Invesco

Invesco Mutual Funds

Invesco Balanced-Risk Retirement Funds

An innovative approach to saving for retirement

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Offering risk-aware portfolios that can help investors of all ages reach, and enjoy, retirement

Innovation is about building on existing concepts with new ideas. It's advancing an existing product in form and function to improve performance. Think vacuum tube to transistor, telegraph to smartphone, wood stove to microwave.

The Invesco Balanced-Risk Retirement Funds offer an innovative approach to saving for retirement. They use Invesco's balanced-risk, multi-asset strategies to advance the concept of traditional target date funds — portfolios that are constructed and managed based on the specific time at which investors are expected to begin making withdrawals. The principal value of a target date fund is not guaranteed at any time, including at the target date.

- All five of Invesco's Balanced-Risk Retirement Funds are underpinned by Invesco Balanced-Risk Allocation Fund (IBRA), a risk-balanced approach to asset allocation designed to preserve capital and generate competitive returns in a variety of economic environments.
- In addition, the three funds with the longest target dates — 2030, 2040 and 2050 — have Invesco Balanced-Risk Aggressive Allocation Fund (IBRAA) as an underlying investment, targeting a higher risk-return profile for investors who have more time until retirement.
- The two funds with the closest target dates — 2020 and Now — include an allocation to cash, providing a lower risk profile for investors whose retirement is imminent.

Invesco Balanced-Risk Allocation Fund: The balanced-risk approach to investing

Managing portfolio risk is one of the biggest challenges investors face. Too much risk could deplete savings, while investments with too little risk might not earn enough for retirement.

Investors commonly try to manage risk by allocating some of their investment dollars to stocks to seek growth and bonds to seek capital preservation. Many consider a 60% stock/40% bond allocation a "balanced" portfolio. But allocating dollars isn't the same as allocating risk. Because stocks are riskier than bonds, a 60/40 portfolio could actually derive a large portion of its risk from the stock allocation. As a result, a stock market drop could have a much bigger effect on 60/40 retirement portfolios than investors realize.

Invesco Balanced-Risk Allocation Fund, which forms the foundation of all five target date funds, takes an innovative approach to this dilemma. It attempts to equalize how much risk each asset class contributes to the fund and that calculation drives the allocation of investment dollars. This approach seeks to limit the effect that one underperforming asset may have on overall fund performance.

The goal is to build a portfolio that can perform well in all three major types of economic environments:

- Recessionary
- Noninflationary growth
- Inflationary growth

A target date fund identifies a specific time at which investors are expected to begin making withdrawals, e.g., Now, 2020, 2030. The principal value of the fund is not guaranteed at any time, including at the target date.

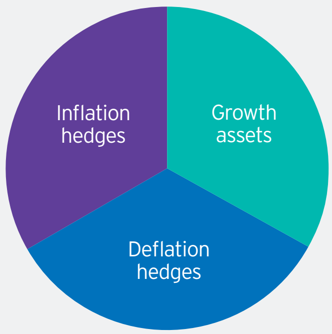
Under normal conditions, the strategy invests in derivatives and other financially-linked instruments whose performance is expected to correspond to US and international fixed income, equity and commodity markets. However, the performance of the asset classes cannot be guaranteed. The derivative investments and enhanced investment techniques (such as leverage) used by the portfolio are subject to greater risks than those associated with investing directly in securities or more traditional instruments. The Invesco Balanced-Risk Allocation Fund and the Invesco Balanced Risk Aggressive Allocation Fund are expected to be volatile over the short to intermediate term because of the significant use of derivatives and other instruments that provide economic leverage.

In addition, while many investors split their investment dollars between stocks and bonds, the fund includes a third asset class: commodities. Here's why:

- Commodities have historically performed well in inflation-driven markets.
- The historically low to moderate correlation of commodities to other assets provides a diversification benefit.
- Our research suggests that including commodities should help generate positive excess returns relative to the funds' benchmarks.

The charts below illustrate how IBRA's diversification strategy is designed to equalize the risk contribution of each asset to mitigate the effect on fund performance if one asset underperforms.

