

Invesco Quality Municipal Securities
Form N-CSR
May 04, 2012

OMB APPROVAL
OMB Number: 3235-0570
Expires: January 31, 2014
Estimated average burden
hours per response: 20.6

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES**

Investment Company Act file number 811-07560

Invesco Quality Municipal Securities

(Exact name of registrant as specified in charter)

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

(Address of principal executive offices) (Zip code)

Philip A. Taylor 1555 Peachtree Street, N.E., Atlanta, Georgia 30309

(Name and address of agent for service)

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

Date of fiscal year end: 2/28

Date of reporting period: 2/29/12

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Letters to Shareholders

Philip Taylor

Dear Shareholders:

This annual report provides important information about your Trust, including its performance. I encourage you to read this report to learn more about how your Trust is managed, what it invests in and why it performed as it did. Also, this report includes information about your Trust's management team and a listing of investments held by your Trust at the close of the reporting period.

Investors are likely to confront both opportunities and challenges in 2012. As we saw in 2011, market sentiment can change suddenly and dramatically—and certainly without advance notice—depending on economic developments and world events. Similarly, your own situation, needs and goals can change, requiring adjustments in your financial strategy.

For current information about your Trust

Many investors find that staying abreast of market trends and developments may provide reassurance in times of economic uncertainty and market volatility such as we saw last year and may see again this year.

Invesco can help you stay informed about your investments and market trends. On our website, invesco.com/us, we provide timely market updates and commentary from many of our portfolio managers and other investment professionals. Also on our website, you can obtain information about your account at any hour of the day or night. I invite you to visit and explore the tools and information we offer at invesco.com/us.

Our commitment to investment excellence

Many investors believe that it's wise to be well diversified and to maintain a long-term investment focus. While diversification can't guarantee a profit or protect against loss, it may cushion the impact of dramatic market moves. Maintaining a long-term investment focus for your long-term goals—financing your retirement or your children's education, for example—may help you avoid making rash investment decisions based on short-term market swings.

Likewise, Invesco's investment professionals maintain a long-term focus. Each Invesco fund is managed by a specialized team of investment professionals, and as a company, we maintain a single focus—investment management that allows our portfolio managers to concentrate on doing what they do best: managing your money.

Each Invesco fund is managed according to its stated investment objectives and strategies, with robust risk oversight using consistent, repeatable investment processes that don't change in response to short-term market events. This disciplined approach can't guarantee a profit; no investment can do that, since all involve some measure of risk. But it can ensure that your money is managed the way we said it would be—according to your Trust's objective and strategies.

Questions?

If you have questions about your account, please contact one of our client service representatives at 800 341 2929. If you have a general Invesco-related question or comment for me, I invite you to email me directly at phil@invesco.com.

All of us at Invesco look forward to serving your investment management needs for many years to come. Thank you for investing with us.

Sincerely,

Philip Taylor

Senior Managing Director, Invesco Ltd.

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Bruce Crockett

Dear Fellow Shareholders:

As always, the Invesco Funds Board of Trustees remains committed to putting your interests first. We worked to manage costs throughout the year, and this remains a continuing focus of your Board. We will continue to oversee the funds with the same strong sense of responsibility for your money and your continued trust that we've always maintained.

Throughout 2011, we experienced volatile, challenging markets that presented both significant opportunities and risks for investors.

Early in the year, protests in the Middle East and Africa led to increases in oil and gas prices. This was followed by the disasters in Japan that led to supply chain disruptions across a number of industries. In Europe, sovereign debt concerns created uncertainty in global markets that remains unresolved. Here in the US, prolonged congressional debates over deficits and the debt ceiling resulted in the first-ever downgrade of US long-term debt. Combined, this imperfect storm of events took a tremendous toll on global economic growth and created volatility in the markets.

Across the globe, demographic and economic trends are profoundly reshaping the world's wealth. Emerging markets such as China, India, Brazil and Russia are experiencing tremendous growth. China is now the world's second-largest economy. Meanwhile, established markets such as the US and Europe are struggling with debt issues and experiencing much lower rates of growth. We all know the US is a consumer-driven market and consumers continue to face numerous headwinds, including elevated energy prices, a dismal housing market and high unemployment.

This dynamic, challenging market and economic environment underscores once again the value of maintaining a well-diversified investment portfolio. Obviously, none of us can control the markets or global economic trends. However, adopting a disciplined approach to saving and investing may help provide the funds needed to buy a house, pay for our children's education and provide for a comfortable retirement.

Based on everything I've read, this year could potentially be just as interesting as 2011, with continued uncertainty in key economies around the world and volatility in the markets. With this in mind, you'll want to stay informed regarding the markets and keep up to date with news that affects your investment portfolio. Invesco's website, invesco.com/us, provides a wealth of information about your investments and news regarding global markets.

I would like to close by thanking Bob Baker for his distinguished 30-year service with the Invesco Funds Board and his unflagging commitment to our funds' shareholders. As always, I encourage you to contact me at bruce@brucecrockett.com with any questions or concerns you may have. We look forward to representing you and serving you in 2012.

Sincerely,

Bruce L. Crockett

Independent Chair

Invesco Funds Board of Trustees

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Management's Discussion of Trust Performance

Performance summary

This is the annual report for Invesco Quality Municipal Securities for the fiscal year ended February 29, 2012. The Trust's return can be calculated based on either the market price or the net asset value (NAV) of its shares. NAV per share is determined by dividing the value of the Trust's portfolio securities, cash and other assets, less all liabilities and preferred shares, by the total number of common shares outstanding. Market price reflects the supply and demand for Trust shares. As a result, the two returns can differ, as they did during the reporting period. A main contributor to return on an NAV basis was our exposure to education and hospital bonds.

Performance

Total returns, 2/28/11 to 2/29/12

Trust at NAV	22.45%
Trust at Market Value	28.19
Barclays Municipal Bond Index	12.42
Market Price Discount to NAV as of 2/29/12	-2.12

Source(s): Lipper Inc.

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

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

How we invest

We seek to provide investors with current income exempt from federal income tax, primarily by investing in a diversified portfolio of investment grade municipal securities.

We seek to achieve the Trust's investment objective by investing primarily in municipal obligations that are rated investment grade by at least one nationally recognized statistical rating organization. Municipal obligations include municipal bonds, municipal notes and municipal commercial paper. The Trust may invest in taxable investment grade securities, or if not rated, securities we determine to be of comparable quality. From time to time, we may invest in municipal securities that pay interest that is subject to the federal alternative minimum tax.

We employ a bottom-up, research-driven approach to identify securities that have attractive risk/reward characteristics for the sectors in which we invest. We also integrate macroeconomic analysis and forecasting into our evaluation and ranking of various sectors and individual securities. Finally, we employ leverage in an effort to enhance the Trust's income and total return.

Sell decisions are based on:

- n A deterioration or likely deterioration of an individual issuer's capacity to meet its debt obligations on a timely basis.
- n A deterioration or likely deterioration of the broader fundamentals of a particular industry or sector.
- n Opportunities in the secondary or primary market to swap into a security with better relative value.

Market conditions and your Trust

For the fiscal year ended February 29, 2012, the municipal market performed strongly. The Barclays Municipal Bond Index returned 12.42%, outperforming other fixed income indexes such as the Barclays U.S. Aggregate Index, which returned 8.37%; the Barclays U.S. Corporate High Yield Index, which returned 6.94%; the Barclays U.S. Corporate Investment Grade Index, which returned 10.37%; and the Barclays U.S. Mortgage Backed Securities Index, which returned 6.44%.¹

During 2011, credit fundamentals remained strong, and default rates continued their downward trend. In line with the drop exhibited from 2009 to 2010, the number of defaults in 2011 was muted and lower than 2010. Despite a few high profile bankruptcies such as Harrisburg, Pennsylvania, Jefferson County, Alabama, and Central Falls, Rhode Island, defaults came nowhere near the hundreds of billions of dollars predicted by well-known analyst Meredith Whitney at the end of 2010.²

In terms of municipal fund flows, Whitney's prediction raised concerns regarding the credit stability of municipalities and the heightened risk of unprecedented defaults in 2011. Retail investors, who already had been making withdrawals from municipal bond mutual funds, heeded Whitney's warning and began to sell shares at a record pace.³ Money was withdrawn from municipal mutual funds for 29 straight weeks³, but by the end of the third quarter of 2011, the tide had changed. This increase in demand in the third quarter had a positive effect on municipal market performance during the reporting period.

