

Invesco Oppenheimer Fundamental Alternatives Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Dec. 31, 2019



Investment objective

The fund seeks total return.

Portfolio management

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Fund facts

| | | |
|--------------------------|---------------|----------------------|
| Nasdaq | A: QVOPX | C: QOPCX Y: QOPYX |
| Total Net Assets | \$931,966,342 | |
| Total Number of Holdings | 539 | |

Portfolio composition % of total net assets

| | |
|---------------------------------|--------|
| Percentage of Net Asset (Long) | 143.37 |
| Percentage of Net Asset (Short) | 60.61 |
| Gross Exposure (Long + Short) | 203.98 |
| Net Exposure (Long - Short) | 82.76 |

Top 5 long positions % of total net assets

| | |
|----------------------------------|------|
| Coca-Cola Company | 2.28 |
| Alphabet Inc. Class A | 2.23 |
| Philip Morris International Inc. | 2.22 |
| Chubb Limited | 2.02 |
| Cisco Systems Inc. | 1.79 |

Top 5 long positions represent long/short equity strategy only. Holdings are subject to change and are not buy/sell recommendations.

Top 5 short positions % of total net assets

| | |
|---------------------------------------|-------|
| Intel Corp. | -1.65 |
| International Business Machines Corp. | -1.29 |
| Weingarten Realty Investors | -1.25 |
| Camden Property Trust | -1.09 |
| Legg Mason Inc. | -1.09 |

Top 5 short positions represent long/short equity strategy only. Holdings are subject to change and are not buy/sell recommendations.

Market overview

+ In the fourth quarter, the S&P 500 Index returned 9.07%, while the German DAX Index returned 6.60%, the MSCI Emerging Markets Index returned 11.84% and the Shanghai Stock Exchange

Composite Index returned 5.01%. The Russell 1000 Growth Index had a 10.62% total return compared to 7.41% for the Russell 1000 Value Index.

Positioning and outlook

+ We continue to pick our spots, selecting securities that we believe offer attractive risk-adjusted returns and reflect the change themes in the portfolio. We remain focused, as always, on controlling volatility and mitigating downside risk. We believe the ability to generate attractive returns

efficiently and without taking on undue risk, controlling volatility, and limiting declines will be of greater value to investors in this market environment, and that is where our investment team is focusing its efforts.

Performance highlights

+ Invesco Oppenheimer Fundamental Alternatives Fund Class A shares at net asset value (NAV) returned 3.06% for the fourth quarter, outperforming the HFRX Global Hedge Fund Index, which returned 2.57%. (Please see the investment results table on page 2 for fund and index performance.) All three strategies within the fund contributed to performance during the quarter, with the largest contribution coming from Long/Short Equity, followed by Long/Short Credit and then Long/Short Macro.

Contributors to performance

- + The largest contributor within the Long/Short Equity strategy was a short position in fast-casual restaurant **Shake Shack**, which faced profit margin pressure from labor and other headwinds during the quarter. **Shake Shack** also announced a change to its third-party delivery partners that is expected to depress same-store sales for several quarters to come.
- + The largest contributor within the Long/Short Credit strategy was a position in **Bank of America's** corporate debt (1.14% of total net assets). These junior subordinated fixed-to-floating-rate bonds, now paying a 6.25% fixed rate, benefited from a tightening in corporate credit spreads, which more than offset the effect of rising interest rates on longer-term Treasuries. These bonds outperformed longer-term Treasuries, high-yield bonds and the S&P Preferred Stock Index in the fourth quarter.
- + The largest contributor within the Long/Short Macro strategy was the fund's long position in **gold** (5.24% of total net assets), which climbed 3.04% to \$1,517 per troy ounce in the quarter. Gold bullion began the period at \$1,472 and oscillated in a \$60 range before ending the quarter with a gain of \$44 per ounce.

Detractors from performance

- + The largest detractor within the Long/Short Equity strategy was a short position in technology company **Intel**, which appreciated 16% during the quarter due to a rally in the technology sector, as well as company specific drivers. **Intel** reported better-than-expected third quarter revenue and earnings including better market share and pricing in the CPU market than we were expecting.
- + The largest detractor within the Long/Short Credit strategy was a long position in senior loans issued by **Murray Energy** (0.05% of total net assets), which were negatively affected by the company filing for Chapter 11 bankruptcy protection in October. In conjunction with the filing, first lien creditors and management agreed to a Restructuring Support Agreement that included CEO Robert Murray being replaced by former Chief Financial Officer Robert Moore. This is something we, the first lien secured creditors, have been working to achieve and we view it as a vital first step toward restructuring the company's balance sheet and ultimately realizing the expected recovery on the investment.¹
- + The largest detractor within the Long/Short Macro strategy was a **short position in the Chinese yuan relative to the US Dollar** (-2.45% of total net assets), expressed through both currency forwards and puts. Improved trade between China and the US increased demand for the Chinese currency, causing the yuan to appreciate, which hurt the value of the fund's position.

| Expense ratios | % net | % total |
|----------------|-------|---------|
| Class A Shares | 1.97 | 1.97 |
| Class C Shares | 2.72 | 2.72 |
| Class Y Shares | 1.72 | 1.72 |

Investment results

Average annual total returns (%) as of Dec. 31, 2019

| Period | Class A Shares | | Class C Shares | | Class Y Shares | Style-Specific Index |
|-----------|---------------------------------|------|---------------------------------|------|------------------------|-------------------------------------|
| | Inception: 01/03/89 | NAV | Inception: 09/01/93 | NAV | Inception: 12/16/96 | |
| | Max Load 5.50% | | Max CDSC 1.00% | | | HFRX Global Hedge Fund Index |
| Inception | 7.42 | 7.61 | 5.71 | 5.71 | 4.44 | - |
| 10 Years | 2.12 | 2.70 | 1.92 | 1.92 | 2.96 | 1.11 |
| 5 Years | 0.62 | 1.76 | 0.99 | 0.99 | 2.00 | 1.19 |
| 3 Years | -0.04 | 1.86 | 1.10 | 1.10 | 2.10 | 2.41 |
| 1 Year | 0.72 | 6.58 | 4.75 | 5.75 | 6.80 | 8.62 |
| Quarter | -2.59 | 3.06 | 1.87 | 2.87 | 3.13 | 2.57 |

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. As the result of a reorganization on May 24, 2019, the returns of the fund for periods on or prior to May 24, 2019 reflect performance of the Oppenheimer predecessor fund. Share class returns will differ from the predecessor fund due to a change in expenses and sales charges.

Index source: Bloomberg L.P.

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

1 Our long position in senior loans issued by Murray Energy Corporation is managed by the Senior Floating Rate team.

Class Y shares are available only to certain investors. See the prospectus for more information.

The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. An investment cannot be made directly in an index.

About risk

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.

In general, stock values fluctuate, sometimes widely, in response to activities specific to the company as well as general market, economic and political conditions.

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.

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

Because the Subsidiary is not registered under the Investment Company Act of 1940, as amended (1940 Act), the Fund, as the sole investor in the Subsidiary, will not have the protections offered to investors in U.S. registered investment companies.

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.