Invesco Gold & Special Minerals Fund

Q1 2024

Key takeaways

1 Invesco Gold & Special Minerals Fund outperformed its benchmark

Invesco Gold & Special Minerals Fund Class A shares at net asset value (NAV) outperformed its benchmark for the first quarter of 2024.

2 Gold and gold mining equities both climbed for the quarter

Gold mining equities (represented by the Philadelphia Gold & Silver Index) rose 1.52% in the first quarter. The price of gold ended the quarter at $2,229, up 8.1% from year end.

3 Gold was strong despite headwinds

The price of gold hit an all-time high this quarter despite a stronger US dollar and rising Treasury yields. Support for gold included purchases by foreign central banks, investors apparently fearing a weaker dollar due to high US debt and deficits, and anticipated interest rate cuts.

Investment objective

The fund seeks capital appreciation

Fund facts

Fund AUM ($M)	1,808.18

Portfolio managers

Shanquan Li

Manager perspective and outlook

- Gold mining equities (represented by the Philadelphia Gold & Silver Index) returned 1.52% in the first quarter. The gold price traded sideways for two months before rising in March to end the quarter at a new high of $2,229 per ounce, for a gain of 8.1%. Gold mining equities underperformed the S&P 500 Index but outperformed the Bloomberg Barclays US Aggregate Bond Index. In our view, valuations for many precious metals mining stocks appear attractive, with solid cash flows and healthy balance sheets.
- Gold is a hard asset that historically tends to do well in slower growth environments when equities are volatile, geopolitical turmoil is brewing, real interest rates are stable or falling, and/or investors fear weakening currencies. Investors have recently appeared to focus on US Federal Reserve comments that signal potential rate cuts later this year despite several higher-than-expected inflation readings during the first quarter.
- Certain factors that have historically supported the gold price have remained in place, including profligate fiscal policies, renewed attention on the US deficit and national debt, low real interest rates, uneven economic growth, and geopolitical turmoil. Other factors could push gold down, including a faster-than-expected end to war in Ukraine and Israel, further US dollar strength, accelerating economic growth, rising equities and a shift toward tighter US monetary policy.

Top issuers
(% of total net assets)

	Fund	Index
Agnico Eagle Mines Ltd	6.20	8.24
Northern Star Resources Ltd	4.92	0.00
Barrick Gold Corp	4.82	7.54
Ivanhoe Mines Ltd	4.29	0.00
Newmont Corp	3.89	7.62
Bellevue Gold Ltd	3.36	0.00
Alamos Gold Inc	3.19	4.15
Evolution Mining Ltd	3.01	0.00
Freeport-McMoRan Inc	2.93	8.26
De Grey Mining Ltd	2.88	0.00

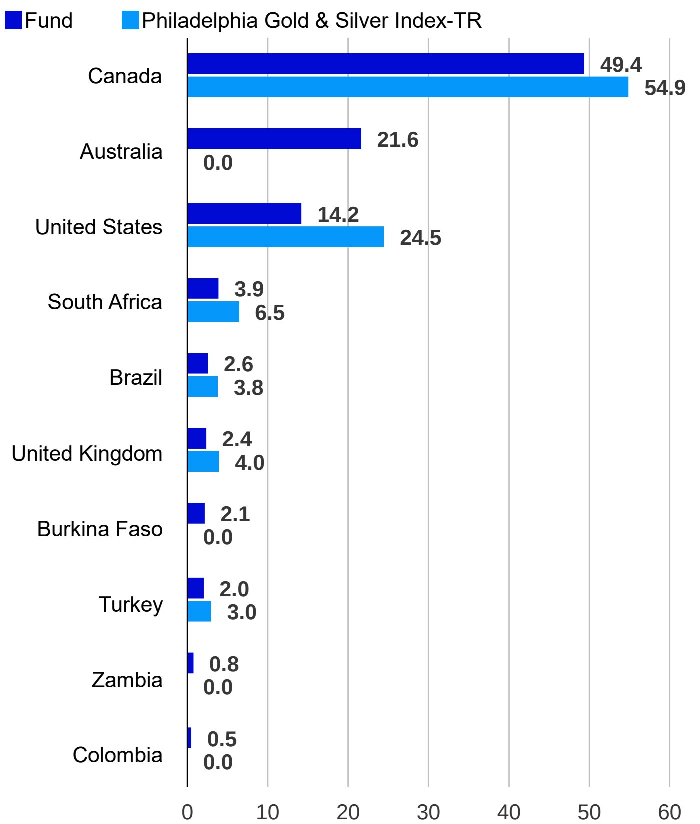
As of 03/31/24. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

