



# Invesco Income Allocation Fund

## Intermediate-term taxable investment grade

Data as of Dec. 31, 2011

### Investment objective and strategy

The fund seeks current income with a secondary objective of growth of capital.

### Portfolio management

Invesco determines the asset allocation, underlying fund selections and target weightings. The underlying funds are actively managed by teams of investment professionals. More information on the management teams of the underlying funds may be found at [invesco.com](http://invesco.com).

### How does the fund fit into your portfolio?

- **Diversification.** With one investment, you're invested in a wide range of income-producing securities, which may generate an attractive yield with less price volatility than individual asset classes.
- **Annual rebalancing.** Allocations may change as the markets move up and down, so the portfolio is rebalanced annually to maintain target allocations. Rebalancing periodically re-establishes the original target allocation.
- **Investment selection.** Invesco researched its broad range of mutual funds to determine which funds would best represent each asset class within Invesco Income Allocation Fund. The portfolio invests in underlying Invesco funds - all actively managed by teams of experienced portfolio managers.

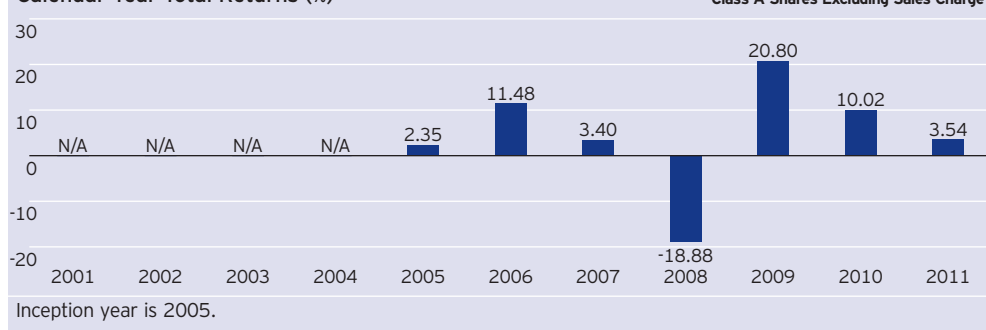
### Investment Results

Period	Average Annual Total Returns (%)					as of Dec. 31, 2011
	Class A Shares Inception: 10/31/05		Class C Shares Inception: 10/31/05		Class Y Shares Inception: 10/03/08	Style-Specific Index
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	Custom Income Allocation Index
Inception	3.62	4.57	3.79	3.79	4.71	-
5 Years	1.76	2.91	2.14	2.14	3.08	4.42
3 Years	9.16	11.23	10.38	10.38	11.46	10.87
1 Year	-2.14	3.54	1.77	2.77	3.70	5.29
Quarter	-1.72	3.97	2.77	3.77	4.03	4.99

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](http://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. Performance shown prior to the inception date of Class Y shares is that of Class A shares and includes the 12b-1 fees applicable to Class A shares. Class A share performance reflects any applicable fee waivers or expense reimbursements. Had fees not been waived and/or expenses reimbursed currently or in the past, returns would have been lower. Returns less than one year are cumulative; all others are annualized.

Index sources: Invesco, Lipper Inc.

### Calendar-Year Total Returns (%)



### Fund Facts

Nasdaq A: ALAAX C: CLIAX Y: ALAYX  
R: RLIAX I: ILAAX

Total Net Assets \$93,644,307

Total Number of Holdings 11

Annual Turnover (as of 12/31/10) 16%

Expense Ratios	% Net	% Total
Class A Shares	0.88	1.27
Class C Shares	1.63	2.02
Class Y Shares	0.63	1.02

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 April 30, 2012. See current prospectus for more information.

Net and Total = The expense ratio includes acquired fund fees and expenses of 0.60% for the underlying funds.

Fund Holdings	% of Total Net Assets
Invesco Core Plus Bond Fund	17.88
Invesco Diversified Dividend Fund	14.59
Invesco High Yield Fund	13.73
Invesco Van Kampen Corporate Bond Fund	8.69
Invesco Utilities Fund	8.61
Invesco U.S. Government Fund	7.36
Invesco Floating Rate Fund	6.94
Invesco Select Real Estate Income Fund	6.92
Invesco Short Term Bond Fund	5.98
Invesco International Total Return Fund	4.93
Invesco International Core Equity Fund	4.27

Holdings are subject to change and are not buy/sell recommendations. Totals may not equal 100% due to rounding.

