

# Invesco Discovery Fund

## Quarterly Performance Commentary

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



Limited Offering

### Investment objective

The fund seeks capital appreciation.

### Portfolio management

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### Fund facts

Nasdaq	A: OPOCX	C: ODICX Y: ODIYX
Total Net Assets	\$3,348,198,661	
Total Number of Holdings	89	

### Top holdings

#### % of total net assets

Casella Waste Systems	2.74
WillScot Mobile Mini	2.67
Matador Resources	2.45
Halozyme Therapeutics	2.37
Inspire Medical Systems	2.28
Impinj	2.23
Paylocity	2.19
Manhattan Associates	2.17
Lattice Semiconductor	2.07
Valmont	1.96

### Top contributors

#### % of total net assets

1. Inspire Medical Systems	2.28
2. Halozyme Therapeutics	2.37
3. Impinj	2.23

### Top detractors

#### % of total net assets

1. Chart Industries	0.94
2. Shockwave Medical	1.73
3. Paylocity	2.19

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

### Market overview

- + Anticipation of a Federal Reserve "pivot" to less aggressive monetary tightening led US equities to their only positive quarter in 2022, with the S&P 500 Index posting a 7.56% total return.
- + The Fed raised the federal funds rate by 0.75% four times in 2022. Following better inflation data in October and November, the Fed raised the benchmark rate by only 0.50% in December, confirming the market's expectations of a slowdown in the pace of tightening and leading to a steeper inversion of the US Treasury yield curve.
- + Corporate earnings were mixed during the

quarter. Earnings growth was positive but below estimates and revenue growth averaged 10%. However, corporate messaging forecast a weakening macroeconomic environment, continued elevation of raw material costs, and lower earnings expectations for 2023.

- + Investors remained laser focused on interest rates and the Fed's response to elevated inflation. Meanwhile, many factors that affected markets earlier in the year (Russia/Ukraine, supply chains, China's COVID-19 lockdown) remained a concern but to a lesser degree as investor focus shifted to 2023.

### Positioning and outlook

- + As we look forward to 2023, a complex macroeconomic scenario challenges financial markets. Primary focus is on aggressive Fed tightening to restrain inflation and how much that might harm the economy and corporate earnings. The Fed raised its benchmark rate by 4.25% in 2022, with further increases ahead.
- + Meanwhile, elevated commodity, labor and supply chain costs are weighing on corporate profit margins. While we have sought to defend against this hostile macroeconomic picture with a defensive portfolio strategy in recent months, we

are also alert to the eventual return of favorable conditions.

- + There has been a sizeable reset in growth stock valuations this year, which has improved the risk/reward trade-off. In addition, there are signs that inflation is beginning to moderate.
- + Technology-driven innovation continues to disrupt large portions of the global economy, providing substantial opportunity through investment in premier growth compounders. Such growth companies may gain relative advantage as the economic cycle matures.

### Performance highlights

- + The fund's Class A shares at net asset value (NAV) underperformed the Russell 2000 Growth Index in the fourth quarter. (Please see the investment results table on page 2 for fund and index performance.)
- + Strong stock selection in the health care, consumer staples and consumer discretionary sectors added to relative performance while weaker stock selection in industrials, energy and information technology detracted in the fourth quarter.

### Contributors to performance

Following are the top individual contributors:

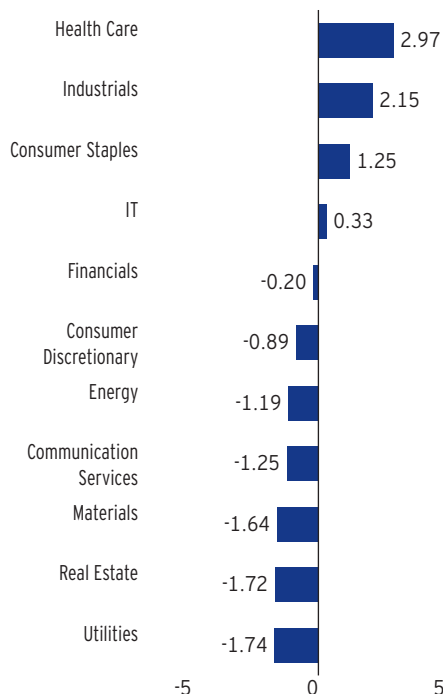
- + **Inspire Medical Systems** reported strong third quarter results and raised earnings guidance.
- + **Halozyme Therapeutics** reported decent third quarter results while the stock also benefited from the overall rally in the biotechnology industry during the quarter.
- + **Impinj** outperformed due to robust revenue growth driven by broad-based demand for radio-frequency identification (RFID) products.

### Detractors from performance

Following are the largest individual detractors:

- + **Chart Industries** declined after the company announced plans to acquire gas handling product and service company Howden from private equity in a deal that would increase the company's debt when a probable recession is looming.
- + **Shockwave Medical** reported mixed results that were a bit less impressive than prior quarters and, due to an elevated valuation, the stock price declined.
- + **Paylocity** succumbed to general weakness in software growth stocks even though the company's fundamentals were intact.

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



**Investment results**

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

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index	Russell 2000 Growth Index
	Inception: 09/11/86	NAV	Inception: 10/02/95	NAV	Inception: 06/01/94		
Inception	10.23	10.40	7.76	7.76	8.93	-	-
10 Years	11.29	11.92	11.24	11.24	12.19	9.20	9.20
5 Years	8.24	9.47	8.64	8.64	9.73	3.51	3.51
3 Years	4.06	6.05	5.24	5.24	6.29	0.65	0.65
1 Year	-35.04	-31.26	-32.46	-31.78	-31.10	-26.36	-26.36
Quarter	-3.20	2.43	1.23	2.23	2.49	4.13	4.13

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 source: RIMES Technologies Corp.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	1.02	1.02	Dom Common Stock	96.77
Class C Shares	1.78	1.78	Intl Common Stock	1.35
Class Y Shares	0.78	0.78	Cash	1.88

Per the current prospectus

For more information you can visit us at [www.invesco.com/us](https://www.invesco.com/us)

As of the open of business on June 28, 2013, the fund limited public sales of its shares to certain investors. For more information on who may invest in the fund, please see the prospectus.

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.

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

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.

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**About risk**

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.

Growth stocks tend to be more sensitive to changes in their earnings and can be more volatile.

To the extent an investment focuses on securities issued or guaranteed by companies in a particular industry, the investment's performance will depend on the overall condition of those industries, which may be affected by the following factors: the supply of short-term financing, changes in government regulation and interest rates, and overall economy.

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.