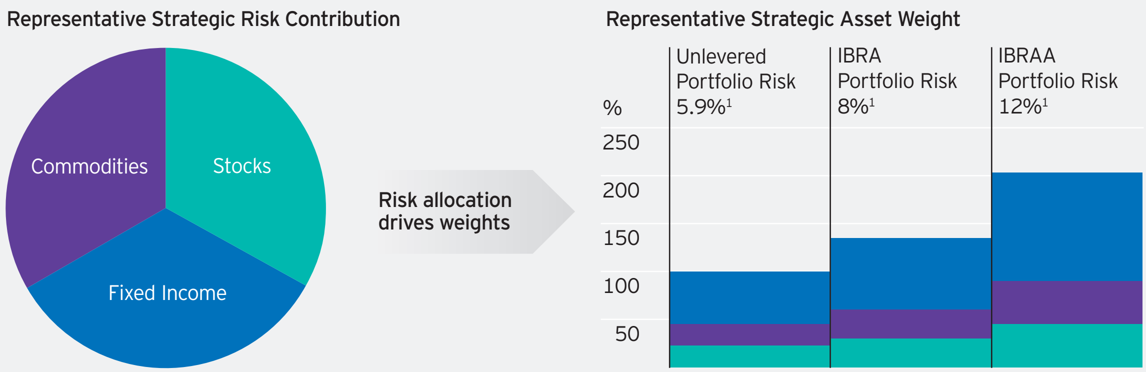
Diversification Framework Designed to Limit the Effect of Adverse Environments



Inflationary growth	Non-Inflationary growth	Recession
Included: Commodities **Excluded:** - Direct Real Estate - Infrastructure - Treasury inflation-protected securities (TIPS)	**Included:** Developed Equities **Excluded:** - Private Equity - High Yield/Credit	Long-Term Government Bonds (hedged)

A hedge is an investment to reduce the risk of adverse price movements in an asset. Normally, a hedge consists of taking an offsetting position in a related security, such as a futures contract.

Risk Allocation Drives Fund Asset Weights
Invesco Balanced-Risk Allocation Portfolio



1 Risk target. Above figures do not represent specific time periods or actual portfolio results. The risk targets are expected averages over a complete economic and market cycle and actual volatility levels for longer or shorter periods may be materially higher or lower than the targets, depending on market conditions.
Allocations are subject to change and are not buy/sell recommendations. For illustrative purposes only.
Risk is measured by standard deviation. Standard deviation measures a fund's range of total returns and identifies the spread of a fund's short-term fluctuations.

Invesco Balanced-Risk Allocation Fund may help investors:

- Manage portfolio risk by balancing risk rather than dollar contributions across asset classes.
- Mitigate inflationary risk, which is important for achieving real growth, wealth accumulation and a comfortable retirement.

Commodities may subject an investor to greater volatility than traditional securities such as stocks and bonds and can fluctuate significantly based on weather, political, tax, and other regulatory and market conditions.
Diversification does not guarantee a profit or eliminate the risk of loss.

Invesco Balanced-Risk Aggressive Allocation Fund: Higher risk and return potential

The three target date funds that are designed for younger investors – 2030, 2040 and 2050 – include IBRAA as an underlying investment.

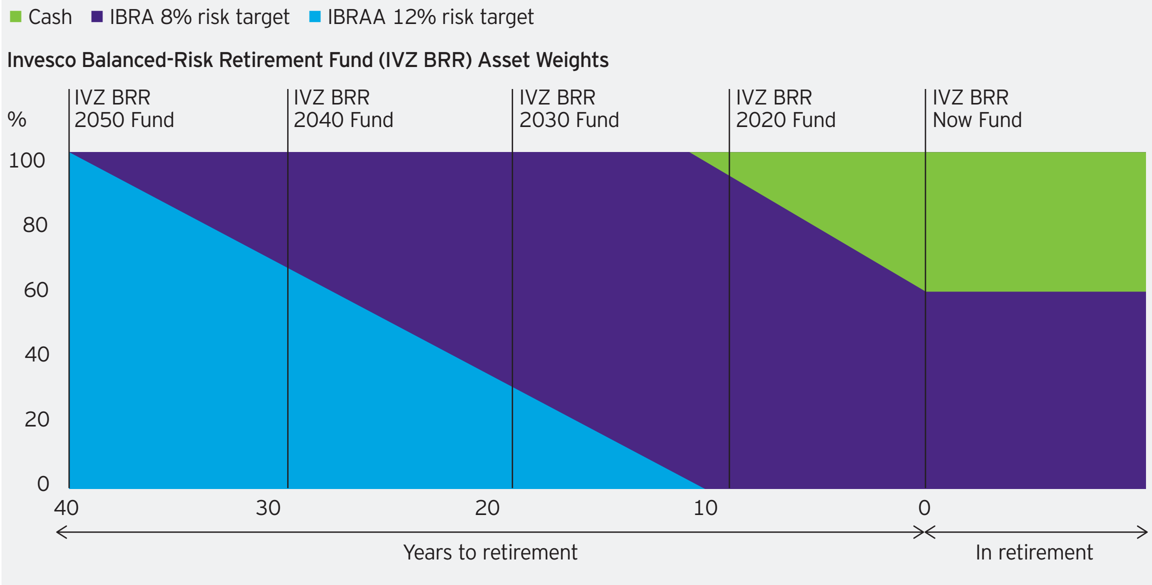
Both IBRAA and IBRA have similar investment objectives, investment strategies and portfolio managers. However, IBRAA boosts investors' exposure to the underlying asset classes through a higher use of derivatives. Including this strategy in the longer-dated funds meets the demand of investors who seek more return potential in their younger years, when their tolerance for risk and volatility is higher.

