



Invesco Convertible Securities Fund

Quarterly Performance Commentary

Nasdaq: A: CNSAX C: CNSCX Y: CNSDX

Investment objective

The fund seeks total return through growth of capital and current income.

Portfolio management

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Portfolio information

Total Net Assets	\$1,175,819,657
Total Number of Holdings	97

Fund characteristics

Effective Duration	2.21
Distribution Frequency	Quarterly

Investment categories (%)

Domestic Convertible Bonds	70.26
Domestic Convertible Preferred	20.83
Intl Convertible Bonds	5.43
Intl Convertible Preferred	0.75
Cash	2.28
Other	0.45

May not equal 100% due to rounding.

Credit quality breakdown (% total)¹

Cash	2.28
A	2.22
BBB	12.62
BB	6.99
B	3.60
CCC	0.53
Not Rated	71.76

Market overview

- Following a sharp selloff late last year, equity markets rebounded in the first quarter of 2019, fueled by optimism about a potential US/China trade deal and the Federal Reserve's indication that there would be no interest rate hikes in 2019, a surprising shift in monetary policy. The Fed's more accommodative stance provided a supportive environment for equities and fixed income, even as US economic data were mixed and overseas growth appeared to be slowing. In response to the Fed's more dovish tone, the 3-month and 10-year Treasury yield curve inverted briefly at the end of March, the first inversion since 2007. Against this backdrop, the S&P 500 Index posted its best first quarter since 1998 with a return of 13.65%. Convertibles (as represented by the ICE BofAML US Convertibles Index) rallied along with equities, returning 10.26% in the first quarter.

Performance highlights

- The fund's Class A shares at NAV outperformed its index in the first quarter. (Please see the investment results table on page 2 for fund and index performance.) All sectors of the index had positive returns for the quarter, except consumer staples. Cyclical areas such as technology, industrials and energy had double-digits gains, while the financials sector's return was more muted.

Contributors to performance

- Security selection and an underweight in financials drove much of the fund's outperformance, as financials lagged other sectors. The fund's overweight in **AXA** (1.29% of total net assets) added to relative return.
- Security selection in the consumer discretionary sector added to relative performance during the quarter. Within the sector, key contributors included mobile payments processing company **Square** and property management software corporation **RealPage** (1.70% and 1.22% of total net assets, respectively). Lack of exposure to **Tesla** (0.00% of total net assets) also aided relative return.
- Security selection in the media industry added to outperformance, as did security selection and overweights in technology and consumer staples.

Detractors from performance

- Security selection in the industrials and energy sectors detracted from relative return. Lack of exposure to **Weatherford** (0.00% of total net assets) was a key detractor in the energy sector.
- Within industrials, the portfolio's overweights in **Greenbrier Companies** and **Aerojet Rocketdyne** (0.30% and 0.78% of total net assets, respectively) detracted from relative performance.
- The fund's cash position, while approximately 4% on average, also detracted given the strong market environment.

Positioning and outlook

- During the quarter, we trimmed positions in the energy, materials and industrials sectors and added to technology, utilities and health care. At quarter end, the fund's largest overweights relative to the index were in technology, utilities and transportation, while the largest underweights were in financials, consumer discretionary and telecommunications.
- Though equity markets posted robust gains for the quarter, lack of clarity on US trade policy and weakening economic data could potentially dampen returns going forward.
- As always, we seek to avoid issue-specific underperformers, and we continue to seek companies with healthy balance sheets and reasonable valuations that can benefit from the current economic environment.

Investment results						
Average annual total returns (%) as of March 31, 2019						
Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 07/28/97	NAV	Inception: 07/28/97	NAV	Inception: 07/28/97	
	Max Load	NAV	Max CDSC	NAV	NAV	ICE BofAML U.S. Convertible Index
Inception	6.33	6.61	6.24	6.24	6.87	-
10 Years	9.94	10.56	9.77	9.77	10.83	13.00
5 Years	3.22	4.39	3.65	3.65	4.64	7.13
3 Years	7.16	9.20	8.40	8.40	9.48	12.09
1 Year	0.46	6.32	4.55	5.50	6.58	7.84
Quarter	4.80	10.91	9.71	10.71	11.02	10.26

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 sources: Invesco, FactSet Research Systems Inc.

For more information you can visit us at www.invesco.com/us

1 Ratings source: Standard & Poor's. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations, including specific securities, money market instruments or other debts. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. Not Rated indicates the debtor was not rated and should not be interpreted as indicating low quality. A negative in Cash indicates fund activity that has accrued or is pending settlement. For more information on Standard and Poor's rating methodology, please visit www.standardandpoors.com and select 'Understanding Ratings' under Rating Resources on the homepage.

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 ICE BofAML US Convertible Index tracks the performance of US-dollar-denominated convertible securities that are not currently in bankruptcy and have total market values of more than \$50 million at issuance. An investment cannot be made directly in an index.

Effective duration is a modified duration calculation which incorporates the expected duration-shortening effect of an issuer's embedded call provision.

Expense ratios	% net	% total
Class A Shares	0.93	0.93
Class C Shares	1.69	1.69
Class Y Shares	0.69	0.69

Per the current prospectus

About risk

Convertible securities may be affected by market interest rates, the risk of issuer default, the value of the underlying stock or the issuer's right to buy back the convertible securities.

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.

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.

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.

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

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.

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.