



Invesco Balanced-Risk Commodity Strategy Fund

Quarterly Performance Commentary

Nasdaq: A: BRCAX C: BRCCX Y: BRCYX

Portfolio Management

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Portfolio Information

Total Net Assets	\$717,052,781
Distribution Frequency	Annually

Gross Performance Attribution (Cumulative)

	Quarter	Since Dec. 1, 2010
Precious Metals	-1.24%	-8.46%
Agriculture	2.01%	0.02%
Energy	-8.91%	-5.97%
Industrial Metals	-1.28%	-5.80%
Active Positioning	2.25%	-1.44%
Cash	0.00%	0.28%
Total	-7.17%	-21.37%

Returns are gross of fund expenses; net returns will be lower. Cash represents fund collateral used to support derivative positions.

Risk Positioning	Strategic Position	Tactical Position
Precious Metals	25%	Overweight
Agriculture	25%	Underweight
Energy	25%	Underweight
Industrial Metals	25%	Overweight

The fund's strategic allocation targets an equal risk contribution within and across each of the portfolio's four commodity complexes to the overall portfolio risk. Tactical positioning, which is applied monthly, seeks to overweight, underweight or maintain those strategic positions depending on a select group of factors such as supply and demand, the current economic environment and short- and intermediate-term price movements.

Market overview

- Led by a sharp drop in energy prices, commodity prices declined during the quarter, resulting in losses across three of the four primary commodity sub-complexes. During the quarter, the Federal Reserve ended its quantitative easing program and the US dollar continued to strengthen, both of which put downward pressure on commodity prices. Energy commodities were pressured by excess supply and fading demand. Industrial metals drifted lower on weak Chinese economic data, while precious metals declined due to the dollar's strength and expectations for a US interest rate increase. Agriculture was the only commodity complex to finish with a gain as wet weather delayed harvests and export demand was higher than anticipated.

Performance

- The fund's Class A shares at net asset value (NAV) outperformed its benchmark. (Please see the investment results table on page 2 for fund and index performance.)
- Despite a loss for the quarter, the fund outperformed its benchmark due to a strategic and tactical underweight in energy. On an absolute basis, the energy complex had the largest losses, driven by excess supply, declining global demand and the rising US dollar. OPEC's decision in late November to maintain production levels accelerated the negative trend. Meanwhile, a milder start to winter in the US pressured both heating oil and natural gas prices. Industrial metals declined for the quarter, with aluminum faring worse than copper due to concerns about China's economic growth rate. Precious metals prices fell, with silver losing more than gold as investors still expect the Fed to raise interest rates sometime in 2015. Agriculture was the only complex to finish with gains as soymeal and soybeans rallied early in the quarter spurred by higher export demand.
- The fund's tactical exposure was favorable due to a defensive posture across all sub-complexes. Energy was the primary contributor due to underweight positions across all five strategic exposures. Energy spread trades were flat for the quarter. Positioning in precious metals was also favorable due to average underweights in both gold and silver. Agriculture was a slight detractor due to short positions in corn, wheat and soybean oil early in the quarter. Industrial metals also experienced a minor loss due to a mid-quarter overweight in aluminum.

Positioning and outlook

- Commodities finished 2014 falling through their 2009 lows, making this the largest percentage decline for a commodities bear market in 40 years. The global economy has seen deflationary forces overwhelm the inflationary effects central bank are trying to achieve. The pursuit of higher inflation stands in contrast to the historical role of central banks, which is to fight inflation and maintain price stability. Despite the recent challenges, given that most major central banks are trying to stimulate inflation, investors must be prepared for the day when central banks reach or exceed their goals.
- Through its tactical allocation process, the fund remains defensively positioned as tactical indicators remain negative. The targeted risk exposures remain slightly underweight agriculture and more materially underweight energy. Industrial metals risk exposure reflects a reduced overweight and the precious metals exposure has transitioned from underweight to overweight. Within energy, the fund is underweight Brent crude oil, WTI crude oil, gasoil, heating oil, gasoline and is now short natural gas as well. The precious metals exposure reflects reduced underweights in both gold and silver. Agriculture remains underweight sugar, cotton and soybeans, while soymeal has moved from neutral to underweight. Within agriculture, the fund has tactical short positions in coffee, corn, wheat, soybean oil and now live cattle. Within the industrial metals exposure, aluminum moved from neutral to underweight and copper remained a modest overweight.

Investment Results						
Average Annual Total Returns (%) as of Dec. 31, 2014						
Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 11/30/10	NAV	Inception: 11/30/10	NAV	Inception: 11/30/10	
	Max Load		Max CDSC			Bloomberg Commodity Index
Inception	-8.14	-6.85	-7.54	-7.54	-6.56	-
3 Years	-11.03	-9.34	-10.00	-10.00	-9.09	-9.43
1 Year	-20.65	-16.04	-17.52	-16.69	-15.88	-17.01
Quarter	-12.56	-7.52	-8.62	-7.70	-7.43	-12.10

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. Index returns do not reflect any fees, expenses or sales charges. 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. Had fees not been waived and/or expenses reimbursed currently or in the past, returns would have been lower. Returns less than one year are cumulative; all others are annualized. Index source: FactSet Research Systems Inc.

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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 Bloomberg Commodity Index is designed to be a liquid and diversified benchmark for the commodity futures market. It is a rolling index composed of futures contracts on 19 physical commodities traded on US exchanges. The index was known as the Dow Jones UBS Commodity Index Total ReturnSM prior to July 1, 2014. An investment cannot be made directly in an index.

Expense Ratios	% Net	% Total
Class A Shares	1.48	1.52
Class C Shares	2.23	2.27
Class Y Shares	1.23	1.27

Per the current prospectus
 Net = Total fund operating expenses after any contractual fee waivers made by the adviser through February 28, 2015 and expense reimbursements through June 30, 2014. See current prospectus for more information.

About risk

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.

Commodity-linked notes may involve substantial risks, including risk of loss of a significant portion of principal and risks resulting from lack of a secondary trading market, temporary price distortions, and counterparty 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.

An investment in exchange-traded funds (ETFs) may trade at a discount to net asset value, fail to develop an active trading market, halt trading on the listing exchange, fail to track the referenced index, or hold troubled securities. ETFs may involve duplication of management fees and certain other expenses. Certain of the ETFs the fund invests in are leveraged, which can magnify any losses on those investments.

Exchange-traded notes (ETNs) are subject to credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or strategy remaining unchanged.

The investment techniques and risk analysis used by portfolio managers may not produce desired results.

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, the fund will not have the protections offered to investors in US registered investment companies.

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.

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

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

Opinions expressed are those of the fund's portfolio management. Holdings are subject to change and are not buy/sell recommendations.

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