



Invesco Moderate Allocation Fund

Quarterly Performance Commentary

Nasdaq: A: AMKAX C: AMKCX Y: ABKYX S: AMKSX

Investment objective

The fund seeks total return consistent with a moderate level of risk relative to the broad stock market.

Portfolio management

Duy Nguyen, Jacob Borbidge

Portfolio information

Total Net Assets	\$711,974,356
Total Number of Holdings	28

Top contributors

% of total net assets

1. Invesco RAFI Strategic Developed ex-US ETF	5.64
2. Invesco Core Plus Bond Fund	9.70
3. Invesco Diversified Dividend Fund	6.94
4. Invesco International Growth Fund	4.77
5. Invesco Equally-Weighted S&P 500 Fund	8.45

Top detractors

% of total net assets

1. Invesco All Cap Market Neutral Fund	2.49
2. Invesco 1-30 Laddered Treasury ETF	0.00
3. Invesco Small Cap Value Fund	0.96
4. Invesco Long/Short Equity Fund	1.96
5. Invesco International Companies Fund	4.53

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

- The fund's Class A shares at net asset value (NAV) had a positive return, but underperformed the fund's custom style-specific benchmark. (Please see the investment results table on page 2 for fund and index performance.)
- The fund's performance is attributable to results of the underlying affiliated funds and strategies, which seek to provide access to a wide array of asset classes and styles including stocks, bonds and alternatives, through actively managed mutual funds and smart beta exchange-traded funds.

Contributors to performance

- From an asset allocation perspective, the fund's equity exposure was the leading contributor to relative performance. A notable individual contributor to relative results, **Invesco RAFI Strategic Developed ex-US ETF** posted a positive return for the quarter and outperformed the broad international equity market, as measured by the MSCI EAFE Index. Within the fixed income allocation, the fund's holdings of **Invesco Taxable Municipal Bond ETF** (2.97% of total net assets) and **Invesco Core Plus Bond Fund** also contributed to relative performance.

Detractors from performance

- The fund's exposure to US value equities detracted from relative performance, as value equities continued to underperform growth in the second quarter. Despite outperforming the broad market, **Invesco Diversified Dividend Fund** and **Invesco Comstock Fund** (4.86% of total net assets) were notable individual detractors from relative return. **Invesco International Companies Fund** was the largest overall individual detractor. Exposure to alternative assets also detracted from fund performance, primarily driven by **Invesco All Cap Market Neutral Fund** and **Invesco Long/Short Equity Fund**. Within fixed income, **Invesco 1-30 Laddered Treasury ETF** was the largest individual detractor from relative return.

Positioning and outlook

- The fund represents a long-term strategic allocation across asset classes and seeks a total return consistent with a moderate level of risk relative to the broad market. The fund targets an allocation of 50%-70% of its total assets in underlying funds that invest primarily in equities (15-30% in international equities), 30%-50% in underlying funds that invest primarily in fixed income, and approximately 5%-20% of its total assets in alternative asset classes.
- 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	Class S Shares	Style-Specific Index
	Inception: 04/30/04	NAV	Inception: 04/30/04	NAV	Inception: 10/03/08	NAV	
Inception	5.08	5.47	4.96	4.96	6.97	-	-
10 Years	7.30	7.91	7.11	7.11	8.19	8.01	8.90
5 Years	2.67	3.83	3.07	3.07	4.10	3.94	5.69
3 Years	5.11	7.11	6.31	6.31	7.37	7.22	8.20
1 Year	-0.51	5.25	3.49	4.48	5.52	5.36	6.88
Quarter	-2.67	3.02	1.85	2.85	3.08	3.13	3.64

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. Class S shares have no sales charge; therefore, performance is at NAV. Performance shown prior to the inception date of Class S shares is that of Class A shares and includes the 12b-1 fees applicable to Class A shares. 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 (%)	
Equity	55.97
Fixed Income	31.76
Alternative	11.86
Cash	0.48

Current allocations may differ

Expense ratios	% net	% total
Class A Shares	1.02	1.02
Class C Shares	1.77	1.77
Class Y Shares	0.77	0.77
Class S Shares	0.92	0.92

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

Fund holdings	% of total net assets
Invesco Core Plus Bond Fund	9.70
Invesco S&P 500 Pure Growth ETF	8.46
Invesco Equally-Weighted S&P 500 Fund	8.45
Invesco Diversified Dividend Fund	6.94
Invesco RAFI Strategic Developed ex-US ETF	5.64
Invesco Comstock Fund	4.86
Invesco International Growth Fund	4.77
Invesco International Select Equity Fund	4.53
Invesco Balanced-Risk Allocation Fund	4.48
Invesco American Franchise Fund	4.20
Invesco Short Term Bond Fund	3.23
Invesco Short Duration Inflation Protected Fund	3.23
Invesco High Yield Fund	3.23
Invesco Quality Income Fund	3.21
Invesco Floating Rate Fund	3.20
Invesco Taxable Municipal Bond ETF	2.97
Invesco Global Real Estate Income Fund	2.94
Invesco All Cap Market Neutral Fund	2.49
Invesco S&P MidCap Low Volatility ETF	2.20
Invesco Small Cap Equity Fund	1.99
Invesco Long/Short Equity Fund	1.96
Invesco Emerging Markets Flexible Bond Fund	1.50
Invesco Emerging Markets Sovereign Debt ETF	1.49
Invesco S&P SmallCap Low Volatility ETF	1.48
Invesco Small Cap Value Fund	0.96
Invesco Developing Markets Fund	0.76
Invesco Low Volatility Emerging Markets Fund	0.74

Total may not equal 100% due to rounding.

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

Class Y shares and Class S 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 equity sector breakdown doesn't account for holdings of Invesco Balanced-Risk Allocation Fund.

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. Beta is a measure of risk representing how a security is expected to respond to general market movements. Smart Beta represents an alternative and selection index based methodology that seeks to outperform a benchmark or reduce portfolio risk, or both. Smart beta funds may underperform cap-weighted benchmarks and increase portfolio risk.

The Custom Invesco Moderate Allocation Index, created by Invesco to serve as a benchmark for Invesco Moderate Allocation Fund, is composed of the following indexes: Russell 3000® Index, MSCI EAFE® Index and Bloomberg Barclays U.S. Aggregate Bond 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 fund's objective. The Russell 3000 Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. 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.

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.

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.

In general, stock values fluctuate, sometimes widely, in response to activities specific to the company as well as general market, economic and political conditions.

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.

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.