

Invesco Global Targeted Returns Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Dec. 31, 2019



Investment objective

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

Portfolio management

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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 final quarter of 2019 saw an increase in investors' risk appetites, which, along with several factors, led capital markets to end the year on a high note. A breakthrough of a 'phase one' trade deal between the US and China, greater clarity around Brexit after the conservative party's decisive election win, and relatively stable corporate and economic data in the world's main

economies all played a role in pushing markets higher. Global equities generally rose throughout the quarter amid continued support from central banks and a more positive global trade outlook. As risk appetites rose during the quarter, corporate and government bond yields moved higher, that is bonds sold off. Among currencies, the US dollar, euro and yen all fell during the quarter.

Positioning and outlook

+ We closed the **'Currency - Indian Rupee vs Chinese Renminbi'** idea because the idea achieved its central return expectation. We still believe the Chinese renminbi could weaken, but now prefer to take this exposure versus the US dollar, a preference captured through the newly added **'Currency - US Dollar vs Chinese Renminbi'** idea. We also added **'Interest Rates - Canada vs Australia.'** Here, interest rates in Canada have remained relatively high as the rest of the world has seen interest rates tumble. **'Interest Rates - Italian Fly'** looks to benefit from the potential for medium-term interest rates to rise in Italy, particularly relative to short- and long-term rates. Significant changes include removing the Japanese yen vs euro position from the Japanese yen vs Europe idea (leaving only the yen vs Swiss franc position), removing Canadian volatility from the short Canadian dollar idea, removing short German exposure from the European divergence idea,

removing MSCI Asia ex-Japan equity beta and adding conditional Chinese equity beta to the selective Asia idea, adding euro vs US dollar volatility to the global FX volatility idea, and removing Japanese equity volatility from the global equity volatility idea. In addition, we removed the following ideas: **'Commodity - Commodity Carry,' 'Currency - Norwegian Krone vs Euro,' 'Currency - Short New Zealand Dollar,' 'Inflation - Short Europe'** and **'Interest Rates - US Real Yields.'**

+ We see growth prospects remaining muted as corporate profits and capital expenditures slow. We believe inflation will remain low, at least in part due to lack of pricing power and the ongoing debt overhang. We see yields staying lower for longer as coordinated monetary policy easing by central banks continues. Finally, we believe risk assets appear vulnerable to earnings disappointments and volatility is likely to reset at higher average levels.

Performance highlights

+ The **'Equity - Global'** idea was a top contributor during the quarter, benefiting from a number of factors as the fund's stock selection and exposure to US, global and global energy indexes added to results. UK inflation data was lower than expected in the fourth quarter, which caused future inflation expectations to fall and helped the **'Inflation - Short UK'** idea perform strongly. A sharp drop in the value of the Chilean peso benefited the idea preferring the Russian ruble to the peso as Chile's economy worsens, compounded by ongoing protests and economic and social issues. The market's preference for riskier assets also helped the **'Interest Rates - Selective EM Debt'** (emerging markets) idea, as Mexican government debt rallied into year end. Another emerging market idea to do well was our preference for the Polish zloty over the euro, with the zloty strengthening into year end. On the downside, several interest rate ideas underperformed as yields rose. The **'Interest Rates - Global Yield Curves'** idea was weighed down as yields on shorter term UK government bonds rose relatively more than longer term bonds. The **'Interest Rates - Yield Compression'** idea also declined as yields on US government debt rose more than their French counterparts. Several currency ideas were negative for the quarter, driven by the US dollar's decline. The **'Currency - Japanese Yen vs Korean Won'** idea also underperformed as the yen fell during the fourth quarter.

Fund facts

Total Net Assets	\$64,191,562
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 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 Dec. 31, 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	0.50	1.45	0.70	0.70	1.71	-
5 Years	-0.62	0.51	-0.23	-0.23	0.76	1.05
3 Years	-0.95	0.94	0.21	0.21	1.18	1.65
1 Year	-1.46	4.26	2.62	3.62	4.55	2.25
Quarter	-4.60	0.96	-0.08	0.90	1.04	0.46

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.