



Invesco Technology Fund

Quarterly Performance Commentary

Nasdaq: A: ITYAX R6: FTPSX R5: FTPIX

Investment objective

The fund seeks long-term growth of capital.

Portfolio management

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Portfolio information

Total Net Assets	\$974,492,442
Total Number of Holdings	45
Annual Turnover (as of 04/30/19)	48%
Distribution Frequency	Annually

Top holdings

% of total net assets

Amazon	9.51
Microsoft	6.12
Facebook 'A'	5.25
Apple	4.90
Alphabet 'A'	4.78
Alibaba	4.08
Illumina	3.91
Nintendo	3.12
PayPal	2.80
Visa	2.69

Top contributors

% of total net assets

1. Nintendo	3.12
2. Microsoft	6.12
3. Facebook	5.25
4. Illumina	3.91
5. Amazon.com	9.51

Top detractors

% of total net assets

1. Alphabet	4.78
2. Alibaba	4.08
3. Palo Alto Networks	1.37
4. Ubisoft Entertainment	1.88
5. QUALCOMM	1.73

Market overview

- Though the S&P 500 Index posted a modest gain for the second quarter, volatility increased with a selloff in US stocks during May.
- Bond yields and oil prices also fell in May as investors weighed the impact of the ongoing US/China trade war and potential for new tariffs on Mexican imports.
- The Federal Reserve left interest rates unchanged at its June Federal Open Market Committee meeting, but signaled a less restrictive stance, leading some investors to anticipate a future rate cut.

Performance highlights

- Invesco Technology Fund Class A shares at net asset value (NAV) had a positive return for the quarter, but underperformed its benchmark, the Nasdaq Composite Index. (Please see the investment results table on page 2 for fund and index performance.)

Contributors to performance

- The leading driver of relative return was stock selection in the entertainment industry. Overweights and stock selection in the life sciences tools & services and IT services industries were also key contributors.
- Having an underweight in the biotechnology industry and having no exposure in the pharmaceuticals, communications equipment, automobiles and specialty retail industries also added to the fund's relative return for the quarter.
- Among the leading individual contributors was **Nintendo**. The Japan-based video game company had a strong second quarter on reports that its Switch video game console was approved for distribution in parts of China. **Nintendo** also rallied due to its solid showing at the E3 annual video game conference, which highlighted increasing third party support and continued momentum for the company's content creation, including the surprise reveal of the next Legend of Zelda title.
- Biotechnology company **Illumina** was another key contributor to quarterly results. The company, which makes DNA sequencing tools for companies like 23 & Me and Ancestry.com (not fund holdings), performed well as capacity utilization for its newest sequencer improved. There has also been growth in clinical applications for its sequencing tools including cancer screening, rare disease diagnosis and noninvasive prenatal testing.

Detractors from performance

- The leading detractors from relative results were stock selection in the software and internet & direct marketing retail industries. An overweight in the health care equipment and supplies industry also detracted from relative return. Having no allocations in the media, capital markets and insurance industries also dragged on relative results.
- The largest individual detractor was **Alphabet**. The search engine company reported weaker revenue growth, which it attributed to timing shifts. The outlook for those timing shifts suggested the related revenue weakness would continue into the second half of 2019.
- Chinese ecommerce giant **Alibaba** was another key detractor, primarily due to US/China trade tensions that drove investors to reduce exposure to China.

Positioning and outlook

- The fund emphasizes innovation, transformative technology and opportunities that we expect to take market share from mature companies, including the game-changing technologies of mobile, security, cloud and biopharmaceuticals. We remain optimistic about technology spending given strong corporate balance sheets and companies' need to invest in more robust security solutions and to support future growth. In our opinion, the increased pace of health care innovation will continue to drive attractive long-term growth rates due to successful mapping of the human genome and recent productivity improvements, both of which have fostered faster and more effective targeting of promising therapeutics. We attempt to harness multi-year secular trends, which should benefit long-term investors regardless of near-term economic strength.

Investment results				
Average annual total returns (%) as of June 30, 2019				
	Class A Shares Inception: 03/28/02	Class R6 Shares Inception: 04/04/17	Class R5 Shares Inception: 12/21/98	Style-Specific Index
Period	NAV	NAV	NAV	Nasdaq Composite Index
Inception	6.05	-	5.66	-
10 Years	14.91	15.02	15.56	17.19
5 Years	12.63	12.85	13.16	13.97
3 Years	21.49	21.88	22.03	19.56
1 Year	8.39	8.83	8.81	7.78
Quarter	5.91	6.01	5.99	3.87

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. Class A shares at NAV are available only to certain investors and have no sales charge; therefore, performance is at NAV. Class Y shares have no sales charge; therefore, performance is at NAV. Performance shown prior to the inception date of Class R6 shares is that of Class A shares and includes the 12b-1 fees applicable to Class A shares. Class R6 shares have no sales charge; therefore, performance is at NAV. Class R5 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: FactSet Research Systems Inc.

Asset mix (%)		Expense ratios	
		% net	% total
Dom Common Stock	81.82	Class A Shares	1.28
Intl Common Stock	16.76	Class R6 Shares	0.85
Cash	1.43	Class R5 Shares	0.85
Other	-0.01	Per the current prospectus	

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

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Class A shares at NAV are available only to certain investors. Class R6 and Class R5 shares are primarily intended for retirement plans that meet certain standards and for institutional 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.

Nasdaq Composite Index is a broad-based, capitalization-weighted index of all Nasdaq domestic and international based common type stocks listed on The Nasdaq Stock Market. 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.

12-month forward and trailing P/E are calculated using weighted harmonic averaging, which helps avoid extreme results that may occur due to small relative numbers in the denominator. It doesn't exclude extreme values; instead, it reduces the effect of outliers on the aggregate calculation. The **price/book ratio** is the market price of a stock divided by the book value per share. **Return on equity (ROE)** is net income divided by net worth. The **median 12-Month Fwd. Growth Rate** is the percent change between the next twelve months' mean EPS estimate and the previous twelve months' actuals. The **three-year EPS growth rate** is a weighted average of each stock's growth rate in earnings per share (EPS). EPS is total earnings divided by the number of shares outstanding. The **five-year dividend growth rate** is the weighted average of each stock's annualized percentage rate of growth in dividend yield over five years. The three-year EPS and five-year dividend growth rates are not forecasts of fund performance.

Top industries	% of total net assets
Internet & Direct Marketing Retail	14.09
Interactive Media & Services	12.11
Interactive Home Entertainment	10.91
Systems Software	9.42
Semiconductors	8.58
Data Processing & Outsourced Services	7.64
Life Sciences Tools & Services	7.14
Health Care Equipment	5.31
Application Software	5.30
Technology Hardware, Storage & Peripherals	4.90

Valuation statistics	fund	index
12-Month Forward P/E	24.75	20.05
12-Month Trailing P/E	27.42	21.52
Price/Book (Wtd. Avg.)	7.63	6.92
1-Year ROE (Wtd. Avg.)	22.58	24.50
12-Month Fwd. Growth Rate (Median) (%)	13.61	12.49
3-Year EPS Growth Rate (Wtd. Avg.) (%)	35.45	27.26
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	18.46	11.62
Weighted Average Market Cap (\$MM)	343,011	332,644
Weighted Median Market Cap (\$MM)	117,825	92,478

Source: FactSet Research Systems Inc.

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.

Growth stocks tend to be more sensitive to changes in their earnings and can be more volatile.

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

Many products and services offered in technology-related industries are subject to rapid obsolescence, which may lower the value of the issuers in this sector.

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.