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Portfolio Managers

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Funds Under Management

Invesco SteelPath MLP Alpha
Invesco SteelPath MLP Income
Invesco SteelPath MLP Select 40
Invesco SteelPath MLP Alpha Plus

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Midstream equities, as measured by the Alerian MLP Index (AMZ), underperformed in December but ended the year outperforming the S&P 500 Index, REITs*, and Utilities* despite continued worries over global economic conditions. From a total return perspective, the AMZ has outperformed the S&P 500 for three consecutive years.

MLP market overview

Midstream equity MLPs ended December down 2.2% on a price basis and after distributions are considered. The AMZ underperformed the S&P 500 Index's 4.5% total return for the month. The best performing midstream subsector for December was the Marine group, while the Gathering and Processing subsector underperformed, on average.

For the year, the AMZ was up 16.9% on a price basis, resulting in a 26.3% total return. This compares to the S&P 500 Index's 24.2% and 26.3% price and total returns, respectively. The Compression group produced the best average total return for the year, while the Diversified subsector lagged.

MLP yield spreads, as measured by the AMZ yield relative to the 10-Year U.S. Treasury Bond, widened by 32 basis points (bps) over the month, exiting the period at 357 bps. This compares to the trailing five-year average spread of 671 bps and the average spread since 2000 of approximately 444 bps. The AMZ's distribution yield at month-end was 7.4%.

West Texas Intermediate (WTI) crude oil exited the month at \$71.65 per barrel, down 5.7% over the period and 10.7% lower year-over-year. Natural gas prices ended December at \$2.51 per million British thermal units (MMbtu), down 10.3% over the month and 43.8% lower than December 2022. Natural gas liquids (NGL) priced at Mont Belvieu exited the month at \$28.15 per barrel, 0.7% lower than the end of November and 8.4% lower than the year-ago period.

News

Williams makes another big deal. Williams (NYSE: WMB) acquired natural gas storage assets from Hartree (Private) for \$1.95 billion. The transaction includes six underground natural gas storage facilities located in Louisiana and Mississippi with total capacity of 115 billion cubic feet (Bcf), as well as 230 miles of gas transmission pipeline and 30 pipeline interconnects to attractive markets, including liquified natural gas (LNG) markets, and connections to WMB's Transco system, the nation's largest natural gas transmission pipeline.

KGS acquires CCLP. Kodiak Gas Services (NYSE: KGS) announced the acquisition of CSI Compressco (NYSE: CCLP) in an all-equity transaction valued at approximately \$854 million, including the assumption of debt. The addition of CCLP's fleet will give KGS the largest contract compression fleet in the industry with 4.3 million revenue-generating horsepower, while also extending Kodiak's service offerings deeper into the natural gas value chain through Compressco's treating, gas cooling and aftermarket services businesses.

Pembina buys Alliance and Aux Sable from Enbridge. Pembina Pipeline (PPL CN**) reached an agreement to buy Enbridge's (ENB CN**) interests in the Alliance, Aux Sable, and

Not a Deposit Not FDIC Insured
Not Guaranteed by the Bank May Lose Value
Not Insured by any Federal Government Agency

*REITs (real estate investment trusts) represented by the FTSE NAREIT All Equity REITS Index.
Utilities represented by the Dow Jones Utility Average.

**CN represents Canadian companies.

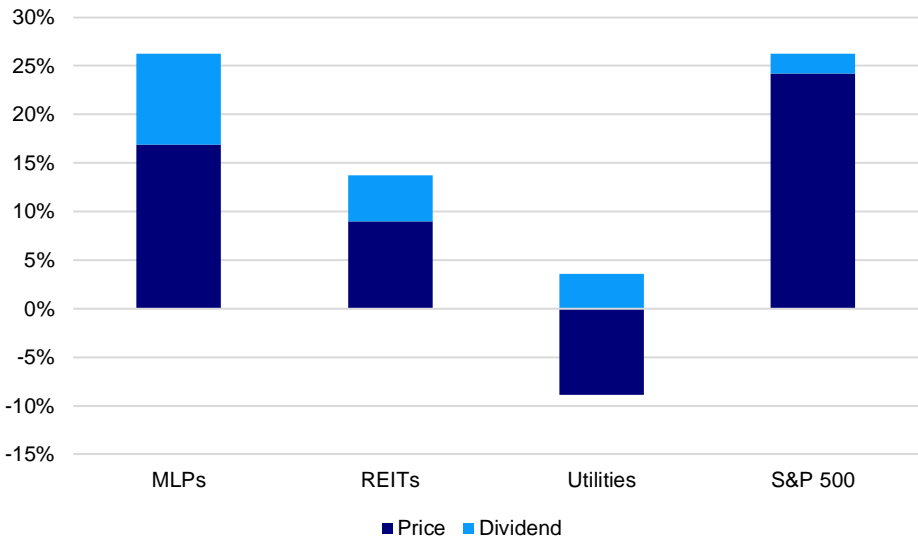


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NRGreen joint ventures for \$3.1 billion CAD. Pembina currently owns 50% of the equity interests in Alliance, Aux Sable’s Canadian operations and NRGreen and approximately 42.7% of the equity interests in Aux Sable’s U.S. operations, and, upon closing, will hold 100% of the equity interests in Alliance, Aux Sable’s Canadian operations and NRGreen and approximately 85.4% of Aux Sable’s U.S. operations, and Pembina will become the operator of all of the Alliance, Aux Sable and NRGreen businesses.

