

Invesco Technology Fund

Quarterly Performance Commentary

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



Investment objective

The fund seeks long-term growth of capital.

Portfolio management

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Fund facts

Nasdaq	A: ITYAX	C: ITHCX
	Investor: FTCHX	Y: ITYYX
Total Net Assets	\$947,908,454	
Total Number of Holdings	45	
Annual Turnover (as of 04/30/19)	48%	
Distribution Frequency	Annually	

Top holdings

	% of total net assets
Amazon	8.64
Microsoft	6.30
Alphabet 'A'	5.34
Facebook 'A'	4.80
Alibaba	4.79
Apple	4.32
Illumina	3.21
Applied Materials	3.16
Nintendo	3.14
Visa	2.97

Top contributors

	% of total net assets
1. Alphabet 'A'	5.34
2. Apple	4.32
3. ASML	2.76
4. Intelsat	2.29
5. Applied Materials	3.16

Top detractors

	% of total net assets
1. Amazon	8.64
2. Illumina	3.21
3. Netflix	1.41
4. Silicon Motion Technology	1.89
5. Facebook 'A'	4.80

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. 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.

Performance highlights

- + Invesco Technology Fund Class A shares at net asset value (NAV) declined for the quarter and underperformed its benchmark, the Nasdaq Composite Index. (Please see the investment results table on page 2 for fund and index performance.)

Contributors to performance

- + The leading driver of relative return was stock selection in the diversified telecommunication services industry. An underweight allocation in the biotechnology industry and having no exposure in the communications equipment and pharmaceuticals industries were also notable contributors.
- + **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.
- + **Apple's** stock price rose on positive quarterly earnings reports that beat analyst's expectations, and its management modestly raised guidance for the quarter.
- + Video and broadband services provider **Intelsat** rallied during the quarter on the US Federal Communications Commission's continued progress toward an order outlining a C-Band sale process.

Detractors from performance

- + An overweight allocation in the life sciences tools & services industry was the leading detractor from relative return. Stock selection in the road & rail, semiconductors & semiconductor equipment and software industries were also key detractors. An underweight allocation in the technology hardware, storage & peripherals industry hurt relative results as well.
- + **Amazon** management lowered its guidance for future profits 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.

Top industries	% of total net assets
Internet & Direct Marketing Retail	14.48
Interactive Media & Services	12.40
Interactive Home Entertainment	9.74
Semiconductors	9.38
Systems Software	9.30
Data Processing & Outsourced Services	9.17
Life Sciences Tools & Services	6.56
Semiconductor Equipment	5.92
Application Software	5.16
Health Care Equipment	4.95

Investment results

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

Period	Class A Shares		Class C Shares		Investor Class Shares	Class Y Shares	Style-Specific Index
	Inception: 03/28/02		Inception: 02/14/00		Inception: 01/19/84	Inception: 10/03/08	
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	NAV	Nasdaq Composite Index
Inception	5.51	5.85	-0.98	-0.98	10.20	13.46	-
10 Years	12.09	12.73	11.89	11.89	12.82	13.01	15.49
5 Years	10.90	12.16	11.31	11.31	12.26	12.43	13.51
3 Years	14.24	16.41	15.53	15.53	16.52	16.70	15.88
1 Year	-7.37	-1.97	-3.60	-2.72	-1.88	-1.73	0.52
Quarter	-7.20	-1.81	-2.96	-1.98	-1.80	-1.74	0.18

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. 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.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	1.23	1.23	Dom Common Stock	81.80
Class C Shares	1.98	1.98	Intl Common Stock	15.68
Investor Class Shares	1.11	1.11	Cash	2.45
Class Y Shares	0.98	0.98	Other	0.07

Per the current prospectus

For more information you can visit us at 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.

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.

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.