesco Aim Private	N/A	N/A

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.

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Trustees and Officers (continued)

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
Other Officers				
Karen Dunn Kelley 1960 Vice President	2010	Head of Invesco s World Wide Fixed Income and Cash Management Group; Senior Vice President, Invesco Management Group, Inc. (formerly known as Invesco Aim Management Group, Inc.), 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.); 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); and 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.	N/A	N/A

			(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, 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 Treasurer s Series Trust (Invesco Treasurer s Series Trust), Short-Term Investments Trust and Tax-Free Investments Trust only)		
Lance A. Rejsek Anti-Money Laundering Compliance Officer	1967	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	N/A	N/A

			Exchange-Traded Fund Trust, PowerShares Exchange-Traded Trust II, PowerShares India Exchange-Traded Fund Trust, PowerShares Actively Managed Exchange-Traded Fund Trust, Van Kampen Asset Management, Van Kampen Investor Services Inc., and Van Kampen Funds Inc. Formerly: Anti-Money Laundering Compliance Officer, Fund Management Company, Invesco Advisers, Inc., Invesco Aim Capital Management, Inc. and Invesco Aim Private Asset Management, Inc.		
Todd L. Spillane Chief Compliance Officer	1958	2010	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	N/A	N/A

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.

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

Office of the Fund	**Investment Advisor**	**Transfer Agent**	**Custodian**
1555 Peachtree Street, N.E. Atlanta, GA 30309	Invesco Advisers, Inc. 1555 Peachtree Street, N.E. Atlanta, GA 30309	Computershare Trust Company, N.A. P.O. Box 43078 Providence, RI 02940-3078	State Street Bank and Trust Company 225 Franklin Boston, MA 02110-2801

Counsel to the Fund	**Distributor**	**Auditors**
Stradley Ronon Stevens & Young, LLP 2600 One Commerce Square	Invesco Distributors, Inc. 11 Greenway Plaza, Suite 2500	PricewaterhouseCoopers LLP 1201 Louisiana Street, Suite 2900

Philadelphia, PA 19103	Houston, TX 77046-1173	Houston, TX 77002-5678

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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.

Trust holdings and proxy voting information

The Trust 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 Trust s semiannual and annual reports to shareholders. For the first and third quarters, the Trust files the lists with the Securities and Exchange Commission (SEC) on Form N-Q. The most recent list of portfolio holdings is available at invesco.com/completeqtrholdings. Shareholders can also look up the Trust s Forms N-Q on the SEC website at sec.gov. Copies of the Trust 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. The SEC file number for the Trust is 811-07560.

A description of the policies and procedures that the Trust uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, from our Client Services department at 800 959 4246 or at invesco.com/proxyguidelines. The information is also available on the SEC website, sec.gov.

Information regarding how the Trust voted proxies related to its portfolio securities during the 12 months ended June 30, 2010, is available at invesco.com/proxysearch. In addition, this information is available on the SEC website at 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.

MS-CE-QMS-AR-1 Invesco Distributors, Inc.

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). The Code was amended in June, 2010, to (i) add an individual to Exhibit A and (ii) update the names of certain legal entities. 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 David C. Arch, James T. Bunch, Bruce L. Crockett, Rodney Dammeyer and Raymond Stickel, Jr. Messrs. Arch, Bunch, Crockett, Dammeyer and Stickel are independent within the meaning of that term as used in Form N-CSR.
ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.
Fees Billed by Principal Accountant Related to the Registrant

The information set forth below for the 2010 fiscal year relates to fees billed by the Fund s Prior and Current Auditors:

	Fees Billed for Services Rendered to the Registrant for fiscal year end 10/31/2010	Percentage of Fees Billed Applicable to Non-Audit Services Provided for fiscal year end 10/31/2010 Pursuant to Waiver of Pre-Approval Requirement[1]	Fees Billed for Services Rendered to the Registrant for fiscal year end 10/31/2009	Percentage of Fees Billed Applicable to Non-Audit Services Provided for fiscal year end 10/31/2009 Pursuant to Waiver of Pre-Approval Requirement[1]
Audit Fees	$ 35,000	N/A	$ 38,450	N/A
Audit-Related Fees[2]	$ 0	0%	$ 6,000	0%
Tax Fees[3]	$ 4,300	0%	$ 5,501	0%
All Other Fees	$ 0	0%	$ 0	0%
Total Fees	$ 39,300	0%	$ 49,951	0%

PWC billed the Registrant aggregate non-audit fees of $4,300 for the fiscal year ended October 31, 2010. D&T billed the Registrant aggregate non-audit fees of $11,501 for the fiscal year ended October 31, 2009.

