Invesco

Invesco Balanced-Risk Allocation Fund

Quarterly Performance Commentary

Nasdaq: A: ABRZX C: ABRCX Y: ABRYX

Investment objective

The fund seeks to provide total return with a low to moderate correlation to traditional financial market indices.

Portfolio management

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Portfolio information

Total Net Assets	$3,368,711,847
Distribution Frequency	Annually

Gross performance attribution

	Quarter	Since July 1, 2009 (annualized)
Equities	0.68%	2.89%
Fixed Income	1.58%	3.57%
Commodities	-0.48%	-0.24%
Active Positioning	-0.01%	1.49%
Cash	0.65%	0.52%
Total	2.42%	8.23%

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

Target portfolio asset positions

Equities	34.32%
Fixed Income	73.57%
Commodities	24.56%

The fund's strategic allocation targets an equal risk contribution (33%) from within and across each of the portfolio's three asset classes to the overall portfolio risk. The Target Portfolio Asset Positions shown, which are applied monthly, seeks to overweight, underweight or maintain those strategic positions depending on a select group of factors such as valuations, the current economic environment and investor positioning. Total portfolio asset weight greater than 100% is achieved through derivatives and other instruments that create leverage.

Market overview

- The second quarter picked up where the first quarter ended with risk assets building on gains established early in 2019. A sharp selloff occurred in May, followed by only a partial recovery in June. A combination of trade tensions, signs of slowing global economic activity and geopolitical issues dampened investors' risk appetites, but expectations that central banks would soon return to accommodative monetary policies helped ease losses. By quarter end, developed market equities and government bonds posted gains. Economically sensitive commodity prices languished, while agriculture and precious metals prices rose.

Performance

- The fund's Class A shares at net asset value (NAV) underperformed its balanced benchmark. (Please see the investment results table on page 2 for fund and index performance.)
- Strategic exposure to government bonds provided the largest contribution to the fund's return for the quarter. Yields fell across bond markets as signs of a slowdown in global manufacturing and economic activity and below-target inflation raised expectations that central banks would soon cut policy rates. The May selloff also pressured yields as investors sought refuge. Australia led results among bond markets where the fund was invested.
- Strategic exposure to developed market equities also bolstered the fund's results, with European equities adding the most on signs that the European Central Bank would delay its first rate hike in years until 2020 at the earliest and possibly reengage in quantitative easing. US large- and small- cap equities also added to results on expectations for a July Federal Reserve interest rate cut. Asian markets ended the quarter lower.
- Commodity exposure detracted from results as three of the four complexes declined for the quarter. Precious metals was the only complex to show gains, benefiting from a weaker dollar, anticipation of lower interest rates and demand for perceived safe havens during the selloff. Agricultural commodities declined in aggregate, despite positive results in corn, wheat, coffee and soymeal. Energy prices also declined in aggregate on fear of declining demand linked to trade tensions and slowing growth. Industrial metals were the largest drag within commodities as copper and aluminum prices fell on trade tensions and signs of economic slowing.
- The fund's tactical positioning produced flat results as losses from its equity positioning offset gains from fixed income and commodities.

Positioning and outlook

- Markets rallied strongly in June on optimism for more accommodative monetary policies and positive progress in ending US/China trade tensions. Potential for disappointment on both fronts is significant. There is a high likelihood of no deal coming out of the G-20 meeting and if the Fed fails to cut rates by 0.50% in July as the market has already priced in, we could see a negative shift in sentiment. Beyond these headline issues, economic activity is slowing, as measured by global purchasing managers' index (PMI) data and weak export data. Additionally, US corporations are reducing their earnings guidance at the highest rate since 2016. Despite these challenges, US consumers remain in good shape and continued confidence may drive spending that could be a stabilizing influence. A potential new wild card is renewed tension between the US and Iran, where negative developments could temper risk appetites and cause a spike in energy prices. We believe that maintaining a balance across potential outcomes is a reasonable approach for this uncertain environment.
- Tactical positioning for July includes overweights in all six equity markets. In the bond position, Australia is overweight, while weights for Canada, the UK and the US are neutral. We continue to exclude Japanese and German bonds from both strategic and tactical positions. Within commodities, the fund is underweight all agriculture, industrial metals and silver. All energy commodities except unleaded gasoline are underweight. Gold and unleaded gasoline are the only overweights within commodities.

Investment results

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

Period	Class A Shares Inception: 06/02/09 Max Load 5.50%	Class A Shares NAV	Class C Shares Inception: 06/02/09 Max CDSC 1.00%	Class C Shares NAV	Class Y Shares Inception: 06/02/09 NAV	Style-Specific Index Custom Invesco Balanced Risk Allocation Style Index
Inception	6.27	6.87	6.06	6.06	7.13	-
10 Years	6.38	6.99	6.19	6.19	7.26	8.34
5 Years	2.25	3.41	2.65	2.65	3.68	5.32
3 Years	2.50	4.46	3.67	3.67	4.71	8.03
1 Year	-2.37	3.34	1.53	2.53	3.56	7.17
Quarter	-3.47	2.11	0.94	1.94	2.16	3.67

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.

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

Expense ratios	% net	% total
Class A Shares	1.31	1.37
Class C Shares	2.06	2.12
Class Y Shares	1.06	1.12

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.

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

Under normal conditions, the strategy invests in derivatives and other financially-linked instruments whose performance is expected to correspond to US and international fixed income, equity and commodity markets. However, the performance of the asset classes cannot be guaranteed. The derivative investments and enhanced investment techniques (such as leverage) used by the portfolio are subject to greater risks than those associated with investing directly in securities or more traditional instruments.

Commodities are held in a Special Purpose Vehicle (SPV); asset class weight for commodities represents the look-through positioning.

The Custom Invesco Balanced Risk Allocation Style Index, created by Invesco as the fund's benchmark, is composed of the following indexes: MSCI World Index (60%) and Bloomberg Barclays U.S. Aggregate Index (40%). 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.

Should the Fund's asset classes or the selected countries and investments become correlated in a way not anticipated by the Adviser, the risk allocation process may result in magnified risks and loss instead of balancing (reducing) the risk of loss.

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, including emerging markets, can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

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

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.

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.

Underlying investments may appreciate or decrease significantly in value over short periods of time and cause an underlying fund's shares 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.

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.

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.