

Invesco SteelPath MLP Alpha Fund

Q1 2026

Key takeaways

- 1 MLPs total return outperformed the broader equity market**

For the quarter, master limited partnerships (MLPs), as measured by the Alerian MLP Index (AMZ), rose 14.80% on a price basis and returned 16.86% when including distributions. The S&P 500 Index was down 4.63% on a price basis and had a total return of -4.33%.
- 2 Better-than-expected operating results**

During the quarter, 63% of midstream sector participants reported fourth quarter results in line with or better than consensus. Earnings before interest, taxes, depreciation & amortization (EBITDA) were about 8% higher than the third quarter and about 9% above the fourth quarter of 2024.
- 3 We remain focused on the long-term investment horizon**

We believe valuations remain attractive and fundamentals support expectations for cash flow and distribution growth supported by meaningful and predictable natural gas volume growth and stable to modest growth in crude oil volumes.

Investment objective

The fund seeks total return.

Fund facts

Fund AUM (\$M)	1,171.02
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Portfolio managers

Stuart Cartner, Brian Watson

Manager perspective and outlook

- West Texas Intermediate (WTI) crude oil priced at the Cushing hub ended the quarter at \$101.38 per barrel, up 76.56% from the end of the fourth quarter and 41.83% higher than one year ago. The price spread between Brent crude, a proxy for international crude prices, and WTI ended at \$16.97 per barrel, widening during the quarter. Crude oil priced in Midland, Texas widened its premium relative to WTI as crude pipeline capacity out of the Permian basin has remained sufficient and because there appears to be incentive for incremental volumes to move toward the Gulf Coast and export markets.
- Henry Hub natural gas prices ended the quarter at \$2.88 per million British thermal units (MMBtu), down 22% from the end of the fourth quarter and 30% higher than one year ago. Gas pricing in the Permian Basin ended the quarter at negative levels as production growth combined with pipeline maintenance activities reduced available transport from the basin.
- Natural gas liquids (NGLs) priced at Mont Belvieu ended the quarter at \$31.14 per barrel, up 42% from last quarter and 7% lower than one year ago. Prices for all NGL purity products increased during the quarter; natural gasoline had the largest price increase while ethane had the smallest. Frac spreads, a measure of natural gas processing economics, settled at \$0.56 per gallon, up 137% from the end of the fourth quarter and 35% higher than one year ago.



Top equity issuers

(% of total market value)

	Fund	Index
MPLX LP	11.85	9.66
Energy Transfer LP	11.05	10.28
Targa Resources Corp	9.37	0.00
Enterprise Products Partners LP	9.37	10.22
Western Midstream Partners LP	9.21	10.00
Plains All American Pipeline LP	6.68	10.40
Hess Midstream LP	5.04	9.87
Sunoco LP	4.70	10.22
Cheniere Energy Inc	4.02	0.00
ONEOK Inc	3.77	0.00

As of 03/31/26. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

For the quarter, MLPs were up 14.80% on a price basis and had a total return of 16.86%. The S&P 500 Index was down 4.63% on a price basis and had a total return of -4.33%.

Global markets were disrupted by conflict in the Middle East. The Strait of Hormuz has been effectively closed, removing approximately 9-10 million barrels of crude oil from global markets each day, while also blocking roughly 20% of the world's daily supply of liquified natural gas and 5 million barrels per day of refined products such as gasoline, diesel and jet fuel.² Energy infrastructure has been damaged, with some expected to take years to rebuild or repair. Commodity prices have risen substantially, generally driving most energy equities higher, including midstream equities. Demand for volumes sourced from the US is likely to increase.

No US midstream equity was issued during the quarter via marketed transactions. We have seen that many sector participants have continued to buy back stock as attractive valuations have persisted. Buyback disclosures historically accompany earnings reports which trail quarter end (for the fourth quarter of 2025, approximately \$1.3 billion of buybacks were reported)³.

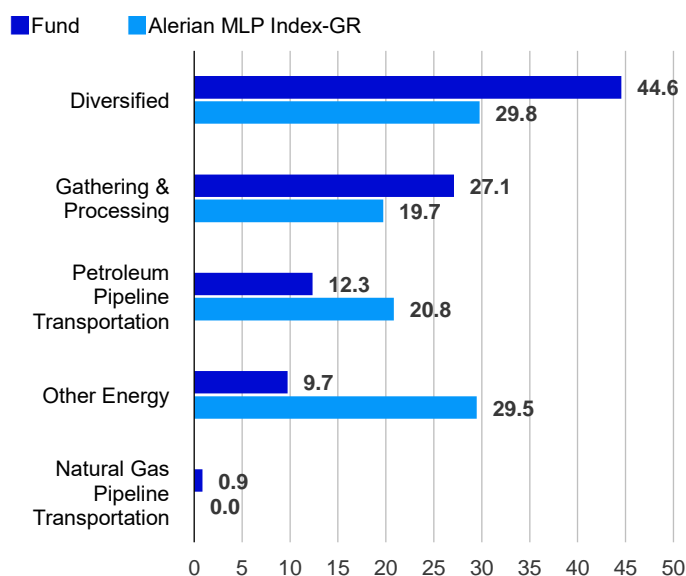
We estimate MLP-focused investment vehicles had approximately \$1.4 billion of net inflows during the quarter.