(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)

Audit-Related fees for the fiscal year end October 31, 2009 represent assurance and related services provided that are reasonably related to the performance of the audit of the financial statements of the Covered Entities and funds advised by the Adviser or its affiliates, specifically data verification and agreed-upon procedures related to asset securitizations and agree-upon procedures engagements.

(3) Tax fees for the fiscal year end October 31, 2010 includes fees billed for reviewing tax returns. Tax fees for the fiscal year end October 31, 2009 includes fees billed for reviewing tax returns.

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 10/31/2010 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 10/31/2010 Pursuant to Waiver of Pre-Approval Requirement(1)	Fees Billed for Non-Audit Services Rendered to Invesco and Invesco Affiliates for fiscal year end 10/31/2009 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 10/31/2009 Pursuant to Waiver of Pre-Approval Requirement(1)
Audit-Related Fees	$ 0	0%	$ 0	0%
Tax Fees	$ 0	0%	$ 0	0%
All Other Fees	$ 0	0%	$ 0	0%
Total Fees(2)	$ 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 October 31, 2010, and $0 for the fiscal year ended October 31, 2009, 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 30th 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 Fund s 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: David C. Arch, Frank S. Bayley, James T. Bunch, Bruce L. Crockett, Rodney Dammeyer, Larry Soll and Raymond Stickel, Jr.

(b) 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.1. PROXY POLICIES AND PROCEDURES INSTITUTIONAL

Applicable to	Institutional Accounts
Risk Addressed by Policy	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
Relevant Law and Other Sources	Investment Advisers Act of 1940
Last Tested Date	
Policy/Procedure Owner	Advisory Compliance, Proxy Committee
Policy Approver	Invesco Risk Management Committee
Approved/Adopted Date	January 1, 2010

The following policies and procedures apply to all institutional accounts, clients and funds managed by Invesco Advisers, Inc. (Invesco). These policies and procedures do not apply to any of the retail funds managed by Invesco. See Section I.2 for the proxy policies and procedures applicable to Invesco s retail funds.

A. POLICY STATEMENT

Invesco has responsibility for making investment decisions that are in the best interests of its clients. As part of the investment management services it provides to clients, Invesco may be authorized by clients to vote proxies appurtenant to the shares for which the clients are beneficial owners.

Invesco believes that it has a duty to manage clients assets in the best economic interests of its clients and that the ability to vote proxies is a client asset.

Invesco reserves the right to amend its proxy policies and procedures from time to time without prior notice to its clients.

Voting of Proxies

Invesco will vote client proxies relating to equity securities in accordance with the procedures set forth below unless a non-ERISA client retains in writing the right to vote, the named fiduciary (e.g., the plan sponsor) of an ERISA client retains in writing the right to direct the plan trustee or a third party to vote proxies, or Invesco determines that any benefit the client might gain from voting a proxy would be outweighed by the costs associated therewith. In addition, due to the distinct nature of proxy voting for interests in fixed income assets and stable value wrap agreements, the proxies for such fixed income assets and stable value wrap agreements will be voted in accordance with the procedures set forth in the Proxy Voting for Fixed Income Assets and Stable Value Wrap Agreements section below.

Best Economic Interests of Clients

In voting proxies, Invesco will take into consideration those factors that may affect the value of the security and will vote proxies in a manner in which, in its opinion, is in the best economic interests of clients. Invesco endeavors to resolve any conflicts of interest exclusively in the best economic interests of clients.

