



Invesco Income Allocation Fund

Quarterly Performance Commentary

Nasdaq: A: ALAAX C: CLIAX Y: ALAYX

Investment objective

The fund seeks current income and, secondarily, growth of capital.

Portfolio management

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Portfolio information

Total Net Assets	\$540,035,209
Total Number of Holdings	16

Top contributors

% of total net assets

1. Invesco Core Plus Bond Fund	14.55
2. Invesco Multi-Asset Income Fund	9.98
3. Invesco S&P 500 Value with Momentum ETF	0.00
4. Invesco S&P International Developed Low Volatility ETF	5.44
5. Invesco Quality Income Fund	11.74

Top detractors

% of total net assets

1. Invesco S&P 500 Enhanced Value ETF	5.99
2. Invesco S&P 500 High Dividend Low Volatility ETF	2.48

Market overview

- The first quarter global equity rally continued into April. However, a breakdown in US-China trade talks in early May resulted in a major stock sell-off during the month. By early June, the Federal Reserve indicated it was willing to implement less restrictive monetary policy in the face of trade woes, which sent global equities higher. During the quarter, two key factors drove market sentiment, one - the trade situation - worsened, while the other - monetary policy - improved. As a result, global equities experienced significant volatility before finishing the quarter with modest gains.

- Fixed income

Fixed income asset classes also posted positive returns for the second quarter. Riskier fixed income asset classes outperformed as investors favored higher yields and US corporate bonds. Alternative asset classes posted mixed returns, with real estate relatively flat and commodities generally lower throughout the quarter.

Performance highlights

- Invesco Income Allocation Fund Class A shares at net asset value (NAV) had a positive return, but underperformed its style-specific benchmark, the Custom Invesco Income Allocation Index. (Please see the investment results table on page 2 for fund and index performance.)
- The fund's performance during the quarter is attributable to results of the underlying affiliated funds and strategies, which seek to provide access to income-generating asset classes, including stocks, bonds and alternatives (e.g., real estate).

Contributors to performance

- From an asset class perspective, the fund's allocation to alternatives and real estate contributed to relative performance. The leading individual contributor to relative return was **Invesco Multi-Asset Income Fund**, which benefited from exposure to emerging market debt, US Treasuries, high-yield bonds and preferred equity. Other notable contributors included **Invesco Emerging Markets Sovereign Debt ETF** (3.51% of total net assets) and **Invesco Core Plus Bond Fund**, both of which benefited from security selection.

Detractors from performance

- The fund's allocation across fixed income and equity detracted from relative return due to poor performance of underlying holdings. **Invesco Dividend Income Fund** (8.41% of total net assets) was a primary detractor mainly due to stock selection in the utilities sector. **Invesco S&P 500 Enhanced Value ETF** and **Invesco Floating Rate Fund** (5.99 and 8.66% of total net assets, respectively) underperformed their benchmarks and detracted from relative return due to their style biases and security selection.

Positioning and outlook

- Invesco Income Allocation Fund is designed to provide access to multiple asset classes and investment vehicles with the goal of generating current income with growth of capital. The fund seeks to generate income from exposure to multiple asset classes across US equities, international equities and fixed income, through Invesco's broad range of mutual funds and exchange-traded funds.
- Global growth appears to be decelerating but continuing its upward trajectory, supporting positive global stock market returns. Despite the fact that a truce was negotiated at the end of the second quarter, the US-China trade war may not be resolved any time soon and there is potential for expansion of trade conflicts, especially between the US and the European Union. However, more accommodative monetary policy from central banks, especially the Federal Reserve and the People's Bank of China, could provide a powerful countervailing force. This should create an environment that favors risk assets globally. Continued volatility is expected given that risks, especially geopolitical risks, are on the rise. Against this backdrop, we believe broad diversification remains prudent.