The Trust's exposure to the 15- to 20-year part and the long end (20+ years) of the yield curve added to Trust returns as yields approached all-time lows³ during the reporting period. Some of our yield curve and duration positioning was obtained through the use of inverse floating rate securities. Inverse

Portfolio Composition

By credit sector, based on total investments

Revenue Bonds	78.9%
General Obligation Bonds	14.3
Pre-refunded Bonds	5.8
Other	1.0

Top Five Fixed Income Holdings

- 1. Fairfax (County of) Industrial Development Authority 5.1%
- 2. Illinois (State of) Metropolitan

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Pier & Exposition Authority	3.6
3. Tobacco Settlement Financing Corp.	3.0
4. Massachusetts (State of) Development Finance Agency	2.8
5. Los Angeles (City of) Department of Water & Power	2.6
Total Net Assets	\$209.4 million
Applicable to Common Shares	
Total Number of Holdings	191
The Trust's holdings are subject to change, and there is no assurance that the Trust will continue to hold any particular security.	

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floating rate securities are instruments which have an inverse relationship to a referenced interest rate. Inverse floating rate securities can be a more efficient way to manage duration, yield curve exposure and credit exposure. Also, they potentially can enhance yield.

Sector performance was driven by spread tightening between lower rated and higher rated investment grade securities for most of the reporting period, largely a result of declining yields, increased demand and lower tax-exempt issuance. As a result, lower credit quality sectors outperformed and contributed to Trust performance as we held overweight exposure to these market segments.

Our exposure to hospital, special tax and state general obligation bonds contributed to Trust returns for the reporting period. Our allocation to local general obligation bonds detracted from performance during the reporting period.

One important factor impacting the return of the Trust relative to its comparative index was the Trust's use of structural leverage. The Trust uses leverage because we believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, if the prices of securities held by a trust decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by a trust generally are rising. Leverage made a positive contribution to the performance of the Trust during the reporting period.

During the reporting period, the Trust achieved a leveraged position through the use of tender option bonds and auction rate preferred shares. As of the close of the reporting period, leverage accounted for 31% of the Trust's total assets. For more information about the Trust's use of leverage, see the Notes to Financial Statements later in this report.

As stated earlier, the Trust trades at a market price and also has an NAV. For the reporting period, the Trust traded at a discount to its underlying NAV.

Thank you for investing in Invesco Quality Municipal Securities and for sharing our long-term investment horizon.

1 Source: Lipper Inc.

2 Source: CBS News

3 Source: *The Bond Buyer*

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

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

Thomas Byron

Portfolio manager, is manager of Invesco Quality Municipal Securities. He joined Invesco in 2010. Mr. Byron was associated with the Trust's previous investment adviser or its investment advisory affiliates in an investment management capacity from 1981 to 2010 and began managing the Trust in 2009. He earned a B.S. in finance from Marquette University and an M.B.A. in finance from DePaul University.

Robert Stryker

Chartered Financial Analyst, portfolio manager, is manager of Invesco Quality Municipal Securities. He joined Invesco in 2010. Mr. Stryker was associated with the Trust's previous investment adviser or its investment advisory affiliates in an investment management capacity from 1994 to 2010 and began managing the Trust in 2009. He earned a B.S. in finance from the University of Illinois, Chicago.

Robert Wimmel

Portfolio manager, is manager of Invesco Quality Municipal Securities. He joined Invesco in 2010. Mr. Wimmel was associated with the Trust's previous investment adviser or its investment advisory affiliates in an investment

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management capacity from 1996 to 2010 and began managing the Trust in 2009. He earned a B.A. in anthropology from the University of Cincinnati and an M.A. in economics from the University of Illinois, Chicago.
Effective March 1, 2012, after the close of the reporting period, Richard Berry and Stephen Turman left the management team.

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Additional Information

- n Unless otherwise stated, information presented in this report is as of February 29, 2012, and is based on total net assets applicable to common shares.
- n Unless otherwise noted, all data provided by Invesco.
- n To access your Trust's reports, visit invesco.com/fundreports.

About indexes used in this report

- n The **Barclays Municipal Bond index** is an unmanaged index considered representative of the tax-exempt bond market.
- n The **Barclays U.S. Aggregate Index** is an unmanaged index considered representative of the US investment-grade, fixed-rate bond market.
- n The **Barclays U.S. Corporate High Yield Index** is an unmanaged index that covers the universe of fixed-rate, noninvestment-grade debt.
- n The **Barclays U.S. Corporate Investment Grade Index** is an unmanaged index considered representative of fixed-rate, investment grade taxable bond debt.
- n The **Barclays U.S. Mortgage Backed Securities Index** is an unmanaged index comprising 15- and 30-year fixed-rate securities backed by mortgage pools of Ginnie Mae, Freddie Mac and Fannie Mae.
- n The Trust is not managed to track the performance of any particular index, including the index(es) defined here, and consequently, the performance of the Trust may deviate significantly from the performance of the index(es).
- n A direct investment cannot be made in an index. Unless otherwise indicated, index results include reinvested dividends, and they do not reflect sales charges. Performance of the peer group, if applicable, reflects fund expenses; performance of a market index does not.

Other information

- n The Chartered Financial Analyst® (CFA®) designation is globally recognized and attests to a charterholder's success in a rigorous and comprehensive study program in the field of investment management and research analysis.
- n The returns shown in management's discussion of Trust performance are based on net asset values calculated for shareholder transactions. Generally accepted accounting principles require adjustments to be made to the net assets of the Trust at period end for financial reporting purposes, and as such, the net asset values for shareholder transactions and the returns based on those net asset values may differ from the net asset values and returns reported in the Financial Highlights.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

NYSE Symbol

IQM

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Dividend Reinvestment Plan

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

Plan benefits

n Add to your account:

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

n Low transaction costs:

Transaction costs are low because the new shares are bought in blocks and the brokerage commission is shared among all participants.

n Convenience:

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

n Safekeeping:

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

How to participate in the Plan

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

How to enroll

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

How the Plan Works

If you choose to participate in the Plan, whenever your Trust declares such Distributions, it will be invested in additional shares of your Trust that are purchased on the open market.

Costs of the Plan

There is no direct charge to you for reinvesting Distributions because the Plan's fees are paid by your Trust. However, you will pay your portion of any per share fees incurred when the new shares are purchased on the open market. These fees are typically less than the standard brokerage charges for individual transactions, because shares are purchased for all Participants in blocks, resulting in lower commissions for each individual Participant. Any per share or service fees are averaged into the purchase price. Per share fees include any applicable brokerage commissions the Agent is

required to pay.

Tax implications

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

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

How to withdraw from the Plan

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

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

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

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Schedule of Investments

February 29, 2012

	Interest Rate	Maturity Date	Principal Amount (000)	Value
Municipal Obligations 145.54%				
Alabama 0.94%				
Birmingham (City of) Airport Authority; Series 2010, RB (INS AGM) ^(a)	5.25%	07/01/30	\$ 550	\$ 607,959
Birmingham (City of) Water Works Board; Series 2011, Water RB (INS AGM) ^(b)	5.00%	01/01/36	1,260	1,365,172
				1,973,131
Alaska 0.58%				
Alaska (State of) Industrial Development & Export Authority (Providence Health Services); Series 2011 A, RB ^(b)	5.50%	10/01/41	1,080	1,208,390
Arizona 1.58%				
Arizona (State of) Transportation Board; Series 2011 A, Ref. Sub. Highway RB ^(b)	5.00%	07/01/36	915	1,024,654
Arizona (State of); Series 2008 A, COP (INS AGM) ^(a)	5.00%	09/01/24	1,010	1,119,969
Maricopa County Pollution Control Corp. (Arizona Public Service Co. Palo Verde); Series 2009 A, Ref. PCR ^(d)	6.00%	05/01/14	425	465,158
Pima (County of) Industrial Development Authority (Tucson Electric Power Co.); Series 2010 A, IDR	5.25%	10/01/40	675	692,800
				3,302,581
California 21.98%				

