

# Invesco SteelPath MLP Select 40 Fund<sup>SM</sup>

## Quarterly Performance Commentary

Mutual Fund Retail Share Classes  
Data as of Sept. 30, 2020



### Investment objective

The fund seeks total return.

### Portfolio management

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### Fund facts

Nasdaq	A: MLPFX	C: MLPEX Y: MLPTX
Total Net Assets	\$1,485,248,705	
Annual Turnover (as of 11/30/19)	23%	
Distribution Frequency	Monthly	

### Top holdings

	% of total net assets
MPLX LP	6.91
Westlake Chemical Partners	6.75
Sunoco LP	5.31
Enterprise Products Partners LP	5.06
Energy Transfer LP	4.98
Williams Companies	4.82
Magellan Midstream Partners LP	4.70
TC Pipelines LP	4.59
NuStar Energy LP	4.30
Equitrans Midstream	4.22

### Top contributors

	% of total net assets
1. Global Partners LP	2.42
2. Antero Midstream Corp.	3.54
3. Sunoco LP	5.31
4. CNX Midstream Partners LP	0.00
5. Suburban Propane Partners LP	2.01

### Top detractors

	% of total net assets
1. Targa Resources Corp.	4.16
2. NuStar Energy LP	4.30
3. Energy Transfer LP	4.98
4. Genesis Energy LP	2.18
5. Magellan Midstream Partners LP	4.70

Not a deposit; Not FDIC insured; Not guaranteed by the bank; May lose value; Not insured by any federal agency

### Market overview

- + Master limited partnerships (MLPs), as measured by the Alerian MLP Index (AMZ), returned -18.80% for the third quarter on a price basis and -16.26% when including the impact of distributions. For context, the S&P 500 Index returned 8.51% on a price basis and had an 8.93% total return for the quarter.
- + Efforts to contain the spread of COVID-19 continue to disrupt global demand for petroleum products. Although demand has risen from its lows and OPEC, Russia and the US have reduced supply, global and US energy markets remain suppressed. We believe that as societal and business activities resume, demand for petroleum products will likewise return to more normal levels. However, the current price environment remains near or below break-even pricing for most oil basins as well as the fiscal break-evens of many petroleum-producing countries. US producers reduced production enough to avoid the most extreme storage constraints and have returned most wells to production. However, the significant drop in drilling and completion activity is likely to affect volume growth aspirations for the near- and medium-terms, which may stimulate prices in the future, depending upon the pace and magnitude of a return to demand normalcy.
- + During the quarter, 86% of sector participants reported second quarter results that were in line with or better than consensus estimates. Sector EBITDA (earnings before interest, taxes, depreciation and amortization) was 9.7% lower than the preceding quarter, reflecting the substantial production cuts associated with the significant and abrupt destruction of crude oil demand due to global efforts to contain COVID-19. As noted, most wells have now resumed production. Second quarter EBITDA was 3.7% lower than the same quarter last year as interim growth was offset by volume curtailments during the quarter.
- + West Texas Intermediate (WTI) crude oil priced at the Cushing hub ended the quarter at \$40.22 per barrel, up 2% from the end of the second quarter, but 26% lower than a year ago.
- + Henry Hub natural gas spot prices ended the quarter at \$1.63 per million British thermal units (MMbtu), down 5% from the end of the second quarter and 31% lower than a year ago.
- + NGLs priced at Mont Belvieu ended the quarter at \$19.02 per barrel, up 12% from the end of the second quarter but 4% lower than a year ago.

### Positioning and outlook

- + Despite ongoing headwinds, we believe the midstream sector remains well-positioned to weather the storm. Notably, most sector participants entered this challenging period with stronger balance sheets and lower capital spending obligations than the last commodity cycle. Sector valuations are attractive in absolute terms and relative to historic ranges, and sector yields are substantially higher than other yield-oriented equity classes.

### Performance highlights

- + Invesco SteelPath MLP Select 40 Fund Class A shares at net asset value (NAV) returned -8.15% for the third quarter compared to the Alerian MLP Index's total return of -16.26%. (Please see the investment results table on page 2 for fund and index performance.)

### Contributors to performance

- + The midstream subsectors had varied performance. On average, the fuel distribution and propane subsectors provided the best relative performance during the quarter as fuel distribution profit margins proved stable despite reduced gasoline consumption and prospects for winter home heating that remained largely unchanged by COVID-19 containment efforts.
- + The portfolio's top contributors for the third quarter included **Global Partners LP** (NYSE: GLP), **Antero Midstream Corp.** (NYSE: AM) and **Sunoco LP** (NYSE: SUN).

### Detractors from performance

- + The petroleum pipeline and diversified subsectors had the weakest average returns, likely the result of shifting sentiment among market participants regarding how long demand would be suppressed by virus-related containment efforts.
- + The portfolio's top detractors for the third quarter were **Targa Resources Corp.** (NYSE: TRGP), **NuStar Energy LP** (NYSE: NS) and **Energy Transfer LP** (NYSE: ET).

MLP sector breakdown	% of total net assets
Gathering & Processing	29.41
Other Energy	23.55
Petroleum Pipeline Transportation	21.43
Natural Gas Pipeline Transportation	14.54
Diversified	9.67
Production & Mining	0.07
Terminalling & Storage	0.02

## Investment results

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

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 03/31/10	NAV	Inception: 07/14/11	NAV	Inception: 03/31/10	
	<b>Max Load</b>		<b>Max CDSC</b>			
	<b>5.50%</b>		<b>1.00%</b>			
Inception	-2.84	-2.32	-4.98	-4.98	-2.04	-
10 Years	-3.73	-3.19	-	-	-2.93	-4.17
5 Years	-10.48	-9.47	-10.11	-10.11	-9.21	-11.58
3 Years	-19.80	-18.26	-18.79	-18.79	-17.98	-20.75
1 Year	-46.45	-43.31	-44.15	-43.67	-43.05	-48.35
Quarter	-13.29	-8.15	-8.95	-8.06	-7.80	-16.26

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](http://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: FactSet Research Systems Inc.

Expense ratios	% net	% total
Class A Shares	1.14	1.20
Class C Shares	1.89	1.95
Class Y Shares	0.89	0.95

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 May 28, 2021. See current prospectus for more information.

For more information you can visit us at [www.invesco.com/us](http://www.invesco.com/us)

■ Effective September 30, 2020, "Oppenheimer" was removed from the fund name. Please see the prospectus for additional information.

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 Alerian MLP Index is a market-cap weighted, float-adjusted index created to provide a comprehensive benchmark for investors to track the performance of the energy MLP sector. The Index components are selected by Alerian, LLC ("Alerian"). An investment cannot be made directly in an index.

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**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.

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

Although the characteristics of MLPs closely resemble a traditional limited partnership, a major difference is that MLPs may trade on a public exchange or in the over-the-counter market. Although this provides a certain amount of liquidity, MLP interests may be less liquid and subject to more abrupt or erratic price movements than conventional publicly traded securities. The risks of investing in an MLP are similar to those of investing in a partnership and include more flexible governance structures, which could result in less protection for investors than investments in a corporation. MLPs are generally considered interest-rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns.

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](http://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.