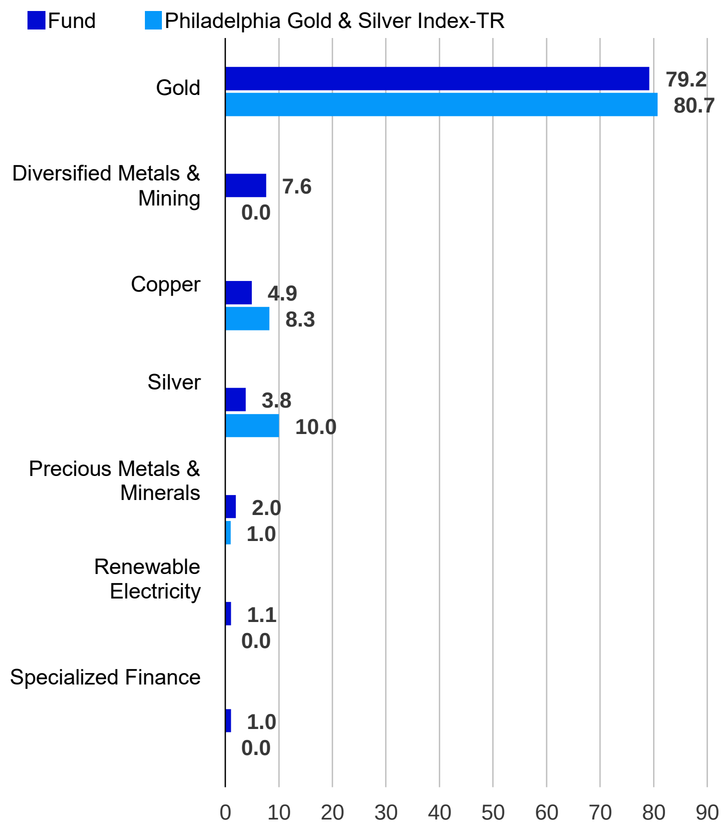
We maintain a well-diversified portfolio across precious and other metals, geographic regions and stages of company development. We maintain exposure to a number of Australian companies with what we consider attractive growth prospects, high quality assets, sound balance sheets, strong cash flows and talented management teams. The fund holds a number of earlier stage or pre-production companies with strong growth prospects that we believe could become core positions and meaningful contributors for the fund. We also hold positions in a number of companies that produce future-facing metals, including copper and lithium, both of which we believe should be important for the global effort to meet various net zero carbon initiatives. The majority of the fund consists of well-capitalized intermediate and senior precious metals producers with what we consider attractive growth, cash flow and risk/reward profiles.

We note that gold has performed well relative to other risk assets during the five most recent US recessions dating back to 1981. We believe gold could eventually trade higher from current levels and mining equities could perform well from here, but we do not believe the path will be smooth. Accordingly, we favor a longer-term strategic allocation to the fund that allows investors to look beyond high day-to-day volatility of the physical metals and gold mining equities.

Top countries (% of total net assets)



Top industries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
Ivanhoe Mines Ltd.	22.54	0.98
Agnico Eagle Mines Limited	9.57	0.67
AngloGold Ashanti plc	19.80	0.57
Artemis Gold, Inc.	25.19	0.44
Gold Fields Limited	11.21	0.38

Top detractors (%)

Issuer	Return	Contrib. to return
SSR Mining Inc.	-58.18	-1.28
Newmont Corporation	-12.76	-0.60
Piedmont Lithium Inc.	-52.82	-0.49
Gold Road Resources Limited	-22.46	-0.48
Evolution Mining Limited	-12.70	-0.48

Performance highlights

Invesco Gold & Special Minerals Fund Class A shares at net asset value returned 2.49% in the first quarter, outperforming the benchmark return of 1.52%. During the quarter, mid- and small-cap stocks generally outperformed large-cap and more liquid companies.

