Invesco Balanced-Risk Allocation Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Sept. 30, 2022

Investment objective

The fund seeks to provide total return with a low to moderate correlation to traditional financial market indices.

Portfolio management

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Fund facts

Total Net Assets	$1,779,542,601
Distribution Frequency	Annually

Gross performance attribution

	Quarter	Since July 1, 2009 (annualized)
Growth	-1.27%	2.29%
Defensive	-2.87%	1.88%
Real Return	-2.47%	0.63%
Tactical Allocation	-0.87%	1.25%
Cash	0.46%	0.58%
Total	-7.02%	6.63%

Returns are gross of fund expenses; net returns will be lower. Cash represents fund collateral used to support derivative positions.

Target portfolio asset positions

Growth	50.74%
Defensive	70.22%
Real Return	30.57%

Total portfolio asset weight greater than 100% is achieved through derivatives and other instruments that create leverage.

Not a deposit; Not FDIC insured; Not guaranteed by the bank; May lose value; Not insured by any federal agency

Market overview

+ During the third quarter, aggressive monetary tightening by central banks and increased fear of recession pressured asset prices across the board. Late in the quarter, the mini-budget announced by the UK's new government sparked panic in gilts and the pound. The resulting fear, including concerns about potential pension and bank failures, was reminiscent of the 2008 financial crisis and further agitated asset prices. Against this backdrop, stock, bond and commodity prices all declined.

Positioning and outlook

+ "Don't fight the Fed" is a rule of thumb that warns investors against positioning themselves counter to the direction central banks are taking. During the third quarter, central banks tightened monetary policy. Evidence – including falling PMI (purchasing manager index) data and job openings – suggests economic conditions are weakening. Despite these signs of weakness, there is little indication that central banks are close to a policy pivot in which they cut interest rates to avoid recession. Further complicating matters is the ratcheting up of geopolitical tensions. Given the level of uncertainty at present, we believe a broadly diversified approach to different macro factors is likely to deliver better results than making large binary bets.
+ Tactical positioning for October has underweights in all equity markets except the UK. In fixed income, the fund is overweight Australia and Canada but underweight Germany, Japan, the UK and the US. In commodities, the fund is overweight energy but underweight agriculture and metals.

Performance

+ The fund's Class A shares at net asset value (NAV) underperformed its balanced benchmark. (Please see the investment results table on page 2 for fund and index performance.)
+ Exposure to growth assets detracted from fund results as higher interest rates, higher inflation and geopolitical turmoil led to losses in all six equity markets where the fund invests. Emerging market equities were the largest detractor as a combination of COVID-19 lockdowns, declining manufacturing activity and fear of a strong US dollar weighed on prices. US markets fell as the Federal Reserve pressed forward with aggressive interest rate hikes amid disappointingly persistent inflation data. European equities fell as the European Central Bank pushed rates higher and the continent dealt with the ongoing Russia-Ukraine conflict. Japanese equities, despite outsized declines in September, outperformed other regions, benefiting from strong machinery orders, improved consumer confidence and the full repeal of COVID-19 lockdowns. The fund's defensive put options were able to offset some of the fall across equity markets.
+ Exposure to defensive assets also detracted from fund results as government bond yields broadly rose in response to central bank policy actions. The largest detractor was UK gilts, which saw a parabolic rise in yields in response to the mini-budget proposed by the Truss government and the Bank of England's two interest rate increases during the quarter. Japanese government bonds were a small detractor as the Bank of Japan bucked the trend of other central banks by keeping policy rates exceptionally low.
+ Exposure to commodities also detracted during the quarter. All four commodity complexes fell as persistently elevated inflation levels forced central bankers to take aggressive actions that have fueled concerns about a global recession, thus weakening demand. Energy was the largest detractor due to double-digit price declines in oil and refined products. Precious metal prices continued to grind lower due to rising real yields and the rising US dollar.
+ Tactical positioning for the quarter detracted from results as inconsistent month-to-month returns across assets made positioning difficult.

Expense ratios	% net	% total
Class A Shares	1.37	1.39
Class C Shares	2.12	2.14
Class Y Shares	1.12	1.14

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, 2023. See current prospectus for more information.

Investment results

Average annual total returns (%) as of Sept. 30, 2022

	Class A Shares Inception: 06/02/09		Class C Shares Inception: 06/02/09		Class Y Shares Inception: 06/02/09	Style-Specific Index
Period	**Max Load 5.50%**	**NAV**	**Max CDSC 1.00%**	**NAV**	**NAV**	**Custom Invesco Balanced Risk Allocation Style Index**
Inception	4.86	5.31	4.82	4.82	5.57	-
10 Years	2.17	2.75	2.14	2.14	3.01	5.47
5 Years	0.79	1.94	1.17	1.17	2.16	3.47
3 Years	-1.39	0.48	-0.26	-0.26	0.71	1.93
1 Year	-20.48	-15.83	-17.14	-16.48	-15.69	-17.29
Quarter	-12.39	-7.31	-8.40	-7.47	-7.35	-5.53

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 sources: Invesco, FactSet Research Systems Inc.

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

Class Y shares are available only to certain investors. See the prospectus for more information.
Under normal conditions, the strategy invests in derivatives and other financially-linked instruments whose performance is expected to correspond to US and international fixed income, equity and commodity markets. However, the performance of the asset classes cannot be guaranteed. The derivative investments and enhanced investment techniques (such as leverage) used by the portfolio are subject to greater risks than those associated with investing directly in securities or more traditional instruments.
Commodities are held in a Special Purpose Vehicle (SPV); asset class weight for commodities represents the look-through positioning.
The Custom Invesco Balanced Risk Allocation Style Index, created by Invesco as the fund's benchmark, is composed of the following indexes: MSCI World Index (60%) and Bloomberg Barclays U.S. Aggregate Index (40%). 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.

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.

Should the Fund's asset classes or the selected countries and investments become correlated in a way not anticipated by the Adviser, the risk allocation process may result in magnified risks and loss instead of balancing (reducing) the risk of loss.

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.

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.

Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa.

The fund invests in financial instruments that use the London Interbank Offered Rate (''LIBOR'') as a reference or benchmark rate for variable interest rate calculations. LIBOR will be phased out by the end of 2021, and it's anticipated that LIBOR will cease to be published after that time. To assist with the transition, US dollar LIBOR rates will continue to be published until June 2023. There is uncertainty on the effects of the LIBOR transition process, therefore any impact of the LIBOR transition on the fund or its investments cannot yet be determined. There is no assurance an alternative rate will be similar to, produce the same value or economic equivalence or instruments using the rate will have the same volume or liquidity as LIBOR. Any effects of LIBOR transition and the adoption of alternative rates could result in losses to the fund.

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.

Underlying investments may appreciate or decrease significantly in value over short periods of time and cause an underlying fund's shares 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.

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 financial professionals for a prospectus/summary prospectus or visit 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. Financial professionals, 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.