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Alhambra Unified School District (Election of 2004); Series 2009 B, Unlimited Tax CAB GO Bonds (INS AGC ^(a)) ^(e)	0.00%	08/01/35	1,010	291,597
Series 2009 B, Unlimited Tax CAB GO Bonds (INS AGC ^(a)) ^(e)	0.00%	08/01/36	1,635	423,841
Alvord Unified School District (Election of 2007); Series 2008 A, Unlimited Tax GO Bonds (INS AGM ^(a))	5.00%	08/01/24	765	865,200
Beverly Hills Unified School District (Election of 2008); Series 2009, Unlimited Tax CAB GO Bonds ^(e)	0.00%	08/01/26	710	418,140
Series 2009, Unlimited Tax CAB GO Bonds ^(e)	0.00%	08/01/31	1,370	600,170
California (State of) Health Facilities Financing Authority (Cedars-Sinai Medical Center); Series 2005, Ref. RB	5.00%	11/15/34	545	563,497
California (State of) Public Works Board (Department of Mental Health Coalinga State Hospital); Series 2004 A, Lease RB	5.00%	06/01/24	5,000	5,128,650
Clovis Unified School District (Election of 2004); Series 2004 A, Unlimited Tax CAB GO Bonds (INS NATL ^(a)) ^(e)	0.00%	08/01/29	355	156,551
Dry Creek Joint Elementary School District (Election of 2008-Measure E); Series 2009, Unlimited Tax CAB GO Bonds ^(e)	0.00%	08/01/43	2,690	438,766
Series 2009, Unlimited Tax CAB GO Bonds ^(e)	0.00%	08/01/44	4,825	738,177
East Bay Municipal Utility District; Series 2010 A, Ref. Sub. Water System RB ^(b)	5.00%	06/01/36	1,260	1,440,533
El Segundo Unified School District (Election of 2008); Series 2009 A, Unlimited Tax CAB GO Bonds ^(e)	0.00%	08/01/32	1,980	686,446
Golden State Tobacco Securitization Corp.; Series 2005 A, Enhanced Tobacco Settlement Asset-Backed RB (INS AMBAC ^(a))	5.00%	06/01/29	1,500	1,502,430
Indio (City of) Redevelopment Agency (Merged Redevelopment); Series 2008 A, Sub. Tax Allocation RB	5.00%	08/15/23	310	312,375
Series 2008 A, Sub. Tax Allocation RB	5.00%	08/15/24	310	310,161
Los Angeles (City of) Department of Airports (Los Angeles International Airport); Series 2010 A, Sr. RB ^(b)	5.00%	05/15/35	1,325	1,473,201

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Los Angeles (City of) Department of Water & Power; Series 2004 C, Water System RB (INS NATL ⁽³⁾ ^(b))	5.00%	07/01/25	5,000	5,450,800
Los Angeles Community College District; Series 2003 B, Unlimited Tax GO Bonds (INS AGM ⁽³⁾)	5.00%	08/01/27	4,000	4,211,640
Menifee Union School District (Election of 2008); Series 2009 C, Unlimited Tax CAB GO Bonds (INS AGC ⁽³⁾ ^(e))	0.00%	08/01/34	1,010	304,141
Milpitas (City of) Redevelopment Agency (Redevelopment Area No. 1); Series 2003, Tax Allocation RB (INS NATL ⁽³⁾)	5.00%	09/01/22	3,040	3,141,931
Moreland School District (Crossover); Series 2006 C, Ref. Unlimited Tax CAB GO Bonds (INS AMBAC ⁽³⁾ ^(e))	0.00%	08/01/29	1,120	470,142
Oak Grove School District (Election of 2008); Series 2009 A, Unlimited Tax CAB GO Bonds ^(e)	0.00%	08/01/28	815	377,304

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

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	Interest Rate	Maturity Date	Principal Amount (000)	Value
California (continued)				
Patterson Joint Unified School District (Election of 2008); Series 2009 B, Unlimited Tax CAB GO Bonds (INS AGM ^(a)) ^(e)	0.00%	08/01/36	\$ 4,025	\$ 1,035,995
Series 2009 B, Unlimited Tax CAB GO Bonds (INS AGM ^(a)) ^(e)	0.00%	08/01/37	1,590	382,379
Poway Unified School District (Election of 2008 School Facilities Improvement District No. 2007-1); Series 2009 A, Unlimited Tax CAB GO Bonds ^(e)	0.00%	08/01/27	2,040	1,026,222
Series 2009 A, Unlimited Tax CAB GO Bonds ^(e)	0.00%	08/01/31	2,545	989,241
San Diego (County of) Water Authority; Series 2004 A, COP (INS AGM ^(a)) ^(b)	5.00%	05/01/29	4,240	4,503,177
San Diego Community College District (Election of 2006); Series 2011, Unlimited Tax GO Bonds ^(b)	5.00%	08/01/36	2,680	3,017,412
San Francisco (City & County of) (Laguna Honda Hospital); Series 2008 R3, Ref. Unlimited Tax GO Bonds (INS AGC ^(a)) ^(b)	5.00%	06/15/28	540	578,437
San Francisco (City & County of) Airport Commission (San Francisco International Airport); Series 2011 F, Ref. Second Series RB ^(f)	5.00%	05/01/25	265	296,495
Series 2011 F, Ref. Second Series RB ^(f)	5.00%	05/01/26	530	588,157
San Francisco (City & County of) Public Utilities Commission (Water System Improvement Program); Subseries 2011 A, Water RB ^(b)	5.00%	11/01/36	1,140	1,284,712
Twin Rivers Unified School District; Series 2009, Unlimited Tax CAB GO BAN ^(e)	0.00%	04/01/14	850	826,447
William S. Hart Union High School District (Election of 2008); Series 2009 A, Unlimited Tax CAB GO Bonds ^(e)	0.00%	08/01/32	1,170	392,921

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Series 2009 A, Unlimited Tax CAB GO Bonds ^(e)	0.00%	08/01/33	5,725	1,799,940
				46,027,228
Colorado 2.02%				
Colorado (State of) Educational & Cultural Facilities Authority (National Jewish Federation Bond Program); Series 2008 D-5, VRD RB ^(g)	0.12%	10/01/38	1,220	1,220,000
Colorado (State of) Health Facilities Authority (Catholic Health Initiatives); Series 2009 A, RB	5.00%	07/01/39	2,000	2,103,260
Colorado (State of) Regional Transportation District (Denver Transit Partners Eagle P3); Series 2010, Private Activity RB	6.00%	01/15/41	850	916,589
				4,239,849
District of Columbia 2.38%				
District of Columbia; Series 2006 B-1, Ballpark RB (INS NATL ^(j))	5.00%	02/01/31	2,000	2,035,160
Series 2009 A, Sec. Income Tax RB ^(b)	5.25%	12/01/27	1,540	1,836,342
Metropolitan Washington Airports Authority; Series 2009 B, Airport System RB (INS BHAC ^(j))	5.00%	10/01/29	1,000	1,116,470
				4,987,972
Florida 10.70%				
Highlands (County of) Health Facilities Authority (Adventist Health System/Sunbelt Obligated Group); Series 2006 C, Ref. Hospital RB ^{(c)(d)(h)}	5.25%	11/15/16	25	30,305
Series 2006 C, Ref. Hospital RB ^(d)	5.25%	11/15/36	975	1,024,452
Martin (County of) Health Facilities Authority (Martin Memorial Medical Center); Series 2012, RB	5.00%	11/15/27	1,235	1,295,453
Miami-Dade (County of) (Miami International Airport); Series 2000 A, Aviation RB (INS NATL ^{(j)(f)})	6.00%	10/01/24	5,000	5,037,100
Miami-Dade (County of) (Miami International Airport-Hub of the Americas); Series 2009 B, Aviation RB (INS AGC ^(j))	5.00%	10/01/25	800	900,912

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Miami-Dade (County of) Expressway Authority; Series 2010 A, Ref. Toll System RB	5.00%	07/01/40	1,000	1,062,610
Miami-Dade (County of) Health Facilities Authority (Miami Children's Hospital); Series 2010 A, Ref. Hospital RB	6.00%	08/01/30	310	368,215
Miami-Dade (County of); Series 2005 A, Sub. Special Obligation Conv. CAB RB (INS NATL ^(a)) ^(e)	0.00%	10/01/30	1,995	1,879,928
Palm Beach (County of) Solid Waste Authority; Series 2009, Improvement RB (INS BHAC ^(a))	5.50%	10/01/23	750	926,820
Series 2011, Ref. RB ^(b)	5.00%	10/01/31	885	995,006

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

9 Invesco Quality Municipal Securities

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	Interest Rate	Maturity Date	Principal Amount (000)	Value
Florida (continued)				
South Miami (City of) Health Facilities Authority (Baptist Health South Florida Obligated Group); Series 2007, Hospital RB ^(b)	5.00%	08/15/42	\$ 4,000	\$ 4,161,560
St. Johns (County of) Industrial Development Authority (Glenmoor); Series 2006 A, Health Care RB	5.25%	01/01/26	1,000	854,700
Series 2006 A, Health Care RB	5.38%	01/01/40	3,250	2,501,233
Tampa Bay Water; Series 2001 A, Ref. & Improvement Utility System RB (INS NATI ^(g))	6.00%	10/01/29	1,000	1,371,890
				22,410,184
Georgia 5.67%				
Atlanta (City of); Series 2004 C, Airport Passenger Facility Charge & Sub. Lien General RB (INS AGM ^(g)) ^(b)	5.00%	01/01/33	5,000	5,275,800
DeKalb (County of); Series 2003 A, Water & Sewerage RB	5.00%	10/01/23	1,200	1,245,852
Georgia (State of) Road & Tollway Authority; Series 2003, RB ^{(c)(h)}	5.00%	10/01/13	2,000	2,151,380
Series 2003, RB	5.00%	10/01/23	3,000	3,200,250
				11,873,282
Hawaii 3.16%				
Hawaii (State of) Department of Budget & Finance (Hawaii Pacific Health Obligated Group); Series 2010 B, Special Purpose RB	5.75%	07/01/40	430	462,202
Hawaii (State of) Department of Budget & Finance (Hawaiian Electric Co., Inc. & Subsidiary); Series 1993,	5.45%	11/01/23	5,000	5,001,000

