Invesco American Franchise Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of June 30, 2020

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		$12,547,618,729
Total Number of Holdings		81

Top holdings	% of total net assets
Amazon	10.41
Microsoft	5.22
Facebook 'A'	4.86
Alphabet 'A'	4.77
Alibaba	3.94
Lowe's	3.46
Apple	3.33
Visa	3.25
PayPal	2.88
Apollo Global Management	2.59

Top contributors	% of total net assets
1. Amazon	10.41
2. Lowe's	3.46
3. Facebook 'A'	4.86
4. Microsoft	5.22
5. PayPal	2.88

Top detractors	% of total net assets
1. Baker Hughes	0.56
2. Airbus	0.00
3. FLEETCOR Technologies	0.50
4. Deere & Co.	0.00
5. Philip Morris International	0.57

Market overview

+ US stocks largely shrugged off economic uncertainty, social unrest and a resurgence in coronavirus infections to post the best quarterly return since 1998.
+ With record unemployment and despite continued economic uncertainty, most economists believe the US economy hit a low in April.
+ Investor sentiment improved in response to trillions of dollars in fiscal stimulus, progress on a coronavirus vaccine and reopening in many US regions.
+ All S&P 500 Index sectors had positive returns for the quarter, with consumer discretionary, information technology (IT) and energy returning over 30%, while utilities and consumer staples had single-digit gains.

Positioning and outlook

+ Though we expect continued volatility, we believe there will be greater clarity regarding COVID-19 vaccinations during the third quarter and we are keeping a close eye on developments.
+ In our quest for positions that could benefit from a cyclical recovery, we find many appear to be expensive based on our current expectations.
+ However, there is still significant investor cash on the sidelines, which could push valuations higher once deployed.
+ As always, we believe change is the fuel for growth. Thus, we are seeking to identify "share-takers," companies that can gain market share through 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) delivered a strong positive return for the quarter and outperformed the Russell 1000 Growth Index. (Please see the investment results table on page 2 for fund and index performance.)
+ Security selection was primarily responsible for the fund's relative results. Stock selection in health care, IT, financials and industrials was particularly beneficial.
+ An overweight in consumer discretionary and lack of holdings in real estate also had significant positive effects relative to the benchmark.
+ Selection among IT stocks was strong; however, it was offset by an underweight in the sector.
+ A minor allocation to ancillary cash detracted from relative return during the quarter.

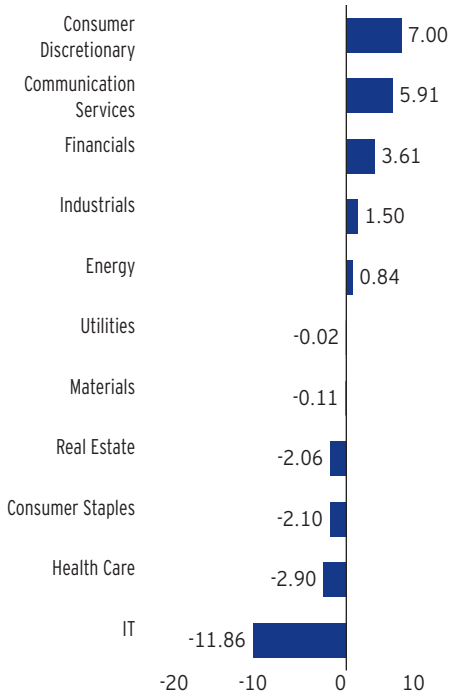
Contributors to performance

+ **Amazon** has seen an increase in users and a broadening of sales in categories such as food and consumables, where the company has less penetration. We believe COVID-19 has accelerated the long-term shift of consumers moving to on-line shopping.
+ **Lowe's** home improvement, which had close to $20 billion in sales during the first quarter, clearly benefited from consumers spending more time at and on their homes.
+ COVID-19 also accelerated user growth and engagement for **Facebook** as people relied on digital tools for socializing.

Detractors from performance

+ **Baker Hughes,** an oilfield services company, was added to the portfolio during the quarter. Despite volatility driven by oil prices, **Baker Hughes** has had strong results from its turbine business and should benefit from a significant order backlog, as well as management's efforts to reduce costs.
+ **Airbus** was eliminated from the portfolio during the quarter because we believe overcapacity of commercial aircraft, combined with weak airline balance sheets, will negatively affect aircraft demand for years to come.
+ **FLEETCOR Technologies,** another new addition to the portfolio, provides an array of domestic and cross-border payment products. We took advantage of recent weakness in the stock to establish a position in what we believe will be more efficient business-to-business payment solutions that could drive double-digit growth long term.

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



Investment results

Average annual total returns (%) as of June 30, 2020

	Class A Shares Inception: 06/23/05		Class C Shares Inception: 06/23/05		Class Y Shares Inception: 06/23/05	Style-Specific Index
Period	**Max Load 5.50%**	**NAV**	**Max CDSC 1.00%**	**NAV**	**NAV**	**Russell 1000 Growth Index**
Inception	9.90	10.31	9.78	9.78	10.57	-
10 Years	14.12	14.77	13.94	13.94	15.04	17.23
5 Years	12.96	14.24	13.39	13.39	14.54	15.89
3 Years	14.28	16.46	15.59	15.59	16.76	18.99
1 Year	17.32	24.14	22.20	23.20	24.50	23.28
Quarter	23.78	30.98	29.78	30.78	31.10	27.84

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**
Class A Shares	1.01	1.01
Class C Shares	1.76	1.76
Class Y Shares	0.76	0.76

Per the current prospectus

Asset mix (%)	
Dom Common Stock	90.34
Intl Common Stock	9.55
Cash	0.06
Other	0.05

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.