#### Fund Target Asset Allocation (%)

Intermediate-Term Taxable Investment Grade	38.00
Taxable Noninvestment Grade	21.00
Large-Cap Blend	15.00
Sector	8.00
Real Estate	7.00
Short-Term Taxable Investment Grade	6.00
International/Global Blend	5.00

Current allocations may differ.

Class Y shares are available only to certain investors. See the prospectus for more information.

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.

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

The Custom Income Allocation Index, created by Invesco to serve as a benchmark for Invesco Income Allocation Fund, is composed of the following indexes: Russell 3000®, MSCI EAFE®, FTSE NAREIT Equity REITs and Barclays Capital U.S. Universal. The composition of the index may change from time to time based on the target asset allocation of the fund. Therefore, the current composition of the index does not reflect its historical composition and will likely be altered in the future to better reflect the objective of the fund. The Russell 3000 Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. An investment cannot be made directly in an index.

**12-month forward and trailing P/E** are calculated using weighted harmonic averaging, which helps avoid extreme results that may occur due to small relative numbers in the denominator. It doesn't exclude extreme values; instead, it reduces the effect of outliers on the aggregate calculation. The **price/book ratio** is the market price of a stock divided by the book value per share. **Return on equity (ROE)** is net income divided by net worth. The **median 12-Month Fwd. Growth Rate** is the percent change between the next twelve months' mean EPS estimate and the previous twelve months' actuals. The **three-year EPS growth rate** is a weighted average of each stock holding's growth rate in earnings per share (EPS). EPS is total earnings divided by the number of shares outstanding. This measurement is not a forecast of the fund's performance. The **five-year dividend growth rate** is the weighted average of each stock holding's annualized percentage rate of growth in dividend yield over five years. This measurement is not a forecast of the fund's performance. **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. **R-squared** (cash adjusted) expresses the proportion of variation in the return of one fund explained by the return of a benchmark. **Tracking error** measures the difference between returns of a portfolio and its benchmark index. 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. **Standard deviation** measures a fund's range of total returns and identifies the spread of a fund's short-term fluctuations.

All data provided by Invesco unless otherwise noted.

## External Comparisons Based on Total or Risk-Adjusted Return

Morningstar Ratings and Rankings and Lipper Rankings	Class A Shares as of Dec. 31, 2011				
	Overall	1 Year	3 Years	5 Years	10 Years
vs. Morningstar Conservative Allocation Category* A Shares (Load)	★★	N/A	★★★	★★	N/A
A Shares (Load Waived)	★★★	N/A	★★★★	★★★	N/A
Number of Funds in Category	556	N/A	556	459	N/A
vs. Morningstar Conservative Allocation Category**		17% (102 of 618)	38% (212 of 556)	48% (222 of 459)	N/A
vs. Lipper Mixed-Asset Target Alloc Consv Funds Category***		17% (71 of 437)	30% (118 of 395)	60% (188 of 317)	N/A

\*Source: ©2012 Morningstar Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers. It may not be copied or distributed and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. **Ratings are based on a risk-adjusted return measure that accounts for variation in a fund's monthly performance, placing more emphasis on the downward variations and rewarding consistent performance.** With-load ratings include the effect of sales charges, loads and redemption fees. Load-waived ratings exclude sales charges, loads and redemption fees, and are only applicable to investors not subject to sales charges. Had fees not been waived and/or expenses reimbursed currently or in the past, the Morningstar rating would have been lower. The overall rating is derived from a weighted average of three-, five- and 10-year rating metrics, as applicable. Ratings are as of the most recent quarter end and are subject to change every month. A fund is eligible for a Morningstar rating three years after inception. The top 10% of funds in a category receive five stars, the next 22.5% four stars, the next 35% three stars, the next 22.5% two stars and the bottom 10% one star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) Ratings for other share classes may differ due to different performance characteristics. Past performance does not guarantee future results.

\*\*Source: Morningstar Inc. **Morningstar rankings are based on total return, excluding sales charges and including fees and expenses,** versus all funds in the category tracked by Morningstar.

\*\*\*Source: Lipper Inc. **Lipper fund percentile rankings are based on total returns, excluding sales charges and including fees and expenses,** and are versus all funds in the category tracked by Lipper.

