

Invesco Income Allocation Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Sept. 30, 2022



Investment objective

The fund seeks current income and, secondarily, growth of capital.

Portfolio management

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Fund facts

Total Net Assets	\$429,224,634
Total Number of Holdings	15

Top contributors

	% of total net assets
1. Invesco Master Loan Fund	5.89

Top detractors

	% of total net assets
1. Invesco 1-30 Laddered Treasury ETF	9.72
2. Invesco Global Real Estate Income Fund	7.13
3. Invesco RAFI Strategic Developed ex-US ETF	4.98
4. Invesco S&P 500 High Dividend Low Volatility ETF	6.68
5. Invesco S&P International Developed Low Volatility ETF	5.06

Market overview

- + The third quarter was another difficult period for global markets, with most major asset classes posting losses. Inflation remained high, resulting in aggressive monetary policy tightening by many central banks. The US Federal Reserve and other central banks deemed it appropriate to raise key interest rates during the quarter. The Fed's pivot to tighter monetary policy helped to power the US dollar higher. Volatility in the US Treasury market continued in the third quarter, with the yield curve once again inverting as short-term rates rose above longer term rates.
- + Equity and fixed income markets experienced significant volatility during the quarter. Global stocks gave up gains from early in the period, ending the quarter lower. Emerging markets equities underperformed developed markets.
- + Chinese equities lagged most other equity markets, hindered by issues in China's property sector. US and Canadian stocks experienced smaller losses during the quarter.
- + In fixed income, high-yield bonds generally performed better than investment grade corporate bonds and global sovereign debt. Toward the end of the quarter, concerns about demand for UK debt pushed gilt yields higher, which pushed up yields around the world, causing significant bond market losses.
- + Alternatives and commodities posted mostly negative results during the third quarter. Commodities and Global REITs declined, hurt by rising interest rates and the strengthening US dollar.

Positioning and outlook

- + Leading economic indicators continue to weaken, suggesting growth is likely to be below trend across regions. Our expectation is that the global economy continues to slow. Recession risk has risen, especially in Europe. The fate of developed market economies - specifically the depth and duration of their respective economic downturns - largely depends on the path of monetary policy going forward, which in turn largely depends on inflation.
- + From a relative asset allocation perspective, our expectations lead us to a defensive bias in the shorter term. We anticipate fixed income will likely outperform equities in the coming months. Within fixed income, investment grade credit and government bonds are likely to perform better. Within equities, we anticipate defensive segments, higher quality and low volatility stocks are likely to perform better in this environment.

Performance highlights

- + Invesco Income Allocation Fund Class A shares at net asset value (NAV) had a negative return in the third quarter and underperformed its style-specific benchmark, the Custom Invesco Income Allocation Index. (Please see the investment results table on page 2 for fund and index performance.)

Contributors to performance

- + Bank loans were the only segment that added to absolute return for the quarter.
- + **Invesco Multi Asset Income Fund** (10.03% of total net assets) was the leading contributor to relative performance. **Invesco Master Loan Fund** (5.89% of total net assets) and **Invesco Fundamental High Yield Corporate Bond ETF** (7.03% of total net assets) also helped relative return.

Detractors from performance

- + The fund's allocations to Treasuries, style-specific US equity and core fixed income were the largest detractors from absolute performance.
- + **Invesco S&P 500 High Dividend Low Volatility ETF**, **Invesco 1-30 Laddered Treasury ETF** and **Invesco S&P 500 Enhanced Value ETF** were the largest detractors from relative return (6.68%, 9.72% and 5.68% of total net assets, respectively).

Fund holdings	% of total net assets
Invesco Multi-Asset Income Fund	10.03
Invesco Core Plus Bond Fund	9.98
Invesco 1-30 Laddered Treasury ETF	9.72
Invesco Corporate Bond Fund	7.31
Invesco Global Real Estate Income Fund	7.13
Invesco Fundamental High Yield Corporate Bond ETF	7.03
Invesco S&P 500 High Dividend Low Volatility ETF	6.68
Invesco Income Fund	6.24
Invesco Master Loan Fund	5.89
Invesco S&P 500 Enhanced Value ETF	5.68
Invesco Dividend Income Fund	5.67
Invesco Taxable Municipal Bond	5.22
Invesco S&P International Developed Low Volatility ETF	5.06
Invesco RAFI Strategic Developed ex-US ETF	4.98
Invesco International Bond Fund	3.06

Total may not equal 100% due to rounding.

Investment results

Average annual total returns (%) as of Sept. 30, 2022

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 10/31/05	NAV	Inception: 10/31/05	NAV	Inception: 10/03/08	
	Max Load 5.50%		Max CDSC 1.00%			Custom Invesco Income Allocation Index
Inception	3.86	4.20	3.83	3.83	4.97	-
10 Years	2.74	3.32	2.71	2.71	3.58	4.44
5 Years	-0.63	0.51	-0.26	-0.26	0.76	2.75
3 Years	-3.81	-1.99	-2.72	-2.72	-1.74	0.34
1 Year	-19.20	-14.48	-15.94	-15.11	-14.27	-15.22
Quarter	-10.87	-5.69	-6.80	-5.86	-5.63	-5.15

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](https://www.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.

Asset allocation (%)

Equity	28.07
Fixed Income	54.45
Alternative	17.16
Cash	0.32

Current allocations may differ

Expense ratios

	% net	% total
Class A Shares	0.87	0.87
Class C Shares	1.62	1.62
Class Y Shares	0.62	0.62

Per the current prospectus

Net and Total = The expense ratio includes acquired fund fees and expenses of 0.51% for the underlying funds.

For more information you can visit us at 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.

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.

The Custom Invesco Income Allocation Index, created by Invesco as the fund's benchmark, is composed of the following indexes: S&P 500® Index, MSCI EAFE® Index, FTSE NAREIT All Equity REIT Index and Bloomberg Barclays U.S. Universal 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 the fund's objective of the fund. 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

Fund performance depends, in part, on how its assets are allocated among inflation-sensitive asset classes and, within each asset class, among underlying funds and other investments. The Adviser's allocation of fund assets may therefore not produce the desired results and could cause the Fund to perform poorly. The Fund may underperform the rate of inflation during a sudden rapid rise in inflation, as the strategy relies on historical trends and may not react quickly enough to capture a spike in interest rates.

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.

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.

Junk bonds have greater risk of default or price changes due to changes in the issuer's credit quality. Junk bond values fluctuate more than high quality bonds and can decline significantly over a short time.

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

Municipal securities have the risk that legislative or economic conditions could affect an issuer's ability to make principal and/or interest payments.

Investments in real estate related instruments may be affected by economic, legal, or environmental factors that affect property values, rents or occupancies of real estate. Real estate companies, including REITs or similar structures, tend to be small- and mid-cap companies, and their shares may be more volatile and less liquid.

Stocks of small and medium-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to resale.

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.

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 financial professionals 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. Financial professionals, 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.