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Special Purpose Mortgage RB (INS NATL⁽³⁾)^(f)

Hawaii (State of); Series 2010 A, Airport System RB	5.00%	07/01/39	1,075	1,152,497
				6,615,699

Idaho 0.23%

Regents of the University of Idaho; Series 2011, Ref. General RB ^{(c)(d)}	5.25%	04/01/21	395	473,929
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Illinois 16.52%

Chicago (City of) (O Hare International Airport); Series 2001 A, Second Lien Passenger Facility Charge RB (INS AMBAC ⁽³⁾) ^(f)	5.38%	01/01/32	3,000	3,003,930
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Chicago (City of) Board of Education; Series 2011 A, Unlimited Tax GO Bonds ^(b)	5.00%	12/01/41	1,515	1,636,927
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Chicago (City of) O Hare International Airport; Series 2005 A, Third Lien General Airport RB (INS NATL ⁽³⁾)	5.25%	01/01/26	3,000	3,234,450
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Chicago (City of) Park District; Series 2004 A, Limited Tax GO Bonds (INS AMBAC ⁽³⁾)	5.00%	01/01/27	3,600	3,878,532
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Chicago (City of) Transit Authority (FTA Section 5309 Fixed Guideway Modernization Formula Funds); Series 2008, Capital Grant Receipts RB (INS AGC ⁽³⁾)	5.25%	06/01/23	1,070	1,193,285
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Chicago (City of) Transit Authority; Series 2011, Sales Tax Receipts RB ^(b)	5.25%	12/01/36	1,290	1,438,427
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Chicago (City of); Series 2007 A, Ref. Project Unlimited Tax GO Bonds (INS AGM ⁽³⁾) ^{(b)(i)}	5.00%	01/01/37	4,590	4,762,263
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DeKalb County Community Unit School District No. 428; Series 2008, Unlimited Tax GO Bonds (INS AGM ⁽³⁾)	5.00%	01/01/23	725	818,046
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Illinois (State of) Finance Authority (Little Company of Mary Hospital & Health Care Centers); Series 2010, RB	5.38%	08/15/40	775	794,026
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Illinois (State of) Finance Authority (Northwestern Memorial Hospital); Series 2009 B, RB	5.38%	08/15/24	965	1,127,371
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Illinois (State of) Finance Authority (Resurrection Health Care Corp.); Series 2009, Ref. RB	6.13%	05/15/25	925	1,054,907
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Illinois (State of) Finance Authority (Rush University Medical Center Obligated Group); Series 2009 A, RB	7.25%	11/01/38	415	507,001
Illinois (State of) Finance Authority (Swedish Covenant Hospital); Series 2010 A, Ref. RB	5.75%	08/15/29	1,325	1,461,316
Series 2010 A, Ref. RB	6.00%	08/15/38	690	758,358
Illinois (State of) Metropolitan Pier & Exposition Authority (McCormick Place Expansion); Series 2002 A, Conv. CAB RB (INS NATL ⁽³⁾) ^(e)	0.00%	06/15/26	8,480	7,488,349
Series 2010 A, RB	5.50%	06/15/50	125	135,409

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

10 Invesco Quality Municipal Securities

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	Interest Rate	Maturity Date	Principal Amount (000)	Value
Illinois (continued)				
Railsplitter Tobacco Settlement Authority; Series 2010, RB	5.50%	06/01/23	\$ 1,125	\$ 1,298,149
				34,590,746
Indiana 1.30%				
Indiana (State of) Finance Authority (Clarion Health Obligated Group); Series 2006 A, Hospital RB	5.25%	02/15/40	1,200	1,237,788
Indiana (State of) Finance Authority (CWA Authority); Series 2011 B, Second Lien Wastewater Utility RB	5.25%	10/01/31	795	891,298
Rockport (City of) (Indiana Michigan Power Co.); Series 2009 B, Ref. PCR ^{(c)(d)}	6.25%	06/01/14	530	584,161
				2,713,247
Iowa 1.33%				
Iowa (State of) (IJOBS Program); Series 2009 A, Special Obligation RB ^{(b)(i)}	5.00%	06/01/25	1,355	1,602,911
Series 2009 A, Special Obligation RB ^{(b)(i)}	5.00%	06/01/26	1,015	1,193,498
				2,796,409
Kansas 0.26%				
Kansas (State of) Development Finance Authority (Adventist Health System/Sunbelt Obligated Group); Series 2009 C, Hospital RB	5.50%	11/15/29	470	543,156
Kentucky 0.50%				

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Kentucky (State of) Economic Development Finance Authority (Owensboro Medical Health System, Inc.); Series 2010 A, Hospital RB	6.38%	06/01/40	425	477,692
Series 2010 A, Hospital RB	6.50%	03/01/45	500	566,250
				1,043,942
Louisiana 0.79%				
Lafayette (City of) Public Trust Financing Authority (Ragin Cajun Facilities, Inc.-Housing & Parking); Series 2010, RB (INS AGM ³)	5.25%	10/01/30	650	727,337
St. John the Baptist (Parish of) (Marathon Oil Corp.); Series 2007 A, RB	5.13%	06/01/37	900	933,210
				1,660,547
Maryland 0.69%				
Baltimore (County of) (Oak Crest Village Inc. Facility); Series 2007 A, RB	5.00%	01/01/37	705	711,133
Maryland Economic Development Corp. (Terminal); Series 2010 B, RB	5.75%	06/01/35	690	730,669
				1,441,802
Massachusetts 5.81%				
Massachusetts (State of) Development Finance Agency (Berklee College of Music); Series 2007 A, RB	5.00%	10/01/32	625	672,031
Massachusetts (State of) Development Finance Agency (Harvard University); Series 2009 A, RB ^(b)	5.50%	11/15/36	4,850	5,915,400
Massachusetts (State of) Development Finance Agency (Massachusetts Institute of Technology); Series 2009 O, RB ^(b)	5.50%	07/01/36	1,570	1,895,257
Massachusetts (State of) Development Finance Agency (Partners Healthcare); Series 2012 L, RB	5.00%	07/01/31	1,500	1,697,655
Massachusetts (State of) Development Finance Agency (Tufts Medical Center); Series 2011 I, RB	6.75%	01/01/36	325	367,809
	5.00%	10/15/35	1,410	1,615,677

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Massachusetts (State of) School Building Authority;
Series 2011 B, Sr. Dedicated Sales Tax RB^(b)

12,163,829

Michigan 0.48%

Lansing (City of) Board of Water & Light; Series 2011 A,
Utility System RB

5.00%

07/01/37

900

1,001,781

Minnesota 0.48%

Minneapolis (City of) & St. Paul (City of) Housing &
Redevelopment Authority (Allina Health System);
Series 2009 B-1, VRD Health Care System RB
(LOC JPMorgan Chase Bank, N.A.)^{(g)(i)}

0.13%

11/15/35

1,000

1,000,000

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	Interest Rate	Maturity Date	Principal Amount (000)	Value
Missouri 0.44%				
Kansas City (City of) Industrial Development Authority (Downtown Redevelopment District); Series 2011 A, Ref. RB				
	5.50%	09/01/27	\$ 270	\$ 316,804
Series 2011 A, Ref. RB				
	5.50%	09/01/28	520	607,376
				924,180
Montana 0.53%				
Forsyth (City of) (Portland General Electric Co.); Series 1998 A, Ref. PCR				
	5.00%	05/01/33	1,000	1,116,760
Nebraska 2.51%				
Nebraska (State of) Public Power District; Series 2003 A, RB ^{(c)(h)}				
	5.00%	07/01/13	3,740	3,807,432
Omaha (City of) Public Power District; Series 2011 B, RB ^(b)				
	5.00%	02/01/36	1,275	1,446,054
				5,253,486
Nevada 1.75%				
Clark (County of); Series 2004 A-1, Sub. Lien Airport System RB (INS NATL ^{(g)(f)})				
	5.50%	07/01/20	3,000	3,186,930
Las Vegas (City of) Redevelopment Agency; Series 2009 A, Tax Increment Allocation RB				
	6.25%	06/15/16	410	470,418
				3,657,348
New Hampshire 0.78%				
Manchester (City of) (Manchester Water Works); Series 2003, Water RB ^{(c)(h)}				
	5.00%	12/01/13	1,500	1,624,395