B. OPERATING PROCEDURES AND RESPONSIBLE PARTIES

RiskMetrics Services

Invesco has contracted with RiskMetrics Group (RiskMetrics, formerly known as ISS), an independent third party service provider, to vote Invesco s clients proxies according to RiskMetrics proxy voting recommendations determined by RiskMetrics pursuant to its then-current US Proxy Voting Guidelines, a summary of which can be found at http://www.riskmetrics.com and which are deemed to be incorporated herein. In addition, RiskMetrics will provide proxy analyses, vote recommendations, vote execution and record-keeping services for clients for which Invesco has proxy voting responsibility. On an annual basis, the Proxy Committee will review information obtained from RiskMetrics to ascertain whether RiskMetrics (i) has the capacity and competency to adequately analyze proxy issues, and (ii) can make such recommendations in an impartial manner and in the best economic interests of Invesco s clients. This may include a review of RiskMetrics Policies, Procedures and Practices Regarding Potential Conflicts of Interest and obtaining information about the work RiskMetrics does for corporate issuers and the payments RiskMetrics receives from such issuers.

Custodians forward to RiskMetrics proxy materials for clients who rely on Invesco to vote proxies. RiskMetrics is responsible for exercising the voting rights in accordance with the RiskMetrics proxy voting guidelines. If Invesco receives proxy materials in connection with a client s account where the client has, in writing, communicated to Invesco that the client, plan fiduciary or other third party has reserved the right to vote proxies, Invesco will forward to the party appointed by client any proxy materials it receives with respect to the account. In order to avoid voting proxies in circumstances where Invesco, or any of its affiliates have or may have any conflict of interest, real or perceived, Invesco has engaged RiskMetrics to provide the proxy analyses, vote recommendations and voting of proxies.

In the event that (i) RiskMetrics recuses itself on a proxy voting matter and makes no recommendation or (ii) Invesco decides to override the RiskMetrics vote recommendation, the Proxy Committee will review the issue and direct RiskMetrics how to vote the proxies as described below.

Proxy Voting for Fixed Income Assets and Stable Value Wrap Agreements

Some of Invesco s fixed income clients hold interests in preferred stock of companies and some of Invesco s stable value clients are parties to wrap agreements. From time to time, companies that have issued preferred stock or that are parties to wrap agreements request that Invesco s clients vote proxies on particular matters. RiskMetrics does not currently provide proxy analysis or vote recommendations with respect to such proxy votes. Therefore, when a particular matter arises in this category, the investment team responsible for the particular mandate will review the matter and make a recommendation to the Proxy Manager as to how to vote the associated proxy. The Proxy Manager will complete the proxy ballots and send the ballots to the persons or entities identified in the ballots.

Proxy Committee

The Proxy Committee shall have seven (7) members, which shall include representatives from portfolio management, operations, and legal/compliance or other functional departments as deemed appropriate and who are knowledgeable regarding the proxy process. A majority of the members of the Proxy Committee shall constitute a quorum and the Proxy Committee shall act by a majority vote of those members in attendance at a meeting called for the purpose of determining how to vote a particular proxy. The Proxy Committee shall keep minutes of its meetings that shall be kept with the proxy voting records of Invesco. The Proxy Committee will appoint a Proxy Manager to manage the proxy voting process, which includes the voting of proxies and the maintenance of appropriate records.

The Proxy Manager shall call for a meeting of the Proxy Committee (1) when override submissions are made; and (2) in instances when RiskMetrics has recused itself or has not provided a vote recommendation with respect to an equity security. At such meeting, the Proxy Committee shall determine how proxies are to be voted in accordance with the factors set forth in the section entitled Best Economic Interests of Clients, above.

The Proxy Committee also is responsible for monitoring adherence to these procedures and engaging in the annual review described in the section entitled RiskMetrics Services, above.

