



Invesco Gold & Precious Metals Fund

Quarterly Performance Commentary

Nasdaq: A: IGDX C: IGDCX Investor: FGLDX Y: IGDYX

Investment objective

The fund seeks long-term growth of capital.

Portfolio management

Norman MacDonald

Portfolio information

Total Net Assets	\$189,386,624
Total Number of Holdings	41
Annual Turnover (as of 04/30/18)	20%
Distribution Frequency	Annually

Top holdings

% of total net assets

Torex Gold Resources	5.84
Newmont Mining	5.70
Kinross Gold	5.13
Agnico-Eagle Mines	4.96
Sandstorm Gold	4.62
Franco-Nevada	4.54
Turquoise Hill Resources	4.25
Wheaton Precious Metals	4.20
B2Gold	3.97
iShares Gold Trust	3.83

Top contributors

% of total net assets

1. Sandstorm Gold Ltd.	4.62
2. Kinross Gold Corp.	5.13
3. B2Gold Corp.	3.98
4. Newmont Mining Corp.	5.70
5. Agnico Eagle Mines Ltd.	4.96

Top detractors

% of total net assets

1. Turquoise Hill Resources Ltd.	4.25
2. Continental Gold Inc.	3.10
3. Alamos Gold Inc.	2.68
4. Ivanhoe Mines Ltd.	2.35
5. Coeur Mining Inc.	1.62

Market overview

- Global equity markets declined sharply in the fourth quarter amid ongoing trade tensions, falling oil prices and fears of a looming global economic slowdown.
- US economic health spurred an additional interest rate increase during the quarter; however, the US Federal Reserve lowered its guidance for 2019 rate hikes from three to two. The US dollar strengthened during the quarter.
- Global economic growth showed clear signs of deceleration. Eurozone economic data was disappointing and in the UK, political turmoil surrounding Brexit caused continued economic policy uncertainty. In Japan, economic growth appears to have slowed but remains solid, with the Bank of Japan maintaining a very accommodative monetary policy.
- The price of gold bullion averaged higher during the quarter at \$1,229 per troy ounce.

Performance highlights

- Invesco Gold & Precious Metals Fund Class A shares at net asset value (NAV) had a positive return, yet underperformed its benchmark, the Philadelphia Gold & Silver Index. (Please see the investment results table on page 2 for fund and index performance.)
- Overall, stock selection was the primary driver of relative underperformance.

Contributors to performance

- Underweights in both the copper and silver subsectors benefited relative performance as both subsectors of the benchmark had negative returns for the quarter.
- **Sandstorm Gold Ltd.'s** shares rose during the quarter due to higher gold prices. In spite of the increase, the team believes significant value remains in the stock given the company's partial ownership of the Hod Maden project in Turkey, which is being developed for early next decade. Once the project is completed, free cash flow is expected to increase significantly. Further, competition for lucrative streams and royalties has intensified in recent years, making **Sandstorm** an attractive takeover target for a larger company seeking growth.

Detractors from performance

- The fund underperformed the benchmark primarily due to security selection in gold equities and exposure to diversified metals & mining equities that are not in the index.
- Shares of **Turquoise Hill Resources Ltd.** declined during the quarter due to lower copper prices. However, progress on its key underground deposit remains on time and budget. The team's thesis is unchanged and we believe significant value remains in the Oyu Tolgoi mine, which is expected to generate strong free cash flow after the underground mine is built in 2020. Further, we believe the company will benefit from the eventual electrification of the vehicle fleet through its exposure to copper.

Positioning and outlook

- We maintain a constructive outlook for gold and precious metal prices given the historically low interest rate environment and increased geopolitical risks, though we expect further volatility given uncertainty associated with these factors.
- Based on our marginal cost analysis, we still see more upside potential in gold equities than in gold bullion and the fund's weighting in gold bullion ETFs remained fairly low at quarter end.
- We are comfortable with the fund's exposure to base metals through holdings of copper mining equities and diversified metals & mining equities.
- We have maintained our discipline of selling stocks when they hit our target price and recycling cash proceeds to find new investments
- We continue to focus on top tier companies with good management teams. This has led us to seek better opportunities among the mid-cap and junior miners compared to their large-cap competitors.

Investment results								
Average annual total returns (%) as of Dec. 31, 2018								
Period	Class A Shares		Class C Shares		Investor Class Shares		Class Y Shares	Style-Specific Index
	Inception: 03/28/02	Max Load	Inception: 02/14/00	Max CDSC	Inception: 01/19/84	Inception: 10/03/08		
	NAV	NAV	NAV	NAV	NAV	NAV	Philadelphia Gold & Silver Index	
Inception	3.89	4.23	5.03	5.03	-0.24	-1.43	-	
10 Years	-2.63	-2.09	-2.83	-2.83	-2.10	-1.87	-5.46	
5 Years	-3.46	-2.37	-3.06	-3.06	-2.36	-2.08	-3.43	
3 Years	6.74	8.82	7.98	7.98	8.76	9.16	15.97	
1 Year	-25.00	-20.67	-22.03	-21.24	-20.57	-20.28	-17.14	
Quarter	-1.49	4.10	3.10	4.10	4.08	4.32	8.40	

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit 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. The Investor Class shares have no sales charge; therefore, performance is at NAV. 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.

Index source: Lipper, Inc.

Asset mix (%)		Expense ratios	
		% net	% total
Dom Common Stock	14.88	Class A Shares	1.45
Intl Common Stock	84.80	Class C Shares	2.20
Cash	0.48	Investor Class Shares	1.45
Other	-0.16	Class Y Shares	1.20

A negative in Cash or Other, as of the date shown, is normally due to fund activity that has accrued or is pending settlement.

Per the current prospectus

For more information you can visit us at www.invesco.com/us

1 Source: Bloomberg L.P.

Class Y shares and Investor Class 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.

Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained.

The Philadelphia Gold & Silver Index is a capitalization-weighted, price-only index on the Philadelphia Stock Exchange that includes the leading companies involved in the mining of gold and silver. An investment cannot be made directly in an index.

The S&P 500® Index is an unmanaged index considered representative of the US stock market. An investment cannot be made directly in an index.

Top industries	% of total net assets
Gold	75.59
Diversified Metals & Mining	9.37
Silver	5.82
Precious Metals & Minerals	4.39
Copper	0.67
Construction & Engineering	0.02

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.

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.