

Invesco Low Volatility Equity Yield Fund

Quarterly Performance Commentary

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



Investment objective

The fund seeks income and long-term growth of capital.

Portfolio management

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Fund facts

Nasdaq	A: SCAUX	C: SCCUX
	Investor: SCNUX	Y: SCAYX
Total Net Assets	\$217,242,751	
Total Number of Holdings	94	

Top holdings

	% of total net assets
Procter & Gamble	1.96
FirstEnergy	1.87
Target	1.85
AutoZone	1.85
Booz Allen Hamilton	1.80
Amgen	1.80
Gilead Sciences	1.75
Starbucks	1.73
Hershey	1.72
Allison Transmission Holdings	1.72

Top contributors

	% of total net assets
1. Target	1.85
2. Procter & Gamble	1.96
3. Hershey	1.72
4. FirstEnergy	1.87
5. Booz Allen Hamilton	1.80

Top detractors

	% of total net assets
1. Peabody Energy	0.53
2. Cabot Oil & Gas	1.11
3. Deckers Outdoor	0.00
4. H&R Block	0.13
5. Alexion Pharmaceuticals	1.48

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 currently is meaningfully overweight in the consumer discretionary, real estate and utilities sectors. The fund is underweight industrials, financials, communication services and IT.

+ The fund has dual objectives of generating income and long-term growth of capital. In addition to these objectives, the fund targets a level of total volatility that is less than that of its capitalization-weighted market index.

Performance highlights

- + The fund's Class A shares at net asset value (NAV) underperformed the Russell 1000 Index for the third quarter. (Please see the investment results table on page 2 for fund and index performance.)
- + From a factor perspective, a rebound in Value late in the quarter was offset by weakness in Momentum. Quality factors were also slightly negative. Lower volatility was the largest contributor to relative performance.
- + The largest detractors relative to the index were stock selection within information technology (IT) and energy. Other key detractors included stock selection in the consumer discretionary and health care sectors.
- + Stock selection in the communication services, consumer staples and utilities sector added to relative return. The fund's large overweight in the real estate sector was also beneficial.

Contributors to performance

- + A leading individual contributor was **Procter & Gamble** whose stock price rose as the company beat quarterly revenue estimates due to price hikes and strong demand for its beauty products.
- + Another notable performer was **Hershey**. The company's stock price rose after management reported strong revenue in the second quarter and announced it would expand its snack bar portfolio by acquiring One Brands (not a fund holding).

Detractors from performance

- + The largest detractor during the quarter was **Peabody Energy**. In a difficult energy environment, the company announced lower-than-expected earnings and revenue. In addition, management announced additional production delays in one of its Australian mines that suffered a fire in September.
- + **H&R Block's** stock price was hurt by a reported loss per share during the quarter. Changes in the tax laws raising the standard deduction for individuals has created some concerns about the company's revenue mix.

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.

The risks of investing in securities of foreign issuers can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

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.