



# Invesco Technology Fund

## Quarterly Performance Commentary

Nasdaq: A: ITYAX C: ITHCX Investor: FTCHX Y: ITYYX

### Investment objective

The fund seeks long-term growth of capital.

### Portfolio management

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### Portfolio information

Total Net Assets	\$934,282,462
Total Number of Holdings	43
Annual Turnover (as of 04/30/18)	47%
Distribution Frequency	Annually

### Top holdings

% of total net assets

Amazon	9.52
Alphabet 'A'	5.53
Microsoft	5.21
Facebook 'A'	5.10
Apple	5.01
Alibaba	4.68
Illumina	3.86
Nintendo	2.94
PayPal	2.70
Salesforce.com	2.63

### Top contributors

% of total net assets

1. Amazon.com	9.52
2. Sea	2.37
3. Alibaba	4.68
4. Facebook	5.10
5. Microsoft	5.21

### Top detractors

% of total net assets

1. Intelsat	1.69
2. Sony	2.00
3. Take-Two Interactive	0.61
4. Activision Blizzard	1.91

### Market overview

- Following a sharp selloff late last year, equity markets rebounded in the first quarter of 2019, fueled by optimism about a potential US/China trade deal and the Federal Reserve's indication that there would be no interest rate hikes in 2019, a surprising shift in monetary policy. The Fed's more accommodative stance provided a supportive environment for equities and fixed income, even as US economic data were mixed and overseas growth appeared to be slowing. Against this backdrop, the S&P 500 Index posted its best first quarter since 1998. All sectors within the index posted gains, with information technology, real estate, industrials and energy leading the way. Health care and financials were the quarter's weakest performers.

### 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

- Leading drivers of relative return were stock selection and an underweight in the biotechnology industry and stock selection and an overweight in the internet & direct marketing retail industry.
- Stock selection in the entertainment and interactive media & services industries added to relative return. Not having any exposure to the capital markets, banks, automobiles, food products and food & staples retailing industries was beneficial as well.
- The leading individual contributor to the fund's absolute return was **Amazon.com**. The e-commerce giant had a solid fourth quarter, reporting better-than-expected profitability driven by strength in its international and cloud computing services (AWS) segments.
- Singapore-based internet company **Sea** was another notable contributor to relative return. The entertainment industry company reported substantially better sales and profitability driven by the success of its internally developed mobile gaming title, Free Fire.

### Detractors from performance

- The largest detractors from relative results were holdings in the household durables and diversified telecommunications services industries. An overweight allocation in the life sciences tools & services industry and the fund's cash position also hampered relative performance.
- Among the individual detractors was **Sony**, whose quarterly operating profit, despite being in line with analysts' consensus, fell short of the high expectations that resulted from extremely strong sales of games software during the quarter. The profitability of the company's games was also weaker-than-anticipated during the quarter.
- New York-based video game holding company, **Take-Two Interactive**, also disappointed in the first quarter after the company released guidance suggesting slow online momentum for its recently released Red Dead Redemption 2.

### 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 March 31, 2019								
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		
	5.50%	NAV	1.00%	NAV	NAV	NAV	Nasdaq Composite Index	
Inception	5.43	5.78	-1.20	-1.20	10.23	13.70		-
10 Years	15.46	16.11	15.25	15.25	16.20	16.40		18.93
5 Years	11.05	12.32	11.47	11.47	12.42	12.60		14.29
3 Years	17.09	19.32	18.43	18.43	19.44	19.63		17.97
1 Year	3.63	9.65	7.83	8.82	9.77	9.93		10.63
Quarter	10.08	16.48	15.26	16.26	16.52	16.55		16.81

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. 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: FactSet Research Systems Inc.

Asset mix (%)		Expense ratios	
		% net	% total
Dom Common Stock	82.38	Class A Shares	1.28
Intl Common Stock	16.37	Class C Shares	2.03
Cash	0.85	Investor Class Shares	1.20
Other	0.40	Class Y Shares	1.03

Per the current prospectus

Top industries	% of total net assets
Internet & Direct Marketing Retail	14.89
Interactive Media & Services	14.16
Interactive Home Entertainment	12.01
Systems Software	8.58
Data Processing & Outsourced Services	7.53
Health Care Equipment	7.29
Life Sciences Tools & Services	6.99
Application Software	5.04
Technology Hardware, Storage & Peripherals	5.01
Semiconductors	4.59

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

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.

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.

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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.

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.

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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.