



# Invesco Charter Fund

## Quarterly Performance Commentary

Nasdaq: A: CHTRX C: CHTCX Y: CHTYX S: CHR SX

### Investment objective

The fund seeks long-term growth of capital.

### Portfolio management

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### Portfolio information

Total Net Assets \$3,244,654,153

Total Number of Holdings 59

### Top holdings

% of total net assets

Microsoft	5.46
Alphabet 'C'	4.40
Amazon	3.86
MasterCard 'A'	3.38
Facebook 'A'	2.94
Comcast 'A'	2.86
American Express	2.58
PepsiCo	2.58
UnitedHealth	2.45
U.S. Bancorp	2.39

### Top contributors

% of total net assets

1. Microsoft	5.46
2. MasterCard	3.38
3. American Express	2.58
4. Dollar General	2.06
5. Qualcomm	0.92

### Top detractors

% of total net assets

1. Alphabet	4.40
2. FedEx	0.00
3. Cognizant Technology Solutions	1.25
4. Carnival	0.00
5. Zimmer Biomet	1.23

### 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%, its best June performance since 1955. 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 Index during the second quarter. (Please see the investment results table on page 2 for fund and index performance.)
- On an absolute basis, information technology (IT), industrials and financials were the largest contributors to overall fund performance. All sectors except energy and communication services delivered positive absolute returns.
- Relative to the index, the fund's overall stock selection was positive. Stock selection in the health care, industrials and IT sectors added to relative return.
- Conversely, the largest detractors from relative return were stock selection in the communication services and consumer discretionary sectors. The fund's underweight in IT also detracted.

### Contributors to performance

- **Microsoft** released a favorable earnings report and showed strong results from its 'Azure' cloud computing business during the quarter, which pushed shares higher.
- **MasterCard's** continued steady earnings and revenue growth were rewarded by the market.
- **American Express** stock responded positively to healthy card and loan trends.

### Detractors from performance

- The stock of **Alphabet**, formerly Google, was negatively affected by a report of missed sales targets and by potential Department of Justice anti-trust actions.
- **FedEx** experienced earnings weakness during the quarter due to global trade and tariff issues.
- **Cognizant Technology** delivered lower earnings due to weaker demand for its services.

### Positioning and outlook

- Effective June 21, 2019, a new investment team took over management of the fund and is in the process of repositioning the portfolio in line with its investment philosophy and process.
- In the short term, we expect the US economy to show continued economic growth, albeit at slower rates than experienced in 2018 as the "sugar high" from tax cuts wears off. Favorable consumer confidence, falling regulatory hurdles and technological innovation should drive this growth. Effects of the strained trading relationship with China have been a headwind to growth, but not nearly enough to offset the US economy's momentum.
- The new investment team maintains its discipline regarding valuation and a focus on companies with competitive advantages and skilled management teams that are executing more effectively than their peers.

## Investment results

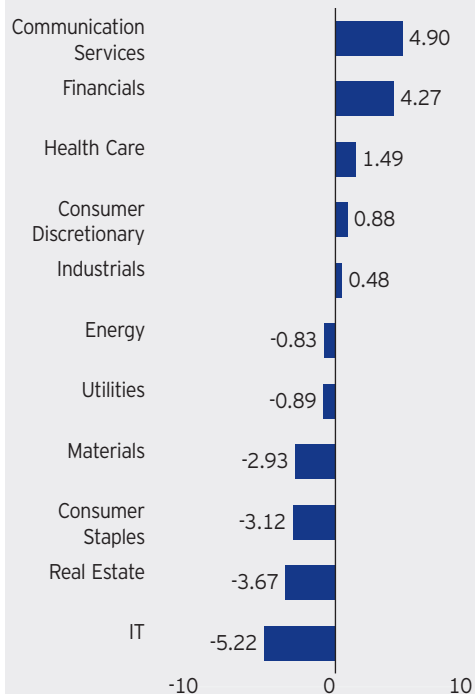
Average annual total returns (%) as of June 30, 2019

Period	Class A Shares Inception: 11/26/68		Class C Shares Inception: 08/04/97		Class Y Shares Inception: 10/03/08	Class S Shares Inception: 09/25/09	Style-Specific Index	Russell 1000 Index
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	NAV		
Inception	10.33	10.45	5.14	5.14	8.39	-	-	-
10 Years	9.17	9.79	8.98	8.98	10.07	9.90	14.77	
5 Years	3.26	4.44	3.67	3.67	4.71	4.55	10.45	
3 Years	6.38	8.41	7.62	7.62	8.68	8.51	14.15	
1 Year	1.19	7.10	5.35	6.30	7.39	7.22	10.02	
Quarter	-1.65	4.09	2.88	3.88	4.20	4.15	4.25	

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. Class S shares have no sales charge; therefore, performance is at NAV. Performance shown prior to the inception date of Class S shares is that of Class A shares and includes the 12b-1 fees applicable to Class A shares. Performance includes litigation proceeds. Had these proceeds not been received, total return would have been lower. 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 Index (% underweight/overweight)



### Asset mix (%)

Dom Common Stock	87.94
Intl Common Stock	7.41
Cash	2.54
Other	2.11

### Expense ratios

	% net	% total
Class A Shares	1.08	1.09
Class C Shares	1.83	1.84
Class Y Shares	0.83	0.84
Class S Shares	0.98	0.99

Per the current prospectus  
Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least June 30, 2020. See current prospectus for more information.

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

Class Y shares and Class S shares are available only to certain investors. See the prospectus for more information.

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

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® 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.

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.

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## About risk

Holding cash or cash equivalents may negatively affect performance.

Debt securities are affected by changing interest rates and changes in their effective maturities and credit quality.

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.

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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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.