



# Invesco International Allocation Fund

## Quarterly Performance Commentary

Nasdaq: A: AINAX C: INACX Y: AINYX

### Investment objective

The fund seeks long-term growth of capital.

### Portfolio management

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### Portfolio information

Total Net Assets \$119,469,090

### Top holdings

% of total net assets

Softbank Group Corp	1.15
Kweichow Moutai Co. Ltd.	1.09
Alibaba Group Holding LTD	0.96
Scout 24 AG	0.85
Liberty Global PLC LBTYA	0.83
Anheuser-Busch Inbev SA	0.79
Taiwan Semiconductor Manufacturing Co LTD	0.76
AIA Group LTD	0.76
Fanuc Corp	0.73
SAP SE	0.69

### Top contributors

% of total net assets

1. Invesco RAFI Strategic Developed ex-U.S. ETF	21.01
2. Invesco International Growth Fund	14.69
3. Invesco S&P International Developed Low Volatility ETF	12.59
4. Invesco FTSE RAFI Developed Markets ex-U.S. ETF	0.00
5. Invesco International Core Equity Fund	5.97

### Top detractors

% of total net assets

1. Invesco RAFI Strategic Developed ex-US Small Company ETF	9.77
2. Invesco International Companies Fund	14.78

### Market overview

- Global equity markets, particularly China, declined sharply in May, ending a four-month rally. Trade and tariff issues, which were not limited to the US and China, clouded the outlook for many global economies. In response, the European Central Bank maintained its accommodative stance, strongly implying the possibility of future interest rate cuts or further bond purchases. Disagreement within the UK about its withdrawal from the European Union increased uncertainty for the UK and Eurozone economies. Following better performance in June, most global equity markets managed modest positive returns for the second quarter, with developed markets generally outperforming emerging markets. China was an exception, declining approximately 4%. In this environment, the MSCI AC World Index returned 3.61% for the quarter. The MSCI EAFE Index returned 3.68%, while the MSCI Emerging Markets Index returned 0.61%.

### Performance highlights

- Invesco International Allocation Fund Class A shares at net asset value (NAV) had a positive return and outperformed the MSCI AC World ex-US 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 diversified access to international equity markets.

### Contributors to performance

- In aggregate, the fund's relative outperformance resulted from its allocation to developed non-US markets and security selection within the underlying holdings. **Invesco International Growth Fund** benefited from positive stock selection in the health care and industrials sectors as well as strong stock selection in China and was a leading individual contributor among the actively managed underlying funds. Two underlying passive funds also added to relative outperformance - **Invesco RAFI Strategic Developed ex-U.S. ETF** and **Invesco S&P International Developed Low Volatility ETF** benefited from performance of individual holdings.

### Detractors from performance

- Geographically, the fund's exposure to emerging markets detracted from relative performance. The fund's exposure to small-cap stocks also negatively affected relative performance during the quarter. The primary underlying detractors were **Invesco International Companies Fund**, **Invesco RAFI Strategic Developed ex-US Small Company ETF** and **Invesco Low Volatility Emerging Markets Fund**. Within **Invesco International Companies Fund**, positive stock selection in the health care sector was offset by negative stock selection in the information technology, industrials and consumer discretionary sectors.

### Positioning and outlook

- Invesco International Allocation Fund is designed to provide strategic access to international equity markets, across developed and emerging economies, market capitalizations and investment styles.
- The investments are chosen from Invesco's broad range of mutual funds, which provide access to experienced investment teams who actively manage their funds, and from Invesco's smart beta exchanged-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

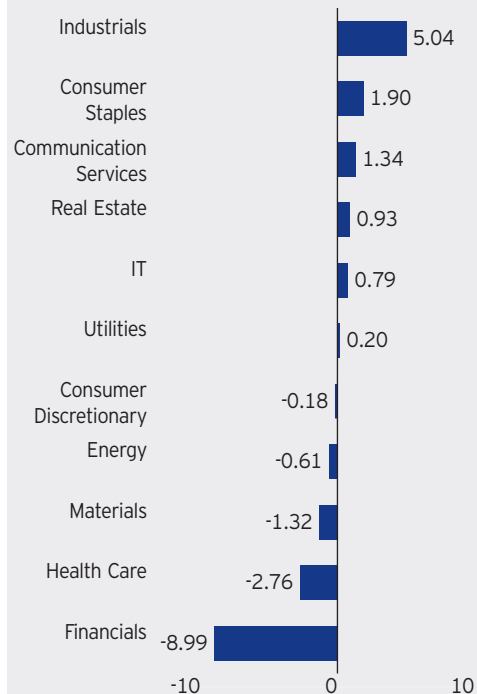
Average annual total returns (%) as of June 30, 2019

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index	MSCI ACWI ex USA Index
	Inception: 10/31/05		Inception: 10/31/05		Inception: 10/03/08		
	Max Load	NAV	Max CDSC	NAV	NAV		
Inception	3.74	4.17	3.60	3.60	5.17	-	-
10 Years	5.77	6.37	5.57	5.57	6.63	6.54	6.54
5 Years	0.30	1.45	0.70	0.70	1.72	2.16	2.16
3 Years	6.04	8.08	7.26	7.26	8.37	9.39	9.39
1 Year	-3.31	2.28	0.49	1.49	2.61	1.29	1.29
Quarter	-1.52	4.19	2.91	3.91	4.30	2.98	2.98

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](http://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 source: FactSet Research Systems Inc.

## The fund's positioning versus the MSCI ACWI ex USA Index (% underweight/overweight)



Underlying funds	% of total net assets
Invesco RAFI Strategic Developed ex-US ETF	21.01
Invesco International Select Equity Fund	14.78
Invesco International Growth Fund	14.69
Invesco S&P International Developed Low Volatility ETF	12.59
Invesco RAFI Strategic Developed ex-US Small Company ETF	9.77
Invesco International Small Company Fund	6.83
Invesco International Core Equity Fund	5.97
Invesco RAFI Strategic Emerging Markets ETF	5.01
Invesco Developing Markets Fund	4.90
Invesco Low Volatility Emerging Markets Fund	3.95

Total may not equal 100% due to rounding.

Expense ratios	% net	% total
Class A Shares	1.40	1.40
Class C Shares	2.15	2.15
Class Y Shares	1.15	1.15

Per the current prospectus  
Net and Total = The expense ratio includes acquired fund fees and expenses of 0.71% for the underlying funds. Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least April 30, 2020. See current prospectus for more information.

## For more information you can visit us at [www.invesco.com/us](http://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.

Asset allocation/diversification does not guarantee a profit or eliminate the risk of loss. Index performance reflects reinvestment of dividends. An investment cannot be made directly in an index.

The MSCI All Country (AC) World Ex-U.S. 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.

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.

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## About risk

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 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.

Many countries in the European Union are

susceptible to high economic risks associated with high levels of debt, notably due to investments in sovereign debts of European countries such as Greece, Italy and Spain.

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.

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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.