

# Invesco Gold & Special Minerals Fund

## Quarterly Performance Commentary

Mutual Fund Retail Share Classes  
Data as of Dec. 31, 2021



### Investment objective

The fund seeks capital appreciation.

### Portfolio management

Shanquan Li

### Fund facts

Nasdaq	A: OPGSX	C: OGMCX Y: OGMXX
Total Net Assets	\$2,248,807,784	
Total Number of Holdings	124	
Annual Turnover (as of 04/30/21)	43%	
Distribution Frequency	Annually	

### Top holdings

	% of total net assets
Newmont	5.66
Northern Star Resources	4.71
Chalice Mining	3.96
Barrick Gold	3.94
Evolution Mining	3.92
AngloGold Ashanti	3.80
Agnico Eagle Mines	3.07
Ivanhoe Mines	2.72
Gold Fields	2.51
De Grey Mining	2.43

### Top contributors

	% of total net assets
1. Chalice Mining	3.96
2. AngloGold Ashanti	3.80
3. Great Bear Resources	0.00
4. Gold Fields	2.51
5. Newmont	5.66

### Top detractors

	% of total net assets
1. Pure Gold Mining	0.56
2. Danimer Scientific	0.14
3. Coeur Mining	0.44
4. Sierra Metals	0.38
5. Gatos Silver	0.54

Not a deposit; Not FDIC insured; Not guaranteed by the bank; May lose value; Not insured by any federal agency

### Market overview

+ Gold and precious metals mining equities, as represented by the Philadelphia Gold & Silver Index (XAU), reversed course and climbed sharply in the fourth quarter, rising 11.72%. This gain was driven by a higher gold price, despite a stronger US dollar and investor concerns about a potential acceleration in the Federal Reserve's tapering of its

bond purchases. The yellow metal climbed 4.1% (or \$72) to end the quarter and year at \$1,829 per ounce. The macroeconomic backdrop was somewhat less favorable for gold as the US Dollar Index climbed 1.53% in the period, while the yield on the 10-year Treasury note edged higher by 0.02% to end at 1.51%.

### Positioning and outlook

+ In terms of positioning, we have maintained the fund's exposure to companies whose performance is more dependent on the price of gold, including several South African producers. We have also maintained exposure to a number of earlier stage producers in both Australia and Canada that we believe have strong growth prospects. Many smaller cap and earlier stage producers added to performance in the fourth quarter, including several holdings that are in the process of being acquired.

+ Regarding the outlook for the precious metals sector, gold is a hard asset that tends to do well in a slower growth environment when equity markets are volatile, geopolitical turmoil is brewing, real interest rates are stable or falling, and/or investors fear weakening currencies - much of which happened in 2020. In the fourth quarter (and throughout 2021), several of those factors reversed course, with markets now anticipating

faster economic growth in the near term, flat to rising real interest rates, a potentially appreciating US dollar and a Federal Reserve that is already tapering its bond purchases and preparing to raise interest rates. Against this backdrop, certain macroeconomic factors that have affected gold over the last several years remain in place, including profligate monetary and fiscal policies, historically large deficits, negative real interest rates and geopolitical turmoil. In addition, inflation is now a significant concern for many investors, which has generally supported the price of gold in the past. On the other hand, several factors could put downward pressure on gold, including a faster-than-expected recovery from the pandemic, a continued rise in real interest rates, continued strengthening of the US dollar, a reduction in geopolitical risk, accelerating economic growth, rising equity markets, low inflation and the US shift toward tighter monetary policy.

### Performance highlights

+ Invesco Gold & Special Minerals Fund Class A shares at net asset value had a total return of 17.62% in the fourth quarter, outperforming the 11.78% return of XAU Index and the 4.08% gold price return, as represented by the S&P GSCI Gold Spot Index. The fund's relative performance benefited from its holdings in certain non-benchmark companies that are more sensitive to movements in the price of gold and other metals, as well as its exposure to certain small- and mid-cap companies that outperformed larger and more liquid stocks. (Please see the investment results table on page 2 for fund and index performance.)

### Contributors to performance

+ The fund's leading contributors in the fourth quarter included Australian platinum group metals producer **Chalice Mining**, South African gold producer **AngloGold Ashanti** and Canadian gold producer **Great Bear Resources**.

### Detractors from performance

+ The fund's largest detractors for the quarter were Canadian gold producer **Pure Gold Mining**, renewable biopolymer producer **Danimer Scientific** and US gold and silver producer **Coeur Mining**.

Top industries	% of total net assets
Gold	77.15
Diversified Metals & Mining	13.84
Silver	3.75
Precious Metals & Minerals	1.70
Aluminum	0.75
Coal & Consumable Fuels	0.36
Copper	0.29
Steel	0.24
Specialty Chemicals	0.14

## Investment results

Average annual total returns (%) as of Dec. 31, 2021

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 07/19/83		Inception: 11/01/95		Inception: 09/07/10	
	<b>Max Load</b> <b>5.50%</b>	<b>NAV</b>	<b>Max CDSC</b> <b>1.00%</b>	<b>NAV</b>	<b>NAV</b>	<b>Custom Invesco Gold &amp; Special Minerals Index</b>
Inception	6.32	6.47	6.42	6.42	-1.53	-
10 Years	-1.57	-1.01	-1.62	-1.62	-0.80	-1.93
5 Years	13.23	14.52	13.65	13.65	14.77	12.06
3 Years	22.30	24.61	23.67	23.67	24.89	24.75
1 Year	-8.21	-2.87	-4.54	-3.61	-2.62	-6.46
Quarter	11.14	17.62	16.39	17.39	17.65	11.78

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](https://www.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. 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.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	1.05	1.05	Dom Common Stock	9.89
Class C Shares	1.81	1.81	Intl Common Stock	88.33
Class Y Shares	0.81	0.81	Cash	2.13
Per the current prospectus			Options	-0.33
			Other	-0.02

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](https://www.invesco.com/us)

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.

**Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained.**

The Custom Invesco Gold & Special Minerals Index is composed of the NYSE Arca Gold Miners Index through June 30, 2011, and the Philadelphia Gold & Silver Index from July 1, 2011 to present. Index performance includes total returns from when first available. The NYSE Arca Gold Miners Index is composed of publicly traded companies involved primarily in the mining for gold and silver. The Philadelphia Gold & Silver Index is composed of 30 precious metals mining companies that are traded on the Philadelphia Stock Exchange. The indices are unmanaged, include the reinvestment of dividends and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of the Fund. 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.

Stock and other equity securities values fluctuate 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.

Many countries in the European Union are susceptible to high economic risks associated with high levels of debt, notably due to investments in sovereign debts of European countries such as Greece, Italy and Spain.

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

Stocks of small and mid-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to resale.

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.

***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. Financial professionals, 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.