Invesco Balanced-Risk Commodity Strategy Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Sept. 30, 2019

Investment objective

The fund seeks to provide total return.

Portfolio management

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Fund facts

Total Net Assets	$1,032,471,778
Distribution Frequency	Annually

Gross performance attribution

	Quarter	Since Dec. 1, 2010 (annualized)
Precious Metals	0.93%	-0.76%
Agriculture	-2.31%	-1.37%
Energy	-1.25%	-1.84%
Industrial Metals	-0.99%	-1.34%
Active Positioning	0.86%	1.01%
Cash	0.56%	0.60%
Total	-2.20%	-3.70%

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

Risk positioning	Strategic position	Tactical position
Precious Metals	0.25	Underweight
Agriculture	0.25	Underweight
Energy	0.25	Overweight
Industrial Metals	0.25	Underweight

The fund's strategic allocation targets an equal risk contribution within and across each of the portfolio's four commodity complexes to the overall portfolio risk. Tactical positioning, which is applied monthly, seeks to overweight, underweight or maintain those strategic positions depending on a select group of factors such as supply and demand, the current economic environment and short- and intermediate-term price movements.

Market overview

+ Commodity prices declined during the quarter due to a stronger dollar, slowing global manufacturing data and escalating US/China trade tension. Results from the Bloomberg Commodity Index's sub-complexes were mixed as gains in industrial and precious metals only partially offset declines in agriculture and energy. Agriculture had the largest losses due to ample supply, trade conflict and US dollar strength. Energy prices fell in concert with the August stock decline on fear that slowing global growth will stifle demand. Industrial metals broadly sold off but a supply-related spike in nickel prices resulted in an overall positive return. Precious metals had the largest gains amid higher demand related to recession and monetary easing concerns.

Positioning and outlook

+ For much of the last decade, the forces of deflation and inflation have largely neutralized each another, creating a benign low-inflationary, low-growth environment. However, deflationary forces (debt, declining growth and demographics) may be sowing seeds of higher future inflation. One aspect of this is voters supporting populist candidates who advocate pro-inflationary fiscal policies. Monetary policy has also returned to an inflationary bias as central bankers have bemoaned low inflation as their primary challenge. Central banks seem to believe that a bias toward inflation is a far better risk to assume than the deflationary alternative. Whether inflation reasserts itself remains to be seen, but the risk appears to be rising.
+ As we enter October, the fund remains in a net defensive posture as three of the four primary sub-complexes are underweight versus the strategic allocation. Agricultural is net underweight grains, soft commodities and livestock with small net short positions in coffee, lean hogs, live cattle and wheat. The fund has a net underweight in tactical industrial metals with an aluminum underweight, copper overweight and tactical long positions in nickel and zinc. Tactical energy is also underweight, with unleaded gasoline overweight. The tactical precious metals position is overweight but on a reduced basis for both gold and silver compared to September.

Performance

+ The fund's Class A shares at net asset value (NAV) underperformed its benchmark mainly due to a strategic underweight in nickel. (Please see the investment results table on page 2 for fund and index performance).
+ On an absolute basis, agriculture was the largest strategic detractor; grains and soft commodities declined while livestock was flat.
+ Energy prices were the other strategic detractor as fear of slowing global growth caused losses in oil and distillates, compounded by signs of rising US inventories. West Texas Intermediate (WTI) and Brent had the largest declines, followed by distillates and natural gas.
+ Industrial metals prices sold off given their economic sensitivity; copper and aluminum declined in concert. Nickel prices surged on rumors of an Indonesian export ban. We limit nickel exposure to the fund's smaller tactical allocation due to its liquidity profile, so this was a key strategic detractor.
+ Precious metals prices were positive as investors sought safe havens, including bonds, during the August stock selloff. Lower real bond yields are favorable for precious metals, especially given the increasing amount of negative-yielding sovereign debt. Silver led gold as markets are now ignoring the metal's industrial usage and have instead focused on its monetary value as gold prices have risen.
+ The fund's net defensive tactical posture was favorable due to gains in agriculture, industrial and precious metals. Tactical agriculture was the largest contributor due to defensive positioning that led to gains in coffee, wheat, cocoa and cotton. Tactical industrial metals benefited from a tactical long in nickel and underweights in aluminum and copper. Tactical precious metals were favorable due to a gold overweight. Tactical energy was the sole detractor due to net over weights in distillates and oil.

Expense ratios	% net	% total
Class A Shares	1.40	1.62
Class C Shares	2.15	2.37
Class Y Shares	1.15	1.37

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 Feb. 29, 2020 and contractual management fee waivers in effect through at least June 30, 2020. See current prospectus for more information.

Investment results

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

	Class A Shares		Class C Shares		Class Y Shares	
	Inception: 11/30/10		Inception: 11/30/10		Inception: 11/30/10	Style-Specific Index
Period	**Max Load 5.50%**	**NAV**	**Max CDSC 1.00%**	**NAV**	**NAV**	**Bloomberg Commodity Index**
Inception	-5.60	-4.99	-5.68	-5.68	-4.72	-
5 Years	-5.75	-4.69	-5.39	-5.39	-4.45	-7.18
3 Years	-4.91	-3.10	-3.78	-3.78	-2.86	-1.50
1 Year	-12.69	-7.55	-9.14	-8.23	-7.33	-6.57
Quarter	-7.84	-2.55	-3.51	-2.53	-2.50	-1.84

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 source: Bloomberg L.P.

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 Bloomberg Commodity Index is designed to be a liquid and diversified benchmark for the commodity futures market. It is a rolling index composed of futures contracts on 19 physical commodities traded on US exchanges. The index was known as the Dow Jones UBS Commodity Index Total Return^{SM} prior to July 1, 2014. 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.

Commodity-linked notes may involve substantial risks, including risk of loss of a significant portion of principal and risks resulting from lack of a secondary trading market, temporary price distortions, and counterparty risk.

Changes in the value of two investments or asset classes may not track or offset each other in the manner anticipated by the portfolio managers, which may inhibit their risk allocation process from achieving its investment objective.

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.

An investment in exchange-traded funds (ETFs) may trade at a discount to net asset value, fail to develop an active trading market, halt trading on the listing exchange, fail to track the referenced index, or hold troubled securities. ETFs may involve duplication of management fees and certain other expenses. Certain of the ETFs the fund invests in are leveraged, which can magnify any losses on those investments.

Exchange-traded notes (ETNs) are subject to credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or strategy remaining unchanged.

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.

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.