Recusal by RiskMetrics or Failure of RiskMetrics to Make a Recommendation

When RiskMetrics does not make a recommendation on a proxy voting issue or recuses itself due to a conflict of interest, the Proxy Committee will review the issue and determine whether Invesco has a material conflict of interest as determined pursuant to the policies and procedures outlined in the Conflicts of Interest section below. If Invesco determines it does not have a material conflict of interest, Invesco will direct RiskMetrics how to vote the proxies. If Invesco determines it does have a material conflict of interest, the Proxy Committee will follow the policies and procedures set forth in such section.

Override of RiskMetrics Recommendation

There may be occasions where Invesco investment personnel, senior officers or a member of the Proxy Committee seek to override a RiskMetrics recommendation if they believe that a RiskMetrics recommendation is not in accordance with the best economic interests of clients. In the event that an individual listed above in this section disagrees with a RiskMetrics recommendation on a particular voting issue, the individual shall document in writing the reasons that he/she believes that the RiskMetrics recommendation is not in accordance with clients best economic interests and submit such written documentation to the Proxy Manager for consideration by the Proxy Committee along with the certification attached as Appendix A hereto. Upon review of the documentation and consultation with the individual and others as the Proxy Committee deems appropriate, the Proxy Committee may make a determination to override the RiskMetrics voting recommendation if the Committee determines that it is in the best economic interests of clients and the Committee has addressed any conflict of interest.

Proxy Committee Meetings

When a Proxy Committee Meeting is called, whether because of a RiskMetrics recusal or request for override of a RiskMetrics recommendation, the Proxy Committee shall request from the Chief Compliance Officer as to whether any Invesco person has reported a conflict of interest.

The Proxy Committee shall review the report from the Chief Compliance Officer to determine whether a real or perceived conflict of interest exists, and the minutes of the Proxy Committee shall:

(1) describe any real or perceived conflict of interest,

(2) determine whether such real or perceived conflict of interest is material,

(3) discuss any procedure used to address such conflict of interest,

(4) report any contacts from outside parties (other than routine communications from proxy solicitors), and

(5) include confirmation that the recommendation as to how the proxies are to be voted is in the best economic interests of clients and was made without regard to any conflict of interest.

Based on the above review and determinations, the Proxy Committee will direct RiskMetrics how to vote the proxies as provided herein.

Certain Proxy Votes May Not Be Cast

In some cases, Invesco may determine that it is not in the best economic interests of clients to vote proxies. For example, proxy voting in certain countries outside the United States requires share blocking. Shareholders who wish to vote their proxies must deposit their shares 7 to 21 days before the date of the meeting with a designated depositary. During the blocked period, shares to be voted at the meeting cannot be sold until the meeting has taken place and the shares have been returned to the Custodian/Sub-Custodian bank. In addition, voting certain international securities may involve unusual costs to clients, some of which may be related to requirements of having a representative in person attend the proxy meeting. In other cases, it may not be possible to vote certain proxies despite good faith efforts to do so, for instance when inadequate notice of the matter is provided. In the instance of loan securities, voting of proxies typically requires termination of the loan, so it is not usually in the best economic interests of clients to vote proxies on loaned securities. Invesco typically will not, but reserves the right to, vote where share blocking restrictions, unusual costs or other barriers to efficient voting apply. Invesco will not vote if it determines that the cost of voting exceeds the expected benefit to the client. The Proxy Manager shall record the reason for any proxy not being voted, which record shall be kept with the proxy voting records of Invesco.

CONFLICTS OF INTEREST

Procedures to Address Conflicts of Interest and Improper Influence

In order to avoid voting proxies in circumstances where Invesco or any of its affiliates have or may have any conflict of interest, real or perceived, Invesco has contracted with RiskMetrics to provide proxy analyses, vote recommendations and voting of proxies. Unless noted otherwise by RiskMetrics, each vote recommendation provided by RiskMetrics to Invesco shall include a representation from RiskMetrics that RiskMetrics has no conflict of interest with respect to the vote. In instances where RiskMetrics has recused itself or makes no recommendation on a particular matter, or if an override submission is requested, the Proxy Committee shall determine how to vote the proxy and instruct the Proxy Manager accordingly, in which case the conflict of interest provisions discussed below shall apply.

