



# Invesco International Allocation Fund

## International/global blend

Data as of Dec. 31, 2011

### Investment objective and strategy

The fund seeks to provide long-term growth of capital.

### Portfolio management

Invesco determines the asset class 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?

- **One-stop international diversification.** The six underlying funds provide convenient entry into international markets and broad diversification across investment styles, market capitalizations and sectors, as well as both developed and emerging countries.
- **Strategic design.** Invesco considered multiple strategic factors, such as correlation, risk-return models and market capitalizations, to structure this diversified portfolio of international and global funds.
- **Professional management.** The underlying funds are actively managed by multinational management teams backed by the breadth and depth of Invesco's long-standing international investment experience.

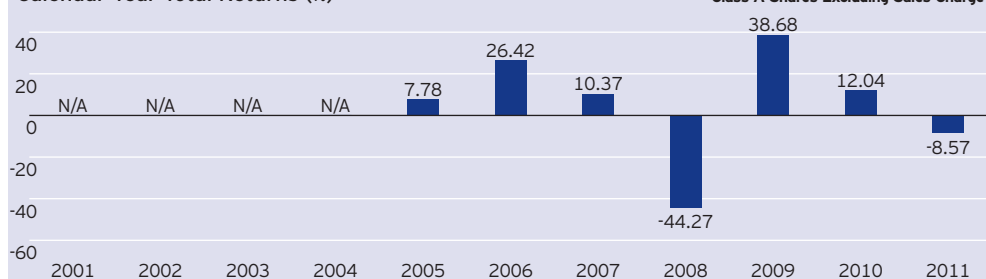
### Investment Results

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	MSCI AC World ex-US Index
Inception	1.93	2.87	2.11	2.11	3.01	-
5 Years	-3.75	-2.66	-3.39	-3.39	-2.49	-2.92
3 Years	10.29	12.41	11.59	11.59	12.69	10.70
1 Year	-13.62	-8.57	-10.11	-9.21	-8.30	-13.71
Quarter	-0.17	5.65	4.49	5.49	5.73	3.72

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 or expenses reimbursed, returns would have been lower. Returns less than one year are cumulative; all others are annualized.

Index source: Lipper Inc.

### Calendar-Year Total Returns (%)



Inception year is 2005.

### Fund Facts

Nasdaq A: AINAX C: INACX Y: AINXY  
R: RINAX I: INAIX

Total Net Assets \$174,984,254

Total Number of Holdings 6

Annual Turnover (as of 12/31/10) 6%

Expense Ratios	% Net	% Total
Class A Shares	1.31	1.52
Class C Shares	2.06	2.27
Class Y Shares	1.06	1.27

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 0.88% for the underlying funds.

Fund Holdings	% of Total Net Assets
Invesco International Core Equity Fund	30.22
PowerShares International Dividend Achievers Portfolio	28.21
Invesco International Growth Fund	22.77
Invesco International Small Company Fund	10.16
Invesco Developing Markets Fund	4.39
Invesco Emerging Markets Equity Fund	4.03

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

Fund Target Asset Allocation (%)	
International/Global Blend	35.00
International/Global Growth	32.50
International/Global Value	27.50
Emerging Markets	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.

Neither MSCI nor any party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the data is permitted without MSCI's express written consent.

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

The MSCI AC World Ex-US Index is an index considered representative of stock markets of developed and emerging markets, excluding those of the U.S.

**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 Foreign Large Blend Category*					
A Shares (Load)	★★★★	N/A	★★★★	★★★★	N/A
A Shares (Load Waived)	★★★★	N/A	★★★★★	★★★★	N/A
Number of Funds in Category	737	N/A	737	563	N/A
vs. Morningstar Foreign Large Blend Category**		8% (62 of 817)	8% (60 of 737)	20% (111 of 563)	N/A
vs. Lipper International Multi-Cap Core Category***		9% (19 of 213)	14% (27 of 200)	33% (49 of 148)	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. MSCI AC World ex-US Index