## Portfolio Characteristics: Fund vs. Custom Income Allocation Index

Valuation Statistics	Fund		Index	
	Fund	Index	Fund	Index
12-Month Forward P/E	13.93	13.68		
12-Month Trailing P/E	15.40	15.27		
Price/Book (Wtd. Avg.)	2.38	2.99		
1-Year ROE (Wtd. Avg.)	13.58	16.67		
12-Month Fwd. Growth Rate (Median) (%)	8.31	14.06		
3-Year EPS Growth Rate (Wtd. Avg.) (%)	-0.75	3.74		
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	3.21	3.76		
Weighted Average Market Cap (\$MM)	30,563	61,358		
Weighted Median Market Cap (\$MM)	16,700	21,269		
3-Year Standard Deviation	7.83	8.16		
Sources: Invesco, Compustat, Thomson Financial, Standard and Poor's, StyleADVISOR				
Statistics				
Fund vs. Index	3 Years	5 Years		
Alpha (%)	1.12	-1.49		
Beta	0.92	1.03		
R-Squared	0.93	0.94		
Tracking Error (%)	2.22	2.39		
Up Capture (%)	97.60	98.35		
Down Capture (%)	90.84	111.90		
Source: StyleADVISOR; based on Class A shares				

Equity Sector Breakdown	% of Total Net Assets	
	Fund	Index
Financials	10.93	11.47
Utilities	8.82	1.13
Consumer Staples	3.91	2.87
Consumer Discretionary	2.36	3.18
Industrials	1.92	3.23
Health Care	1.53	3.22
Telecommunication Services	1.02	0.96
Materials	0.97	1.43
Information Technology	0.94	4.45
Energy	0.91	3.06
Based on fund target asset class allocations		
Capitalization Breakdown		% of Equities
	Fund	Index
Giant	18.34	35.62
Large	48.74	32.60
Mid	27.87	21.94
Small	4.81	7.56
Micro	0.23	2.28
Based on Morningstar capitalization ranges		

**NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE**

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## About risk

Certain underlying funds may engage in frequent trading of portfolio securities. Active trading results in added expenses and may result in a lower return and increased tax liability.

If interest rates fall, it's possible that issuers of debt securities with high interest rates will prepay or call their securities before their maturity dates. In this event, the proceeds from the called securities would likely be reinvested by an underlying fund in securities bearing the new, lower interest rates, resulting in a possible decline in an underlying fund's income and distributions to shareholders.

In addition to the normal interest rate, default and other risks of fixed income securities, collateralized loan obligations carry additional risks, including the possibility that distributions from collateralized securities will not be adequate to make interest or other payments, the quality of the collateral may decline in value or default, an underlying fund may invest in collateralized loan obligations that are subordinate to other classes, values may be volatile, and disputes with the issuer may produce unexpected investment results.

An underlying fund may own convertible securities, the value of which may be affected by market interest rates, the risk that the issuer will default, the value of the underlying stock or the right of the issuer to buy back the convertible securities.

Many of the instruments that an underlying fund expects to hold may be subject to the risk that the other party to a contract will not fulfill its contractual obligations.

Risks of credit linked notes include those risks associated with the underlying reference obligation including but not limited to market risk, interest rate risk, credit risk, default risk and foreign currency risk. In the case of a credit linked note created with credit default swaps, the structure will be "funded" such that the par amount of the security will represent the maximum loss that could be incurred on the investment and no leverage is introduced.

An investor in a credit linked note bears counterparty risk or the risk that the issuer of the credit linked note will default or become bankrupt and not make timely payment of principal and interest of the structured security.

The issuer of instruments in which an underlying fund invests 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.

The dollar value of the fund's foreign investments will be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded.

Defaulted securities involve the substantial risk that principal will not be repaid. Defaulted securities and any securities received in an exchange for such securities may be subject to restrictions on resale.

Derivatives may be more difficult to purchase, sell or value than other investments and may be subject to market, interest rate, credit, leverage, counterparty and management risks. An underlying fund investing in a derivative could lose more than the cash amount invested or incur higher taxes. Over-the-counter derivatives are also subject to counterparty risk, which is the risk that the other party to the contract will not fulfill its contractual obligation to complete the transaction with an underlying fund.

Securities issued by foreign companies and governments located in developing countries may be affected more negatively by inflation, devaluation of their currencies, higher transaction costs, delays in settlement, adverse political developments, the introduction of capital controls, withholding taxes, nationalization of private assets, expropriation, social unrest, war or lack of timely information than those in developed countries.

