

Invesco Global Targeted Returns Fund

Quarterly Performance Commentary

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



Investment objective

The fund seeks a positive total return over the long term in all market environments.

Portfolio management

David Millar, Richard Batty, David Jubb, Gwilym Satchell, Danielle Singer

Risk-based allocation (%)¹

Commodity - Commodity Carry	0.21
Commodity - Commodity Short	0.60
Credit - Selective Credit	0.25
Credit - US High Yield	0.34
Currency - Indian Rupee vs Chinese Renminbi	0.37
Currency - Japanese Yen vs Europe	0.28
Currency - Japanese Yen vs Korean Won	0.73
Currency - Norwegian Krone vs Euro	0.43
Currency - Polish Zloty vs Euro	0.28
Currency - Russian Ruble vs Chilean Peso	0.33
Currency - Short Canadian Dollar	0.18
Currency - Short New Zealand Dollar	0.49
Currency - Swedish Krona vs Euro	0.39
Currency - US Dollar vs Euro	0.66
Currency - US Dollar vs Taiwan Dollar	0.36
Equity - European Divergence	0.56
Equity - Global	0.77
Equity - Japan	0.51
Equity - Mexico vs Brazil	0.57
Equity - Selective Asia Exposure	0.55
Equity - Short European Insurers vs Market	0.58
Equity - UK	0.45
Equity - US Large Cap vs Small Cap	0.61
Equity - US Staples vs Discretionary	0.72
Inflation - Short Europe	0.13
Inflation - Short UK	0.64
Interest Rates - Canada vs US	0.48
Interest Rates - Global Yield Curves	0.62
Interest Rates - Selective EM Debt	0.84
Interest Rates - US Real Yields	0.25
Interest Rates - US Swap Spreads	0.36
Interest Rates - Yield Compression	0.69
Volatility - Asian Equities vs US Equities	0.35
Volatility - Global Equity Volatility	0.22
Volatility - Global FX Volatility	0.23
Cash & Residual FX	0.14
Total independent risk²	16.14
Portfolio risk³	2.63

Market overview

+ The third quarter saw bouts of volatility stemming from political uncertainty and an unclear direction in the global economy, which ultimately kept global equities flat for the quarter. Central banks across the globe maintained loose monetary policies in response to low inflation, geopolitical concerns and slowing global growth. Sovereign bonds rallied, primarily driven by central bank easing, ongoing

trade concerns and renewed fears of economic slowdowns. The US dollar continued to strengthen during the quarter, outperforming currencies of major developed countries aside from the yen. Oil fell sharply during the quarter, as geopolitical tensions and concerns about the demand outlook grew.

Positioning and outlook

+ During the quarter, we added six new ideas to the portfolio, removed one idea and made significant changes in implementation of eight ideas. We added three new currency ideas. The first was **'Currency - Japanese Yen vs Europe,'** which includes short positions in the euro and Swiss franc. The second was **'Currency - Polish Zloty vs Euro.'** The last was **'Currency - Russian Ruble vs Chilean Peso.'** We added **'Interest Rates - Canada vs US,'** as we believe Canada's relatively higher interest rates will fall and realign with those in the US. We also added **'Interest Rates - US Swap Spreads.'** This idea looks to take advantage of the difference in pricing between 30-year US Treasuries and their swap equivalents, where Treasuries are currently trading at a discount. We also added an **'Equity - Short European Insurers vs Market'** idea. We removed our **'Interest Rates - Leveraged DM'** (developed markets) idea as we believe the fall in interest rates has limited further upside. Significant changes to implementation include: removing Russian ruble exposure from our

short Canadian dollar idea, removing Spain vs France position from our European divergence idea, removing US vs UK interest rates from our yield compression idea while increasing US vs France interest rates within that idea, and splitting the short pan European idea into two separate inflation ideas. We also added positions that would benefit from flattening of the French yield curve and steepening of the UK curve and we removed the UK, Canada and Europe positions in **'Global Yield Curves.'**

+ We see symptoms of a downturn worsening and widening. We believe inflation will remain low, at least in part due to lack of pricing power and the ongoing debt overhang. Additionally, the market's pricing of inflation suggests there is a limit to monetary policy effectiveness. As a result, we see yields staying lower for longer as central banks continue their coordinated monetary easing. Finally, we believe risk assets remain vulnerable and volatility is likely to reset at higher average levels.

Performance highlights

+ The fund's performance was positive for the quarter. The strengthening US dollar helped propel our **'Currency - US Dollar vs Euro'** and **'Currency - Short New Zealand Dollar'** ideas. The dollar strengthening relative to the euro and being long the US dollar in our short New Zealand idea was one of the biggest positive impacts on the portfolio during the quarter. Another top performer was our **'Interest Rates - Yield Compression'** idea. Here, the sharp drop in US interest rate expectations boosted performance, as the idea is designed to capitalize on a narrowing of the spread between long-end forward rates in the US versus France. Our **'Equity - US Staples vs Discretionary'** idea also performed well, as consumer staples stocks performed strongly during the quarter. On the downside, our global equity idea performed poorly, mainly driven by equity volatility and the idea's exposure to global energy stocks. **'Interest Rates - Global Yield Curves'** also detracted. This was driven by declines in UK, US and Canadian yield expectations, which in turn caused flattening at the relevant parts of the yield curve. Our **'Inflation - Short Pan Euro'** idea also detracted, primarily driven by a weaker pound in the UK, along with a shift in inflation expectations in the Eurozone.

Fund facts

Total Net Assets	\$69,038,053
Distribution Frequency	Annually

Expense ratios	% net	% total
Class A Shares	1.44	2.73
Class C Shares	2.19	3.48
Class Y Shares	1.19	2.48

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 June 30, 2020. See current prospectus for more information.

Investment results

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

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 12/19/13	NAV	Inception: 12/19/13	NAV	Inception: 12/19/13	FTSE US 3-Month Treasury Bill Index
Inception	0.36	1.34	0.58	0.58	1.60	-
5 Years	-0.29	0.84	0.08	0.08	1.10	0.96
3 Years	-1.62	0.25	-0.53	-0.53	0.52	1.52
1 Year	-4.01	1.56	-0.33	0.67	1.80	2.36
Quarter	-4.58	0.93	-0.37	0.63	1.03	0.56

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: FactSet Research Systems Inc.

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

1 Risk-based allocation - Since the fund will make significant use of derivatives in implementing investment ideas, measuring the contribution of each idea to portfolio risk is a better reflection of how the fund is invested.

2 Independent risk is the potential volatility, as measured by the standard deviation, that could result from the implementation of individual investment ideas.

3 Portfolio risk is the potential volatility that results from combining the individual investment ideas into a single portfolio.

A decision as to whether, when and how to use options involves the exercise of skill and judgment and even a well conceived option transaction may be unsuccessful because of market behavior or unexpected events. The prices of options can be highly volatile and the use of options can lower total returns.

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 FTSE US 3-Month Treasury Bill Index is an unmanaged index representative of three-month US Treasury bills. 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.

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. These risks are greater for the fund than most other funds because its investment strategy is implemented primarily through derivatives rather than direct investments in more traditional securities.

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.

The fund may invest in derivatives either directly or, in certain instances, indirectly through Invesco Cayman Commodity Fund VII Ltd., a wholly owned subsidiary of the fund organized under the laws of the Cayman Islands (Subsidiary). Because the Subsidiary is not registered under the Investment Company Act of 1940, as amended (1940 Act), the fund, as the sole investor in the Subsidiary, will not have the protections offered to investors in U.S. registered investment companies.

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.

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.