



Invesco Small Cap Discovery Fund

Quarterly Performance Commentary

Nasdaq: A: VASCX C: VCSCX Y: VISCX

Investment objective

The fund seeks capital appreciation.

Portfolio management

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Portfolio information

Total Net Assets	\$587,545,430
Total Number of Holdings	95

Top holdings

% of total net assets

Rapid7	1.97
Heico	1.73
Guidewire Software	1.70
LPL Financial Holdings	1.65
Planet Fitness	1.58
KAR Auction Services	1.50
Graco	1.49
Chegg	1.49
CoStar	1.44
Five Below	1.43

Top contributors

% of total net assets

1. Rapid7	1.97
2. SAGE Therapeutics	1.13
3. HubSpot	1.31
4. Universal Display	1.30
5. Chegg	1.49

Top detractors

% of total net assets

1. Evolent Health	0.50
2. Inogen	0.00
3. Centennial Resource Development	0.44
4. Take-Two Interactive Software	0.51
5. Premier	0.75

Market overview

- Following a sharp selloff late last year, equity markets rebounded in the first quarter of 2019, fueled by optimism about a potential US/China trade deal and the Federal Reserve's indication that there would be no interest rate hikes in 2019, a surprising shift in monetary policy.
- Against this backdrop, the S&P 500 Index posted its best first quarter since 1998.
- All sectors within the index posted gains, with information technology (IT), real estate, industrials and energy leading the way. Health care and financials were the quarter's weakest performers.

Performance highlights

- The fund's Class A shares at net asset value (NAV) posted a positive return and outperformed the Russell 2000 Growth Index. (Please see the investment results table on page 2 for fund and index performance.)

Contributors to performance

- A combination of stock selection and an overweight allocation in the IT sector was the leading contributor to relative return. Holdings from the semiconductor & semiconductor equipment and IT services industries had a notable impact. Stock selection in industrials and consumer discretionary also added to relative return.
- **Rapid7** is a Boston-based software company that has made strong progress in new products, revenue per customer and profit margins.
- **Sage Therapeutics** is a clinical stage biopharmaceutical company focused on treating central nervous system disorders. The stock rose sharply early in the quarter on positive results from its postpartum depression study, showing the drug was safe and highly tolerable.
- **HubSpot** develops and markets software products for inbound marketing and sales. The company performed well due to expansion into new products and markets.

Detractors from performance

- Stock selection in the health care sector was the leading detractor from relative return. Fund holdings in the health care equipment & supplies, health care providers & services, and biotechnology industries negatively affected results. Despite a slight energy overweight that helped to offset negative stock selection, the fund's energy position underperformed the benchmark. A modest cash position also detracted, given the rising equity market. The fund's financials sector position is fairly neutral, with holdings aimed at neutralizing interest rate and capital market influences; however, stock selection in the capital markets and insurance industries detracted.
- **Evolent Health** shares came under pressure from several factors, particularly concern that cuts in Kentucky's Medicaid reimbursement rates would raise the risk of insolvency at Passport, one of **Evolent's** largest customers. Other headwinds included weaker Medicaid revenue in Florida and loss of a client due to an acquisition. All of these issues appear transitory, and we have confidence in the longer term opportunity for the value-based care offered by **Evolent**.
- **Inogen** suffered from weaker-than-expected earnings results for the second consecutive quarter and from management guidance suggesting slower growth in its end market. We have since sold the stock.
- **Take-Two Interactive** reported strong results due to stellar sales of Red Dead Redemption 2, but guidance suggested slow online momentum for the game.

Positioning and outlook

- All positioning changes are based on bottom-up stock selection.
- Our long-term investment horizon results in relatively low portfolio turnover, while disciplined portfolio construction acts as a risk control and ensures alignment with small-cap market sector exposure with modest over- and under-weights.
- Our view is that the US is in a slowing, but not declining, growth environment as the benefits of tax stimulus and deregulations are offset by higher interest rates, rising labor costs and trade pressures.
- In such an environment, true growth will likely remain scarce, and we believe the market will favor companies that can produce sustainable, above-average earnings and cash flow growth in spite of the economic cycle.

Investment results

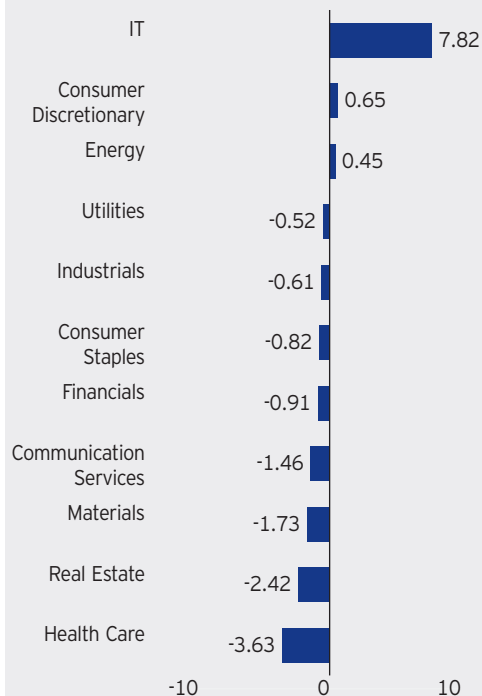
Average annual total returns (%) as of March 31, 2019

Period	Class A Shares Inception: 11/27/00		Class C Shares Inception: 11/27/00		Class Y Shares Inception: 02/02/06	Style-Specific Index
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	Russell 2000 Growth Index
Inception	5.27	5.59	5.16	5.16	8.15	-
10 Years	13.29	13.93	13.09	13.09	14.21	16.52
5 Years	6.86	8.08	7.29	7.29	8.33	8.41
3 Years	13.39	15.56	14.76	14.76	15.81	14.87
1 Year	3.22	9.22	7.50	8.35	9.33	3.85
Quarter	12.75	19.33	18.11	19.11	19.28	17.14

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.

The fund's positioning versus the Russell 2000 Growth Index (% underweight/overweight)



Asset mix (%)		Expense ratios	
		% net	% total
Dom Common Stock	92.64	Class A Shares	1.37
Intl Common Stock	3.97	Class C Shares	2.08
Cash	4.14	Class Y Shares	1.12
Other	-0.75	Per the current prospectus	

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

Class Y 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 Russell 2000® Growth Index is an unmanaged index considered representative of small-cap growth stocks. The Russell 2000 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.

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.

Investments concentrated in a comparatively narrow segment of the economy may be more volatile than non-concentrated investments.

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.

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.