Valuation Statistics	Fund		Index	
	Fund	Index	Fund	Index
12-Month Forward P/E	9.42	9.94		
12-Month Trailing P/E	10.45	10.91		
Price/Book (Wtd. Avg.)	2.43	2.32		
1-Year ROE (Wtd. Avg.)	19.21	17.28		
12-Month Fwd. Growth Rate (Median) (%)	9.92	12.06		
3-Year EPS Growth Rate (Wtd. Avg.) (%)	2.74	3.92		
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	11.19	9.51		
Weighted Average Market Cap (\$MM)	45,489	48,087		
Weighted Median Market Cap (\$MM)	24,631	26,218		
3-Year Standard Deviation	21.18	23.06		

Sources: Invesco, Compustat, Thomson Financial, MSCI, StyleADVISOR

Equity Sector Breakdown	% of Total Net Assets	
	Fund	Index
Financials	14.90	22.79
Energy	14.34	11.84
Consumer Discretionary	11.36	9.01
Consumer Staples	11.24	10.01
Telecommunication Services	10.04	6.41
Health Care	8.95	7.15
Industrials	8.33	10.57
Information Technology	6.83	6.32
Materials	6.59	11.69
Utilities	4.07	4.07

Sources: Invesco, MSCI; Based on fund target asset class allocations.

Capitalization Breakdown	% of Equities	
	Fund	Index
Giant	50.01	55.02
Large	30.99	33.42
Mid	13.70	11.41
Small	4.67	0.15
Micro	0.62	0.00

Based on Morningstar capitalization ranges

Sources: StyleADVISOR; based on Class A shares

**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.

Depository receipts involve many of the same risks as those associated with direct investment in foreign securities. In addition, the underlying issuers of certain depository receipts, particularly unsponsored or unregistered depository receipts, are under no obligation to distribute shareholder communications to the holders of such receipts or to pass through to them any voting rights with respect to the deposited securities.

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.

An investment by the fund in ETFs generally presents the same primary risks as an investment in a mutual fund. In addition, ETFs may be subject to the following: a discount of the ETF's shares to its net asset value; failure to develop an active trading market for the ETF's shares; the listing exchange halting trading of the ETF's shares; failure of the ETF's shares to track the referenced index; and holding troubled securities in the referenced index. ETFs may involve duplication of management fees and certain other expenses, as the fund indirectly bears its proportionate share of any expenses paid by the ETFs in which it invests. Further, certain of the ETFs in which each fund may invest are leveraged. The more a fund invests in such leveraged ETFs, the more this leverage will magnify any losses on those investments.

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.

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 prices of initial public offering (IPO) securities may go up and down more than prices of equity securities of companies with longer trading histories. In addition, companies offering securities in IPOs may have less experienced management or limited operating histories. There can be no assurance that the fund will have favorable IPO investment opportunities.

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.

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

**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 International Allocation Fund

Data as of Dec. 31, 2011

## Performance summary

- International equity markets continued their turbulent path in the fourth quarter of 2011 as October's relief rally quickly faded during November and December. The MSCI EAFE Index managed to finish in positive territory for the quarter with a 3.3% gain, but declined 12.1% for the full year.<sup>1</sup>
- Macro events, including Middle East unrest, Japan's earthquake and nuclear disaster, Europe's ongoing sovereign debt crisis, S&P's U.S. credit downgrade, a slowing Chinese property market and generally higher inflation across the developing world, weighed on global economic growth and equity market returns in 2011.
- Despite market volatility, the fund performed well over the period.
- Invesco International Allocation Fund Class A shares at net asset value (NAV) had positive returns for the fourth quarter. Relative results were even more favorable, with the portfolio comfortably outperforming the MSCI All Country (AC) World Ex US Index. (Please see the returns table on page 1 for fund and index performance.)

