

Invesco Income Allocation Fund

Q4 2025

Key takeaways

- 1 Absolute returns were positive across global equity and fixed income holdings**

All underlying fund holdings added to absolute return. Within equities, developed ex-US and US value equities posted the largest absolute returns.
- 2 Manager selection effects were the largest positive contributor to relative return**

Manager selection effects were beneficial in equity and fixed income asset classes, with positive contributions from US growth income-oriented equities, US mid-cap value equities and international fixed income.
- 3 Style selection within equities was the largest detractor from relative return**

The fund's exposure to US income-producing equity funds was the primary detractor from relative return in terms of equity style selection effects.

Investment objective

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

Fund facts

Fund AUM (\$M)	323.91
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Portfolio managers

Alessio De Longis, Jeffrey Bennett

Manager perspective and outlook

- Global economic growth held up in the fourth quarter, and most securities markets ended higher despite volatility. Risk assets rallied early but stalled in November amid apparent uncertainty about US Federal Reserve (Fed) policy and artificial intelligence (AI) related valuation concerns. December saw renewed strength in US, European and emerging (ex-China) equities. Credit markets faced isolated pressures from bankruptcies and regional banks but still had gains.
- Geopolitics appeared to influence investor sentiment. US/China tensions rose over rare earth minerals and tariffs before easing after a temporary trade deal. The US government shutdown appeared to add uncertainty as data releases were paused. Central banks were active: the Fed cut rates twice and raised its 2026 growth outlook, the Bank of England lowered rates and the European Central Bank raised growth and inflation forecasts.
- We expect growth to reaccelerate in 2026, supported by lower US policy rates and more fiscal spending across major economies. Private sector balance sheets have remained a tailwind. We believe Fed easing should support US growth later in the year, while less aggressive easing abroad points in our view to a weaker dollar and improving opportunities outside the US, including emerging market local debt. In Europe, we believe fiscal expansion and real wage gains should bolster activity. Given elevated US valuations, we favor broadening exposures to cyclical.



Fund holdings

(% of total market value)

Invesco Core Bond Fund	24.87
Invesco Core Plus Bond Fund	23.94
Invesco MSCI USA ETF	6.74
Invesco Variable Rate Investment Grade ETF	5.87
Invesco RAFI Developed Markets ex-US ETF	5.66
Invesco S&P 500 Equal Weight Income Advantage ETF	5.00
Invesco QQQ Income Advantage ETF	4.90
Invesco S&P 500 Pure Value ETF	4.32
Invesco Dividend Income Fund	4.08
Invesco International Bond Fund	3.04

Portfolio positioning

Invesco Income Allocation Fund aims to provide current income to investors by prioritizing investments that generate income, such as stock dividends, bond coupons and similar payments.

The fund maintained an overweight in equities relative to the benchmark, with a preference for income-producing equity funds and exchange-traded funds (ETFs).

Within fixed income, the fund was positioned with an overweight in core and core plus bond funds, favoring higher quality corporate credit over high-yield credit given tight yield spreads between Treasury and non-Treasury sectors.

Asset allocation (%)

Aggregate Bond	30.59
Aggregate Bond Intermediate	23.82
Large-cap	23.63
International	5.63
Value Large Cap	4.06
Foreign Aggregate Bond	3.02
Bank Loans	2.00
High Yield Bond	1.99
Growth Small Cap	1.74
Emerging Markets	1.53
Value Mid Cap	1.51
Cash	0.49

The asset allocation shown is presented to illustrate the underlying funds in which the fund invested and may not be representative of the fund's current or future investments. The figures shown are as of the date shown and may change at any time. Total may not equal 100% due to rounding.

Top contributors (%)

Issuer	Return	Contrib. to return
Invesco RAFI Developed Markets ex-U.S. ETF	8.42	0.45
Invesco Core Plus Bond Fund CI R6	1.17	0.29
Invesco Core Bond Fund Class R6	1.11	0.28
Invesco S&P 500 Pure Value ETF	4.55	0.19
Invesco QQQ Income Advantage ETF	3.37	0.17

Top detractors (%)

Issuer	Return	Contrib. to return
Invesco Floating Rate ESG Fund Class R6	0.29	0.01
Invesco High Yield Fund CI R6	1.43	0.03
Invesco Russell 1000 Dynamic Multifactor ETF	1.70	0.05
Invesco Main Street Small Cap Fund Class R6	2.61	0.05
Invesco S&P Emerging Markets Low Volatility ETF	3.42	0.05

Performance highlights

Invesco Income Allocation Fund Class A shares at net asset value delivered a positive return for the fourth quarter of 2025 and outperformed its style-specific benchmark, the Custom Invesco Income Allocation Index.

