

Invesco Global Allocation Fund

Q1 2026

Key takeaways

1 The fund's developed ex-US tactical factor equities were a positive contributor

The fund's allocation to Invesco International Developed Dynamic Multifactor ETF (IMFL) was the top contributor to relative return for the quarter, driven by its cyclical factor positioning.

2 The fund's macro framework experienced a regime change in the first quarter

The fund was positioned for a recovery regime and shifted to an expansion regime in February, driven by accelerating global risk appetite. We believe the global economy is in a strong position to weather elevated geopolitical risks.

3 The fund's shorter duration relative to its benchmark benefited relative performance

The fund's duration positioning within US fixed income was shorter than the benchmark and was the second largest contributor to relative return.

Investment objective

The fund seeks total return.

Fund facts

Fund AUM (\$M)	989.93
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Portfolio managers

Hanting Li, Jeffrey Bennett

Manager perspective and outlook

- Global economic indicators suggested solid first quarter economic growth, but new risks, including artificial intelligence-related (AI) disruptions and Middle East tensions, appeared to weigh on risk assets and expectations for central bank policy. Early economic data showed resilience, yet markets increasingly seemed to focus on downside risks.
- AI concerns appeared to pressure parts of the equity and credit markets, prompting reassessment of earnings durability and valuations. This drove wider dispersion in global indexes, as investors seemed to favor structural beneficiaries of AI over companies vulnerable to technology disruption.
- Geopolitical events appeared to add volatility late in the quarter. Commodity price increases due to Middle East supply disruptions complicated the global economic outlook. Expectations for US Federal Reserve rate cuts appeared to become less certain, while markets seemed to begin to price in potential tightening by the Bank of England and European Central Bank if inflation persisted.
- After rallying through February, global equities declined in March amid geopolitical uncertainty and rising energy prices. Most major broad-based equity indexes ended the quarter lower. Fixed income offered limited diversification benefits, as effects of rising sovereign yields were only partially offset by softer growth expectations. Traditional safe havens had mixed results as the US dollar strengthened and gold weakened.

Portfolio positioning

Invesco Solutions' macro regime framework entered 2026 in a recovery regime and shifted to an expansion regime for the last two months of the quarter. Global growth broadened, supported by improvements in US and non-US developed markets. Inflation was moderate across regions but increased in March. Such an environment historically supports broadening of equity performance across sectors and regions.

We kept **overall portfolio risk above the benchmark**, with an **overweight** in equities relative to fixed income. The equity position tilted toward value, small- and mid-capitalizations, and momentum. Regional equity exposure was in line with the benchmark. In fixed income, we maintained an **overweight in credit risk** and an **underweight duration**. We **increased exposure to TIPS (Treasury Inflation Protected Securities)** in March.

Within **equities**, we maintained overweights in cyclical sectors while balancing exposure across value, momentum and small/mid-cap equities relative to large-caps. Our research indicates that as the economy improves and moves further above trend, sectors with higher operating leverage are likely to outperform. Hence, we favor financials, industrials, materials and energy over health care, consumer staples, utilities and technology. We kept the fund's regional composition in line with the benchmark given mixed signals among key drivers of relative performance across US, developed ex-US and emerging market equities. While the US still has been exhibiting the strongest earnings momentum across regions, dollar depreciation pressures driven by narrowing yield differentials and positive global growth surprises could be tailwinds for international equities. As a result, we maintain a neutral position at this stage and express no active views on regional exposures, waiting for more decisive alignment of macro drivers.

In **fixed income**, we maintained an overweight in credit. However, with yield spreads near all-time lows, we believe the case for taking additional credit risk is limited to harvesting higher yields. We seek diversification across high-yield, leveraged loans and emerging markets dollar debt, while underweighting investment grade credit and sovereign fixed income. Our bearish outlook for the US dollar also favors emerging market local debt and global fixed income, currency unhedged, over core US fixed income. Given early signs of rising inflation, driven by commodity prices, the fund is overweight TIPS relative to nominal US Treasuries.

Portfolio positioning relative to Benchmark

Allocations (%)	Capital Weight	Overlay Weight	Notional Weight	Benchmark	Active
Equity	61.1	7.5	68.6	60.0	8.6
US Equity	36.6	5.0	41.6	37.0	4.6
International Equity	18.0	0.8	18.8	15.8	3.0
Emerging Equity	6.5	1.7	8.2	7.2	1.0
Fixed Income	38.9	-15.0	23.9	40.0	-16.1
Government Bonds	22.8	-15.0	7.8	22.1	-14.3
Total Credit	16.1	0.0	16.1	17.9	-1.8
Income Alternatives	0.0	0.0	0.0	0.0	0.0
Total	100.0	-7.5	92.5	100.0	-7.5

Performance highlights

Invesco Global Allocation Fund Class A shares at net asset value (NAV) delivered a positive return in the first quarter and outperformed its blended benchmark, the Custom Invesco Global Allocation Index.

The fund began 2026 positioned for a recovery regime and shifted to an expansion regime for the last two months of the first quarter. Following the transition of our macro framework to an expansion regime, we implemented several changes to the fund. We increased overall portfolio risk above that of the benchmark, moving to a maximum overweight in equities relative to fixed income, with an equity tilt toward value, small- and mid-capitalization, and momentum stocks. The increased equity exposure – particularly the shift toward value stocks – allowed the fund to capture the market's apparent rotation from growth-focused AI stocks to more cyclically oriented value companies.