The glide path: Shifting investors' asset allocation over time

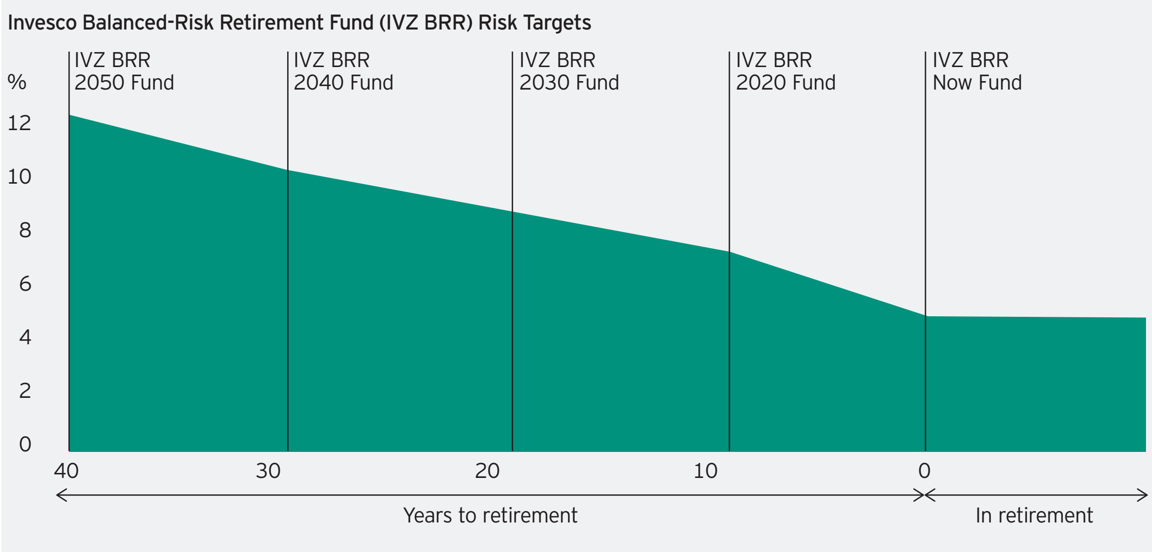
As illustrated below, investors with the most time until retirement have the highest allocation to IBRAA – as high as 100% 40 years from retirement. That aggressive exposure tapers down to 66% at 30 years and 33% at 20 years.

At 10 years before retirement, IBRAA is taken out of the mix and cash is included. Investors' cash exposure rises during the decade before retirement, maxing out at a 40% cash/60% IBRA split at their retirement date and beyond.

Shifting Investors' Exposure to Meet Their Needs Over Time



Actual asset allocations for the funds may differ.



For illustrative purposes only.

Key benefits

The goal of innovation is improved benefits for the user. The Invesco Balanced-Risk Retirement Funds offer investors these benefits:

- **One strategy versus many.** Instead of incorporating multiple underlying funds with differing strategies, Invesco's target date funds are underpinned by a single balanced-risk strategy invested across major asset classes. This structure reduces the number of managers and positions that must be researched and monitored on an ongoing basis.
- **Risk tolerance flexibility.** IBRAA increases the risk in the 2030, 2040 and 2050 target date funds to meet the demand of investors seeking more return potential in their younger years.
- **Innovative asset allocation path.** Ten years before each fund reaches its target date, it will begin to gradually reduce its allocation to IBRA, eliminate exposure to IBRAA and introduce an allocation to cash. Each fund's allocation will hold steady at 60% IBRA and 40% cash at the retirement date.
- **Economic positioning.** Because assets perform differently as they move through the economic cycle, it's important to have exposure to assets that have low correlation with one another and that have the potential to perform well during these periods:
  - **Noninflationary environments.** The strategy seeks growth when equities have the potential to perform well.
  - **Recessionary environments.** The strategy seeks to protect on the downside and preserve portfolio value through its exposure to long-term government bonds, which may perform better during recessions than corporate, high-yield or emerging market bonds.
  - **Inflationary environments.** The strategy strives to preserve purchasing power with its commodity component.
- **Risk-balanced approach.** A proprietary risk-balanced weighting approach seeks to create a strategic allocation that weights the assets classes — stocks, bonds and commodities — so that they contribute a relatively equal amount of risk to the portfolio. We believe this approach diversifies risk much more effectively than a traditional 60/40 stock-bond allocation. The strategy invests in derivatives and uses enhanced investment techniques (such as leverage) which are subject to greater risks than those associated with investing directly in securities or more traditional instruments.
- **Tactical Allocation.** Within the risk-balanced framework, there is a defined amount of room for IBRA and IBRAA to make tactical asset-class adjustments on top of the strategic allocation. These adjustments allow the fund managers to pursue stock, bond and commodity opportunities as they arise during the economic cycle.
- **Management expertise.** IBRA and IBRAA — reflecting Invesco's extensive expertise in global asset allocation strategies — are actively managed by five seasoned portfolio managers, who average more than 24 years of investment experience.