In effecting the policy of voting proxies in the best economic interests of clients, there may be occasions where the voting of such proxies may present a real or perceived conflict of interest between Invesco, as the investment manager, and Invesco s clients. For each director, officer and employee of Invesco (Invesco person), the interests of Invesco s clients must come first, ahead of the interest of Invesco and any Invesco person, including Invesco s affiliates. Accordingly, no Invesco person may put personal benefit, whether tangible or intangible, before the interests of clients of Invesco or otherwise take advantage of the relationship with Invesco s clients. Personal benefit includes any intended benefit for oneself or any other individual, company, group or organization of any kind whatsoever, except a benefit for a client of Invesco, as appropriate. It is imperative that each Invesco person avoid any situation that might compromise, or call into question, the exercise of fully independent judgment that is in the interests of Invesco s clients.

Occasions may arise where a person or organization involved in the proxy voting process may have a conflict of interest. A conflict of interest may exist if Invesco has a business relationship with (or is actively soliciting business from) either the company soliciting the proxy or a third party that has a material interest in the outcome of a proxy vote or that is actively lobbying for a particular outcome of a proxy vote. Additional examples of situations where a conflict may exist include:

Business Relationships where Invesco manages money for a company or an employee group, manages pension assets or is actively soliciting any such business, or leases office space from a company;

Personal Relationships where an Invesco person has a personal relationship with other proponents of proxy proposals, participants in proxy contests, corporate directors, or candidates for directorships; and

Familial Relationships where an Invesco person has a known familial relationship relating to a company (e.g. a spouse or other relative who serves as a director of a public company or is employed by the company).

In the event that the Proxy Committee determines that Invesco (or an affiliate) has a material conflict of interest, the Proxy Committee will not take into consideration the relationship giving rise to the conflict of interest and shall, in its sole discretion, either (a) decide to vote the proxies pursuant to RiskMetrics general proxy voting guidelines, (b) engage an independent third party to provide a vote recommendation, or (c) contact Invesco s client(s) for direction as to how to vote the proxies.

In the event an Invesco person has a conflict of interest and has knowledge of such conflict of interest, it is the responsibility of such Invesco person to disclose the conflict to the Chief Compliance Officer. When a Proxy Committee meeting is called, the Chief Compliance Officer will report to the Proxy Committee all real or potential conflicts of interest for the Proxy Committee to review and determine whether such conflict is material. If the Proxy Committee determines that such conflict is material and involves a person involved in the proxy voting process, the Proxy Committee may require such person to recuse himself or herself from participating in the discussions regarding the proxy vote item and from casting a vote regarding how Invesco should vote such proxy. An Invesco person will not be considered to have a material conflict of interest if the Invesco person did not know of the conflict of interest and did not attempt to influence the outcome of a proxy vote.

In order to ensure compliance with these procedures, the Proxy Manager and each member of the Proxy Committee shall certify annually as to their compliance with this policy. In addition, any Invesco person who submits a RiskMetrics override recommendation to the Proxy Committee shall certify as to their compliance with this policy concurrently with the submission of their override recommendation. A form of such certification is attached as Appendix A.

In addition, members of the Proxy Committee must notify Invesco s Chief Compliance Officer, with impunity and without fear of retribution or retaliation, of any direct, indirect or perceived improper influence exerted by any Invesco person or by an affiliated company s representatives with regard to how Invesco should vote proxies. The Chief Compliance Officer will investigate the allegations and will report his or her findings to the Invesco Risk Management Committee. In the event that it is determined that improper influence was exerted, the Risk Management Committee will determine the appropriate action to take, which actions may include, but are not limited to, (1) notifying the affiliated company s Chief Executive Officer, its Management Committee or Board of Directors, (2) taking remedial action, if necessary, to correct the result of any improper influence where clients have been harmed, or (3) notifying the appropriate regulatory agencies of the improper influence and cooperating fully with these regulatory agencies as required. In all cases, the Proxy Committee shall not take into consideration the improper influence in determining how to vote proxies and will vote proxies solely in the best economic interests of clients.

C. RECORDKEEPING

Records are maintained in accordance with Invesco s Recordkeeping Policy.

