

Invesco Charter Fund

Q2 2026

Key takeaways

- 1 The fund had a positive return but underperformed its benchmark**
- Underperformance mainly resulted from stock selection in the information technology (IT), energy and industrials sectors. Stronger stock selection in the communication services, materials and utilities sectors partially offset these results.

- 2 Portfolio activity**
- There was no significant change to the fund's overall positioning during the quarter as we sought to keep most sector, factor and other macro-related exposures similar to the Russell 1000 Index.

- 3 US equities outperformed**
- Against a backdrop of resilient economic growth, strong corporate earnings and continued apparent enthusiasm for artificial intelligence (AI)-related investments, US equities rebounded during the second quarter. The Russell 1000 Index returned 15.14%, driven by gains in IT.

Investment objective

The fund seeks long-term growth of capital.

Fund facts

Fund AUM (\$M)	3,699.51
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Portfolio managers

Belinda Cavazos, Benjamin Ram, Magnus Krantz

Manager perspective and outlook

- US equities rebounded in a quarter marked by intermittent volatility tied to shifting monetary policy expectations, geopolitics and mixed economic data.
- Equities rallied through much of April and May, supported by solid corporate earnings, resilient consumer spending and strength in AI-related industries.
- Volatility returned in June as investors appeared to react to the US Federal Reserve (Fed) signaling tighter monetary policy, Middle East tensions and elevated energy prices.
- Inflation remained above the Fed's 2% target and economic growth stayed resilient. Consumer spending remained firm, job growth was moderate and May unemployment was 4.3%.
- The Fed left the federal funds rate unchanged in June but signaled a less accommodative monetary stance as concerns about persistent inflation appeared to outweigh expectations for near-term rate cuts.
- Equities posted strong gains for the quarter, with the Russell 1000 Index returning 15.14%. Technology stocks led the advance, particularly within hardware. Industrials, health care and financials also posted gains. Energy was the weakest sector as oil prices retreated from April highs.
- Regardless of market sentiment and near-term economic trends, our investment process favors better managed companies with strong competitive positioning. We seek to outperform through stock selection while keeping top-down macro, factor and sector exposures similar to the index.



Top issuers

(% of total market value)

	Fund	Index
NVIDIA Corp	8.52	6.73
Alphabet Inc	6.84	5.43
Apple Inc	5.85	6.03
Microsoft Corp	5.37	4.00
Amazon.com Inc	4.23	3.33
Broadcom Inc	3.68	2.53
JPMorgan Chase & Co	2.69	1.26
Meta Platforms Inc	2.68	1.79
Advanced Micro Devices Inc	2.59	1.36
Eli Lilly & Co	2.18	1.38

As of 06/30/26. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

We maintain our valuation discipline and focus on companies with competitive advantages and skilled management teams that we believe are executing better than peers. These companies historically tend to have higher profit margins and returns on invested capital (ROIC), rising market shares and consistently strong pricing power. As of quarter end, all sector weights were within +/- 3% of the Russell 1000 Index; the fund's largest overweight was health care and its largest underweight was IT.

The largest additions during the quarter included the following:

Cadence Design Systems provides software used in semiconductor chip design. The company has been benefiting from continued chip design activity, market share gains and improving demand in China, while facing limited risk of AI-related disruption, in our view.

Linde is an industrial gases company with stable earnings supported by long-term take-or-pay contracts. Rising semiconductor production and challenges at its competitor Air Products (not a fund holding) could create opportunities for additional growth and market share gains.

Morgan Stanley has been benefiting from accelerating investment banking activity and continued market share gains in asset management, a more stable business that we believe helps reduce overall earnings volatility.

RTX, a leading aerospace and defense company, is positioned in our view to benefit from rising aircraft production, while its high-margin aftermarket business and visible growth runway could support further profit margin expansion.

Schlumberger is a leading provider of oilfield services and technology. We believe structurally higher oil prices should support increased industry investment that would benefit Schlumberger, while long-term earnings could exceed expectations despite a near-term slowdown in the Middle East.

The largest positions sold during the quarter included the following:

Airbus was sold in favor of what we saw as more attractive opportunities within the aerospace industry, despite continued strength in commercial aircraft demand.

Cisco was sold after the stock's outperformance as more attractive opportunities emerged within the broader IT sector.