Fund features

Nasdaq Symbols:

Target retirement date	A	C	R	Y	R5	R6
Invesco Balanced-Risk Retirement Now Fund						
Retire before 2014	IANAX	IANCX	IANRX	IANYX	IANIX	IANFX
Invesco Balanced-Risk Retirement 2020 Fund						
2015–2024	AFTAX	AFTCX	ATFRX	AFTYX	AFTSX	VRCFX
Invesco Balanced-Risk Retirement 2030 Fund						
2025–2034	TNAAX	TNACX	TNARX	TNAYX	TNAIX	TNAFX
Invesco Balanced-Risk Retirement 2040 Fund						
2035–2044	TNDAX	TNDCX	TNDRX	TNDYX	TNDIX	TNDFX
Invesco Balanced-Risk Retirement 2050 Fund						
2045–2054	TNEAX	TNECX	TNERX	TNEYX	TNEIX	TNEFX

About risk

Invesco Balanced-Risk Allocation Fund, Invesco Balanced-Risk Retirement 2020 Fund, Invesco Balanced-Risk Retirement 2030 Fund, Invesco Balanced-Risk Retirement 2040 Fund, Invesco Balanced-Risk Retirement 2050 Fund, Invesco Balanced-Risk Retirement Now Fund

Commodities may subject an investor to greater volatility than traditional securities such as stocks and bonds and can fluctuate significantly based on weather, political, tax, and other regulatory and market developments.

An issuer may be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating.

Derivatives may be more volatile and less liquid than traditional investments and are subject to market, interest rate, credit, leverage, counterparty and management risks. An investment in a derivative could lose more than the cash amount invested.

The risks of investing in securities of foreign issuers, including emerging markets, can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa.

By investing in the subsidiary, the fund is indirectly exposed to risks associated with the subsidiary's investments, including derivatives and commodities. Because the Subsidiary is not registered under the Investment Company Act of 1940, as amended (1940 Act), the Fund, as the sole investor in the Subsidiary, will not have the protections offered to investors in U.S. registered investment companies.

Underlying investments may appreciate or decrease significantly in value over short periods of time and cause share values to experience significant volatility over short periods of time.

The Fund is subject to certain other risks. Please see the current prospectus for more information regarding the risks associated with an investment in the Fund.

Invesco Balanced-Risk Retirement 2020 Fund, Invesco Balanced-Risk Retirement Now Fund

Holding cash or cash equivalents may negatively affect performance.

Invesco Balanced-Risk Allocation Fund (IBRA), an underlying fund, will invest in commodities through a wholly-owned subsidiary of that underlying fund organized under the laws of the Cayman Islands (the Subsidiary). Commodities may subject an investor to greater volatility than traditional securities such as stocks and bonds and can fluctuate significantly based on weather, political, tax, and other regulatory and market developments.

The fund is subject to the risks of the underlying funds. Market fluctuations may change the target weightings in the underlying funds and certain factors may cause the und to withdraw its investments therein at a disadvantageous time.

The fund is subject to certain other risks. Please see the prospectus for more information regarding the risks associated with an investment in the fund.

Invesco Balanced-Risk Retirement 2030 Fund, Invesco Balanced-Risk Retirement 2040 Fund, Invesco Balanced-Risk Retirement 2050 Fund

Invesco Balanced-Risk Allocation Fund (IBRA), an underlying fund, will invest in commodities through a wholly-owned subsidiary of that underlying fund organized under the laws of the Cayman Islands (the Subsidiary). Commodities may subject an investor to greater volatility than traditional securities such as stocks and bonds and can fluctuate significantly based on weather, political, tax, and other regulatory and market developments.

The fund is subject to the risks of the underlying funds. Market fluctuations may change the target weightings in the underlying funds and certain factors may cause the und to withdraw its investments therein at a disadvantageous time.

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Before investing, investors should carefully read the prospectus and/or summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the fund(s), investors should ask their advisors for a prospectus/summary prospectus or visit invesco.com/fundprospectus.

Correlation indicates the degree to which two investments have historically moved in the same direction and magnitude.

Past performance cannot guarantee future results.

Not all products, materials or services available at all firms. Advisors, please contact your home office.

All data provided by Invesco unless otherwise noted.