

Invesco Discovery Fund

Q1 2026

Key takeaways

- 1 The fund outperformed its benchmark in the first quarter**
Performance was primarily driven by stock selection. Strength in information technology (IT) and industrials was partially offset by weakness in financials.
- 2 The S&P 500 Index had its worst quarterly return since 2022**
US financial markets had a volatile first quarter, marked by shifting monetary policy expectations, geopolitical instability and uneven economic data.
- 3 We remain focused on premier growth compounders**
Technology driven innovation has continued to disrupt large portions of the global economy, providing in our view substantial opportunities through investment in premier growth compounders. We remain focused on capturing those opportunities for fund shareholders.

Investment objective

The fund seeks capital appreciation.

Fund facts

Fund AUM (\$M)	6,409.54
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Portfolio managers

Ronald Zibelli, Asutosh Shah,
Justin Livengood

Manager perspective and outlook

- Invesco US Growth Team's previously constructive outlook for US equities has been at least temporarily upended by events in the Middle East. The supply shock to oil and other essential commodities resulting from the conflict has been spurring a bearish recalibration of economic growth and inflation expectations.
- We have prioritized risk management pending resolution of the conflict. Once that occurs, we anticipate a resilient economy, solid corporate profit progress, active merger and acquisition activity and high-profile IPOs (initial public offerings).
- Meanwhile, the pace of artificial intelligence-related (AI) innovation and infrastructure build-out has remained robust while industrial renewal still provides abundant investment opportunities in our view. We continue to focus on bringing the potential of premier growth companies to fund shareholders.



Top issuers

(% of total market value)

	Fund	Index
Advanced Energy Industries Inc	2.59	0.82
Tower Semiconductor Ltd	2.50	0.00
MACOM Technology Solutions Holdings Inc	2.39	0.00
Fabrinet	2.31	1.27
Curtiss-Wright Corp	2.30	0.00
TechnipFMC PLC	2.27	0.00
TTM Technologies Inc	2.21	0.00
BrightSpring Health Services Inc	2.12	0.37
Sterling Infrastructure Inc	2.02	0.82
Carpenter Technology Corp	1.98	0.00

As of 03/31/26. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

At quarter end, the fund's largest overweights relative to its benchmark were in the industrials and IT sectors. The fund's largest underweight was in health care and it had no exposure to communication services, real estate and consumer staples.

At the security level, we added and removed several stocks to reflect our desired positioning and upgrade the portfolio.

Buys

Knight-Swift is the largest truckload carrier in the US with over 20,000 trucks. We believe the company is well positioned to benefit from tight capacity in the truckload industry and external growth opportunities in the long term.

Onto Innovation provides process control, inspection and metrology tools for semiconductor manufacturing. We initiated a position because the semiconductor equipment industry has been experiencing strong demand due to robust AI spending.

Viavi provides test, measurement, monitoring and assurance solutions using optical networks. We replaced the fund's position in Lumentum with Viavi, which we believe will benefit from the same trends.

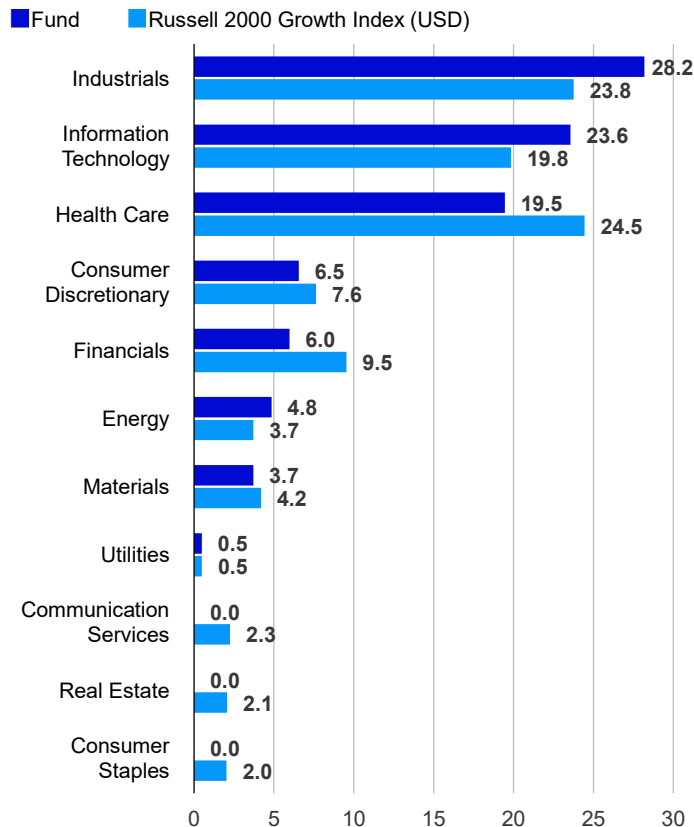
Sales

Lumentum is a leading provider of advanced optical connectivity solutions used in cloud and AI-driven data center networks. We sold the position because its market cap increased beyond the fund's typical investment range.