Contributors to performance

The top driver of absolute and relative performance was exposure to developed non-US equities.

Exposure to developed non-US fixed income was another key contributor to both absolute and relative performance.

Invesco RAFI Developed Markets ex-US ETF was the primary individual contributor to the fund's absolute and relative returns.

Invesco International Bond Fund and **Invesco Value Opportunities Fund** were also contributors to absolute and relative returns.

Detractors from performance

Relative to the fund's benchmark, equity style selection effects detracted, particularly exposure to US income-producing equity and broad-based US equity funds.

Invesco MSCI USA ETF, **Invesco S&P 500 Equal Weight Advantage ETF** and **Invesco Russell 1000 Dynamic Multifactor ETF** were the largest individual detractors from relative performance.

Standardized performance (%) as of December 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 10/31/05	NAV	2.16	11.63	11.63	8.17	3.73	4.77	5.01
	Max. Load 5.5%	-3.47	5.52	5.52	6.15	2.57	4.18	4.72
Class R6 shares inception: 04/04/17	NAV	2.25	11.92	11.92	8.53	4.05	5.01	-
Class Y shares inception: 10/03/08	NAV	2.23	11.91	11.91	8.44	3.99	5.03	5.83
Custom Invesco Income Allocation Index		1.52	11.04	11.04	10.08	4.35	6.15	-
Total return ranking vs. Morningstar Moderately Conservative Allocation category (Class A shares at NAV)		-	-	42% (106 of 215)	87% (181 of 208)	87% (173 of 199)	92% (145 of 161)	-

Expense ratios per the current prospectus: Class A: Net: 0.91%, Total: 0.91%; Class R6: Net: 0.53%, Total: 0.53%; Class Y: Net: 0.66%, Total: 0.66%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com](https://www.invesco.com) 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 so that you may have a gain or a loss when you sell shares. Returns less than one year are cumulative; all others are annualized. Index sources: Invesco, RIMES Technologies Corp. Had fees not been waived and/or expenses reimbursed in the past, returns would have been lower. Performance shown at NAV does not include the applicable front-end sales charge, which would have reduced the performance.

Class Y and R6 shares have no sales charge; therefore performance is at NAV. Class Y shares are available only to certain investors. Class R6 shares are closed to most investors. Please see the prospectus for more details.

Performance highlights (cont'd)

Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	9.15	7.99	-4.44	15.09	2.33	7.56	-11.78	7.14	5.84	11.63
Class R6 shares at NAV	-	8.10	-4.20	15.37	2.50	7.83	-11.51	7.60	6.14	11.92
Class Y shares at NAV	9.42	8.26	-4.20	15.37	2.59	7.74	-11.48	7.41	6.11	11.91
Custom Invesco Income Allocation Index	6.38	9.21	-1.84	16.24	10.71	8.63	-14.62	11.78	7.46	11.04

Risk statistics (5 year)

	Fund	Index
Alpha (%)	-0.50	0.00
Beta	0.91	1.00
Sharpe ratio	0.06	0.13
Information ratio	-0.27	0.00
Standard dev. (%)	8.02	8.57
Tracking error (%)	2.25	0.00
Up capture (%)	86.51	100.00
Down capture (%)	93.42	100.00
Max. drawdown (%)	16.46	18.26

Net and Total = The expense ratio includes acquired fund fees and expenses of 0.45% for the underlying funds.

Unless otherwise specified, all information is as of 12/31/25. Unless stated otherwise, Index refers to Custom Invesco Income Allocation Index.

Asset allocation/diversification does not guarantee a profit or eliminate the risk of loss.

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.

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.

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

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.

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

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.

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.

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.

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.

Alpha (cash adjusted) is a measure of performance on a risk-adjusted basis. **Beta** (cash adjusted) is a measure of relative risk and the slope of regression. **Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio indicates better risk-adjusted performance. **Information Ratio** is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns. **Standard deviation** measures a fund's range of total returns and identifies the spread of a fund's short-term fluctuations. **Tracking Error** is defined as the expected standard deviation of a portfolio's excess return over the benchmark index return. The **up and down capture** measures how well a manager was able to replicate or improve on periods of positive benchmark returns and how severely the manager was affected by periods of negative benchmark returns. **Maximum Drawdown** is the maximum observed loss from a high to a low of a portfolio, before a new high is attained. Maximum drawdown is an indicator of downside risk over a specified time period.

Morningstar

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Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus) for a prospectus/summary prospectus containing this information. Read it carefully before investing.