



# Invesco All Cap Market Neutral Fund

## Quarterly Performance Commentary

Nasdaq: A: CPNAX C: CPNCX Y: CPNYX

### Investment objective

The fund seeks to provide a positive return over a full market cycle from a broadly diversified portfolio of stocks while seeking to limit exposure to the general risks associated with stock market investing.

### Portfolio management

Michael Abata, Anthony Munchak, Glen Murphy, Francis Orlando

### Portfolio information

Total Net Assets	\$68,347,602
Total Number of Holdings	391

### Portfolio composition (% of total net assets)

Percentage of Net Asset (Long)	90.00
Percentage of Net Asset (Short)	90.00
Gross Exposure (Long + Short)	180.00
Net Exposure (Long - Short)	0.00

Gross Exposure represents the absolute exposure of the fund to long and short holdings combined.

Net Exposure represents the difference between long and short holdings exposure for the fund.

### Top 5 long positions (% of total net assets)

Enphase Energy Inc	1.96
Lattice Semiconductor Corp	1.87
Rent-A-Center Inc	1.85
Tandem Diabetes Care Inc	1.81
Deckers Outdoor Corp	1.80

### Top 5 short positions (% of total net assets)

Zillow Group Inc	-1.43
Nvidia Corp	-1.42
First Solar Inc	-1.40
Stars Group Inc	-1.40
Exact Sciences Corp	-1.40

### Market overview

- Though the S&P 500 Index posted a modest gain of 4.30% for the second quarter, the US stock market experienced increased volatility. After four consecutive months of rising prices, stocks sold off in May, with the S&P 500 falling 6.58%. Bond yields and oil prices also fell as investors weighed the impact of the ongoing US/China trade war and potential for new tariffs on Mexican imports. Additionally, data showed slowing in the US and global economies. Equity markets recovered in June as the S&P 500 returned 7.05%, its best June performance since 1955. The Federal Reserve left interest rates unchanged at its June Federal Open Market Committee meeting, but signaled a less restrictive stance, leading some investors to anticipate a future rate cut. US large and mid-cap stocks outperformed small-cap stocks and growth outperformed value for the quarter.

### Performance highlights

- The fund's Class A shares at net asset value (NAV) underperformed its cash benchmark in the second quarter. (Please see the investment results table on page 2 for fund and index performance.)
- Overall, both short and long positions negatively affected fund performance.
- The fund's long positions declined approximately 0.70%, while the short positions rose 1%.
- From a sector perspective, information technology (IT) and communications services were the weakest sectors, while results in the industrials and real estate sectors offset some of the negative impact.
- The fund's exposure to Value was the main detractor for the quarter as initial strength in April weakened dramatically in May and did not recover by quarter end, resulting in negative performance for the full quarter.

### Contributors to performance

- During the quarter, the fund's long positions in the capital goods industry performed as expected and added to the fund's results.
- Selection of long positions in the financial sector also added to absolute performance for the quarter. Specifically, long positions in the banking industry performed as expected.
- Within real estate, REITs rallied and added to absolute performance.

### Detractors from performance

- Overall, the fund's short positions were a drag on absolute performance.
- In the communication services sector, both long and short holdings in the media industry hampered fund results.
- In IT, short holdings in the semiconductor and the internet services/software industries had large gains, which hurt the fund's absolute performance.
- In terms of our stock selection model, our preferred measures of Gross Profit Yield, Cashflow Yield and Earnings Yield performed poorly. The least attractive stocks based on these measures had positive excess returns, while the most attractive stocks according to the model had negative excess returns.

### Positioning and outlook

- The fund seeks to provide a positive return over a full market cycle from a broadly diversified portfolio of stocks, while seeking to limit exposure to the general risks associated with stock market investing.
- Stock selection is the primary source of return for the fund, which uses offsetting long and short positions to generate return and manage risk. Our goal is for the fund to outperform the 90-day Treasury bill regardless of the market's direction.
- To maintain neutrality, at rebalance, the fund is dollar neutral (equivalent dollars invested long and short) and beta neutral (the long portfolio beta is close to the short portfolio beta), while both sector and industry net exposures (long minus short) are limited to +/-1%.
- At the end of the quarter, the largest gross long and gross short sector exposures were in the health care, consumer discretionary and IT sectors.
- As always, we caution investors against making investment decisions based on short-term performance and recommend that you consult a financial advisor to discuss your individual financial program.

<b>Investment results</b>						
Average annual total returns (%) as of June 30, 2019						
Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 12/17/13	NAV	Inception: 12/17/13	NAV	Inception: 12/17/13	
	Max Load	NAV	Max CDSC	NAV	NAV	FTSE US 3- Month Treasury Bill Index
Inception	-1.04	-0.02	-0.76	-0.76	0.23	-
5 Years	-1.33	-0.20	-0.96	-0.96	0.04	0.84
3 Years	-5.53	-3.73	-4.44	-4.44	-3.47	1.36
1 Year	-11.51	-6.41	-7.90	-7.06	-6.09	2.30
Quarter	-7.01	-1.54	-2.74	-1.76	-1.52	0.61

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. 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.

Expense ratios	% net	% total
Class A Shares	1.51	1.52
Class C Shares	2.26	2.27
Class Y Shares	1.26	1.27

Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least June 30, 2020. See current prospectus for more information.

Sector	Equity sector breakdown		% of total net assets
	Long weight (%)	Short weight (%)	
Communications Services	3.44	-3.68	
Consumer Discretionary	16.22	-16.72	
Consumer Staples	1.93	-1.85	
Energy	6.74	-6.37	
Financials	7.04	-7.47	
Health Care	24.10	-23.29	
Industrials	5.71	-8.55	
Information Technology	15.15	-13.13	
Materials	7.43	-6.59	
Real Estate	5.43	-5.25	
Utilities	0.36	-0.35	

#### For more information you can visit us at [www.invesco.com/us](http://www.invesco.com/us)

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 fund's equity exposures may be achieved through direct investment or through derivatives including, but not limited to, equity-related futures contracts and swap agreements, such as total return swaps. See current 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.

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.

The S&P 500® Index is an unmanaged index considered representative of the US stock market. An investment cannot be made directly in an index.

Beta (cash adjusted) is a measure of relative risk and the slope of regression.

---

## About risk

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.

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.

Stocks of small and mid-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to

resale.

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.