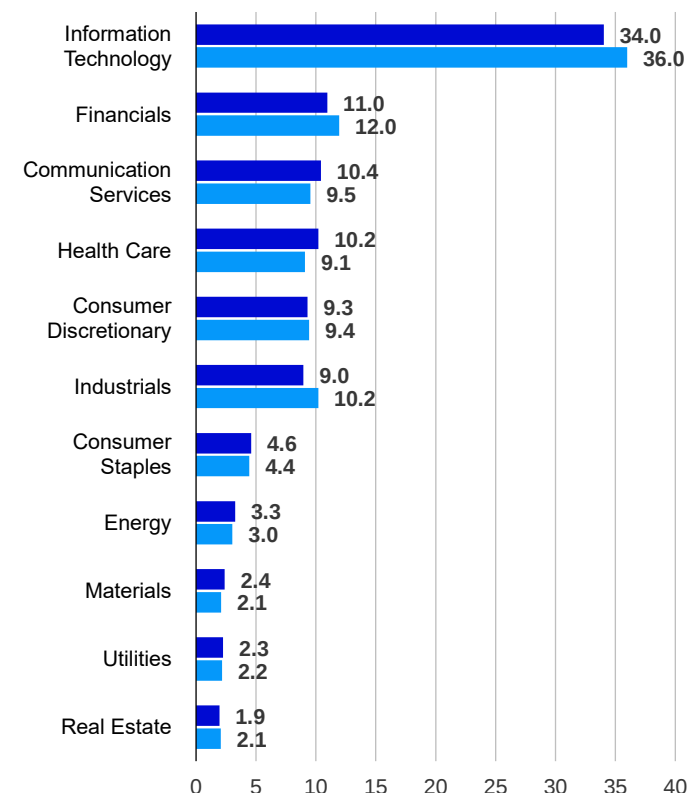
Cheniere Energy was sold because its earnings are less leveraged to higher energy prices due to its long-term contract structure and we believed there were more attractive opportunities appearing to emerge elsewhere in the energy sector.

Emerson Electric was sold in favor of what we saw as more attractive opportunities within the electrical equipment industry.

Lonza was sold in favor of what we saw as more attractive opportunities in the health care

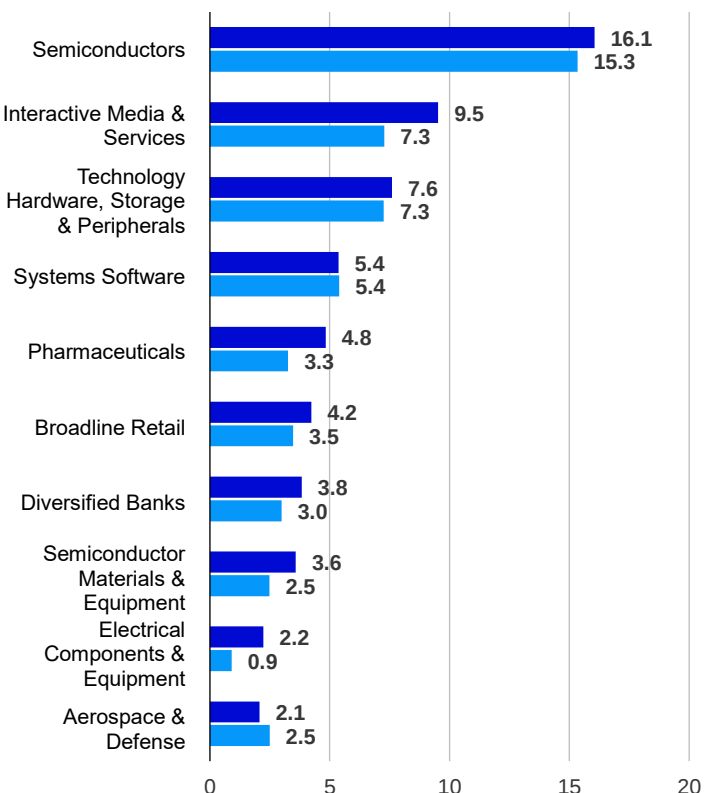
Sector breakdown (% of total market value)

■ Fund ■ Russell 1000 Index (USD)



Top industries (% of total market value)

■ Fund ■ Russell 1000 Index (USD)



Top contributors (%)

Issuer	Return	Total effect
Sandisk Corporation	257.88	0.95
Advanced Micro Devices, Inc.	185.56	0.90
Applied Materials, Inc.	111.80	0.79
ASML Holding NV	50.90	0.46
Exxon Mobil Corporation	0.00	0.41

Top detractors (%)

Issuer	Return	Total effect
Micron Technology, Inc.	0.00	-1.43
Intel Corporation	0.00	-0.65
Intuit Inc.	-39.44	-0.49
ConocoPhillips	-20.67	-0.39
Lam Research Corporation	0.00	-0.39

Performance highlights

The fund's Class A shares at net asset value (NAV) returned 12.54% for the quarter, underperforming the Russell 1000 Index, which returned 15.14%. Underperformance mainly resulted from stock selection in the IT, energy and industrials sectors. Stronger stock selection in the communication services, materials and utilities sectors partially offset these results.