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New Jersey 1.36%

New Jersey (State of) Economic Development Authority (Provident Group-Montclair Properties LLC-Montclair State University Student Housing); Series 2010 A, RB	5.75%	06/01/31	525	570,171
New Jersey (State of) Transportation Trust Fund Authority; Series 2006 C, Transportation System CAB RB (INS AGC ^(g))(e)	0.00%	12/15/26	4,300	2,270,013
				2,840,184

New Mexico 0.87%

Farmington (City of) (Public Service Co. of New Mexico San Juan); Series 2010 C, Ref. PCR	5.90%	06/01/40	700	733,201
New Mexico (State of) Finance Authority; Series 2008 A, Sr. Lien Public Revolving Fund RB	5.00%	06/01/27	940	1,081,207
				1,814,408

New York 15.44%

Brooklyn Arena Local Development Corp. (Barclays Center); Series 2009, PILOT RB	6.25%	07/15/40	460	497,030
Series 2009, PILOT RB	6.38%	07/15/43	190	205,799
Metropolitan Transportation Authority; Series 2003 B, RB (INS NATL ^(g))	5.25%	11/15/22	5,000	5,376,000
New York (City of) Municipal Water Finance Authority; Series 2010 FF, Second General Resolution Water & Sewer System RB	5.00%	06/15/31	2,400	2,743,416
New York (City of) Transitional Finance Authority; Series 2009 A, Future Tax Sec. RB ^(b)	5.00%	05/01/28	1,305	1,502,694
Series 2009 A, Future Tax Sec. RB ^(b)	5.00%	05/01/29	1,045	1,195,752
Series 2009 A, Future Tax Sec. RB ^(b)	5.00%	05/01/30	1,045	1,188,677
New York (City of) Trust for Cultural Resources (The Museum of Modern Art); Series 2008 1A, Ref. RB ^(b)	5.00%	04/01/28	1,950	2,217,131

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New York (City of); Subseries 1993 E-2, VRD Unlimited Tax GO Bonds (LOC JPMorgan Chase Bank, N.A.) ^{(g)(j)}	0.09%	08/01/20	1,000	1,000,000
Subseries 2008 A-1, Unlimited Tax GO Bonds ^(b)	5.25%	08/15/27	980	1,130,763
Subseries 2008 A-1, Unlimited Tax GO Bonds ^(b)	5.25%	08/15/28	980	1,125,677
New York (State of) Dormitory Authority (City of New York); Series 2005 A, Court Facilities Lease RB (INS AMBAC) ^(g)	5.50%	05/15/29	705	891,888
New York (State of) Dormitory Authority (General Purpose); Series 2011 A, State Personal Income Tax RB ^(b)	5.00%	03/15/30	1,530	1,781,991

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	Interest Rate	Maturity Date	Principal Amount (000)	Value
New York (continued)				
New York (State of) Thruway Authority (Transportation); Series 2009 A, Personal Income Tax RB	5.00%	03/15/25	\$ 1,310	\$ 1,542,066
New York (State of) Thruway Authority; Series 2011 A-1, Second General Highway & Bridge Trust Fund RB ^(b)	5.00%	04/01/29	1,290	1,503,147
Tobacco Settlement Financing Corp.; Series 2003 B-1C, Asset-Backed RB	5.50%	06/01/21	6,000	6,375,360
Triborough Bridge & Tunnel Authority; Series 2002 B, Ref. General RB	5.25%	11/15/19	2,000	2,068,660
				32,346,051
North Carolina 2.60%				
Charlotte (City of) (Cultural Arts Facilities); Series 2009 E, Ref. COP ^(b)	5.00%	06/01/39	3,805	4,100,725
North Carolina (State of) Turnpike Authority; Series 2011, Monroe Connector System State Appropriation RB ^(b)	5.00%	07/01/41	1,200	1,348,896
				5,449,621
Ohio 4.63%				
American Municipal Power-Ohio Inc. (Prairie State Energy Campus); Series 2008 A, RB (INS AGC ^(a)) ^(b)	5.25%	02/15/33	1,000	1,088,080
Cuyahoga (County of) (Cleveland Clinic); Series 2003, RB ^{(c)(h)}	6.00%	07/01/13	2,450	2,637,303
Series 2003 H, RB ^{(c)(h)}	6.00%	07/01/13	2,550	2,744,947
Franklin (County of) (Ohio Health Corp.); Series 2011 A, Hospital Facilities RB ^(b)	5.00%	11/15/36	900	965,412
	6.25%	12/01/34	520	597,782

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Hancock (County of) (Blanchard Valley Regional Health Center); Series 2011 A, Hospital Facilities RB

Ohio (State of) Higher Educational Facility Commission (Summa Health System); Series 2010, Hospital Facilities RB

5.75% 11/15/40 1,275 1,363,880

Ohio (State of) Water Development Authority (FirstEnergy Nuclear Generation Corp.); Series 2009 A, Ref. PCR^{(c)(d)}

5.88% 06/01/16 265 301,848

9,699,252

Oregon 0.33%

Warm Springs Reservation Confederated Tribes of Oregon (Pelton Round Butte); Series 2009 B, Tribal Economic Development Hydroelectric RB^(k)

6.38% 11/01/33 660 685,898

Pennsylvania 1.35%

Pennsylvania (State of) Turnpike Commission; Subseries 2010 B-2, Sub. Conv. CAB RB^(e)

0.00% 12/01/28 750 710,340

Subseries 2010 B-2, Sub. Conv. CAB RB^(e)

0.00% 12/01/34 450 413,388

Philadelphia School District; Series 2008 E, Limited Tax GO Bonds (INS BHAC^(g))

5.13% 09/01/23 1,500 1,709,445

2,833,173

Puerto Rico 2.89%

Puerto Rico (Commonwealth of) Aqueduct & Sewer Authority; Series 2012 A, Sr. Lien RB

5.00% 07/01/33 635 636,276

Series 2012 A, Sr. Lien RB

5.25% 07/01/42 440 440,629

Series 2012 A, Sr. Lien RB

6.00% 07/01/47 350 377,521

Puerto Rico (Commonwealth of) Electric Power Authority; Series 2010 CCC, RB

5.25% 07/01/27 1,000 1,108,400

Series 2010 XX, RB

5.25% 07/01/40 750 788,438

Puerto Rico Sales Tax Financing Corp.;

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First Subseries 2010 A, RB	5.38%	08/01/39	450	487,040
First Subseries 2010 A, RB	5.50%	08/01/42	750	817,477
First Subseries 2010 C, RB	5.25%	08/01/41	1,300	1,400,243
				6,056,024
Rhode Island 0.75%				
Rhode Island Economic Development Corp.;				
Series 2004 A, Ref. Airport RB (INS				
AGM) ^{(a)(f)}	5.00%	07/01/21	1,500	1,564,110

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	Interest Rate	Maturity Date	Principal Amount (000)	Value
South Carolina 5.38%				
Charleston Educational Excellence Finance Corp. (Charleston County School District); Series 2005, Installment Purchase RB	5.25%	12/01/29	\$ 2,000	\$ 2,210,660
Grand Strand Water & Sewer Authority; Series 2002, Ref. Waterworks & Sewer System RB ^{(c)(h)}	5.38%	06/01/12	4,565	4,626,262
Richland (County of) (International Paper Co.); Series 2007 A, Ref. Environmental Improvement RB	4.60%	09/01/12	210	213,633
South Carolina (State of) Public Service Authority; Series 2003 A, Ref. RB ^{(b)(h)}	5.00%	01/01/22	4,000	4,222,400
				11,272,955
Texas 14.42%				
Alliance Airport Authority, Inc. (Federal Express Corp.); Series 2006, Ref. Special Facilities RB ^(f)	4.85%	04/01/21	2,000	2,144,680
Arlington (City of); Series 2009, Special Tax RB	5.00%	08/15/28	1,500	1,638,405
Bexar County Health Facilities Development Corp. (Army Retirement Residence); Series 2010, RB	6.20%	07/01/45	590	642,575
Friendswood Independent School District; Series 2008, Schoolhouse Unlimited Tax GO Bonds (CEP Texas Permanent School Fund)	5.00%	02/15/25	575	658,605
Harris (County of); Series 2007 C, Ref. Sub. Lien Toll Road Unlimited Tax GO Bonds (INS AGM ³)	5.25%	08/15/31	1,530	1,985,619
Harris County Industrial Development Corp. (Deer Park Refining Limited Partnership); Series 2006, Solid Waste Disposal RB	5.00%	02/01/23	350	380,709
Houston (City of) Convention & Entertainment Facilities Department; Series 2001 B, Hotel Occupancy Tax & Special CAB RB (INS AGM ³) ^(e)	0.00%	09/01/25	2,350	1,294,380

