

# Invesco Multi-Asset Income Fund

## Q1 2024

## Key takeaways

- 1 Strategic equity exposures delivered gains**

The fund's strategic equity exposures produced fairly broad-based gains during the quarter, with few exceptions.
- 2 Strategic bond exposure dragged on performance in aggregate**

US Treasury exposure declined during the quarter, while positions in US high-yield bonds and emerging market debt benefited from investors becoming apparently less risk averse.
- 3 Adaptive positioning aided results**

The fund's adaptive monthly tactical positioning contributed to absolute performance during the quarter, with gains primarily resulting from long positioning in Japanese equities.

### Investment objective

The fund seeks to provide current income.

### Fund facts

Fund AUM (\$M)	1,082.68
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### Portfolio managers

Christian Ulrich, Christopher Devine, John Burrello, Mark Ahnrud, Peter Hubbard, Scott Hixon, Scott Wolle

## Manager perspective and outlook

- Global asset class performance diverged in the first quarter after the “everything rises” rally ended 2023. Better-than-expected global economic growth, strong labor markets and higher-than-anticipated inflation apparently led investors to reassess the timing and magnitude of prospective interest rate cuts. Disinflation continued in most developed economies, with some showing more progress than others. Against this backdrop, equities rose and bonds declined.
- At the start of the second quarter, all eyes appear to be on central banks as monetary policy has continued to have an outsized effect on markets. Developed economies have proven more resilient than expected, while disinflationary progress has continued, albeit imperfectly. The Swiss National Bank is the first developed central bank to cut interest rates and investors appear eager to see whether the Swiss are an anomaly or a trend setter and what the implications will be for markets this year. Some investors seemingly expect that gentle rate cuts by a number of central banks could create a supportive environment for risk assets. Others appear to believe such rate cuts have already been priced into stock and bond markets. No matter the course of the world's central banks, we believe it's important to be prepared for any outcome and maintain a well-diversified portfolio.



### 30-day SEC yields

Class A	5.92
Class R6	6.58
Class Y	6.50

Had fees not been waived and/or expenses reimbursed, the SEC yields would have been 5.89% for Class A shares, 6.56% for Class R6 shares and 6.47% for Class Y shares.

### Gross performance attribution (%)

	Quarter	Year to date	Since inception (annualized)
Emerging Market Debt	0.13	0.13	0.47
Hedged Equity Income	1.29	1.29	0.94
High Yield	0.20	0.20	1.18
Investment Grade Bonds	0.45	0.45	0.49
Preferred Stock	0.31	0.31	1.01
Tactical Allocation	0.65	0.65	0.58
Total	3.05	3.05	4.66

Returns are gross of fund expenses; net returns will be lower. Hedged equity income represents the 11 sectors of the S&P 500 Index. Investment grade bonds represents US Treasuries, short duration credit and cash collateral.

### Performance highlights

The fund's Class A shares at net asset value (NAV) had a positive return but underperformed its balanced benchmark for the quarter.

**Bonds:** The fund's strategic fixed income exposures produced a loss in aggregate for the quarter. The 30-year US Treasury position was the primary detractor, hampered by resilient economic data and a disappointing uptick in inflation. Benefiting from investors' apparent appetite for risk, the fund's US high-yield bonds and emerging market debt produced positive results and helped to offset some of the losses.

**Equities:** Sector results within the fund's strategic hedged equity exposure were largely positive for the quarter, except for real

estate, which was flat. All other sectors added to results, with technology, financials, health care and telecommunications among the top contributors. The hedged equity implementation reduced some of the fund's upside participation relative to the benchmark but also offered higher income. The fund's position in preferred shares was also a contributor and aided absolute return during the quarter.

The fund's tactical strategy contributed to results for the quarter with gains coming from the equity positioning. Within equities, long tactical exposure in Japan was the primary contributor. Tactical positioning in fixed income produced a negative result overall, primarily due to positioning in UK gilts.