The fund's exposure to certain earlier-stage and fast-growing gold producers, as well as a number of copper producers, added to relative performance in the first quarter. Contributors for the period included **Calibre Mining, Wesdome Gold, Capstone Copper, Hudbay Minerals** and **Ivanhoe Mines**.

Conversely, the fund's exposure to certain lithium and rare earth producers detracted from results in the first quarter. For example, **Piedmont Lithium** and **MP Materials** declined due to weakness in supply/demand fundamentals for those minerals. Other underperformers included **NovaGold Resources, Gold Road Resources** and **B2Gold**.

Contributors to performance

The fund's leading contributors to absolute return for the quarter were **Ivanhoe Mines, Agnico Eagle Mines** and **AngloGold Ashanti.**

Detractors from performance

The fund's largest detractors from absolute performance for the quarter were **SSR Mining, Newmont** and **Piedmont Lithium.**

Standardized performance (%) as of March 31, 2024

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
Class A shares inception: 07/19/83	NAV	2.49	2.49	-1.28	-0.82	9.96	4.93	5.85
	Max. Load 5.5%	-3.14	-3.14	-6.69	-2.67	8.73	4.34	5.70
Class R6 shares inception: 10/26/12	NAV	2.55	2.55	-0.90	-0.43	10.41	5.37	-1.45
Class Y shares inception: 09/07/10	NAV	2.53	2.53	-1.03	-0.58	10.22	5.18	-1.95
Philadelphia Gold & Silver Index-TR		1.51	1.51	-1.61	0.02	12.44	4.61	-
Total return ranking vs. Morningstar Equity Precious Metals category (Class A shares at NAV)		-	-	30% (25 of 66)	36% (26 of 64)	10% (11 of 62)	14% (7 of 56)	-

Expense ratios per the current prospectus: Class A: Net: 1.06%, Total: 1.06%; Class R6: Net: 0.66%, Total: 0.66%; Class Y: Net: 0.82%, Total: 0.82%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit invesco.com 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 so that you may have a gain or a loss when you sell shares. Returns less than one year are cumulative; all others are annualized. As the result of a reorganization on May 24, 2019, the returns of the fund for periods on or prior to May 24, 2019 reflect performance of the Oppenheimer predecessor fund. Share class returns will differ from the predecessor fund due to a change in expenses and sales charges. Index sources: Invesco, RIMES Technologies Corp. Had fees not been waived and/or expenses reimbursed in the past, returns would have been lower. Performance shown at NAV does not include the applicable front-end sales charge, which would have reduced the performance.

Class Y and R6 shares have no sales charge; therefore performance is at NAV. Class Y shares are available only to certain investors. Class R6 shares are closed to most investors. Please see the prospectus for more details.

Calendar year total returns (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Class A shares at NAV	-15.39	-23.14	48.74	17.19	-13.15	46.37	36.11	-2.87	-16.86	6.36
Class R6 shares at NAV	-14.96	-22.79	49.39	17.62	-12.76	46.97	36.64	-2.46	-16.55	6.82
Class Y shares at NAV	-15.19	-22.95	49.18	17.37	-12.90	46.67	36.39	-2.62	-16.66	6.66
Philadelphia Gold & Silver Index-TR	-17.28	-33.46	74.92	8.91	-16.41	52.57	36.03	-6.46	-6.86	6.02

Portfolio characteristics*

	Fund	Index
No. of holdings	140	30
Top 10 issuers (% of AUM)	39.49	59.45
Wtd. avg. mkt. cap ($M)	11,106	18,701
Price/earnings	28.92	34.59
Price to book	1.88	1.60
Est. 3 – 5 year EPS growth (%)	11.54	7.44
ROE (%)	4.65	2.85
Long-term debt to capital (%)	15.03	15.99
Operating margin (%)	23.51	23.84

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-1.36	0.00
Beta	0.90	1.00
Sharpe ratio	0.22	0.27
Information ratio	-0.25	0.00
Standard dev. (%)	35.56	38.18
Tracking error (%)	9.73	0.00
Up capture (%)	75.63	100.00
Down capture (%)	98.00	100.00
Max. drawdown (%)	41.10	38.75

