

Invesco Long/Short Equity Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Sept. 30, 2019



Investment objective

The fund seeks long-term capital appreciation.

Portfolio management

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Fund facts

Nasdaq	A: LSQAX	C: LSQCX Y: LSQYX
Total Net Assets	\$54,210,282	
Total Number of Holdings	68	

Portfolio composition	% of total net assets
Percentage of Net Asset (Long)	195.00
Percentage of Net Asset (Short)	100.00
Gross Exposure (Long + Short)	295.00
Net Exposure (Long - Short)	95.00

Gross Exposure represents the absolute exposure of the fund to long and short holdings combined.

Net Exposure represents the difference between long and short holdings exposure for the fund.

Top 5 long positions	% of total net assets
Hewlett Packard Enterprise Co	2.08
Oracle Corp	2.03
CDW Corp	2.03
Magna International Inc	2.03
CF Industries Holdings Inc	2.03

Top 5 short positions	% of total net assets
Square Inc	-1.59
Tesla Inc	-1.58
Watsco Inc	-1.54
Iron Mountain Inc	-1.54
Cognex Corp	-1.53

Market overview

+ Key issues that concerned investors in the second quarter carried over into the third quarter. US-China trade conflict worried investors and stifled business investment, even as the Federal Reserve cut interest rates by 0.25% in July and September. This environment, combined with evidence of slowing global economic growth, fueled volatility in August. The US Treasury yield curve inverted several times, raising fears of a US recession. As a result, August saw increased risk aversion, with investors crowding into asset classes

perceived as safe havens, such as US Treasuries and gold. However, the Fed's accommodative tone provided some support for risk assets. Oil prices briefly spiked in September after a drone attack on Saudi Arabia's oil fields caused a supply shock. Prices retreated a bit after the US announced it would tap the national oil reserves to alleviate the supply shortage. Despite increased volatility, US equity markets delivered generally positive results, with the S&P 500 Index returning 1.70%.

Positioning and outlook

+ The fund seeks to achieve its objective by investing in long positions of equities that we believe are undervalued and in short positions of equities that we believe are overvalued.

+ Portfolio construction is essentially unconstrained except for a 2% maximum individual holding limit and a 25% maximum industry limit at the time of rebalance to ensure a diversified portfolio.

+ At quarter end, the largest net long sector

exposures were in health care (+20%), consumer discretionary (+16%) and consumer staples (12%). During the quarter, the portfolio's beta decreased to .58%. The fund is designed to decrease risk at its monthly rebalancing as market volatility increases.

+ The targeted gross long exposure at the September rebalance was 194%, while the gross short exposure was about 100%, for a net position of 94%.

Performance highlights

+ The fund's Class A shares at net asset value (NAV) underperformed its cash benchmark and the S&P 500 Index in the third quarter. (Please see the investment results table on page 2 for fund and index performance).

+ The fund's long positions declined approximately 1%, while the short positions were flat, resulting in a negative spread.

+ Value factors rebounded strongly during the quarter especially in September, but were more than offset by a decline in Momentum factors. Quality factors also detracted from fund results.

+ From a sector perspective, weakness was most pronounced in industrials, financials and materials. The largest source of strength was net long positioning in information technology (IT), along with a positive spread between long and short positions within the IT sector. A net long position in consumer staples and a positive spread between longs and shorts in communications services also added to results.

+ Generally low returns in the fund's investable universe limited the ability of its net long exposure to add value.

Contributors to performance

+ Within IT, semiconductors and internet services and software performed as expected with long positions rising, while the short positions declined. Also, the portfolio was net long in these two industries, which performed well.

+ Consumer staples stocks fared well and the portfolio benefited from not having short positions in household & personal products or food & staples retailing. This offset a negative spread between long and short positions in the food, beverage & tobacco industry.

Detractors from performance

+ Long holdings in the energy sector performed poorly, declining approximately 12% for the quarter. This was most pronounced in the performance of energy equipment & services, where the fund had no short positions to offset the decline in the longs.

+ Within financials, long positions in the insurance industry declined in value, while the lone short position rose 9%.

+ Short holdings in the industrials sector - specifically, capital goods, transport non-airline and commercial & professional services - rose in value, while the long positions were flat to negative, resulting in a negative spread.

Expense ratios	% net	% total
Class A Shares	1.57	1.58
Class C Shares	2.32	2.33
Class Y Shares	1.32	1.33

Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least June 30, 2020. See current prospectus for more information.

Equity sector breakdown	% of total net assets	
Sector	Long weight (%)	Short weight (%)
Communication Services	9.24	-5.49
Consumer Discretionary	27.86	-11.71
Consumer Staples	13.55	-1.53
Energy	11.72	-4.44
Financials	22.42	-12.79
Health Care	31.16	-11.01
Industrials	18.73	-15.11
Information Technology	33.32	-23.31
Materials	6.60	-5.45
Real Estate	16.42	-8.99
Utilities	2.99	0.00

Investment results

Average annual total returns (%) as of Sept. 30, 2019

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 12/19/13	NAV	Inception: 12/19/13	NAV	Inception: 12/19/13	
	Max Load 5.50%		Max CDSC 1.00%			FTSE US 3-Month Treasury Bill Index
Inception	1.54	2.53	1.76	1.76	2.78	-
5 Years	-0.70	0.43	-0.32	-0.32	0.67	0.96
3 Years	-0.54	1.34	0.56	0.56	1.56	1.52
1 Year	-25.94	-21.60	-22.93	-22.22	-21.50	2.36
Quarter	-8.29	-2.96	-4.15	-3.18	-2.93	0.56

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.

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

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

The fund's equity exposures may be achieved through direct investment or through derivatives including, but not limited to, equity-related futures contracts and swap agreements, such as total return swaps. See current 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 FTSE US 3-Month Treasury Bill Index is an unmanaged index representative of three-month US Treasury bills. An investment cannot be made directly in an index.

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.

Beta (cash adjusted) is a measure of relative risk and the slope of regression.

About risk

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.

Short sales may cause an investor to repurchase a security at a higher price, causing a loss. As there is no limit on how much the price of the security can increase, exposure to potential loss is unlimited.

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.