



# Invesco Comstock Fund

## Quarterly Performance Commentary

Nasdaq: A: ACSTX C: ACSYX Y: ACSDX

### Investment objective

The fund seeks total return through growth of capital and current income.

### Portfolio management

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### Portfolio information

Total Net Assets	\$11,703,925,724
Total Number of Holdings	77

### Top holdings

% of total net assets

Citi	5.10
Bank of America	4.50
JPMorgan Chase	3.34
AIG	2.30
Royal Dutch ADR 'A'	2.29
Chevron	2.11
Cisco Systems	2.08
General Motors	2.04
Johnson Controls	1.99
Suncor Energy	1.98

### Top contributors

% of total net assets

1. Citigroup	5.10
2. American International Group	2.30
3. Qualcomm	1.45
4. JPMorgan Chase & Co.	3.34
5. Anadarko Petroleum	0.00

### Top detractors

% of total net assets

1. Encana	0.76
2. Mylan	0.56
3. Marathon Oil	1.55
4. Altria	1.12
5. Gap	0.43

### Market overview

- Though the S&P 500 Index posted a modest gain of 4.30% for the second quarter, the US stock market experienced increased volatility. After four consecutive months of rising prices, stocks sold off in May, with the S&P 500 falling 6.58%. Bond yields and oil prices also fell as investors weighed the impact of the ongoing US/China trade war and potential for new tariffs on Mexican imports. Additionally, data showed slowing in the US and global economies. Equity markets recovered in June as the S&P 500 returned 7.05%. 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. US large and mid-cap stocks outperformed small-cap stocks and growth outperformed value for the quarter.

### Performance highlights

- The fund's Class A shares at net asset value (NAV) underperformed the Russell 1000 Value Index in the second quarter. (Please see the investment results table on page 2 for fund and index performance.)
- Within the Russell 1000 Value Index, financials and industrials had the strongest gains, while energy was the only sector with a negative return.

### Contributors to performance

- Stock selection and an overweight in financials was the largest contributor to relative return during the quarter. Within the sector, the portfolio's bank and insurance holdings performed well, particularly **American International Group** and **Citigroup**. Large financial stocks have performed well as companies have returned capital to shareholders via stock buybacks (reducing outstanding shares) and higher dividends.
- Stock selection in information technology also boosted relative return. **QUALCOMM** posted a return over 30% for the quarter after announcing a settlement and a deal for royalties and chipsets with Apple (not a fund holding), ending a two-year legal dispute.
- Stock selection within industrials also enhanced relative return. **Johnson Controls International** (1.99% of total net assets) was a notable contributor as the company beat earnings estimates. The stock rallied on the earlier-than-expected closing of its Power Solutions sale. The company announced its intention to use the cash proceeds (which were \$200 million more than expected) for share repurchases and debt repayment.

### Detractors from performance

- An overweight and stock selection in energy was a large detractor from relative return. Exploration and production companies **Encana** and **Marathon Petroleum** were notable detractors. **Marathon** stock fell after reporting earnings well below analysts' estimates. Energy companies generally underperformed for the quarter as oil prices fell during May.
- Stock selection within consumer discretionary also detracted from relative return, with **Carnival** (1.73% of total net assets) and **Gap** two of the largest detractors. During the quarter, the US imposed new restrictions on travel to Cuba, essentially barring cruise operators from docking in the country. **Carnival** lowered its full-year earnings guidance based on these developments, and shares declined accordingly.
- Stock selection in consumer staples dampened relative return. **Altria** was a notable detractor from absolute and relative returns. The stock underperformed due to regulatory concerns regarding nicotine levels in cigarettes, potential ban of menthol and scrutiny of e-cigarettes.

### Positioning and outlook

- As of quarter end, the fund's financials and energy positions were larger than the respective benchmark sectors because we have a favorable view of large banks within financials and a positive outlook for the long-term prospects of the fund's energy holdings. Consequently, the fund should be more sensitive to broad moves within these sectors for the foreseeable future. Conversely, given the team's emphasis on finding the most attractively valued stocks, the fund is materially underweight communication services and utilities and has no exposure to real estate because we believe these areas are overvalued.

## Investment results

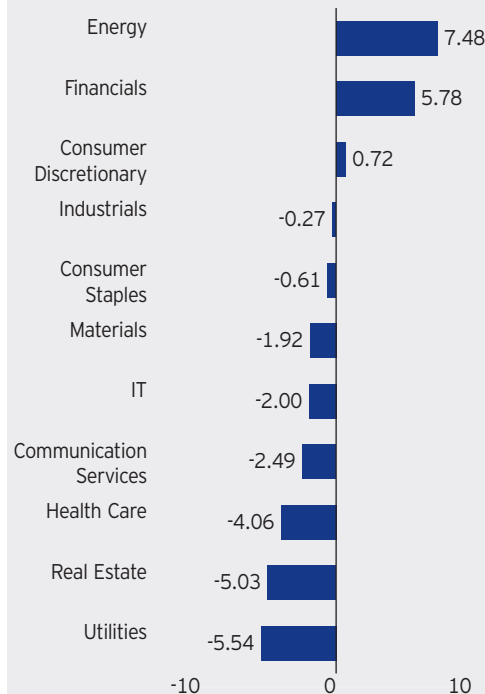
Average annual total returns (%) as of June 30, 2019

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 10/07/68		Inception: 10/26/93		Inception: 10/29/04	
	Max Load	NAV	Max CDSC	NAV	NAV	
Inception	10.60	10.73	9.36	9.36	7.53	-
10 Years	11.99	12.62	11.78	11.78	12.90	13.19
5 Years	5.01	6.20	5.41	5.41	6.47	7.46
3 Years	9.84	11.93	11.09	11.09	12.21	10.19
1 Year	-4.56	0.98	-0.73	0.19	1.23	8.46
Quarter	-2.84	2.83	1.61	2.61	2.89	3.84

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](http://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. 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: FactSet Research Systems Inc.

## The fund's positioning versus the Russell 1000 Value Index (% underweight/overweight)



Asset mix (%)		Expense ratios	
		% net	% total
Dom Common Stock	79.92	Class A Shares	0.82
Intl Common Stock	12.53	Class C Shares	1.56
Cash	7.11	Class Y Shares	0.57
Other	0.44	Per the current prospectus	

For more information you can visit us at [www.invesco.com/us](http://www.invesco.com/us)

Class Y 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.

The Russell 1000® Value Index is an unmanaged index considered representative of large-cap value stocks. The Russell 1000 Value Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. 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.

Beta (cash adjusted) is a measure of relative risk and the slope of regression.

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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.

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.

A value style of investing is subject to the risk that

the valuations never improve or that the returns will trail other styles of investing or the overall stock markets.

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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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.