Contributors to performance

Sandisk manufactures NAND flash memory and solid-state storage solutions used in data centers, enterprise systems and consumer devices. Shares rose as results showed revenue and earnings growth driven by AI-related data center demand, rising NAND pricing and a shift toward enterprise customers delivering higher profit margins amid ongoing supply constraints.

Advanced Micro Devices designs processors and accelerators for data centers, personal computers (PCs) and AI applications. Shares rose as investor confidence appeared to benefit from strong demand for AI infrastructure, continued growth in its data center business and apparent optimism surrounding the adoption of its Instinct AI accelerators and next-generation product roadmap.

Applied Materials is a leading supplier of

semiconductor manufacturing equipment used to produce advanced chips. Shares outperformed after management reported record earnings and raised its outlook, driven by strong demand for AI-related semiconductor capacity, particularly in leading-edge logic, DRAM (memory) and advanced packaging markets.

Detractors from performance

Intuit provides financial software and services for consumers and small businesses. Shares underperformed as investors appeared to react to lowered expectations for TurboTax growth and seemingly growing concerns that AI-powered tax solutions could increase competition in the company's core markets.

ConocoPhillips is an independent oil and gas producer with operations across major global energy basins. Shares lagged as lower commodity prices appeared to pressure earnings expectations and seemed to weigh on sentiment across the energy sector.

Chevron is an integrated energy company engaged in the production, refining and marketing of oil and natural gas. Shares lagged as production disruptions at certain operations appeared to pressure investor sentiment, while lower oil prices seemed to weigh on earnings expectations.

Standardized performance (%) as of June 30, 2026

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 11/26/68	NAV	12.54	5.10	14.18	17.08	10.34	11.61	10.76
	Max. Load 5.5%	6.35	-0.66	7.88	14.89	9.10	10.98	10.65
Class R6 shares inception: 09/24/12	NAV	12.64	5.28	14.54	17.48	10.70	12.01	11.16
Class Y shares inception: 10/03/08	NAV	12.60	5.26	14.51	17.38	10.61	11.89	10.30
Russell 1000 Index (USD)		15.14	10.33	22.02	20.47	12.66	15.30	-
Total return ranking vs. Morningstar Large Blend category (Class A shares at NAV)		-	-	82% (1082 of 1309)	72% (855 of 1206)	72% (809 of 1126)	89% (807 of 894)	-

Expense ratios per the current prospectus: Class A: Net: 1.01%, Total: 1.01%; Class R6: Net: 0.68%, Total: 0.68%; Class Y: Net: 0.76%, Total: 0.76%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com](https://www.invesco.com) 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 so that you may have a gain or a loss when you sell shares. Returns less than one year are cumulative; all others are annualized. Index source: RIMES Technologies Corp. Had fees not been waived and/or expenses reimbursed in the past, returns would have been lower. Performance shown at NAV does not include the applicable front-end sales charge, which would have reduced the performance.

Class Y and R6 shares have no sales charge; therefore performance is at NAV. Class Y shares are available only to certain investors. Class R6 shares are closed to most investors. Please see the prospectus for more details.

Performance highlights (cont'd)

Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	10.32	13.25	-9.65	29.01	13.50	27.40	-20.72	23.04	25.29	15.94
Class R6 shares at NAV	10.81	13.70	-9.35	29.57	13.91	27.80	-20.44	23.51	25.66	16.30
Class Y shares at NAV	10.56	13.57	-9.47	29.37	13.78	27.69	-20.50	23.36	25.54	16.23
Russell 1000 Index (USD)	12.05	21.69	-4.78	31.43	20.96	26.45	-19.13	26.53	24.51	17.37

Portfolio characteristics*

	Fund	Index
No. of holdings	66	1,023
Top 10 issuers (% of AUM)	44.63	33.49
Wtd. avg. mkt. cap (\$M)	1,572,951	1,311,590
Price/earnings	26.81	25.74
Price to book	5.91	5.36
Est. 3 – 5 year EPS growth (%)	19.25	14.65
ROE (%)	24.85	24.39
Long-term debt to capital (%)	35.21	34.59
Operating margin (%)	28.16	26.29

