



# Invesco Global Targeted Returns Fund

## Quarterly Performance Commentary

Nasdaq: A: GLTAX C: GLTCX Y: GLTYX

### Investment objective

The fund seeks a positive total return over the long term in all market environments.

### Portfolio management

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### Risk-based allocation (%)<sup>1</sup>

Commodity - Commodity Carry	0.24
Commodity - Commodity Short	0.63
Credit - Selective Credit	0.37
Credit - US High Yield	0.40
Currency - Indian Rupee vs Chinese Renminbi	0.49
Currency - Japanese Yen vs Korean Won	1.04
Currency - Mexican Peso v Brazilian Real	0.56
Currency - Norwegian Krone vs Euro	0.52
Currency - Short Canadian Dollar	0.38
Currency - Swedish Krona vs Euro	0.43
Currency - US Dollar vs Euro	0.62
Currency - US Dollar vs Taiwan Dollar	0.38
Equity - European Divergence	1.34
Equity - Global	1.23
Equity - Japan	0.94
Equity - Selective Asia Exposure	0.76
Equity - UK	0.50
Equity - US Large Cap vs Small Cap	0.53
Inflation - Short Pan Euro	0.66
Interest Rates - Global Yield Curves	0.38
Interest Rates - Leveraged DM	0.96
Interest Rates - Selective EM Debt	0.79
Interest Rates - US Real Yields	0.26
Interest Rates - Yield Compression	0.63
Volatility - Asian Equities vs US Equities	0.55
Volatility - Australian Dollar and Canadian Dollar	0.58
Volatility - Global Equity Volatility	0.50
Cash & Residual FX	0.20
<b>Total independent risk<sup>2</sup></b>	<b>16.85</b>
<b>Portfolio risk<sup>3</sup></b>	<b>3.49</b>

### Market overview

- Financial markets started 2019 in confident fashion with global equities posting their largest quarterly gain since 2010. Impetus for the rally came from the US Federal Reserve's decision to leave interest rates unchanged in January and to significantly soften its policy stance to one of 'patience.' Spain was back in the headlines as the government called a snap election after failing to pass its budget. In the UK, Brexit has seemingly paralyzed the country's political apparatus, with Prime Minister May unable to persuade colleagues to vote for her proposed withdrawal agreement. Oil prices made large gains as OPEC announced production cuts and the US announced further sanctions on Venezuela. Among emerging markets, Asia performed well in light of improved news about US and China trade negotiations.

### Performance highlights

- The fund's performance was positive for the quarter with a broad range of ideas contributing. Given investors' higher risk appetites during the quarter, the fund's more directional credit and equity ideas worked well. For example, the Global, Asian and Japanese equity ideas and the US high-yield and selective credit ideas were among the fund's top ideas for the quarter. Additional positives were the 'Interest Rates - Leveraged DM (Developed Markets)' idea, which benefited from tumbling interest rate expectations in Europe and Australia, and its 'Inflation - Short Pan Euro' idea, which benefited from falling inflation expectations in both the UK and Europe. On the downside, the 'Commodity - Commodity Short' idea weighed on results as commodities benefited from the general rise in risk assets. An overall improvement in sentiment caused declines in the fund's three volatility ideas. The 'Currency - Swedish Krona vs Euro' idea also detracted.

### Positioning and outlook

- The team added four new ideas to the portfolio, removed one idea and made noteworthy changes to the implementation of five others. We selectively added risk asset exposure, which included removing protection in the 'Credit - US High Yield' idea. We closed the fund's 'Currency - Long EM (Emerging Markets) Carry' idea, but added a short Brazilian equities position to the 'Equities - Global' idea, as we believe Brazilian equities look expensive relative to other emerging market equities. Another play on this theme was the addition of the 'Currency - Mexican Peso vs Brazilian Real' idea. We added two additional currency ideas. First is the 'Currency - Norwegian Krone vs Euro' based on our belief the krone has been oversold due to falling oil prices and that Norway's macro-economic story is strong relative to the Eurozone. The second is the 'Currency - Short Canadian Dollar' idea, where we view Canada's economy as cyclically vulnerable, especially relative to the US. The final addition was the 'Interest Rates - US Real Yields' idea, as we believe real yields (interest rates minus the relevant inflation rate) are too high in the US. Other changes included expressing a preference for Spanish equities over German equities within the 'Equity - European Divergence' idea, adding European exposure to the 'Interest Rates - Leveraged DM' idea and adding a short French interest rates position to the fund's 'Interest Rates - Yield Compression' idea.

- We remain cautious in our outlook as we believe the slowing economic growth narrative is beginning to play out, albeit very slowly. Central banks have clearly pivoted to more accommodative policy, which may provide a short-term reprieve. However, signs of an economic downturn continue to slowly emerge. China is key to the global growth story and policy makers there appear to be focused on managing transition rather than fueling a growth surge. We believe inflation is likely to remain contained at a low level compared to historical rates. At the same time, positive real wage growth could provide support for households, but pose a risk to corporate profit margins. The US dollar could remain strong, which could affect emerging markets. Finally, we believe volatility is likely to reset at higher average levels.

Investment results						
Average annual total returns (%) as of March 31, 2019						
Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 12/19/13	NAV	Inception: 12/19/13	NAV	Inception: 12/19/13	
	Max Load	NAV	Max CDSC	NAV	NAV	FTSE US 3-Month Treasury Bill Index
Inception	0.16	1.24	0.49	0.49	1.50	-
5 Years	-0.30	0.85	0.10	0.10	1.12	0.72
3 Years	-1.60	0.26	-0.48	-0.48	0.53	1.17
1 Year	-6.27	-0.80	-2.49	-1.51	-0.45	2.11
Quarter	-3.59	2.00	0.94	1.94	2.10	0.60

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.

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

1 Risk-based allocation - Since the fund will make significant use of derivatives in implementing investment ideas, measuring the contribution of each idea to portfolio risk is a better reflection of how the fund is invested.

2 Independent risk is the potential volatility, as measured by the standard deviation, that could result from the implementation of individual investment ideas.

3 Portfolio risk is the potential volatility that results from combining the individual investment ideas into a single portfolio.

A decision as to whether, when and how to use options involves the exercise of skill and judgment and even a well conceived option transaction may be unsuccessful because of market behavior or unexpected events. The prices of options can be highly volatile and the use of options can lower total returns.

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 FTSE US 3-Month Treasury Bill Index is an unmanaged index representative of three-month US Treasury bills. An investment cannot be made directly in an index.

Portfolio information		
Total Net Assets	\$69,175,683	
Distribution Frequency	Annually	
Expense ratios		
	% net	% total
Class A Shares	1.44	2.73
Class C Shares	2.19	3.48
Class Y Shares	1.19	2.48

Per the current prospectus  
Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least June 30, 2020. See current prospectus for more information.

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## 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.

Debt securities are affected by changing interest rates and changes in their effective maturities and credit quality.

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. These risks are greater for the fund than most other funds because its investment strategy is implemented primarily through derivatives rather than direct investments in more traditional securities.

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.

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.

Leverage created from borrowing or certain types of transactions or instruments may impair liquidity, cause positions to be liquidated at an unfavorable time, lose more than the amount invested, or increase volatility.

Short sales may cause an investor to repurchase a security at a higher price, causing a loss. As there is no limit on how much the price of the security can increase, exposure to potential loss is unlimited.

The fund may invest in derivatives either directly or, in certain instances, indirectly through Invesco Cayman Commodity Fund VII Ltd., a wholly owned subsidiary of the fund organized under the laws of the Cayman Islands (Subsidiary). 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.

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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.