<u>Proxy Voting Records</u>

The proxy voting statements and records will be maintained by the Proxy Manager on-site (or accessible via an electronic storage site of RiskMetrics) for the first two (2) years. Copies of the proxy voting statements and records will be maintained for an additional five (5) years by Invesco (or will be accessible via an electronic storage site of RiskMetrics). Clients may obtain information about how Invesco voted proxies on their behalf by contacting their client services representative. Alternatively, clients may make a written request for proxy voting information to: Proxy Manager, 1555 Peachtree Street, N.E., Atlanta, Georgia 30309.

APPENDIX A

ACKNOWLEDGEMENT AND CERTIFICATION

I acknowledge that I have read the Invesco Proxy Voting Policy (a copy of which has been supplied to me, which I will retain for future reference) and agree to comply in all respects with the terms and provisions thereof. I have disclosed or reported all real or potential conflicts of interest to the Invesco Chief Compliance Officer and will continue to do so as matters arise. I have complied with all provisions of this Policy.

Print Name

Date

Signature

I.1 Proxy Policy Appendix A

Acknowledgement and Certification

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 Trust:

Thomas Byron, Portfolio Manager, who has been responsible for the Trust since 2009 and has been associated with Invesco and/or its affiliates since 2010. From 1981 to 2010, Mr. Byron was associated with Morgan Stanley Investment Advisors Inc. in an investment management capacity.

Robert Stryker, Portfolio Manager, who has been responsible for the Trust since 2009 and has been associated with Invesco and/or its affiliates since 2010. From 1994 to 2010, Mr. Stryker was associated with Morgan Stanley Investment Advisors Inc. in an investment management capacity.

Robert Wimmel, Portfolio Manager, who has been responsible for the Trust since 2009 and has been associated with Invesco and/or its affiliates since 2010. From 1996 to 2010, Mr. Wimmel was associated with Morgan Stanley Investment Advisors Inc. in an investment management capacity.

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 October 31, 2010:

Portfolio Manager	**Dollar Range of Investments in Each Fund[1]**	**Other Registered Investment Companies Managed (assets in millions)**		**Other Pooled Investment Vehicles Managed (assets in millions)**		**Other Accounts Managed (assets in millions)**	
		Number of Accounts	**Assets**	**Number of Accounts**	**Assets**	**Number of Accounts**	**Assets**
		Invesco Quality Municipal Securities					
Thomas Byron	None	28	$10,680.9	None	None	None	None
Robert Stryker	None	33	$11,403.9	None	None	None	None
Robert Wimmel	None	29	$11,299.6	None	None	None	None

Potential Conflicts of Interest

1 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.

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

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.

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.

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.

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

Sub-Adviser	**Performance time period[2]**
Invesco [3,4,5] Invesco Australia Invesco Deutschland	One-, Three- and Five-year performance against Fund peer group.
Invesco Senior Secured	N/A
Invesco Trimark[3]	One-year performance against Fund peer group. Three- and Five-year performance against entire universe of Canadian funds.
Invesco Hong Kong[3] Invesco Asset Management	One-, Three- and Five-year performance against Fund peer group.
Invesco Japan[6]	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

2 Rolling time periods based on calendar year-end.

3 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.

4 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.

5 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.

[6] 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.

Compensation 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 December 14, 2010, an evaluation was performed under the supervision and with the participation of the officers of the Registrant, including the Principal Executive Officer (PEO) and Principal Financial Officer (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 December 14, 2010, 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 the report that has materially affected, or is reasonably likely to materially affect, the Registrant s internal control over financial reporting.

ITEM 12. EXHIBITS.

12(a)(1) Not applicable.

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.

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 Quality Municipal Securities

By: /s/ Philip A. Taylor
Philip A. Taylor
Principal Executive Officer

Date: January 7, 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/ Philip A. Taylor
Philip A. Taylor
Principal Executive Officer

Date: January 7, 2011

By: /s/ Sheri Morris
Sheri Morris
Principal Financial Officer

Date: January 7, 2011

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.