

Invesco American Franchise Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Sept. 30, 2019



Investment objective

The fund seeks long-term capital appreciation.

Portfolio management

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Fund facts

Nasdaq	A: VAFAX	C: VAFCX
	Y: VAFIX	
Total Net Assets	\$10,652,880,579	
Total Number of Holdings	80	

Top holdings

	% of total net assets
Amazon	7.98
Alphabet 'A'	5.67
Facebook 'A'	4.84
Microsoft	4.63
Visa	3.81
Lowe's	3.72
Alibaba	3.01
Activision Blizzard	2.94
Salesforce.com	2.92
Nintendo	2.58

Top contributors

	% of total net assets
1. Alphabet 'A'	5.67
2. Lowe's	3.72
3. Activision Blizzard	2.94
4. Apple	2.35
5. London Stock Exchange	0.61

Top detractors

	% of total net assets
1. Amazon	7.98
2. Netflix	1.06
3. Facebook 'A'	4.84
4. Illumina	1.61
5. Royal Caribbean Cruises	1.95

Market overview

- + Key issues that concerned investors in the second quarter carried over into the third quarter.
- + US-China trade conflict worried investors and stifled business investment even as the Federal Reserve cut interest rates by 0.25% in July and September.
- + The US Treasury yield curve inverted several times, raising fears of a US recession. However, the Fed's accommodative tone provided some support for risk assets.
- + Despite increased volatility, US equity markets delivered generally positive results.

Positioning and outlook

- + Recent central bank actions have supported continued growth by keeping the cost of debt low. The labor market remains healthy with job and wage gains; thus, consumers appear to be fine. However, these are clearly the late innings of the economic cycle and we, therefore, expect only modest growth from here, as well as continued volatility spurred by trade and election headlines.
- + True growth is likely to be scarce and we believe the market will favor companies that can produce growth and compound earnings in spite of the economic cycle.
- + We believe change is the fuel for growth. Thus, we are seeking to identify "share-takers," companies that can gain market share from technology-enabled advantages in their business models and from disruptive shifts in consumer behavior.

Performance highlights

- + The fund's Class A shares at net asset value (NAV) declined for the quarter and underperformed the Russell 1000 Growth Index. (Please see the investment results table on page 2 for fund and index performance.)
- + Relative to the index, the primary drivers of underperformance included stock selection and overweight exposure in consumer discretionary, stock selection in industrials and health care, and stock selection and underweight exposure in information technology.
- + In contrast, stock selection in financials, particularly the capital markets industry, had a strong positive effect on relative return.

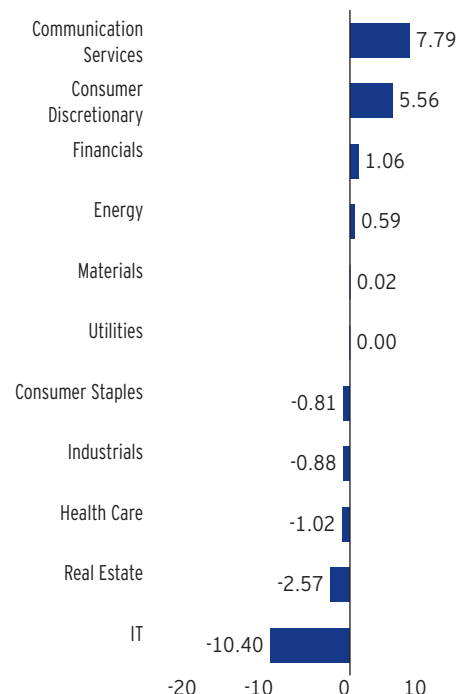
Contributors to performance

- + **Alphabet** reported robust earnings driven by new product releases and very strong results from its cloud storage business. Lower-than-expected capital expenditures also helped results.
- + **Lowe's** earnings exceeded analyst expectations. Additionally, sentiment toward the home improvement sector generally improved in response to lower mortgage rates and higher housing turnover.
- + **Activision Blizzard** reported better-than-expected sales and profits driven by its Call of Duty and Hearthstone game titles. The stock also gained momentum from key upcoming catalysts such as the October launch of Call of Duty mobile and the November Blizzcon conference.

Detractors from performance

- + **Amazon** management guided future profits lower due to increased investment related to the change from 2-day to 1-day guaranteed Prime shipping.
- + **Netflix** suffered due to investor fear about rising content costs and the launch of competitive streaming services from **Disney** (not a fund holding) and **Apple**, set to occur in November. We believe **Netflix** will retain its competitive position and that users will instead cut cable for the new services.
- + **Facebook** faced increased anti-trust scrutiny, while support for its newly announced Libra cryptocurrency has been slow to materialize.

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



Investment results

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

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 06/23/05	Inception: 06/23/05	Inception: 06/23/05	Inception: 06/23/05	Inception: 06/23/05	
	Max Load	NAV	Max CDSC	NAV	NAV	Russell 1000 Growth Index
Inception	5.50%	8.76	1.00%	9.20	8.64	9.45
10 Years		12.19		12.83	12.02	12.02
5 Years		9.21		10.46	9.64	9.64
3 Years		11.67		13.78	12.95	12.95
1 Year		-5.96		-0.47	-2.07	-1.18
Quarter		-5.72		-0.24	-1.41	-0.42

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. 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.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	1.01	1.01	Dom Common Stock	88.71
Class C Shares	1.76	1.76	Intl Common Stock	10.69
Class Y Shares	0.76	0.76	Cash	0.73
Per the current prospectus			Other	-0.13

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

For more information you can visit us at www.invesco.com/us

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

About risk

The risks of investing in securities of foreign issuers 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.

Investments concentrated in a comparatively narrow segment of the economy may be more volatile than non-concentrated investments.

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.