### Standardized performance (%) as of March 31, 2024

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
Class A shares inception: 12/14/11	NAV	2.84	2.84	9.38	-0.12	0.31	3.15	3.77
	Max. Load 5.5%	-2.76	-2.76	3.38	-1.98	-0.82	2.57	3.30
Class R6 shares inception: 09/24/12	NAV	3.05	3.05	9.88	0.21	0.63	3.43	3.36
Class Y shares inception: 12/14/11	NAV	3.03	3.03	9.78	0.15	0.58	3.40	4.04
Custom Invesco Multi-Asset Income Index		3.03	3.03	10.64	2.03	5.22	4.86	-
Total return ranking vs. Morningstar Moderately Conservative Allocation category (Class A shares at NAV)		-	-	63% (286 of 460)	96% (420 of 441)	100% (406 of 409)	91% (263 of 297)	-

### Calendar year total returns (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Class A shares at NAV	9.42	-0.20	12.36	10.71	-5.19	16.03	-4.66	6.03	-17.22	10.77
Class R6 shares at NAV	9.80	0.05	12.53	10.98	-4.95	16.32	-4.25	6.22	-16.87	10.96
Class Y shares at NAV	9.69	0.05	12.53	10.98	-4.95	16.31	-4.32	6.17	-16.91	10.88
Custom Invesco Multi-Asset Income Index	5.63	0.22	4.73	10.75	-3.33	16.21	11.62	7.37	-14.82	12.61

Expense ratios per the current prospectus: Class A\*\*: Net: 0.85%, Total: 0.87%; Class R6\*\*: Net: 0.52%, Total: 0.54%; Class Y\*\*: Net: 0.62%, Total: 0.64%.

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. Index source: 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.

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## Investment categories (%)

Emerging Market Debt	16.79
Hedged Equity Income	34.01
High Yield	20.42
Investment Grade Bonds	21.58
Preferred Stock	7.20
Tactical Bonds	-8.83
Tactical Stocks	8.11

Investment categories include strategic and tactical allocations. Tactical positioning may cause the Fund total to be greater than 100% due to leverage derived from exchange-traded futures. Hedged equity income represents the 11 sectors of the S&P 500 Index. Investment grade bonds represents US Treasuries and short duration credit.

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## Portfolio positioning

The fund rebalances monthly with a tactical allocation that seeks to align with the near-term market environment.

Heading into the second quarter, we reduced the fund's tactical equity beta; however, equity positioning remains overweight, across both individual tactical exposures and in aggregate. Within tactical fixed income, duration risk shifted back to an underweight, with tactical underweights in German bunds, UK gilts and 30-year US Treasuries.

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\*\* Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least June 30, 2025.

Unless otherwise specified, all information is as of 03/31/24. Unless stated otherwise, Index refers to Custom Invesco Multi-Asset Income Index.

The Custom Invesco Multi-Asset Income Index comprises the following indexes: 60% of the Bloomberg U.S. Aggregate Bond Index and 40% of the MSCI World Index. The Bloomberg U.S. Aggregate Bond Index is an unmanaged index considered representative of the U.S. investment-grade, fixed-rate bond market. The MSCI World Index is an unmanaged index considered representative of stocks of developed countries. The index return is computed using the net return, which withholds applicable taxes for non-resident investors. An investment cannot be made directly in an index.

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### About 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.

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.

Investing in other funds could result in the duplication of certain fees, including management and administrative fees, and exposes the Fund to the risks of owning the underlying funds.

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.

Junk bonds have greater risk of default or price changes due to changes in the issuer's credit quality. Junk bond values fluctuate more than high quality bonds and can decline significantly over a short time.

An underlying fund's return may not match the return of the underlying index of certain underlying ETFs for a number of reasons, including underlying expenses and trading costs. In addition, the performance of the Fund and the underlying index of certain underlying ETFs may vary due to asset valuation differences and differences between the underlying fund's portfolio and the underlying index.

Preferred securities may include provisions that permit the issuer to defer or omit distributions for a certain period of time, and reporting the distribution for tax purposes may be required, even though the income may not have been received. Further, preferred securities may lose substantial value due to the omission or deferment of dividend payments.

Investments in real estate related instruments may be affected by economic, legal, or environmental factors that affect property values, rents or occupancies of real estate. Real estate companies, including REITs or similar structures, tend to be small and mid-cap companies and their shares may be more volatile and less liquid.

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.

Obligations issued by US Government agencies and instrumentalities may receive varying levels of support from the government, which could affect the fund's ability to recover should they default.

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.

The fund holdings are organized according to the Global Industry Classification Standard, which was developed by and is the exclusive property and service mark of MSCI Inc. and Standard & Poor's.

\*Investment team target/goal; not a stated objective of the fund strategy as outlined in the prospectus. There is no guarantee this target will be achieved.

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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.**