Invesco Balanced-Risk Commodity Strategy Fund

Quarterly Performance Commentary

Mutual Fund Retirement Share Classes
Data as of Sept. 30, 2020

Investment objective

The fund seeks to provide total return.

Portfolio management

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Fund facts

Total Net Assets	$608,560,803
Distribution Frequency	Annually

Gross performance attribution

	Quarter	Since Dec. 1, 2010 (annualized)
Precious Metals	1.93%	-0.29%
Agriculture	4.28%	-1.15%
Energy	0.52%	-3.22%
Industrial Metals	1.64%	-1.20%
Active Positioning	1.92%	1.67%
Cash	0.04%	0.65%
Total	10.33%	-3.54%

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	Overweight
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

+ Commodities posted a second straight quarterly gain as all four sub-complexes of the Bloomberg Commodity Index delivered positive returns. Agriculture was the top performer as the complex benefited from Chinese buying, a falling US dollar and weather-related events. Industrial metals advanced due to demand from China. Favorable results in precious metals were driven by low real yields and the US dollar's decline. Energy's gains were limited by demand concerns and a resurgence in coronavirus cases that restricted mass transportation and leisure travel.

Positioning and outlook

+ During his September Congressional testimony, Federal Reserve Chair Jay Powell followed in the footsteps of his peer Christine Lagarde at the European Central Bank by stepping up his call for additional government spending to avoid an uneven and protracted economic recovery from the COVID-19 pandemic. We see this call as an admission that conventional monetary policy has reached its limits as a decade of quantitative easing has done more to lift asset prices than to increase real economic growth. Additional fiscal policy actions should be forthcoming, but partisanship is challenging the political process. Nevertheless, Powell's call to action should boost investor sentiment and may ultimately be a positive catalyst for commodities.
+ As the fourth quarter begins, the fund moves back to an overweight after a brief retreat to a net neutral position. We made the largest increases to tactical allocations of agricultural commodities and industrial metals. Tactical industrial metals transitioned from an underweight to overweight, with a reduced underweight in aluminum, a reduced tactical short in nickel and a move to a small tactical long in zinc from a tactical short. Tactical agriculture positioning includes increases to grains, livestock and cocoa. Tactical energy shows a small decrease in the net defensive posture as underweights have decreased even as the net short in natural gas expanded. Within precious metals, tactical overweights in gold and silver were reduced.

Performance

+ The fund's Class A shares at net asset value (NAV) outperformed its benchmark mainly due to tactical exposures in precious and industrial metals. (Please see the investment results table on page 2 for fund and index performance.)
+ Agricultural commodities were the largest contributor to fund results during the quarter. Soymeal and soybeans had a positive effect, along with other grains, as China increased its purchases to feed hog herds that have finally begun to recover from Swine Flu and meat processing plants reopened. Poor weather in the US Midwest also supported grain prices, while cotton prices rose as crop estimates were lowered due to hurricanes Laura and Marco.
+ Precious metals delivered positive results, aided by the dollar's decline, low real yields and demand for perceived safe haven assets given the weak state of the global economy. Gold reached an all-time high in early August, while July was silver's best month in 40 years as virus lockdowns limited production.
+ Industrial metals prices rose along with China's increased manufacturing and infrastructure spending. Also, production constraints pushed copper prices higher.
+ Energy posted gains but results were less enthusiastic than other commodity sub-complexes as demand remains depressed. Most of the quarter's gains resulted from August supply disruptions associated with Hurricane Laura, which most notably benefited gasoline and natural gas.
+ Tactical allocation was favorable due to gains in metals and energy. Tactical industrial metals added the most to fund results due to gains in copper, nickel and zinc. Tactical precious metals positioning was favorable with silver's contribution outpacing that of gold. Tactical energy had a net gain mainly due to a defensive posture in September as prices declined. Tactical agriculture had a small loss due to late-quarter price reversals in coffee and lean hogs, which overtook gains in soymeal and soybeans.

Expense ratios	% net	% total
Class A Shares	1.40	1.68
Class Y Shares	1.15	1.43
Class R Shares	1.65	1.93
Class R6 Shares	1.11	1.18
Class R5 Shares	1.15	1.27

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. 28, 2021 and contractual management fee waivers in effect through at least June 30, 2021. See current prospectus for more information.

Investment results

Average annual total returns (%) as of Sept. 30, 2020

	Class A Shares	Class Y Shares	Class R Shares	Class R6 Shares	Class R5 Shares	
	Inception: 11/30/10	Inception: 11/30/10	Inception: 11/30/10	Inception: 09/24/12	Inception: 11/30/10	Style-Specific Index
Period	**NAV**	**NAV**	**NAV**	**NAV**	**NAV**	**Bloomberg Commodity Index**
Inception	-4.83	-4.58	-5.04	-4.56	-4.52	-
5 Years	-1.29	-1.07	-1.51	-0.93	-0.99	-3.09
3 Years	-3.16	-3.00	-3.44	-2.89	-2.92	-4.18
1 Year	-3.39	-3.28	-3.64	-3.26	-3.27	-8.20
Quarter	9.96	9.93	9.75	9.85	10.07	9.07

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. Class A shares at NAV are available only to certain investors and have no sales charge; therefore, performance is at NAV. Class Y shares have no sales charge; therefore, performance is at NAV. Class R shares have no sales charge; therefore, performance is at NAV. Class R5 shares have no sales charge; therefore, performance is at NAV. Returns less than one year are cumulative; all others are annualized. Performance shown prior to the inception date of Class R6 shares is that of Class A shares and includes the 12b-1 fees applicable to Class A shares. Class R6 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 source: Bloomberg L.P.

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

Class A shares at NAV and Class Y shares are available only to certain investors. Class R shares are generally available only to employee benefit plans. Class R6 shares and Class R5 shares are primarily intended for retirement plans that meet certain standards and for institutional 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.