Portfolio Manager Commentary
Invesco Endeavor Fund – 2018 Year-End Letter

We use our Year-End Letter to communicate plainly with our investors about Invesco Endeavor Fund. The purpose is to highlight Fund performance and activity, share investment views and address topics we think are of interest to our investors.

Mark Uptigrove, CFA
Vice President and
Portfolio Manager

Clayton Zacharias, CFA
Vice President and
Portfolio Manager

Setting expectations

We believe it is important to set clear expectations for how we manage the Fund so that investors may 1) understand our approach and the actions we take; 2) take confidence that we are acting as prudent stewards of capital; and 3) hold us accountable for our performance. As we have done in the past, we will take the opportunity to set expectations. In that effort, here is a summary of the key principles that guide us as managers of the Fund:

- **Discipline.** Our investment approach reflects our investment discipline. We are fundamental, bottom-up investors. We consider ourselves business people buying businesses, not traders of pieces of paper. We focus our evaluation on business, management and valuation (BMV). That is, we target what we believe are high-quality businesses that have effective management teams and that we can buy for an attractive price relative to our conservative estimate of intrinsic value. We consider this a very straightforward approach.
- **Long-term investing.** Our investment time horizon is five years or longer, which means we spend the majority of our time trying to understand what we think a business will look like and, ultimately, be worth over that time frame. Our observation is that this is a radically different approach from that of the average investor who is generally focused on a much shorter time frame. By taking a long-term view, we believe that we are able to ignore short-term noise and potentially take advantage of opportunities created by investors overreacting to short-term issues (while ignoring a company's underlying intrinsic value). We refer to this as "time horizon arbitrage."
- **Absolute return focus.** Our objective is to outperform the Fund's benchmark and generate attractive absolute returns over our investment horizon. We are not focused on generating superior returns relative to peer funds over the short term.
- **Contrarian investing.** To create the potential to outperform over the long term, we believe it is necessary to take a contrarian approach to investing. This means thinking independently to form unique investment theses that are often contrary to the consensus view, and then having the mental fortitude to take a stance against the market when we have a high level of conviction that we are right.
- **Appropriate risk management.** We do not view volatility as a relevant measure of risk. Rather, we are concerned with the risk of permanent loss of capital, which we manage at the Fund level. Key elements of our approach to mitigating this risk include 1) having a deep understanding of each business owned; 2) insisting on a margin of safety[1] in the price we pay for a business; and 3) diversifying the portfolio by business idea.
- **Concentrated holdings.** We believe in targeting a concentrated portfolio made up of approximately 25 - 35 investments. We invest considerable time and resources finding and vetting what we believe are suitable investment ideas for the Fund. When we identify a compelling opportunity – one in which we have a high degree of conviction – we want it to drive meaningful contribution to the Fund's results. At the same time, we work to try to keep the portfolio appropriately diversified.
- **Low turnover.** Consistent with our investment time horizon, our typical holding period should be roughly five years, which means annual turnover should be in the 20% to 30% range over time. A low turnover rate combined with a concentrated portfolio means that we may need to find relatively few new investment ideas each year. Not only does this allow us to spend a great deal of time evaluating each new idea, but it also reduces the need to compromise on our strict investment criteria.

2018 Fund performance and activity

Fund performance in 2018 lagged both its benchmark, the Russell Midcap Index, and peer group, the Morningstar Mid-Cap Blend category. Please see the standardized performance chart below for additional information.

- For the year ending Dec. 31, 2018, Invesco Endeavor Fund Class A shares at NAV generated a total return of -17.08%. This compares with a total return of -9.06% for the Fund's benchmark and -11.15% for its peer group.
- For the five years ending Dec. 31, 2018, Invesco Endeavor Fund Class A shares at NAV generated an annualized total return of 2.47%. This compares to an annualized total return of 6.26% for the Fund's benchmark and 4.00% for its peer group.
- For the ten years ending Dec. 31, 2018, Invesco Endeavor Fund Class A shares at NAV generated an annualized total return of 12.58%. This compares to an annualized total return of 14.03% for the Fund's benchmark and 11.92% for its peer group.

In 2018, as always, we did our best to stay unemotional and take advantage of market volatility by investing according to our discipline, with a keen focus on underlying business values. Fund underperformance in 2018 is primarily attributable to stock-specific factors, although it has been challenging for value-oriented investors to keep pace in a market supportive of investment strategies geared to growth and momentum.