The coordinated US/Israel strikes on Iran injected new uncertainty into financial markets, but we believe these developments

are unlikely to derail economic fundamentals and a business cycle that is gathering positive momentum. However, if the conflict persists for longer than a few months, it will likely have negative effects on global growth and risk appetites, leading to changes in economic regime and portfolio positioning.

In fixed income, we decreased the duration profile from neutral to underweight relative to the benchmark, which added to relative return.

Contributors to performance

From a top-down allocation perspective, the primary contributors to relative return were an allocation to developed ex-US tactical factor equities and the fund's short-term duration positioning within US fixed income.

Detractors from performance

From a top-down allocation perspective, the primary detractors from relative return were allocations to US small and mid-cap equities and emerging market fixed income.

Standardized performance (%) as of March 31, 2026

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 11/01/91	NAV	0.34	0.34	12.21	8.99	4.17	6.15	7.37
	Max. Load 5.5%	-5.17	-5.17	6.03	6.95	3.00	5.55	7.19
Class R6 shares inception: 02/28/12	NAV	0.44	0.44	12.59	9.38	4.55	6.57	6.21
Class Y shares inception: 05/01/00	NAV	0.44	0.44	12.51	9.27	4.44	6.41	4.92
Custom Invesco Global Allocation Fund Benchmark 2		-1.96	-1.96	13.37	11.60	6.16	7.81	-
Total return ranking vs. Morningstar Global Moderate Allocation category (Class A shares at NAV)		-	-	84% (344 of 414)	90% (364 of 408)	87% (333 of 394)	77% (248 of 325)	-

Expense ratios per the current prospectus: Class A**: Net: 1.25%, Total: 1.41%; Class R6: Net: 0.89%, Total: 1.05%; Class Y: Net: 1.00%, Total: 1.16%.

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. As the result of a reorganization on May 24, 2019, the returns of the fund for periods on or prior to May 24, 2019 reflect performance of the Oppenheimer predecessor fund. Share class returns will differ from the predecessor fund due to a change in expenses and sales charges. 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	4.75	14.83	-9.72	16.35	14.42	10.34	-17.59	15.64	5.63	13.63
Class R6 shares at NAV	5.23	15.28	-9.35	16.90	14.94	10.72	-17.31	16.11	6.02	14.01
Class Y shares at NAV	5.02	15.11	-9.46	16.59	14.75	10.59	-17.42	16.00	5.84	13.94
Custom Invesco Global Allocation Fund Benchmark 2	6.52	15.19	-4.91	19.08	12.94	10.30	-15.22	16.11	11.78	15.31

Risk statistics (5 year)

	Fund	Index
Alpha (%)	-1.97	0.00
Beta	1.06	1.00
Sharpe ratio	0.07	0.27
Information ratio	-0.74	0.00
Standard dev. (%)	11.06	10.19
Tracking error (%)	2.70	0.00
Up capture (%)	99.12	100.00
Down capture (%)	110.56	100.00
Max. drawdown (%)	22.06	20.22

**Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least August 31, 2027.

Unless otherwise specified, all information is as of 03/31/26. Unless stated otherwise, Index refers to Custom Invesco Global Allocation Fund Benchmark 2.

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

The Custom Invesco Global Allocation Index Linked is composed of 30% Russell 1000 Index/ 30% MSCI All Country World ex- US Index/ 20% Bloomberg Barclays U.S. Aggregate Bond Index/20% Bloomberg Barclays Multiverse ex US Index from Jan. 1, 31, 2003, through Sept. 30, 2015, and 60% MSCI All Country World Index/ 40% Bloomberg Barclays Global Aggregate Bond Hedged USD from Oct. 1, 2015, to present. The Russell 1000 Index is considered representative of large-cap stocks. The Russell 1000 Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. The MSCI All Country World ex-US Index is considered representative of developed and emerging market stock markets, excluding the US, and is computed using the net return, which withholds applicable taxes for non-resident investors. The Bloomberg Barclays U.S. Aggregate Bond Index is considered representative of the US investment-grade, fixed-rate bond market. The Bloomberg Barclays Multiverse ex US Index is a broad-based measure of the global fixed-income bond market, excluding the US. The MSCI All Country World Index is considered representative of equity markets of developed and emerging markets and is computed using the net return, which withholds applicable taxes for non-resident investors. The Bloomberg Barclays Global Aggregate Bond Hedged USD is considered representative of global investment grade fixed-rate debt markets while hedging the currency back to the US dollar. 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.

Stock and other equity securities values fluctuate in response to activities specific to the company as well as general market, economic and political conditions.

Debt securities are affected by changing interest rates and changes in their effective maturities and credit quality.

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, including emerging markets, 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.

Leverage created from borrowing or certain types of transactions or instruments may impair liquidity, cause positions to be liquidated at an unfavorable time, lose more than the amount invested, or increase volatility.

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.

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.

Underlying investments may appreciate or decrease significantly in value over short periods of time and cause share values to experience significant volatility over short periods of time.

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.

* **30-day SEC unsubsidized yield** reflects the 30-day yield if the investment adviser were not waiving all or part of its fee or reimbursing the fund for part of its expenses. Total return would have also been lower in the absence of these temporary reimbursements or waivers. **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. **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. **Contribution to Return** measures the performance impact from portfolio holdings over a defined time period. It takes into account both weight and performance of the portfolio holdings. Contribution to Return is calculated at security level.

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.