Dollar roll transactions involve the risk that the market value and yield of the securities retained by the underlying fund may decline below the price of the mortgage-related securities sold by the underlying fund that it is obligated to repurchase.

Some of the underlying funds may invest in senior secured floating rate loans and debt securities that require collateral. There is a risk that the value of the collateral may not be sufficient to cover the amount owed, collateral securing a loan may be found invalid, and collateral may be used to pay other outstanding obligations of the borrower under applicable law or may be difficult to sell. There is also the risk that the collateral may be difficult to liquidate, or that a majority of the collateral may be illiquid.

An underlying fund's foreign investments may be affected by changes in the foreign country's exchange rates; political and social instability; changes in economic or taxation policies; difficulties when enforcing obligations; decreased liquidity; and increased volatility. Foreign companies may be subject to less regulation resulting in less publicly available information about the companies.

The fund's performance depends on the underlying funds in which it invests, and it is subject to the risks of the underlying funds. Market fluctuations may change the target weightings in the underlying funds. The underlying funds may change their investment objectives, policies or practices and may not achieve their investment objectives, all of which may cause the fund to withdraw its investments therein at a disadvantageous time.

A decision as to whether, when and how to use futures involves the exercise of skill and judgment and even a well-conceived futures transaction may be unsuccessful due to market behavior or unexpected events.

Junk bonds involve a greater risk of default or price changes due to changes in the issuer's credit quality. The values of junk bonds fluctuate more than those of high-quality bonds in response to company, political, regulatory or economic developments. Values of junk bonds can decline significantly over short time periods.

The income you receive from an underlying fund is based primarily on prevailing interest rates, which can vary widely over the short- and long-term. If interest rates drop, your income from an underlying fund may drop as well.

To the extent an underlying fund invests in securities issued or guaranteed by companies in the banking and financial services industries, the fund's performance will depend on the overall condition of those industries, which may be affected by the following factors: the supply of short-term financing; changes in government regulation and interest rates; and the overall economy.

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

Leverage exists when an underlying fund purchases or sells an instrument or enters into a transaction without investing cash in an amount equal to the full economic exposure of the instrument or transaction and the underlying fund could lose more than it invested. Leverage created from borrowing or certain types of transactions or instruments, including derivatives, may impair the fund's liquidity, cause it to liquidate positions at an unfavorable time, increase volatility or otherwise not achieve its intended objective.

An underlying fund may hold illiquid securities that it is unable to sell at the preferred time or price and could lose its entire investment in such securities.

The investment techniques and risk analysis used by the fund's and the underlying funds' portfolio managers may not produce the desired results.

An MLP is a public limited partnership. Although the characteristics of MLPs closely resemble a traditional limited partnership, a major difference is that MLPs may trade on a public exchange or in the over-the-counter market. The ability to trade on a public exchange or in the over-the-counter market provides a certain amount of liquidity not found in many limited partnership investments. However, MLP interests may be less liquid than conventional publicly traded securities. The risks of investing in an MLP are similar to those of investing in a partnership and include more flexible governance structures, which could result in less protection for the MLP investor in a corporation. Investors in an MLP would normally not be liable for the debts of the MLP beyond the amount that the investor has contributed but investors may not be shielded to the same extent that a shareholder of a corporation would be. MLPs are generally considered interest-rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns.

The fund may invest in mortgage- and asset-backed securities. These securities are subject to prepayment or call risk, which is the risk that payments from the borrower may be received earlier or later than expected due to changes in the rate at which the underlying loans are prepaid.

Certain of the underlying funds are non-diversified and can invest a greater portion of their assets in a single

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**About risk (continued)**

issuer. A change in the value of the issuer could affect the value of an underlying fund more than if it was a diversified fund.

An issuer's ability to prepay principal on a loan or debt security prior to maturity can limit an underlying fund's potential gains. Prepayments may require the underlying fund to replace the loan or debt security with a lower yielding security, adversely affecting the fund's yield.

Investing in REITs makes the underlying funds more susceptible to risks associated with the ownership of real estate and with the real estate industry in general and may involve duplication of management fees and other expenses. REITs may be less diversified than other pools of securities, may have lower trading volumes and may be subject to more abrupt or erratic price movements than the overall securities markets.

