

Invesco Health Care Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Dec. 31, 2022



Investment objective

The fund seeks long-term growth of capital.

Portfolio management

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Fund facts

Nasdaq	A: GGHCX	C: GTHCX
	Investor: GTHIX	Y: GGHYX
Total Net Assets	\$1,357,603,850	
Total Number of Holdings	75	
Annual Turnover (as of 10/31/22)	44%	
Distribution Frequency	Annually	

Top holdings

	% of total net assets
UnitedHealth	9.31
Eli Lilly	6.88
Merck	5.09
AbbVie	4.46
Elevance Health	3.87
Thermo Fisher Scientific	3.73
Novo Nordisk 'B'	3.69
Humana	3.40
Danaher	3.27
AstraZeneca	3.19

Top contributors

	% of total net assets
1. Novo Nordisk 'B'	3.69
2. Medtronic	0.00
3. Horizon Therapeutics	0.77
4. Bristol-Myers Squibb	0.00
5. Johnson & Johnson	0.00

Top detractors

	% of total net assets
1. Shockwave Medical	0.74
2. Moderna	0.00
3. Gilead Sciences	0.72
4. Repligen	0.78
5. Vertex Pharmaceuticals	2.82

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

Market overview

- + US equities regained some ground on improving inflation data and hopes the Federal Reserve would pause its interest rate hikes.
- + The health care sector outperformed the overall US stock market.
- + Health care facilities, distributors, equipment, biotechnology and pharmaceuticals outperformed the overall health care sector, while health care technology, services, supplies, managed care and life sciences tools & services trailed.

Positioning and outlook

- + The fund is currently overweight biotechnology, managed health care and health care distributors, and is underweight pharmaceuticals, health care services, equipment, supplies and life sciences tools & services.
- + During the quarter, we increased the fund's weights in health care equipment, biotechnology, pharmaceuticals and health care distributors. We reduced the fund's weights in health care services, life sciences tools & services, managed health care, health care facilities, supplies and technology.
- + Our outlook for the health care sector is generally neutral. In this market environment, we have observed more defensive, larger cap segments of the sector outperforming the growthier, smaller cap segments and have been increasing the fund's exposure to defensive, larger cap stocks. We are monitoring the market environment and sector for signs of a shift to higher growth and higher valuation stocks.
- + We invest in premier health care companies that we believe are positioned to compound multi-year growth. We combine in-depth health care experience with bottom-up fundamental analysis to evaluate company management, identify growth prospects and manage risk.

Performance highlights

- + The fund's Class A shares at net asset value (NAV) underperformed its index in the fourth quarter. (Please see the investment results table on page 2 for fund and index performance.)
- + Stock selection in life sciences tools & services, health care facilities, biotechnology and health care services detracted from relative return. An overweight in managed health care and a small cash position also detracted in the rising market.
- + Stock selection in pharmaceuticals, managed health care and health care distributors added to relative performance. An overweight in biotechnology and an underweight in health care services also contributed.

Contributors to performance

- + **Novo Nordisk** makes treatments for diabetes, obesity, rare blood disorders, endocrinology and hormone replacement. The company reported better-than-expected sales in diabetes and obesity and raised earnings guidance.
- + **Medtronic** is a health care equipment company that makes devices to treat and diagnose cardiovascular, neurological, gastrointestinal, respiratory, orthopedic, renal and diabetic disease. The stock declined as the company missed sales expectations and reduced guidance. The fund did not own the stock and this zero-weight position added to relative return.
- + **Horizon Therapeutics** makes drugs to treat rare, autoimmune and severe inflammatory diseases. The company beat earnings expectations, raised guidance and received an offer to be acquired by **Amgen** (1.73% of total net assets).

Detractors from performance

- + **Shockwave Medical** is a medical device company that uses sonic pressure waves to treat cardiovascular disease. Despite delivering better-than-expected sales and raising earnings guidance, the stock declined on concerns about slowing sales growth.
- + **Moderna** is a biotechnology company using messenger ribonucleic acid (mRNA) technology to create vaccines, immune-oncology treatments and other therapeutics. The stock rallied on news of potential increases in COVID-19 vaccine pricing and on positive clinical data in cancer treatments. The fund did not own the stock, and this lack of exposure detracted from relative return.
- + **Gilead Sciences** makes treatments for immunodeficiency diseases, liver diseases, hematology, oncology, inflammation and respiratory diseases. **Gilead** reported better-than-expected sales across its HIV, COVID-19 and oncology segments. The fund's underweight position detracted from relative return.

Top industries	% of total net assets
Pharmaceuticals	23.95
Biotechnology	21.50
Managed Health Care	18.30
Health Care Equipment	14.55
Life Sciences Tools & Services	11.59
Health Care Distributors	4.34
Health Care Facilities	1.65
Health Care Services	1.15
Health Care Supplies	0.47
Health Care Technology	0.31

Investment results

Average annual total returns (%) as of Dec. 31, 2022

Period	Class A Shares		Class C Shares		Investor Class Shares	Class Y Shares	Style-Specific Index
	Inception: 08/07/89		Inception: 03/01/99		Inception: 07/15/05	Inception: 10/03/08	
	Max Load	NAV	Max CDSC	NAV	NAV	NAV	S&P Composite 1500 Health Care Index
	5.50%		1.00%				
Inception	10.06	10.25	8.28	8.28	8.20	10.02	-
10 Years	9.62	10.24	9.58	9.58	10.24	10.52	15.09
5 Years	6.83	8.04	7.24	7.24	8.04	8.31	12.27
3 Years	1.62	3.55	2.78	2.78	3.55	3.80	11.41
1 Year	-18.28	-13.53	-15.01	-14.15	-13.53	-13.31	-3.31
Quarter	4.70	10.80	9.63	10.63	10.80	10.88	12.24

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. 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	1.02	1.02	Dom Common Stock	88.88
Class C Shares	1.77	1.77	Intl Common Stock	8.93
Investor Class Shares	1.02	1.02	Cash	2.09
Class Y Shares	0.77	0.77	Other	0.10

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.

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.

The S&P Composite 1500® Health Care Index consists of those companies included in the S&P Composite 1500 that are classified as members of the GICS® Health Care sector. An investment cannot be made directly in an index.

About risk

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

Convertible securities may be affected by market interest rates, the risk of issuer default, the value of the underlying stock or the issuer's right to buy back the convertible securities.

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.

The performance of an investment concentrated in issuers of a certain region or country is expected to be closely tied to conditions within that region and to be more volatile than more geographically diversified funds.

The health care industry is subject to risks relating to government regulation, obsolescence caused by scientific advances and technological innovations.

Preferred securities may include provisions that permit the issuer to defer or omit distributions for a certain period of time, and reporting the distribution for tax purposes may be required, even though the income may not have been received. Further, preferred securities may lose substantial value due to the omission or deferment of dividend payments.

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.

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 financial professionals 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.