From a portfolio activity perspective, 2018 was a relatively active year. We added six new companies to the Fund, including **Axalta Coating Systems, CDK Global, DCC, Nielsen, OpenText,** and **Rev Group** (3.01%, 3.34%, 4.13%, 3.29%, 3.15%, and 2.23% of total net assets as of Dec. 31, 2018 respectively). We sold seven investments outright including **Capella, Cenovus Energy, Echo Global Logistics, FTI Consulting, Newalta, Plantronics,** and **Vienna Insurance Group** (Each at 0.00% of total net assets respectively as of Dec. 31, 2018). We began the year with 30 holdings and ended with 29. The Fund's portfolio turnover rate of 34% was elevated in 2018 due to market- and stock-level volatility, which created opportunities to put excess portfolio cash to work in attractively priced investments. The Fund's year-end cash weight, which is nothing more than a residual outcome of our investment actions and can fluctuate meaningfully throughout the year, was 4%, down from 18% at the beginning of 2018.

Top contributors to Fund performance were **Spirit Airlines, Echo Global Logistics, Plantronics, AutoZone,** and **UnitedHealth Group** (1.95%, 0.00%, 0.00%, 2.37% and 4.75% of total net assets as of Dec. 31, 2018 respectively). We sold our positions in **Echo Global Logistics** and **Plantronics** (0.00% and 0.00% of total net assets as of Dec. 31, 2018 respectively), and trimmed our exposure to each of the other names as their stocks appreciated. The largest detractors from performance were **Affiliated Managers Group, Encore Capital Group, Stericycle, Titan Machinery,** and **Rev Group** (4.94%, 2.96%, 2.82%, 3.98%, and 2.23% of total net assets as of Dec. 31, 2018). We added to each of these positions as the stocks became more attractively valued, in our opinion.

Market environment

In 2018, US stock market indices continued to climb higher until peaking in September, losing steam and then plunging in December. In fact, December marked the worst one-month performance for the S&P 500 Index in 30 years. After nearly a decade of remarkably steady stock market gains, investors seemed to lose faith that the upward trend could continue and negative market sentiment took hold. Market pundits attributed the >20% peak-to-trough decline in the S&P 500 Index over the last months of 2018 to many factors including the impact of Federal Reserve tightening, rising interest rates, recession fears, concerns about corporate debt levels and the impact of computer-based trading platforms, along with a host of other possible explanations.

For several years now, we have shared our view that the market environment seems to be characterized by some degree of broad-based investor complacency. We believe that investor psychology and behavior has been influenced by factors including very accommodative monetary and fiscal policies, almost a decade of positive feedback from the stock market and a lack of investment alternatives. A fear of missing out (FOMO) could also be a motivation for investors to accept more risk than what is apparent. In this context, it appears that investors have been placing less emphasis on underlying business values when purchasing stocks. The recent market weakness seemed to dent whatever level of investor complacency existed, although given the strong market returns to start 2019, this effect appears to have been temporary.

We consider the future to be quite unknowable. As investors, it is our responsibility to make the best investment decisions we can in the absence of a clear outlook for the future. This means taking careful consideration of what could go well and what could go poorly in periods ahead, and recognizing that we are limited by our imaginations. Given our investment approach, we typically find juicier investment opportunities (ones with more favorable risk/reward dynamics) in periods when market participants are relatively anxious, fearful and pessimistic.

Our investment discipline

To illustrate our investment discipline and focus on BMV, we will take this opportunity to highlight our 2018 investment in **DCC plc** (DCC) (4.13% of total net assets as of Dec. 31, 2018).

Business. . An Ireland-based company, DCC is one of Invesco Endeavor's international holdings. DCC has evolved from venture capital origins into a holding company comprised of four very different businesses that each have a common focus on sales, marketing and distribution. These four international segments include 1) LPG (liquified petroleum gas – bulk and cylinder format propane and butane gas), 2) Retail & Oil (gasoline, gasoline stations and fuel cards), 3) Healthcare (a wide range of healthcare and beauty products), and 4) Technology (a wide range of technology products and services). We like that DCC has built each of these businesses in a disciplined way and established strong competitive positions that allow DCC to generate organic growth and attractive returns on its investments. We definitely think DCC has an odd mix of businesses, but we've learned to appreciate the diversification benefit as well as the opportunity to selectively invest in the segments with the best opportunities at any given time.