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-1.68	0.00
Beta	0.95	1.00
Sharpe ratio	0.44	0.57
Information ratio	-1.00	0.00
Standard dev. (%)	15.30	15.97
Tracking error (%)	2.32	0.00
Up capture (%)	84.80	100.00
Down capture (%)	98.54	100.00
Max. drawdown (%)	26.07	24.59

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	-0.07	0.98	0.91
Consumer Discretionary	0.02	-0.12	-0.10
Consumer Staples	0.00	-0.10	-0.10
Energy	-0.09	-0.33	-0.42
Financials	0.10	-0.31	-0.21
Health Care	-0.11	-0.11	-0.22
Industrials	-0.02	-0.32	-0.34
Information Technology	-0.12	-1.35	-1.47
Materials	-0.02	0.09	0.06
Real Estate	0.01	-0.17	-0.16
Utilities	-0.11	-0.08	-0.19
Cash	-0.25	0.00	-0.25
Total	-0.68	-1.81	-2.49

Holdings are subject to change and are not buy/sell recommendations. Attribution methodology notes: The attribution provides analysis of the effects of several portfolio management decisions, including allocation and security selection. Securities classified as "Other" may include non-equity securities, derivatives, and securities for which a sector classification may not be appropriate. The portfolio is actively managed and portfolio holdings are subject to change. The percentage weights represented for the portfolio are dollar weighted based on market value. **Market allocation effect** shows the excess contribution due to sector/market allocation. A positive allocation effect implies that the choice of sector weights in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Selection effect** shows the excess contribution due to security selection. A positive selection effect implies that the choice of stocks in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Total effect** is the difference in contribution between the benchmark and portfolio. **Past performance does not guarantee future results.**

Unless otherwise specified, all information is as of 06/30/26. Unless stated otherwise, Index refers to Russell 1000 Index (USD).

Asset allocation/diversification does not guarantee a profit or eliminate the risk of loss.

The Russell 1000® Index is an unmanaged index considered representative of large-cap stocks. The Russell 1000 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.

About Risk

Holding cash or cash equivalents may negatively affect performance.

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 can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

Investments focused in a particular sector are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

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

The Fund's value may be affected by changes in the stock markets. Stock markets may experience significant short-term volatility and may fall or rise sharply at times. Adverse events in any part of the equity or fixed-income markets may have unexpected negative effects on other market segments. Different stock markets may behave differently from each other and U.S. stock markets may move in the opposite direction from one or more foreign stock markets.

The investment techniques and risk analysis used by the portfolio managers may not produce the desired results.

Stocks of small and medium-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.

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.

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. Financial professionals, please contact your home office.

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.

* **Alpha** (cash adjusted) is a measure of performance on a risk-adjusted basis. **Beta** (cash adjusted) is a measure of relative risk and the slope of regression. **Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio indicates better risk-adjusted performance. **Information Ratio** is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns. **Standard deviation** measures a fund's range of total returns and identifies the spread of a fund's short-term fluctuations. **Tracking Error** is defined as the expected standard deviation of a portfolio's excess return over the benchmark index return. The **up and down capture** measures how well a manager was able to replicate or improve on periods of positive benchmark returns and how severely the manager was affected by periods of negative benchmark returns. **Maximum Drawdown** is the maximum observed loss from a high to a low of a portfolio, before a new high is attained. Maximum drawdown is an indicator of downside risk over a specified time period. **Weighted Average Market Cap** is a measure of the average size of company held in a portfolio. The percentage of the portfolio invested each company, or its weight, is multiplied by its size (market capitalization). An average of the weighted size of all companies held is then calculated. **Price/earnings** measures the price per share relative to the earnings per share of the company while excluding extraordinary items. **Price to book** measures the firm's capitalization (market price) to book value. **Est. 3-5 year EPS (Earning per share) growth** measures the earning per share growth from FY3 to FY5. **ROE** is the Return on Equity that measures the fund's annual return relative to total shareholders' equity. This ratio evaluates how quickly investments can be turned into profits. **Long-term debt to capital** measures a fund's financial leverage by calculating the proportion of long-term debt used to finance its assets relative to the amount of equity used for the same purpose. A higher ratio indicates higher leverage. **Operating margin** measures the profit a fund makes for every dollar of sales after paying the variable expenses. **Contribution to Return** measures the performance impact from portfolio holdings over a defined time period. It takes into account both weight and performance of the portfolio holdings. Contribution to Return is calculated at security level.

Morningstar

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Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus) for a prospectus/summary prospectus containing this information. Read it carefully before investing.