Quarterly performance attribution

Industry performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Aluminum	-0.03	0.00	-0.03
Copper	-0.37	0.22	-0.14
Diversified Metals & Mining	0.22	0.00	0.22
Gold	0.01	0.54	0.56
Precious Metals & Minerals	-0.20	0.13	-0.07
Renewable Electricity	-0.17	0.00	-0.17
Silver	0.28	0.26	0.54
Specialized Finance	0.01	0.00	0.01
Specialty Chemicals	0.00	0.00	0.00
Other	0.00	0.00	0.00
Other	0.01	0.00	0.01
Cash	0.06	0.00	0.06
Total	**-0.10**	**1.07**	**0.97**

Holdings are subject to change and are not buy/sell recommendations. Attribution methodology notes: The attribution provides analysis of the effects of several portfolio management decisions, including allocation and security selection. Securities classified as "Other" may include non-equity securities, derivatives, and securities for which a sector classification may not be appropriate. The portfolio is actively managed and portfolio holdings are subject to change. The percentage weights represented for the portfolio are dollar weighted based on market value. **Market allocation effect** shows the excess contribution due to sector/market allocation. A positive allocation effect implies that the choice of sector weights in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Selection effect** shows the excess contribution due to security selection. A positive selection effect implies that the choice of stocks in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Total effect** is the difference in contribution between the benchmark and portfolio. **Past performance does not guarantee future results.**

Unless otherwise specified, all information is as of 03/31/24. Unless stated otherwise, Index refers to Philadelphia Gold & Silver Index-TR.

The Philadelphia Gold & Silver Index is composed of gold and silver mining companies traded on the Philadelphia Stock Exchange.

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.

In general, stock values fluctuate, sometimes widely, in response to activities specific to the company as well as general market, economic and political conditions.

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.

Fluctuations in the price of gold and precious metals may affect the profitability of companies in the gold and precious metals sector.

The Fund is considered non-diversified and may experience greater volatility than a more diversified investment.

Because the Subsidiary is not registered under the Investment Company Act of 1940, as amended (1940 Act), the Fund, as the sole investor in the Subsidiary, will not have the protections offered to investors in U.S. registered investment companies.

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.

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.

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. Financial professionals, please contact your home office.
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.

*** Alpha** (cash adjusted) is a measure of performance on a risk-adjusted basis. **Beta** (cash adjusted) is a measure of relative risk and the slope of regression. **Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio indicates better risk-adjusted performance. **Information Ratio** is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns. **Standard deviation** measures a fund's range of total returns and identifies the spread of a fund's short-term fluctuations. **Tracking Error** is defined as the expected standard deviation of a portfolio's excess return over the benchmark index return. The **up and down capture** measures how well a manager was able to replicate or improve on periods of positive benchmark returns and how severely the manager was affected by periods of negative benchmark returns. **Maximum Drawdown** is the maximum observed loss from a high to a low of a portfolio, before a new high is attained. Maximum drawdown is an indicator of downside risk over a specified time period. **Weighted Average Market Cap** is a measure of the average size of company held in a portfolio. The percentage of the portfolio invested each company, or its weight, is multiplied by its size (market capitalization). An average of the weighted size of all companies held is then calculated. **Price/earnings** measures the price per share relative to the earnings per share of the company while excluding extraordinary items. **Price to book** measures the firm's capitalization (market price) to book value. **Est. 3-5 year EPS (Earning per share) growth** measures the earning per share growth from FY3 to FY5. **ROE** is the Return on Equity that measures the fund's annual return relative to total shareholders' equity. This ratio evaluates how quickly investments can be turned into profits. **Long-term debt to capital** measures a fund's financial leverage by calculating the proportion of long-term debt used to finance its assets relative to the amount of equity used for the same purpose. A higher ratio indicates higher leverage. **Operating margin** measures the profit a fund makes for every dollar of sales after paying the variable expenses. **Contribution to Return** measures the performance impact from portfolio holdings over a defined time period. It takes into account both weight and performance of the portfolio holdings. Contribution to Return is calculated at security level.

Morningstar

Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit invesco.com/fundprospectus for a prospectus/summary prospectus containing this information. Read it carefully before investing.