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Houston (City of); Series 2004 A, Ref. First Lien Combined Utility System RB (INS NATL ⁽³⁾)	5.25%	05/15/25	5,000	5,447,950
Series 2011 D, First Lien Combined Utility System RB ^(b)	5.00%	11/15/36	1,050	1,185,587
Lower Colorado River Authority; Series 2010 A, Ref. RB	5.00%	05/15/40	450	485,946
North Texas Tollway Authority; Series 2008 D, Ref. First Tier System CAB RB (INS AGC ⁽³⁾)(e)	0.00%	01/01/28	5,200	2,536,144
Series 2008 D, Ref. First Tier System CAB RB (INS AGC ⁽³⁾)(e)	0.00%	01/01/31	1,065	435,382
Tarrant (County of) Regional Water District; Series 2002, Ref. & Improvement RB (INS AGM ⁽³⁾)	5.25%	03/01/17	4,000	4,202,880
Tarrant County Cultural Education Facilities Finance Corp. (Air Force Village Obligated Group); Series 2007, Retirement Facilities RB	5.13%	05/15/37	225	213,694
Texas A&M University System Board of Regents; Series 2009 A, Financing System RB	5.00%	05/15/26	1,665	1,945,336
Texas Private Activity Bond Surface Transportation Corp. (NTE Mobility Partners LLC North Tarrant Express Management Lanes); Series 2009, Sr. Lien RB	6.88%	12/31/39	510	579,467
University of Houston; Series 2008, Ref. Consolidated RB (INS AGM ⁽³⁾)(b)	5.00%	02/15/33	1,000	1,104,680
West Harris County Regional Water Authority; Series 2005, Water System RB (INS AGM ^(a))	5.00%	12/15/24	3,000	3,315,360
				30,197,399
Utah 0.75%				
Intermountain Power Agency; Series 2003 A, Ref. Power Supply RB (INS AGM ⁽³⁾)	5.00%	07/01/21	1,500	1,577,415
Virgin Islands 0.32%				
Virgin Islands (Government of) Public Finance Authority (Matching Fund Loan Note); Series 2010 A, Sr. Lien RB	5.00%	10/01/25	625	676,169

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Virginia 6.08%

Fairfax (County of) Industrial Development Authority (INOVA Health System); Series 1993, Ref. RB	5.25%	08/15/19	9,000	10,591,920
Prince William (County of) Service Authority; Series 2003, Ref. Water & Sewer System RB	5.00%	07/01/21	2,000	2,147,400
				12,739,320

Washington 4.39%

Grant (County of) Public Utility District No. 2; Series 2005 A, Ref. Wanapum Hydro Electric RB (INS NATL ^(a))	5.00%	01/01/34	1,705	1,758,793
Seattle (Port of); Series 2012 A, Ref. Intermediate Lien RB	5.00%	08/01/31	725	830,516
Washington (State of) Health Care Facilities Authority (Catholic Health Initiatives); Series 2011 A, RB ^(b)	5.00%	02/01/41	795	848,909

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	Interest Rate	Maturity Date	Principal Amount (000)	Value
Washington (continued)				
Washington (State of); Series 2010 A, Various Purpose Unlimited Tax GO Bonds ^(b)	5.00%	08/01/29	\$ 2,380	\$ 2,820,586
Series 2010 A, Various Purpose Unlimited Tax GO Bonds ^(b)	5.00%	08/01/30	2,500	2,942,250
				9,201,054
Wisconsin 0.57%				
Wisconsin (State of); Series 2009 A, General Fund Annual Appropriation RB	5.63%	05/01/28	1,000	1,191,320
TOTAL INVESTMENTS ^(l) 145.54% (Cost \$280,615,620)				304,788,226
FLOATING RATE NOTE OBLIGATIONS (24.10%) Notes with interest rates ranging from 0.13% to 0.29% at 02/29/12 and contractual maturities of collateral ranging from 01/01/22 to 08/15/42 (See Note 1J) ^(m)				(50,470,000)
OTHER ASSETS LESS LIABILITIES 0.19%				406,963
PREFERRED SHARES (21.63%)				(45,300,000)
NET ASSETS APPLICABLE TO COMMON SHARES 100.00%				\$ 209,425,189

Investment Abbreviations:

AGC	Assured Guaranty Corp.
AGM	Assured Guaranty Municipal Corp.
AMBAC	American Municipal Bond Assurance Corp.
BAN	Bond Anticipation Notes
BHAC	Berkshire Hathaway Assurance Corp.
CAB	Capital Appreciation Bonds
CEP	Credit Enhancement Provider

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Conv.	Convertible
COP	Certificates of Participation
GO	General Obligation
IDR	Industrial Development Revenue Bonds
INS	Insurer
LOC	Letter of Credit
NATL	National Public Finance Guarantee Corp.
PCR	Pollution Control Revenue Bonds
PILOT	Payment-in-Lieu-of-Tax
RB	Revenue Bonds
Ref.	Refunding
Sec.	Secured
Sr.	Senior
Sub.	Subordinated
VRD	Variable Rate Demand

Notes to Schedule of Investments:

- (a) Principal and/or interest payments are secured by the bond insurance company listed.
- (b) Underlying security related to Dealer Trusts entered into by the Trust. See Note 1J.
- (c) Security has an irrevocable call by the issuer or mandatory put by the holder. Maturity date reflects such call or put.
- (d) Interest or dividend rate is redetermined periodically. Rate shown is the rate in effect on February 29, 2012.
- (e) Zero coupon bond issued at a discount.
- (f) Security subject to the alternative minimum tax.
- (g) Demand security payable upon demand by the Trust at specified time intervals no greater than thirteen months. Interest rate is redetermined periodically. Rate shown is the rate in effect on February 29, 2012.
- (h) Advance refunded; secured by an escrow fund of U.S. Government obligations or other highly rated collateral.
- (i) Security is subject to a shortfall agreement which may require the Trust to pay amounts to a counterparty in the event of a significant decline in the market value of the security underlying the Dealer Trusts. In case of a shortfall, the maximum potential amount of payments the Trust could ultimately be required to make under the agreement is \$4,655,000. However, such shortfall payment would be reduced by the proceeds from the sale of the security underlying the Dealer Trusts.
- (j) Principal and interest payments are fully enhanced by a letter of credit from the bank listed or a predecessor bank, branch or subsidiary.
- (k) Security purchased or received in a transaction exempt from registration under the Securities Act of 1933, as amended. The security may be resold pursuant to an exemption from registration under the 1933 Act, typically to qualified institutional buyers. The value of this security at February 29, 2012 represented 0.33% of the Trust's Net Assets.
- (l) This table provides a listing of those entities that have either issued, guaranteed, backed or otherwise enhanced the credit quality of more than 5% of the securities held in the portfolio. In instances where the entity has guaranteed, backed or otherwise enhanced the credit quality of a security, it is not primarily responsible for the issuer's obligations but may be called upon to satisfy the issuer's obligations.

Entity	Percentage
National Public Finance Guarantee Corp.	16.6%
Assured Guaranty Municipal Corp.	13.4

- (m) Floating rate note obligations related to securities held. The interest rates shown reflect the rates in effect at February 29, 2012. At February 29, 2012, the Trust's investments with a value of \$87,394,967 are held by Dealer Trusts and serve as collateral for the \$50,470,000 in the floating rate note obligations outstanding at that date.

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

15 Invesco Quality Municipal Securities

Statement of Assets and Liabilities*February 29, 2012***Assets:**

Investments, at value (Cost \$280,615,620)	\$ 304,788,226
Receivable for: Investments sold	5,000
Interest	2,948,285
Investment for trustee deferred compensation and retirement plans	6,643
Total assets	307,748,154

Liabilities:

Floating rate note obligations	50,470,000
Payable for: Investments purchased	822,324
Amount due custodian	1,583,308
Dividends declared on preferred shares	790
Accrued other operating expenses	73,555
Trustee deferred compensation and retirement plans	72,988
Total liabilities	53,022,965
Preferred shares (\$0.01 par value, authorized 1,000,000 shares, 906 issued with liquidation preference of \$50,000 per share)	45,300,000
Net assets applicable to common shares	\$ 209,425,189

Net assets applicable to common shares consist of:

Shares of beneficial interest common shares	\$ 198,902,809
Undistributed net investment income	4,031,340

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Undistributed net realized gain (loss)	(17,681,566)
Unrealized appreciation	24,172,606
	\$ 209,425,189

Shares outstanding, \$0.01 par value per share, with an unlimited number of shares authorized:

Common shares outstanding	13,454,169
Net asset value per common share	\$ 15.57
Market value per common share	\$ 15.24

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

16 Invesco Quality Municipal Securities

Statement of Operations*For the year ended February 29, 2012***Investment income:**

Interest	\$ 13,809,489
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Expenses:

Advisory fees	771,123
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Administrative services fees	50,000
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Custodian fees	9,402
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Interest, facilities and maintenance fees	532,918
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Transfer agent fees	9,066
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Trustees and officers fees and benefits	35,945
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Other	130,708
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Total expenses	1,539,162
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Net investment income	12,270,327
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Realized and unrealized gain (loss) from:

Net realized gain (loss) from investment securities	(2,854,229)
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Change in net unrealized appreciation of investment securities	29,843,891
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Net realized and unrealized gain	26,989,662
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Net increase in net assets resulting from operations	39,259,989
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Distributions to preferred shareholders from net investment income	(136,462)
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Net increase in net assets resulting from operations applicable to common shares	\$ 39,123,527
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See accompanying Notes to Financial Statements which are an integral part of the financial statements.