Management. We think DCC's management team is top-notch. The strongest evidence supporting this view is their long track record of growth and culture of capital discipline. Much of DCC's growth has been driven by a disciplined acquisition strategy (predominantly within the fuel-related businesses). Not only were these acquisitions completed at attractive prices, they were adeptly integrated into the existing operations in order to drive efficiency and enhance DCC's competitive position. Over the years, DCC has earned a reputation as a reliable business partner and trusted buyer of businesses that larger companies (namely large integrated oil companies) are looking to shed. This has proven very lucrative for DCC shareholders and we believe this pattern should continue. In fact, DCC raised equity capital in 2018 in order to be in a particularly strong position to take advantage of larger acquisition opportunities.

Valuation. While DCC's stock no longer trades at an overly discounted multiple of earnings or free cash flow, we see considerable value in DCC's acquisition pipeline and potential to grow free cash flow meaningfully. It is one thing to be able to grow organically and generate good returns from your existing assets, but it is quite another to also have ongoing opportunities to deploy lots of excess cash into genuinely attractive acquisitions. In our experience, only a small fraction of acquisitive companies actually create value that way. In our view, DCC does, and we think this is a clear value driver for DCC well into the future. Furthermore, we believe DCC's rock-solid balance sheet puts the firm in an excellent position to execute its proven strategy.

Closing

We take a contrarian, bottom-up, long-term approach to achieve our goal of generating strong absolute returns and outperforming our benchmark over the long run. The end result is a Fund that can look very different from our benchmark and peers. While this may cause our Fund to be out-of-step with the market and peers at times, we believe this process could produce attractive investment returns over a meaningful time frame. We are optimistic about the Fund's prospects over the next five years, based on the business fundamentals and valuations of the businesses we own and the investment opportunities we expect to capitalize on in the future. We will continue striving to earn and maintain your trust and support.

Important information

Investment objective

The fund seeks long-term growth of capital.

Investment results as of Dec. 31, 2018

Average annual total returns (%)
as of Dec. 31, 2018

	Without sales charges	**With max. 5.50% sales charge**	**Russell Midcap Index**
Quarter	-17.73	-22.26	-15.37
1 year	-17.08	-21.64	-9.06
3 years	5.58	3.60	7.04
5 years	2.47	1.32	6.26
10 years	12.58	11.95	14.03
Since Inception (11/4/03)	8.03	7.63	–

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. Index returns do not reflect any fees, expenses or sales charges. Performance shown at NAV does not include applicable CDSC or front-end sales charges, which would have reduced the performance. Class A share performance reflects any applicable fee waivers or expense reimbursements. Returns less than one year are cumulative; all others are annualized.

Index sources: Invesco, Russell via FactSet Research Systems Inc.

Expense ratios as of Dec. 31, 2018

	% Net	% Total
Class A shares	1.37	1.39
Class C shares	2.12	2.14
Class R shares	1.62	1.64
Class R5 shares	0.99	1.01
Class R6 shares	0.91	0.93
Class Y shares	1.12	1.14

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 June 30, 2019. See current prospectus for more information.

Top 10 Holdings as of Dec. 31, 2018

Name	% of total net assets	**Name**	% of total net assets
Brookfield Property Partners	6.85	Cognizant Technology Solutions 'A'	4.11
Affiliated Managers	4.94	McKesson	4.10
UnitedHealth	4.75	Titan Machinery	3.98
Check Point Software Technologies	4.62	CarMax	3.69
DCC	4.13	Oaktree Capital	3.51

Holdings are subject to change and are not buy/sell recommendations.

1 Margin of safety is a principle of investing in which an investor purchases securities when the market price is significantly below its intrinsic value - or its value based on an underlying perception of its value including all tangible and intangible factors. Margin of safety doesn't guarantee a successful investment.

About risk

Holding cash or cash equivalents may negatively affect performance.

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 can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

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.

A value style of investing is subject to the risk that the valuations never improve or that the returns will trail other styles of investing or the overall stock markets.

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.

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.

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

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.

All data provided by Invesco unless otherwise noted.

Intrinsic value is the actual value of a company based on an underlying perception of its true value including all aspects of the business, in terms of both tangible and intangible factors.

The Russell Midcap® Index is an unmanaged index considered representative of mid-cap stocks. The Russell Midcap® 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.

Opinions expressed are those of the fund's portfolio management, which are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals. The investment techniques and risk analysis used by the fund's portfolio managers may not produce the desired results.