

# Invesco Growth Allocation Fund

## Quarterly Performance Commentary

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



### Investment objective

The fund seeks long-term growth of capital consistent with a higher level of risk relative to the broad stock market.

### Portfolio management

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### Fund facts

Total Net Assets	\$970,227,718
Total Number of Holdings	23

### Top contributors

	% of total net assets
1. Invesco Diversified Dividend Fund	9.68
2. Invesco Core Plus Bond Fund	4.39
3. Invesco Global Real Estate Income Fund	2.97
4. Invesco S&P MidCap Low Volatility ETF	3.00
5. Invesco Equally-Weighted S&P 500 Fund	9.40

### Top detractors

	% of total net assets
1. Invesco RAFI Strategic Developed ex-US ETF	7.37
2. Invesco Low Volatility Emerging Markets Fund	1.91
3. Invesco Long/Short Equity Fund	2.92
4. Invesco S&P 500 Pure Growth ETF	9.86
5. Invesco Small Cap Value Fund	2.34

### Market overview

+ The third quarter saw modest stock market results, following a strong first half. Though global stocks had a modest gain, emerging market stocks declined. The global economy showed signs of weakness, weighed down by the US-China trade war. Manufacturing data, in particular, showed further deterioration. The ongoing trade war pressured China's economy in the third quarter, with slower industrial production and retail sales. The UK and Germany reported very weak economic data, with growing likelihood of recession in both countries. Japan's economic growth also

came under pressure from the US-China trade war.

### Fixed income

+ Fixed income asset classes posted solid returns in the third quarter. Investors were more risk averse, with US Treasuries outperforming US high-yield. The 10-year US Treasury yield fell below 1.5% due to concerns about global economic slowing and trade conflict. The Federal Reserve cut interest rates twice in the third quarter. The European Central Bank and other central banks eased as well.

### Positioning and outlook

+ The fund represents a long-term strategic allocation across asset classes and seeks a total return consistent with a higher level of risk relative to the broad market. The fund targets an allocation of 70%-90% of its total assets in underlying funds that invest primarily in equities (20%-35% in international equities), 5%-30% in underlying funds that invest primarily in fixed-income, and approximately 5%-20% of its total assets in alternative asset classes.

+ Global growth is decelerating but not at imminent risk of recession. We do not expect a near-term resolution of the US-China trade war, although we believe the odds of a deal increase as the 2020 US presidential election approaches. Amid ongoing trade conflict, we expect both manufacturing and services sectors to decline, with services holding up relatively better. Given pressure on economic growth, we expect central banks to maintain accommodative monetary policies, which should support global stock market returns.

### Performance highlights

+ The fund's Class A shares at net asset value (NAV) declined and 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 during the quarter is attributable to the 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

+ The fund's asset class performance was in line with the broad markets. Allocations to fixed income, US equities and alternatives produced positive returns and added to absolute return during the quarter.  
+ Relative to the index, allocations to US small and mid-cap equities were leading contributors to performance. **Invesco S&P MidCap Low Volatility ETF** and **Invesco S&P SmallCap Low Volatility ETF** (3.03% of total net assets) added to absolute and relative return as each benefited from its low volatility factor exposure.  
+ **Invesco Diversified Dividend Fund** was also a notable contributor, primarily benefiting from holdings in utilities and consumer staples.

### Detractors from performance

+ International equities struggled in the third quarter. Fund allocations to international developed and emerging markets equities produced negative returns and detracted from absolute return.  
+ The fund's allocation to international equities was the leading detractor from relative return. **Invesco RAFI Strategic Developed ex-US ETF** detracted from absolute and relative performance, as did **Invesco Low Volatility Emerging Markets Fund**. Although allocations to fixed income and US large-cap equities produced positive returns, each underperformed the index and detracted from relative return.  
+ Other notable detractors included **Invesco S&P Pure Growth ETF** and **Invesco Long/Short Equity Fund**.

Fund holdings	% of total net assets
Invesco S&P 500 Pure Growth ETF	9.87
Invesco Diversified Dividend Fund	9.69
Invesco Equally-Weighted S&P 500 Fund	9.41
Invesco RAFI Strategic Developed ex-US ETF	7.37
Invesco Comstock Fund	7.18
Invesco International Growth Fund	6.28
Invesco International Select Equity Fund	5.93
Invesco American Franchise Fund	5.62
Invesco Balanced-Risk Allocation Fund	4.45
Invesco Core Plus Bond Fund	4.39
Invesco All Cap Market Neutral Fund	3.28
Invesco S&P SmallCap Low Volatility ETF	3.03
Invesco S&P MidCap Low Volatility ETF	3.00
Invesco Global Real Estate Income Fund	2.97
Invesco Long/Short Equity Fund	2.92
Invesco Short Term Bond Fund	2.68
Invesco Small Cap Value Fund	2.35
Invesco Small Cap Equity Fund	2.22
Invesco Quality Income Fund	2.20
Invesco Low Volatility Emerging Markets Fund	1.91
Invesco Developing Markets Fund	1.50
Invesco Taxable Municipal Bond ETF	1.44
Invesco Emerging Markets Flexible Bond Fund	0.00

Total may not equal 100% due to rounding.

## Investment results

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

Period	Class A Shares		Class C Shares		Class Y Shares	Class S Shares	Style-Specific Index	Custom Invesco Growth Allocation Index
	Inception: 04/30/04	NAV	Inception: 04/30/04	NAV	Inception: 10/03/08	Inception: 09/25/09		
Inception	5.35	5.74	5.23	5.23	7.20	7.54	-	-
10 Years	6.70	7.31	6.50	6.50	7.57	7.42	8.81	8.81
5 Years	3.68	4.87	4.09	4.09	5.13	4.98	6.83	6.83
3 Years	5.25	7.24	6.42	6.42	7.50	7.33	8.84	8.84
1 Year	-3.73	1.89	0.09	1.08	2.13	1.95	3.20	3.20
Quarter	-5.66	-0.18	-1.37	-0.37	-0.12	-0.18	0.68	0.68

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](http://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. Class S shares have no sales charge; therefore, performance is at NAV. 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	75.31
Fixed Income	10.70
Alternative	13.61
Cash	0.37

Current allocations may differ

### Expense ratios

	% net	% total
Class A Shares	1.05	1.05
Class C Shares	1.80	1.80
Class Y Shares	0.80	0.80
Class S Shares	0.95	0.95

Per the current prospectus

Net and Total = The expense ratio includes acquired fund fees and expenses of 0.55% for the underlying funds.

## For more information you can visit us at [www.invesco.com/us](http://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 Growth Allocation Index, created by Invesco to serve as a benchmark for Invesco Growth Allocation Fund, is composed of the following indexes: Russell 3000® Index, the MSCI EAFE® Index and Bloomberg Barclays U.S. Aggregate 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.

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**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.

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.

Growth stocks tend to be more sensitive to changes in their earnings and can be more volatile.

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.