17 Invesco Quality Municipal Securities

Statement of Changes in Net Assets

For the year ended February 29, 2012, the period November 1, 2010 to February 28, 2011 and the year ended October 31, 2010.

	Year ended February 29, 2012	Four months ended February 28, 2011	Year ended October 31, 2010
Operations:			
Net investment income	\$ 12,270,327	\$ 4,140,693	\$ 12,421,581
Net realized gain (loss)	(2,854,229)	(588,041)	(566,379)
Change in net unrealized appreciation (depreciation)	29,843,891	(17,162,059)	11,208,254
Net increase (decrease) in net assets resulting from operations	39,259,989	(13,609,407)	23,063,456
Distributions to preferred shareholders from net investment income	(136,462)	(78,948)	(221,268)
Net increase (decrease) in net assets from operations applicable to common shares	39,123,527	(13,688,355)	22,842,188
Distributions to common shareholders from net investment income	(11,772,397)	(3,767,167)	(11,301,500)
Net increase (decrease) in net assets	27,351,130	(17,455,522)	11,540,688
Net assets applicable to common shares:			
Beginning of period	182,074,059	199,529,581	187,988,893
End of period (includes undistributed net investment income of \$4,031,340, \$3,680,842 and \$3,395,057, respectively)	\$ 209,425,189	\$ 182,074,059	\$ 199,529,581

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

Statement of Cash Flows*For the year ended February 29, 2012***Cash provided by operating activities:**

Net increase in net assets from operations applicable to common shares	\$ 39,123,527
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Adjustments to reconcile the change in net assets applicable to common shares from operations to net cash provided by operating activities:

Net realized loss on investments	2,854,229
Net change in unrealized appreciation on investments	(29,843,891)
Amortization of premium	681,392
Accretion of discount	(1,450,106)
Cost of purchases of investments	(48,825,576)
Proceeds from sales of investments	46,137,643
Increase in interest receivables and other assets	(121,059)
Increase in accrued expenses and other payables	23,529
Net cash provided by operating activities	8,579,688

Cash flows provided by (used in) financing activities:

Proceeds from redemptions of preferred shares	(9,700,000)
Dividends paid to common shareholders from net investment income	(11,772,397)
Proceeds from floating rate note obligations	10,680,360
Increase in payable for amount due custodian	1,583,308
Net cash provided by (used in) financing activities	(9,208,729)
Net increase (decrease) in cash	(629,041)
Cash at beginning of period	629,041

Cash at end of period	\$
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Supplemental disclosure of cash flow information:

Cash paid during the period for interest, facilities and maintenance fees	\$	518,843
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Notes to Financial Statements*February 29, 2012***NOTE 1 Significant Accounting Policies**

Invesco Quality Municipal Securities (the Trust), a Massachusetts business trust, is registered under the Investment Company Act of 1940, as amended (the 1940 Act), as a diversified, closed-end series management investment company.

The Trust's investment objective is to provide current income which is exempt 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. 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 The Trust declares and pays monthly dividends from net investment income to common shareholders. Distributions from net realized capital gain, if any, are generally paid annually and are distributed on a pro rata basis to common and preferred shareholders. The Trust may elect to treat a portion of the proceeds from redemptions as distributions for federal income tax purposes.

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.

In addition, the Trust intends to invest in such municipal securities to allow it to qualify to pay shareholders exempt dividends, as defined in the Internal Revenue Code.

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. Interest, Facilities and Maintenance Fees Interest, Facilities and Maintenance Fees include interest and related borrowing costs such as commitment fees and other expenses associated with lines of credit and interest and administrative expenses related to establishing and maintaining Auction Rate Preferred Shares and floating rate note obligations, if any.

G. 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.

- H. 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.
- I. Cash and Cash Equivalents** For the purposes of the Statement of Cash Flows the Trust defines Cash and Cash Equivalents as cash (including foreign currency), money market funds and other investments held in lieu of cash and excludes investments made with cash collateral received.
- J. Floating Rate Note Obligations** The Trust invests 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 securities. 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 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 as a component of *Interest, facilities and maintenance fees* on the Statement of Operations.

The Trust generally invests in inverse floating rate securities that include embedded leverage, thus exposing the Trust to greater risks and increased costs. The primary risks associated with inverse floating rate securities 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 securities. 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.

K. Other Risks The value of, payment of interest on, repayment of principal for and the ability to sell a municipal security may be affected by constitutional amendments, legislative enactments, executive orders, administrative regulations, voter initiatives and the economics of the regions in which the issuers are located.

Since many municipal securities are issued to finance similar projects, especially those relating to education, health care, transportation and utilities, conditions in those sectors can affect the overall municipal securities market and a Trust's investments in municipal securities.

There is some risk that a portion or all of the interest received from certain tax-free municipal securities could become taxable as a result of determinations by the Internal Revenue Service.

NOTE 2 Advisory Fees and Other Fees Paid to Affiliates

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 managed assets including current preferred shares and leverage that the Trust entered into to retire preferred shares of the Trust.

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 Canada 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(s) discretionary investment management services to the Trust based on the percentage of assets allocated to such Sub-Adviser(s).

The Adviser has contractually agreed, through at least June 30, 2012, to waive advisory fees and/or reimburse expenses to the extent necessary to limit the 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, facilities and maintenance fees; (2) taxes; (3) dividend expense on short sales; (4) extraordinary or non-routine items, including litigation expenses; 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.

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. For the year ended February 29, 2012, expenses incurred under these agreements are shown in the Statement of Operations as administrative services fees.

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

NOTE 3 Additional Valuation Information

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

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

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

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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 February 29, 2012. The level assigned to the securities valuations may not be an indication of the risk or liquidity associated with investing in those securities. Because of the inherent uncertainties of valuation, the values reflected in the financial statements may materially differ from the value received upon actual sale of those investments.

During the year ended February 29, 2012, there were no significant transfers between investment levels.

	Level 1	Level 2	Level 3	Total
Municipal Obligations	\$	\$ 304,788,226	\$	\$ 304,788,226

NOTE 4 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 Trusts 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.

During the year ended February 29, 2012, the Trust paid legal fees of \$1,193 for services rendered by Kramer, Levin, Naftalis & Frankel LLP as counsel to the Independent Trustees. A partner of that firm is a Trustee of the Trust.

NOTE 5 Cash Balances and Borrowings

The Trust is permitted to temporarily carry a negative or overdrawn balance in its account with State Street Bank and Trust Company, the custodian bank. Such balances, if any at period end, are shown in the Statement of Assets and Liabilities under the payable caption *amount due custodian*. 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 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 year ended February 29, 2012 were \$38,291,923 and 0.99%, respectively.

NOTE 6 Distributions to Shareholders and Tax Components of Net Assets

Tax Character of Distributions to Shareholders Paid During the Year ended February 29, 2012, the Period November 1, 2010 to February 28, 2011 and Year Ended October 31, 2010:

	Year ended February 29, 2012	Four months ended February 28, 2011	Year ended October 31, 2010
Ordinary income	\$	\$	\$ 4,592
Tax-exempt income	11,908,859	3,846,115	11,518,176
Total distributions	\$ 11,908,859	\$ 3,846,115	\$ 11,522,768

Tax Components of Net Assets at Period-End:

	2012
Undistributed ordinary income	\$ 3,743,169
Net unrealized appreciation investments	23,885,007
Temporary book/tax differences	(72,287)
Post-October deferrals	(374,945)
Capital loss carryforward	(16,658,564)
Shares of beneficial interest	198,902,809
Total net assets	\$ 209,425,189

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 book to tax accretion and amortization differences and TOB's.

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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 Regulated Investment Company Modernization Act of 2010 (the Act) eliminated the eight-year carryover period for capital losses that arise in taxable years beginning after its enactment date of December 22, 2010. Consequently, these capital losses can be carried forward for an unlimited period. However, capital losses with an expiration period may not be used to offset capital gains until all net capital losses without an expiration date have been utilized. Additionally, post-enactment capital loss carryovers will retain their character as either short-term or long-term capital losses instead of as short-term capital losses as under prior law. The ability to utilize capital loss carryforward in the future may be limited under the Internal Revenue Code and related regulations based on the results of future transactions.

