### Investment process

#### Universe definition
We begin with a broad stock universe of about 200 US and non-US companies involved in exploring, mining, processing or dealing and investing in gold, gold bullion and other base or precious metals.

#### Distilling the universe
We use two proprietary screens to monitor the entire investment universe:
- First screen is based entirely on absolute price change
- Second screen is based on fundamentals such as price-to-cash flow (P/CF), price-to-net asset value (P/NAV) and price to earnings (P/E).

#### Fundamental analysis
Accomplished by:
- Building an integrated financial model
- Conducting careful due diligence
- Evaluating industry themes
- Examining valuation levels
- Confirming conviction in timeliness

#### Portfolio construction
- Select stock candidates trading at a 20% discount
- Generally maintain representation across most mining subsectors
- Hold up to 10% of net assets in gold bullion via ETFs

#### Target portfolio
30-40 holdings

### Investment objective
The fund’s investment objective is long-term growth of capital.

### Investment philosophy
We believe bottom-up fundamental analysis is key in generating long-term investment returns. Based on years of experience, we believe that using a normalized, cost of marginal supply commodity price cancels out the “cloud of noise” associated with volatile commodity prices. This allows us to effectively analyze a company’s net asset value and cash flow generating capabilities.

Our investment strategy is considered contrarian. However, our strategy focuses on companies with quality management teams and quality assets, resulting in an emphasis on valuation and risk/reward profiles rather than potential turnaround scenarios.

### Universe definition
The fund’s universe consists of about 200 US and non-US companies involved in exploring for, mining, processing, or dealing and investing in gold, gold bullion and other base or precious metals such as copper, silver, platinum and palladium, as well as diamonds.

### Stock selection
#### Distilling the universe
We utilize two proprietary investment screens that monitor the entire investment universe. The first screen is based solely on absolute price change. For instance, the screen would alert us to a stock trading at its 52 week low. The second screen is based on fundamentals such as price-to-cash flow (P/CF), price-to-net asset value (P/NAV) and price-to-earnings (P/E).

#### Fundamental analysis
This step of the investment process is where the team spends the majority of its time. In this step, the team builds an integrated financial model, including the income statement, balance sheet and statement of cash flows.

Next, the team conducts careful due diligence that includes conversations with the company management team, competitors and suppliers. The team also carefully evaluates industry themes to understand the forces influencing the outlook for the company and its stock. The goal is to identify companies with quality management teams and quality assets. The result is an emphasis on valuation and risk/reward profiles.
Portfolio construction
As a general guideline, stocks trading at a 20% discount to our calculated net asset value are considered for inclusion to the fund, while stocks discounting a 50% premium may be sold. Metrics we consider to be the most relevant in this sector include price-to-cash flow (P/CF), price-to-net asset value (P/NAV) and price-to-earnings (P/E).

In valuing companies, we take a long-term view on commodity prices and use a constant marginal cost of production commodity price. The price does not change unless a persistent structural change in the commodity occurs. We believe this helps us avoid the “cloud of noise” associated with volatile commodity prices. Price-to-cash flow (P/CF), price-to-net asset value (P/NAV) and price-to-earnings (P/E) are the valuation metrics we use to assess the attractiveness of a security.

The portfolio consists of about 30 to 40 stocks of all market capitalization. Additionally, our prospectus allows for up to 10% total net asset weight in gold bullion, which we typically hold through gold bullion ETFs – a more liquid and less expensive way to hold the underlying metal.

Although individual security selection drives the performance of the fund, short-term fluctuations in commodity prices may influence fund returns and increase price fluctuations.

Risk management
We view risk management as being as important as stock selection and actively manage risk by:
- Focusing on preserving capital
- Avoiding speculation
- Diversifying globally
- Diversifying by sub-sector
- Focusing on balance sheet and cash flows

Sell discipline
We may sell or reduce our position in a stock when:
- A security reaches its price target.
- A change in fundamentals occurs – either company-specific or industry-wide.
- A change in corporate focus and/or management occurs.
- A more attractive investment opportunity is identified.

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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.

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

Fluctuations in the price of gold and precious metals may affect the profitability of companies in the gold and precious metals sector.

Appreciation in the market price of gold is the sole manner in which the fund can realize gains on gold bullion, and such investments may incur higher storage and custody costs as compared to purchasing, holding and selling more traditional investments.

Stocks of small and mid-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to resale.

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.

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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.

Note: Not all products, materials or services available at all firms. Advisors, please contact your home office.

Free cash flow (FCF) is the amount of cash that a company has left over after it has paid all of its expenses, including investments. Free cash flow yield is an indicator of the return expected per share. It equals the company's overall cash flow divided by its market capitalization.

Diversification does not guarantee a profit or eliminate the risk of loss.