Reinvestment risk is the risk that a bond's cash flows (coupon income and principal repayment) will be reinvested at an interest rate below that on the original bond.

Reverse repurchase agreements involve the risk that the market value of securities to be repurchased may decline below the repurchase price or that the other party may default on its obligation, resulting in delays, additional costs or the restriction of proceeds from the sale.

Certain of the underlying funds' investments are concentrated in a comparatively narrow segment of the economy, which may make the underlying fund more volatile.

Short sales may cause an underlying fund 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, the underlying fund's exposure is unlimited.

Stocks of small and mid-sized companies tend to be more vulnerable to adverse developments and may have little or no operating history or track record of success, and limited product lines, markets, management and financial resources. The securities of small and mid-sized companies may be more volatile due to less market interest and less publicly available issuer information. They also may be illiquid or restricted as to resale, or may trade less frequently and in smaller volumes, all of which may cause difficulty when establishing or closing a position at a desirable price.

Swap contracts are subject to credit risk or the risk of default or non-performance by the counterparty to the contract. Swaps could result in losses if interest rates or foreign currency exchange rates or credit quality changes are not correctly anticipated by the fund or if the reference index, security or investments do not perform as expected.

An underlying fund may invest in obligations issued by U.S. government agencies and instrumentalities that may receive varying levels of support from the government, which could affect the fund's ability to recover should they default.

The following factors may affect the fund's investments in the utilities sector: governmental regulation, economic factors, ability of the issuer to obtain financing, prices of natural resources and risks associated with nuclear power.

**Consider the investment objectives, risks, charges and expenses carefully before investing. Please read the prospectus carefully before investing. For this and more complete information about the funds, contact your financial advisor or visit [invesco.com/fundprospectus](http://invesco.com/fundprospectus).**

Note: Not all products, materials or services available at all firms. Advisors, please contact your home office.

# Invesco Income Allocation Fund

Data as of Dec. 31, 2011

## Performance summary

- The fund's Class A shares at net asset value (NAV) underperformed its custom style-specific benchmark for the fourth quarter. (Please see the returns table on page 1 for fund and index performance.)

## Contributors to performance

- Invesco Diversified Dividend Fund**, **Invesco Utilities Fund** and **Invesco High Yield Fund** were the primary contributors to absolute performance (14.59%, 8.61% and 13.73% of total net assets, respectively).
- The primary strategies that aided performance relative to the fund's custom style index were **Invesco High Yield Fund**, **Invesco Floating Rate Fund** and **Invesco Core Plus Bond Fund** (13.73%, 6.94% and 17.88% of total net assets, respectively).

## Detractors from performance

- Invesco International Total Return Fund** was the only absolute detractor from the fund's performance for the quarter (4.93% of total net assets).
- Relative to the custom style-specific index, primary detractors included **Invesco Select Real Estate Income Fund**, **Invesco Utilities Fund** and **Invesco Diversified Dividend Fund** (6.92%, 8.61% and 14.59% of net assets, respectively).

## Top absolute contributors and detractors

Contributors		Detractors	
	(%) of Total Assets		(%) of Total Assets
1. Invesco Diversified Dividend	14.59	1. Invesco International Total Return Fund	4.93
2. Invesco Utilities Fund	8.61		
3. Invesco High Yield Fund	13.73		
4. Invesco Select Real Estate Income Fund	6.92		
5. Invesco International Core Equity Fund	4.27		

## Positioning and outlook

- The fund is diversified across asset classes (stocks and bonds), investment styles (value, blend/core and growth), regions (domestic and international), market capitalizations (small, mid and large), duration and credit quality.
- While no fund can guarantee positive performance, the broad portfolio diversification provides exposure to areas of the market that may perform well in any given period. Additionally, the broad diversification attempts to limit exposure to any one area of the market that may be underperforming. Of course, diversification and asset allocation cannot guarantee a profit or protect against loss.
- We caution investors against making investment decisions based on short-term performance especially in light of the renewed volatility in the capital markets. As always, we recommend that you consult a financial advisor to discuss your individual financial program.

Duration is a measure of a bond fund's price sensitivity to changes in interest rates. It takes into account mortgage prepayments, puts, adjustable coupons and potential call dates.

Opinions expressed are those of the fund's portfolio management. Holdings are subject to change and are not buy/sell recommendations.