The Trust has a capital loss carryforward as of February 29, 2012, which expires as follows:

Expiration	Capital Loss Carryforward*		
	Short-Term	Long-Term	Total
February 28, 2015	\$ 249,765	\$	\$ 249,765
February 29, 2016	1,475,005		1,475,005
February 28, 2017	11,693,456		11,693,456
February 28, 2018	886,636		886,636
February 28, 2019	588,041		588,041
Not subject to expiration		1,765,661	1,765,661
Total capital loss carryforward	\$ 14,892,903	\$ 1,765,661	\$ 16,658,564

* 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 7 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 February 29, 2012 was \$50,898,225 and \$45,720,112, 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	\$ 24,824,174
Aggregate unrealized (depreciation) of investment securities	(939,167)

Net unrealized appreciation of investment securities \$ 23,885,007

Cost of investments for tax purposes is \$280,903,219.

NOTE 8 Reclassification of Permanent Differences

Primarily as a result of differing book/tax treatment of bond discount amortization and taxable income, on February 29, 2012, undistributed net investment income was decreased by \$10,970, undistributed net realized gain (loss) was increased by \$6,868 and shares of beneficial interest was increased by \$4,102. This reclassification had no effect on the net assets of the Trust.

NOTE 9 Preferred Shares of Beneficial Interest

The Trust has issued 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 Interest, facilities and maintenance fees 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	159	\$ 7,950	0.244%	03/06/2012	0.107%-0.4110%
2	140	7,000	0.228	03/07/2012	0.107-0.3960
3	140	7,000	0.213	03/08/2012	0.107-0.4110
4	280	14,000	0.244	03/06/2012	0.107-0.4110
5	187	9,350	0.244	03/06/2012	0.107-0.4110

As of February 29, 2012.

For the year ended February 29, 2012.

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Subsequent to February 29, 2012 and up through April 5, 2012, the Trust paid dividends to preferred shareholders at rates ranging from 0.198% to 0.363% in the aggregate amount of \$11,158.

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 February 13, 2008 and continuing through February 29, 2012, 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.

During the period ended February 29, 2012, the Trust entered into additional floating rate note obligations as an alternative form of leverage in order to redeem a portion of its preferred shares. Transactions in preferred shares were as follows:

	Series 1		Series 2		Series 3	
	Shares	Value	Shares	Value	Shares	Value
Outstanding at February 28, 2011	193	\$ 9,650,000	170	\$ 8,500,000	170	\$ 8,500,000
Shares redeemed	(34)	(1,700,000)	(30)	(1,500,000)	(30)	(1,500,000)
Outstanding at February 29, 2012	159	\$ 7,950,000	140	\$ 7,000,000	140	\$ 7,000,000

	Series 4		Series 5	
	Shares	Value	Shares	Value
Outstanding at February 28, 2011	340	\$ 17,000,000	227	\$ 11,350,000
Shares redeemed	(60)	(3,000,000)	(40)	(2,000,000)
Outstanding at February 29, 2012	280	\$ 14,000,000	187	\$ 9,350,000

NOTE 10 Common Shares of Beneficial Interest

Transactions in common shares of beneficial interest were as follows:

Year ended	Four months ended	Year ended
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	February 29, 2012	February 28, 2011	October 31, 2010
Beginning Shares	13,454,169	13,454,169	13,454,169
Shares Issued Through Dividend Reinvestment			
Ending Shares	13,454,169	13,454,169	13,454,169

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 11 Dividends

The Trust declared the following dividends to common shareholders from net investment income subsequent to February 29, 2012:

Declaration Date	Amount Per Share	Record Date	Payable Date
March 1, 2012	\$ 0.0750	March 14, 2012	March 30, 2012
April 2, 2012	\$ 0.0750	April 13, 2012	April 30, 2012

NOTE 12 Financial Highlights

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

	For the year ended February 29, 2012	Four months ended February 28, 2011	2010	For the year ended October 31, 2009 2008		2007
Net asset value per common share, beginning of period	\$ 13.53	\$ 14.83	\$ 13.97	\$ 12.37	\$ 15.27	\$ 16.04
Net investment income ^(a)	0.91	0.31	0.92	0.95	0.96	0.97
Net gains (losses) on securities (both realized and unrealized)	2.01	(1.32)	0.80	1.45	(2.91)	(0.71)
Dividends paid to preferred shareholders from net investment income	(0.01)	(0.01)	(0.02)	(0.04)	(0.25)	(0.26)
Total income (loss) from investment operations	2.91	(1.02)	1.70	2.36	(2.20)	
Less dividends and distributions paid to common shareholders from:						

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Dividends from net investment income	(0.87)	(0.28)	(0.84)	(0.76)	(0.72)	(0.72)
Distributions from net realized gains						(0.08)
Total dividends and distributions paid to common shareholders	(0.87)	(0.28)	(0.84)	(0.76)	(0.72)	(0.80)
Anti-dilutive effect of shares repurchased ^(a)					0.02	0.03
Net asset value, end of period	\$ 15.57	\$ 13.53	\$ 14.83	\$ 13.97	\$ 12.37	\$ 15.27
Market value, end of period	\$ 15.24	\$ 12.65	\$ 14.31	\$ 12.80	\$ 10.55	\$ 13.63
Total return at net asset value ^(b)	22.45%	(6.78)%	12.81%	29.60%	18.14%	(2.04)%
Total return at market value ^(c)	28.19%	(9.67)%	18.81%			
Net assets applicable to common shares, end of period (000s omitted)	\$ 209,425	\$ 182,074	\$ 199,530	\$ 187,989	\$ 166,424	\$ 207,833
Portfolio turnover rate ^(d)	17%	1%	11%	21%	9%	14%
Ratios/supplemental data based on average net assets applicable to common shares:						
Ratio of expenses ^(e)	0.79% ^(f)	0.60% ^{(g)(h)}	0.85% ⁽ⁱ⁾	0.99% ⁽ⁱ⁾	1.23% ⁽ⁱ⁾	1.28% ⁽ⁱ⁾

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Ratio of expenses excluding interest, facilities and maintenance fees ^{(e)(j)}	0.52% ^(f)	0.39% ^{(g)(h)}	0.71% ⁽ⁱ⁾	0.78% ⁽ⁱ⁾	0.79% ⁽ⁱ⁾	0.76% ⁽ⁱ⁾
Ratio of net investment income before preferred share dividends	6.32% ^(f)	6.87% ^(h)	6.41% ⁽ⁱ⁾	7.33% ⁽ⁱ⁾	6.57% ⁽ⁱ⁾	6.19% ⁽ⁱ⁾
Preferred share dividends	0.07% ^(f)	0.13% ^(h)	0.11% ⁽ⁱ⁾	0.34% ⁽ⁱ⁾	1.70% ⁽ⁱ⁾	1.67% ⁽ⁱ⁾
Ratio of net investment income after preferred share dividends	6.25% ^(f)	6.74% ^(h)	6.30% ⁽ⁱ⁾	6.99% ⁽ⁱ⁾	4.87% ⁽ⁱ⁾	4.52% ⁽ⁱ⁾
Rebate from Morgan Stanley affiliate				0.00% ^(k)	0.00% ^(k)	0.00% ^(k)

Senior securities:

Total amount of preferred shares outstanding (000s omitted)	\$ 45,300	\$ 55,000				
Asset coverage per preferred share ^(l)	\$ 281,154	\$ 215,522	463%	442%	330%	314%
Liquidating preference per preferred share	\$ 50,000	\$ 50,000				

(a) Calculated using average shares outstanding.

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

- one year, if applicable.
- (c) Total return assumes an investment at the common share market price at the beginning of the period indicated, reinvestment of all distributions for the period in accordance with the Trust's dividend reinvestment plan, and sale of all shares at the closing common shares market price at the end of the period indicated. Not annualized for periods less than one year, if applicable.
 - (d) Portfolio turnover is not annualized for periods less than one year, if applicable.
 - (e) Ratios do not reflect the effect of dividend payments to preferred shareholders.
 - (f) Ratios are based on average daily net assets applicable to common shares (000's omitted) of \$194,239.
 - (g) Ratios include an adjustment for a change in accounting estimate for professional fees during the period. Ratios excluding this adjustment would have been higher by 0.16%.
 - (h) Annualized.
 - (i) 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 .
 - (j) For the years ended October 31, 2010 and prior, ratio does not exclude facilities and maintenance fees.
 - (k) Amount is less than 0.005%.
 - (l) Calculated by subtracting the Trust's total liabilities (not including the preferred shares) from the Trust's total assets and dividing this by the number of preferred shares outstanding. For periods prior to February 28, 2011, calculated by subtracting the Trust's total liabilities (not including the preferred shares