## Contributors to performance

- Each of the underlying fund exposures delivered positive results, with **Invesco International Growth Fund**, **Invesco Developing Markets Fund**, **Invesco Emerging Markets Equity Fund**, **Invesco International Small Company Fund** and **PowerShares International Dividend Achievers Portfolio** all outperforming the fund's index, the MSCI AC World ex US index. **Invesco International Core Equity Fund** was positive for the quarter, but modestly lagged the index.
- **Invesco International Core Equity Fund**, the portfolio's largest exposure at 30.22% of total net assets, was the largest contributor to absolute results. Within the fund, stock selection was strong in financials, health care, information technology and utilities. An overweight in energy aided results. The fund also benefited from positive stock selection in the U.K., Australia and Japan. Performance was more challenging in Continental Europe, with Denmark and Switzerland detracting from overall performance.
- **PowerShares International Dividend Achievers Portfolio** (28.21% of total net assets) was the next largest contributor. Strong stock selection in financials and industrials enabled the fund to deliver double-digit gains in both sectors, outperforming the respective index sectors. Strong stock selection in consumer staples and health care also added to results. From a geographic perspective, the U.S., Japan and Canada were the largest country level contributors. Exposure in Israel detracted from relative results.
- **Invesco International Growth Fund** (22.77% of total net assets), was the next largest contributor. Stock selection in financials and industrials and a meaningful underweight in Japan were key drivers of the fund's results. Within financials, strong stock selection in the commercial banking industry enabled the portfolio to deliver a positive return in an index sector that declined. In industrials, strong stock selection, mainly in the industrial conglomerates and electrical equipment industries, drove outperformance of the index sector. A higher-than-average cash position during a sharp market rally negatively affected the fund's relative results. It is important to note that we do not use cash for "top-down" tactical asset allocation purposes. When the portfolio's cash position has been higher than average, it has reflected a lack of good "EQV" (Earnings Quality Valuation) investment opportunities in the market place, rather than an overall negative opinion on markets.
- **Invesco International Small Company Fund** (10.16% of total net assets), was the next largest contributor. Generally, a decreased risk appetite led investors to favor less cyclical and large-cap equities over riskier stocks. Despite this, the fund (which is 100% small-cap) meaningfully outperformed the all-cap index. We attribute the fund's absolute and relative outperformance to the overall quality of the portfolio, the attractiveness of individual securities and our ability to identify under-followed, high-quality small-cap investments in both developed and emerging markets.
- **Invesco Developing Markets Fund** (4.39% of total net assets) was the next largest contributor to the fund's overall return. After a dismal third quarter, emerging markets gained in the fourth quarter. Many external forces affected results during the quarter, particularly the European credit crisis, which caused investor confidence to swing sharply throughout the period. Despite the volatile market backdrop, the fund ended the quarter on a positive note.
- **Invesco Emerging Markets Equity** (4.03% of total net assets) was the smallest underlying fund exposure and contributed the smallest amount to absolute performance. Geographically, the fund benefited from positive stock selection in China, India, Russia and South Africa. More challenging markets included Taiwan and Poland.

## Detractors from performance

- There were no detractors from absolute return during the period as all underlying funds delivered positive returns for the quarter.

## Top contributors and detractors

Contributors	(%) of Total Assets	Detractors	(%) of Total Assets
1. Invesco International Core Equity Fund	30.22		
2. PowerShares International Dividend Achievers Portfolio	28.21		
3. Invesco International Growth Fund	22.77		
4. Invesco International Small Company Fund	10.16		
5. Invesco Developing Markets Fund			

## Positioning and outlook

- No changes were made to the structure of the Invesco International Allocation Fund over the period.
- We continue to believe that the fund's range of complementary underlying products provides diversification from both a risk and return perspective. Of course, diversification cannot guarantee a profit or protect against loss.
- As markets remain volatile, we caution investors against making investment decisions based on short-term performance. As always, we recommend that you consult a financial advisor to discuss your individual financial program.

The MSCI EAFE Index is an unmanaged index considered representative of stocks of Europe, Australasia and the Far East. An investment cannot be made directly in an index. Opinions expressed are those of the fund's portfolio management. Holdings are subject to change and are not buy/sell recommendations.

<sup>1</sup> Source: Lipper Inc.