Chart of the month: Midstream gets another win

Midstream equities outperformed over 2023, generating a total return of 26.27%, as compared to the total returns of REITs and Utilities of 13.71% and -5.29%, respectively, and narrowly beating the S&P 500’s 26.26% total return. The AMZ has outperformed the S&P 500 for three consecutive years.



Source: Bloomberg L.P. and Invesco SteelPath as of 12/31/2023. Midstream represented by the Alerian MLP Index. REITs represented by the FTSE NAREIT All Equity REITS Index. Utilities represented by the Dow Jones Utility Average.

Important information

Source: All data sourced from Bloomberg L.P. as of 12/31/2023 unless otherwise stated.

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.

The opinions referenced above are those of the author as of January 2, 2024. These comments should not be construed as recommendations, but as an illustration of broader themes. Forward-looking statements are not guarantees of future results. They involve risks, uncertainties and assumptions; there can be no assurance that actual results will not differ materially from expectations. The opinions are based on current market conditions and are subject to change. They may differ from those of other Invesco investment professionals.

Midstream companies are engaged in the transportation, storage, processing, refining, marketing, exploration, and production of natural gas, natural gas liquids, crude oil, refined products or other hydrocarbons.

Compression companies provides the equipment and oversight to move natural gas through the US pipeline system.

Marine companies are dedicated to marine transportation of oil and natural gas.

Gathering companies involve connecting oil and/or natural gas wells to major pipelines through a series of small pipelines. Processing is required for natural gas and involves the removal of potential contaminants and separation of NGLs so that the gas can meet purity standards for pipeline transmission.

Diversified companies operate assets that transport a variety and mixture of petroleum products.

The mention of specific companies, industries, sectors, or issuers does not constitute a recommendation by Invesco Distributors, Inc.

As of 9/30/2023, Invesco SteelPath MLP Alpha Fund, Invesco SteelPath MLP Alpha Plus Fund, Invesco SteelPath MLP Income Fund and Invesco SteelPath MLP Select 40 Fund had a 4.28%, 4.28%, 0.00% and 4.36% position respectively in Williams Companies.

As of 9/30/2023, Invesco SteelPath MLP Alpha Fund, Invesco SteelPath MLP Alpha Plus Fund, Invesco SteelPath MLP Income Fund and Invesco SteelPath MLP Select 40 Fund had a 0.00%, 0.00%, 0.52% and 0.18% position respectively in Kodiak Gas Services.

As of 9/30/2023, Invesco SteelPath MLP Alpha Fund, Invesco SteelPath MLP Alpha Plus Fund, Invesco SteelPath MLP Income Fund and Invesco SteelPath MLP Select 40 Fund had a 0.00%, 0.00%, 0.00% and 0.79% position respectively in CSI Compressco.

As of 9/30/2023, Invesco SteelPath MLP Alpha Fund, Invesco SteelPath MLP Alpha Plus Fund, Invesco SteelPath MLP Income Fund and Invesco SteelPath MLP Select 40 Fund had a 0.00%, 0.00%, 0.00% and 0.00% position respectively in Pembina Pipeline.

As of 9/30/2023, Invesco SteelPath MLP Alpha Fund, Invesco SteelPath MLP Alpha Plus Fund, Invesco SteelPath MLP Income Fund and Invesco SteelPath MLP Select 40 Fund had a 1.49%, 1.45%, 0.00% and 0.57% position respectively in Enbridge.

Holdings are subject to change and are not buy/sell recommendations.

The Alerian MLP Index is a float-adjusted, capitalization-weighted index measuring master limited partnerships, whose constituents represent approximately 85% of total float-adjusted market capitalization. The FTSE NAREIT All Equity REITs Index is a free-float adjusted, market capitalization-weighted index of U.S. equity REITs. The Dow Jones Utility is a stock index from S&P Dow Jones Indices that tracks the performance of 15 prominent utility companies traded in the United States.

Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. An investment cannot be made into an index. Past performance does not guarantee future results.

A yield spread is the difference between yields on differing debt instruments of varying maturities, credit ratings, issuer, or risk level, calculated by deducting the yield of one instrument from the other.

A basis point is one hundredth of a percentage point.

Most MLPs operate in the energy sector and are subject to the risks generally applicable to companies in that sector, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. MLPs are also subject the risk that regulatory or legislative changes could eliminate the tax benefits enjoyed by MLPs which could have a negative impact on the after-tax income available for distribution by the MLPs and/or the value of the portfolio's investments. 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.

Energy infrastructure MLPs are subject to a variety of industry specific risk factors that may adversely affect their business or operations, including those due to commodity production, volumes, commodity prices, weather conditions, terrorist attacks, etc. They are also subject to significant federal, state and local government regulation.

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 financial professionals for a prospectus/summary prospectus or visit [invesco.com](https://www.invesco.com).