



Invesco MLP Fund

Quarterly Performance Commentary

Nasdaq: A: ILPAX C: ILPCX Y: ILPYX

Investment objective

The fund seeks capital appreciation and, secondarily, income.

Portfolio management

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Portfolio information

Total Net Assets	\$11,550,546
Annual Turnover (as of 10/31/18)	97%
Distribution Accrual	Quarterly
Distribution Frequency	Quarterly

Top holdings

% of total net assets

Energy Transfer	12.56
Enterprise Products Partners	12.26
Plains All American Pipeline	10.78
MPLX	8.84
Magellan Midstream Partners	7.96
Western Midstream Partners	5.85
Buckeye Partners	4.95
EQM Midstream Partners	3.99
Tallgrass Energy	3.66
Genesis Energy	3.50

Top contributors

% of total net assets

1. Buckeye Partners	4.95
2. Magellan Midstream Partners	7.96
3. BP Midstream Partners	1.77
4. Andeavor Logistics	2.72
5. Plains All American Pipeline	10.78

Top detractors

% of total net assets

1. Energy Transfer	12.56
2. Enlink Midstream	1.98
3. Tallgrass Energy	3.66
4. DCP Midstream	2.43
5. Genesis Energy	3.50

Market overview

- During the quarter, capital markets were unsettled by a combination of geopolitical uncertainty, moderating global economic growth and the prospect of a shift from current monetary policy tightening to an easing cycle.
- Weaker-than-expected US economic data, combined with slower growth abroad, spurred a reversal in the US Federal Reserve's policy stance from monetary tightening toward monetary easing. The US Treasury market now appears to have priced in several interest rate cuts, with yields falling to their lowest levels in nearly two years.
- In mid-June, prices of natural gas liquids declined to the lowest level since early 2016 due to new fracking capacity combined with limited new demand and tight export capabilities.
- West Texas Intermediate (WTI) oil prices whipsawed during the quarter, ending slightly lower at \$58.47/bbl, down from \$60.24/bbl.
- Natural gas trended down gradually during the quarter, starting the period at \$2.66/mcf and ending at \$2.31/mcf.

Performance highlights

- Invesco MLP Fund Class A shares at net asset value (NAV) posted a modest decline for the quarter, underperforming the Alerian MLP Index, which delivered a marginally positive return. (Please see the investment results table on page 2 for fund and index performance.)

Contributors to performance

- The fund's holdings in **Buckeye Partners** added to relative return after **Buckeye** agreed to an acquisition offer from IFM Investors, an institutional pension-led firm (not a fund holding). IFM's offer values **Buckeye** at \$41.50 per common share, a 27.5% premium to the last pre-offer closing price. The company's board members unanimously accepted the offer, which is expected to close in the fourth quarter of 2019. Broadly speaking, the team believes this transaction is indicative of current institutional demand for high quality infrastructure assets.

Detractors from performance

- Security selection within the gathering and processing MLP sector was the primary detractor during the quarter. An underweight in the refined products pipelines & terminals sector also detracted.
- **Enlink Midstream** was a notable individual detractor. Although the company's adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) exceeded both company and consensus expectations, results in its Oklahoma segment were weaker than expected.

Positioning and outlook

- In general, the fund remains focused on companies that exhibit a relatively high fee-based cash flow, have access to a growing asset base through both organic capital expenditures and acquisitions, and operate in the most attractive natural resource basins in the US. The fund remains overweight the pipelines and midstream diversified sector and underweight the refined products pipelines and terminals sector. Further de-leveraging of balance sheets, continued improvements in corporate governance and improved return on invested capital have the potential to attract outside capital similar to the recent acquisition of **Buckeye Partners**.
- The Permian basin continues to see increases in overall production, although at a slowing growth rate, as drilling economics remain relatively attractive.
- Expectations for dividend growth among companies focused on refined products, natural gas liquid pipelines and fractionation remain positive given the contractual nature of existing cash flows, combined with a still-healthy project backlog.

Investment results						
Average annual total returns (%) as of June 30, 2019						
Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 08/29/14	NAV	Inception: 08/29/14	NAV	Inception: 08/29/14	
	Max Load	NAV	Max CDSC	NAV	NAV	Alerian MLP Index
Inception	-8.63	-7.56	-8.29	-8.29	-7.36	-
3 Years	-2.24	-0.38	-1.14	-1.14	-0.18	-0.42
1 Year	-4.44	1.07	-0.82	0.13	1.13	3.09
Quarter	-6.42	-0.89	-2.24	-1.26	-1.02	0.12

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 source: FactSet Research Systems Inc.

MLP sector breakdown	% of total net assets
Pipelines & Terminals	37.14
Pipelines & Midstream Diversified	35.29
Gathering & Processing MLP	14.11
General Partner (C-Corp)	7.19
Natural Gas Pipelines & Storage	4.24
Oilfield Services	0.72

Expense ratios (%)	Class A Shares	Class C Shares	Class Y Shares
Total Annual Fund Operation Expenses	4.98	5.73	4.73
Fee Waiver and/or Expense Reimbursement ¹	3.29	3.29	3.29
Total Net Expense Ratio after Fee Waiver and/or Expense Reimbursement	1.69	2.44	1.44
Deferred/Current Income Tax Expense ²	0.30	0.30	0.30
Total Net Expense Ratio (after reimbursements and/or waivers, excluding deferred/current income tax expense)	1.39	2.14	1.14

Per the current prospectus

¹ Fee Waivers and/or Expense Reimbursements by the adviser are effective through at least Feb. 29, 2020.

² Deferred/Current Income Tax Expense represents an estimate of the fund's potential income tax expense that is dependent upon the fund's net investment income/(loss) and realized and unrealized gains/(losses) on investments. Such expenses may vary greatly from year to year depending on the nature of the fund's investments, the performance of those investments and general market conditions. **Therefore, any estimate of deferred/current income tax expense cannot be reliably predicted from year to year, may not be indicative of future income tax expenses and is not a prediction of future fund performance.** The deferred/current income tax expense shown above is based on assumptions using historical performance of the fund's benchmark index and an estimated effective tax rate. See prospectus for more information.

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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.

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.

The Alerian MLP Index is a market-cap weighted, float-adjusted index created to provide a comprehensive benchmark for investors to track the performance of the energy MLP sector. The Index components are selected by Alerian, LLC ("Alerian"). An investment cannot be made directly in an index.

About risk

As a "C" corporation, the fund is subject to US federal income tax on its taxable income at the graduated rates applicable to corporations, as well as state and local income taxes. The fund will not benefit from the current favorable federal income tax rates on long-term capital gains and Fund income, losses and expenses will not be passed through to the shareholders.

Energy infrastructure MLPs are subject to a variety of industry specific risk factors that may adversely affect their business or operations, including those due to commodity production, volumes, commodity prices, weather conditions, terrorist attacks, etc. They are also subject to significant federal, state and local government regulation.

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. Although this provides a certain amount of liquidity, MLP interests may be less liquid and subject to more abrupt or erratic price movements 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 investors than investments in a corporation. MLPs are generally considered interest-rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns.

A change in current tax law, or a change in the underlying business mix of a given MLP, could result in

an MLP being treated as a corporation for U.S. federal income tax purposes. This would result in such MLP being required to pay U.S. federal income tax on its taxable income and could result in a reduction of the value of the MLP.

The fund is considered non-diversified and may experience greater volatility than a more diversified investment.

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.