Investment results						
Average annual total returns (%) as of June 30, 2019						
Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 10/31/05	NAV	Inception: 10/31/05	NAV	Inception: 10/03/08	
	Max Load	NAV	Max CDSC	NAV	NAV	Custom Invesco Income Allocation Index
Inception	5.10	5.53	4.95	4.95	6.84	-
10 Years	6.91	7.51	6.71	6.71	7.78	7.90
5 Years	3.23	4.41	3.65	3.65	4.67	5.41
3 Years	3.19	5.15	4.36	4.36	5.42	6.13
1 Year	1.41	7.35	5.64	6.64	7.62	8.91
Quarter	-2.94	2.67	1.48	2.48	2.74	3.37

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit invesco.com/performance for the most recent month-end performance. Performance figures reflect reinvested distributions and changes in net asset value (NAV). Investment return and principal value will vary, and you may have a gain or a loss when you sell shares. No contingent deferred sales charge (CDSC) will be imposed on redemptions of Class C shares following one year from the date shares were purchased. Performance shown at NAV does not include applicable CDSC or front-end sales charges, which would have reduced the performance. Class Y shares have no sales charge; therefore, performance is at NAV. Returns less than one year are cumulative; all others are annualized. Fund performance reflects any applicable fee waivers and/or expense reimbursements. Had the adviser not waived fees and/or reimbursed expenses currently or in the past, returns would have been lower. See current prospectus for more information. Index returns do not reflect any fees, expenses, or sales charges.

Index sources: Invesco, FactSet Research Systems Inc.

Asset allocation (%)		Expense ratios		
			% net	% total
Fixed Income	58.31	Class A Shares	0.81	1.01
Equity	26.32	Class C Shares	1.56	1.76
Alternative	14.93	Class Y Shares	0.56	0.76
Cash	0.51			

Per the current prospectus
Net and Total = The expense ratio includes acquired fund fees and expenses of 0.56% for the underlying funds.

Current allocations may differ

For more information you can visit us at www.invesco.com/us

Class Y shares are available only to certain investors. See the prospectus for more information.

Asset allocation/diversification does not guarantee a profit or eliminate the risk of loss.

The fund holdings are organized according to the Global Industry Classification Standard, which was developed by and is the exclusive property and service mark of MSCI Inc. and Standard & Poor's.

Duration measures a bond fund's price sensitivity to changes in interest rates, taking into account mortgage prepayments, puts, adjustable coupons and potential call dates. The Custom Invesco Income Allocation Index, created by Invesco as the fund's benchmark, is composed of the following indexes: S&P 500® Index, MSCI EAFE® Index, FTSE NAREIT All Equity REIT Index and Bloomberg Barclays U.S. Universal Index. The index composition may change based on the fund's target asset allocation. Therefore, the current index composition doesn't reflect its historical composition and will likely be altered in the future to better reflect the fund's objective of the fund. An investment cannot be made directly in an index.

The S&P 500® Index is an unmanaged index considered representative of the US stock market. An investment cannot be made directly in an index.

The MSCI All Country (AC) World ex-US Index is an index considered representative of developed and emerging market stock markets, excluding the US. The index is computed using the net return, which withholds applicable taxes for non-resident investors. An investment cannot be made directly in an index.

Fund holdings	% of total net assets
Invesco Core Plus Bond Fund	14.55
Invesco Quality Income Fund	11.74
Invesco Multi-Asset Income Fund	9.98
Invesco Floating Rate Fund	8.66
Invesco Dividend Income Fund	8.41
Invesco High Yield Fund	6.68
Invesco S&P 500 Enhanced Value ETF	5.99
Invesco Variable Rate Preferred ETF	5.91
Invesco S&P International Developed Low Volatility ETF	5.44
Invesco Global Real Estate Income Fund	4.94
Invesco S&P High Income Infrastructure ETF	3.99
Invesco Corporate Bond Fund	3.79
Invesco Emerging Markets Sovereign Debt ETF	3.51
Invesco Taxable Municipal Bond ETF	3.47
Invesco S&P 500 High Dividend Low Volatility ETF	2.48

Total may not equal 100% due to rounding.

About risk

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.

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

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 fund to withdraw its investments therein at a disadvantageous time.

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

Investments in real estate related instruments may be affected by economic, legal, or environmental factors that affect property values, rents or occupancies

of real estate. Real estate companies, including REITs or similar structures, tend to be small- and mid-cap companies, and their shares may be more volatile and less liquid.

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.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

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](https://www.invesco.com/fundprospectus).

This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial professional before making any investment decisions.

Note: Not all products available at all firms. Advisors, please contact your home office.

The opinions expressed are those of the fund's portfolio management, are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals. Holdings are subject to change and are not buy/sell recommendations.

All data provided by Invesco unless otherwise noted.