MLP capital investment included an estimated \$8-9 billion of organic capital spending. Producer growth plans have remained moderate and have kept traditional midstream growth capital spending requirements measured. However, projects serving rising power demand have been adding incremental growth avenues while leaving companies with free cash available for debt retirement, unit repurchases and distribution increases in current and future periods.

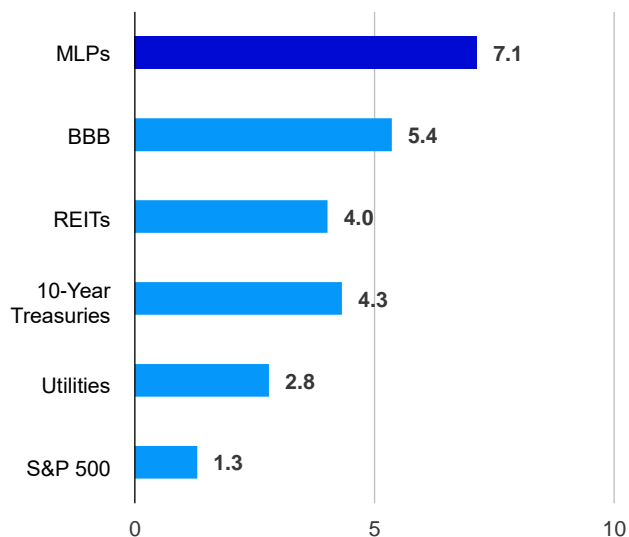
During the quarter, the 10-year US Treasury Bond yield rose by 0.15% to end the period at 4.32%. The MLP yield spread at quarter end, relative to the 10-year Treasury, narrowed by 0.78% to 2.82%. The long-term average (2000-1Q2026) is 4.31%. At quarter end, the AMZ's yield was 7.14%.

We believe the midstream sector offers investors an attractive distribution yield and a favorable outlook for cash flow and distribution growth supported by significant and predictable natural gas volume growth and stable to modest growth in crude oil volumes. Midstream sector leverage and distribution coverage metrics remain healthy, which we believe insulates sector growth plans from market volatility.

Sector breakdown (% of total market value)



Yields by asset class¹ (%)



1. Source: Bloomberg. Data as of March 31, 2026 and is calculated using the most recent annualized distribution. MLPs are represented by the Alerian MLP Index (AMZ). Real Estate Investment Trusts (REITs) are represented by the FTSE NAREIT Equity REIT Index. BBB Bonds (BBB) are represented by the U.S. Corporate Bond BBB yields. Utilities are represented by the Dow Jones Utilities Index. 10-Year Treasuries are represented by the U.S. Treasury Bond 10-year yield. S&P 500 Index is an unmanaged capitalization-weighted index of 500 stocks listed on various exchanges. Index performance is shown for illustrative purposes and does not predict or depict performance of the Fund. The indexes are unmanaged and cannot be purchased directly by investors. **Past performance does not guarantee future results.**

Performance highlights

All midstream sub-sectors performed well for the quarter. The compression and other sub-sectors provided the best relative performance. The compression group benefited from equipment lengthening lead times, which drove pricing power, while idiosyncratic factors drove the other group. The petroleum pipeline and natural gas pipeline sub-sectors lagged.

Contributors to performance Targa Resources Corp. (TRGP)

TRGP outperformed after reporting better-than-expected financial and operating results and providing 2026 cash flow guidance that was modestly above consensus estimates, supported by management's outlook for low double-digit growth in Permian volumes. TRGP provides midstream natural gas and natural gas liquid services via an integrated asset base.

Cheniere Energy Inc. (LNG)

LNG outperformed after conflict in the Middle East damaged a major natural gas liquefaction and export facility, which is likely to affect global LNG supply for several years. While LNG's contract portfolio historically largely insulates it from swings in global natural gas prices, many market participants appear to expect the company to benefit from the situation via modest exposure to rising energy prices and an improved environment for contracting new capacity.

Kodiak Gas Services Inc. (KGS)

KGS outperformed after reporting results that were in line with expectations and reiterating management's view that demand for compression remains very strong. KGS also

announced the acquisition of Distributed Power Systems, a leading provider of turnkey, scalable and highly reliable distributed power solutions. KGS is one of the largest rental compression companies and has fee-based contracts.

