

Invesco Oppenheimer Fundamental Alternatives Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of June 30, 2020



Investment objective

The fund seeks total return.

Portfolio management

Michelle Borré, Tim Mulvihill

Fund facts

Nasdaq	A: QVOPX	C: QOPCX Y: QOPYX
Total Net Assets	\$775,999,324	
Total Number of Holdings	272	

Portfolio composition	% of total net assets
Percentage of Net Asset (Long)	124.64
Percentage of Net Asset (Short)	42.55
Gross Exposure (Long + Short)	167.19
Net Exposure (Long - Short)	82.09

Top contributors - long/short equity	(%) of total net assets
Lowe's	1.02
Apple	1.16

Top detractors - long/short equity	(%) of total net assets
Hess	-0.48
Splunk	-0.53

Top contributors - long/short credit	(%) of total net assets
Magnolia Oil & Gas	0.36
Goldman Sachs 5.375% Perp	0.72

Top detractors - long/short credit	(%) of total net assets
Short Position High-Yield Bonds (through CDX)	-0.33
Senior Loans vs High Yield Trade	0.56

Top contributors - long/short macro	(%) of total net assets
Gold	9.23

Top detractors - long/short macro	(%) of total net assets
Short Thai Baht/USD	-2.15
European Credit Spread Trade	-0.16

Market overview

+ The global spread of COVID-19 continued into the second quarter. Massive monetary policy response from many central banks created an environment where investors embraced risk. Stocks rose globally after a deep rout in the first quarter. The S&P 500 Index had a dramatic rally - its biggest quarter

since 1998. Emerging market debt, high-yield debt and investment-grade debt all performed well during the period. Sovereign debt yields remained low, moving in a narrow range over the course of the quarter.

Positioning and outlook

+ The fund is typically positioned for uncertainty around a variety of issues and in a manner that seeks to protect against a surprise outcome. The world is in a period of extreme uncertainty. Domestically, a resurgence of COVID-19 cases has caused many states to pause or even reverse reopening plans, which could slow the economic recovery. New cases have accelerated internationally as well; though the pandemic is ebbing in some countries hit early on, new cases

are growing faster than ever worldwide. We believe the second quarter rally was more of a triumph of monetary and fiscal stimulus over economic difficulty than a reversal of the pandemic. Looking ahead, we believe the health and economic effects of COVID-19 appear far from over. We remain focused, as always, on controlling volatility, mitigating downside risk and generating attractive returns efficiently.

Performance highlights

+ The fund's Class A shares at net asset value (NAV) returned 2.16% for the second quarter, underperforming the HFRX Global Hedge Fund Index, which returned 6.19%. (Please see the investment results table on page 2 for fund and index performance.) All three strategies added to absolute return during the quarter, with the largest contribution coming from Long/Short Equity followed by Long/Short Macro and then Long/Short Credit.

Contributors to performance

- + The largest contributor within the Long/Short Equity strategy was a long position in home improvement company **Lowe's**, which outperformed due to strong demand for home essentials during the peak of the COVID-19 shutdown and strong demand for do-it-yourself home improvement projects.
- + The largest contributor within the Long/Short Credit strategy was a long position in corporate bonds of oil & gas exploration and production company **Magnolia Oil & Gas**. The price of oil was extremely volatile during the quarter, rising from around \$20 a barrel in March, briefly dropping below \$0 in April and rising to \$40 a barrel at the end of June. The near doubling of oil prices supported this credit.
- + Within the Long/Short Macro strategy, the long position in **gold** was the largest contributor to return. Aggressive expansion of global monetary policy pushed gold to a seven-year high of \$1,780 per troy ounce at the end of June, up 12.92% for the quarter.

Detractors from performance

- + The largest detractor within the Long/Short Equity strategy was a short position in **Hess**, a leading US oil, natural gas and natural gas liquids exploration and production company. The stock returned 62% during the quarter due to the rebound in oil prices. **Hess** also benefited from first quarter earnings and cash flow that beat estimates, a lower budget for 2020 capital expenditures and prospects for its Guyana offshore project.
- + Within the Long/Short Credit strategy, the largest detractor was a **short position in high-yield bonds** expressed through the Credit Default Swap Index. This hedge against the portfolio's credit exposure suffered when Federal Reserve and Treasury support for credit exceeded expectations and high-yield bonds rallied sharply. We closed the position in mid-April.
- + The largest detractor within the Long/Short Macro strategy was the **short position in the Thai baht relative to the US dollar** (-1.90% of total net assets). Stronger capital flows, better regional control of COVID-19 and an improving trade balance caused the baht to recover from its first quarter depreciation.

Expense ratios	% net	% total
Class A Shares	1.66	1.69
Class C Shares	2.43	2.45
Class Y Shares	1.42	1.45

Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least May 31, 2021 and contractual management fee waivers in effect through at least June 30, 2021. See current prospectus for more information.

Investment results

Average annual total returns (%) as of June 30, 2020

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	7.17	7.36	5.46	5.46	4.18	-
10 Years	2.20	2.78	2.00	2.00	3.04	1.12
5 Years	-0.56	0.57	-0.20	-0.20	0.81	0.71
3 Years	-1.91	-0.04	-0.81	-0.81	0.19	1.18
1 Year	-6.67	-1.24	-2.98	-2.01	-0.98	3.09
Quarter	-3.46	2.17	1.00	2.00	2.23	6.19

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. Financial professionals, 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.