Detractors from performance MPLX LP (MPLX)

MPLX underperformed despite reporting financial results that were above expectations. The partnership has continued to execute on its Gulf Coast downstream integrated value chain project backlog while announcing capital spending on incremental gathering and processing to support its attractive cash flow growth.

Western Midstream Partners LP (WES)

WES underperformed after reporting 2026 financial and operating guidance that was lower than consensus expectations. The company's guidance contemplates declining volumes on assets outside of the Permian Basin due to lower commodity prices early in 2026. WES operates and develops midstream gathering and processing assets located in the Permian, Denver-Julesburg, and Powder River Basins.

Hess Midstream LP (HESM)

HESM underperformed the broader group after reporting results that were below expectations. HESM announced an agreement to purchase units from its sponsor and to acquire publicly traded shares. HESM holds what we see as an attractively contracted portfolio of gathering, processing, terminal and storage assets servicing its sponsor, Chevron Corp. (CVX), in the Williston Basin.

Standardized performance (%) as of March 31, 2026

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 03/31/10	NAV	16.12	16.12	13.52	26.00	25.76	11.55	7.44
	Max. Load 5.5%	9.72	9.72	7.30	23.67	24.37	10.92	7.06
Class R6 shares inception: 06/28/13	NAV	16.26	16.26	13.87	26.41	26.14	11.91	6.45
Class Y shares inception: 03/31/10	NAV	16.29	16.29	13.86	26.33	26.06	11.82	7.70
Alerian MLP Index-GR		16.86	16.86	13.92	24.72	24.89	11.03	-
Total return ranking vs. Morningstar Energy Limited Partnership category (Class A shares at NAV)		-	-	83% (78 of 92)	51% (46 of 90)	18% (19 of 90)	50% (35 of 66)	-

Expense ratios per the current prospectus: Class A**: Net: 1.54%, Total: 1.54%; Class R6**: Net: 1.20%, Total: 1.20%; Class Y**: Net: 1.29%, Total: 1.29%.

** The fund is structured as a C corporation and may be subject to certain tax expenses that are reflected in the expense ratio. Please refer to the current prospectus for more information.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com](https://www.invesco.com) 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 so that you may have a gain or a loss when you sell shares. Returns less than one year are cumulative; all others are annualized. 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: RIMES Technologies Corp. Had fees not been waived and/or expenses reimbursed in the past, returns would have been lower. Performance shown at NAV does not include the applicable front-end sales charge, which would have reduced the performance.

Class Y and R6 shares have no sales charge; therefore performance is at NAV. Class Y shares are available only to certain investors. Class R6 shares are closed to most investors. Please see the prospectus for more details.

Performance highlights (cont'd)

Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	25.75	-7.46	-14.85	6.96	-28.61	39.39	29.07	20.44	40.74	4.35
Class R6 shares at NAV	26.28	-7.27	-14.55	7.37	-28.36	39.70	29.61	20.76	41.14	4.66
Class Y shares at NAV	26.06	-7.30	-14.60	7.24	-28.38	39.76	29.45	20.45	41.24	4.51
Alerian MLP Index-GR	18.31	-6.52	-12.42	6.56	-28.69	40.17	30.92	26.56	24.41	9.76

Portfolio characteristics

	Fund	Index
No. of holdings	20	17
Dividend per share	0.0410	-
Dividend frequency	Monthly	-

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	2.51	0.00
Beta	0.91	1.00
Sharpe ratio	1.24	1.13
Information ratio	0.16	0.00
Standard dev. (%)	18.00	18.99
Tracking error (%)	5.61	0.00
Up capture (%)	93.03	100.00
Down capture (%)	91.17	100.00
Max. drawdown (%)	13.27	13.95

Unless otherwise specified, all information is as of 03/31/26. Unless stated otherwise, Index refers to Alerian MLP Index-GR.

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.

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 considered non-diversified and may experience greater volatility than a more diversified investment.

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.

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.

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.

* **Alpha** (cash adjusted) is a measure of performance on a risk-adjusted basis. **Beta** (cash adjusted) is a measure of relative risk and the slope of regression. **Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio indicates better risk-adjusted performance. **Information Ratio** is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns. **Standard deviation** measures a fund's range of total returns and identifies the spread of a fund's short-term fluctuations. **Tracking Error** is defined as the expected standard deviation of a portfolio's excess return over the benchmark index return. The **up and down capture** measures how well a manager was able to replicate or improve on periods of positive benchmark returns and how severely the manager was affected by periods of negative benchmark returns. **Maximum Drawdown** is the maximum observed loss from a high to a low of a portfolio, before a new high is attained. Maximum drawdown is an indicator of downside risk over a specified time period.

2. Source: "How to Solve the Strait of Hormuz Problem", April 7, 2026, The Atlantic (via Bloomberg), by Amos Hochstein.

3. Source: Wells Fargo Research as of 3/31/2026.

Morningstar

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Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus) for a prospectus/summary prospectus containing this information. Read it carefully before investing.