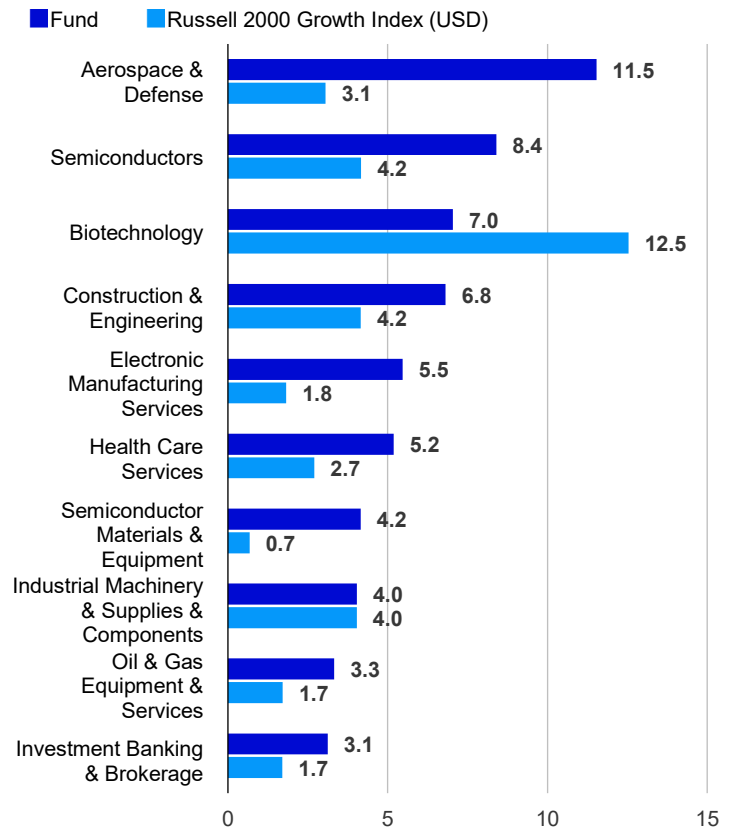
StepStone is a private markets investment firm. The stock price underperformed due to concerns about the private credit industry. Although the company is a solutions provider mainly exposed to private equity and secondaries rather than credit, the stock still underperformed as investors appeared to move away from the overall alternative asset manager group. Given this increased controversy, we sold the position.

Rocket Lab launches small satellites and builds space systems. We sold the position because its market cap increased beyond the fund's typical investment range.

Sector breakdown (% of total market value)



Top industries (% of total market value)



Top contributors (%)

Issuer	Return	Contrib. to return
Lumentum Holdings Inc.	117.58	1.58
Tower Semiconductor Ltd.	49.45	1.08
Advanced Energy Industries, Inc.	54.18	0.88
TechnipFMC plc	55.26	0.79
Argan, Inc.	74.06	0.74

Top detractors (%)

Issuer	Return	Contrib. to return
StepStone Group Inc.	-30.44	-0.46
GeneDx Holdings Corp.	-50.62	-0.37
iRhythm Holdings, Inc.	-33.49	-0.33
Impinj, Inc.	-30.44	-0.30
Pegasystems Inc.	-32.00	-0.28

Performance highlights

The fund outperformed its benchmark in the first quarter. Performance was primarily driven by stock selection. Strength in IT and industrials was partially offset by weakness in financials.

Contributors to performance

The largest contributors to absolute return for the quarter were **Lumentum**, **Tower Semiconductor** and **Advanced Energy Industries**.

Lumentum provides advanced optical connectivity solutions. The stock benefited from a strong earnings report and rising AI-related demand for high-speed optical connectivity.

Tower Semiconductor is a foundry of analog semiconductor solutions. During the quarter, the company announced an increase in fabrication facility capacity and management's long-term guidance indicated strong momentum for multi-year revenue growth.

Advanced Energy Industries designs precision power and measurement solutions. The stock price appreciated as the semiconductor equipment industry experienced strong demand due to robust AI spending.

Detractors from performance

The largest detractors from absolute return for the quarter were **StepStone**, **GeneDx** and **iRhythm**.

StepStone is a private markets investment firm. As noted above, the stock price underperformed due to concerns about the private credit industry.

GeneDx provides genetic testing and diagnostics for inherited diseases. Management reported solid financial results during the quarter, but the stock underperformed due to concerns about slowing growth and difficult revenue comparisons in 2026. We still expect the genetic testing business to deliver strong volume growth and improved reimbursement levels.

iRhythm develops wearable cardiac monitors and data-driven heart rhythm diagnostics. Management reported solid financial results during the quarter but unfortunately disclosed a new issue with the US Food and Drug Administration that will likely take time to resolve. We have reduced the fund's position size.

Standardized performance (%) as of March 31, 2026

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 09/11/86	NAV	6.39	6.39	41.11	18.76	6.45	14.85	11.11
	Max. Load 5.5%	0.54	0.54	33.36	16.55	5.25	14.20	10.95
Class R6 shares inception: 01/27/12	NAV	6.48	6.48	41.64	19.20	6.84	15.29	13.97
Class Y shares inception: 06/01/94	NAV	6.46	6.46	41.44	19.04	6.70	15.12	9.98
Russell 2000 Growth Index (USD)		-2.81	-2.81	23.58	12.27	1.62	9.79	-
Total return ranking vs. Morningstar Small Growth category (Class A shares at NAV)		-	-	6% (27 of 536)	9% (37 of 522)	9% (33 of 500)	6% (17 of 399)	-

Expense ratios per the current prospectus: Class A: Net: 1.03%, Total: 1.03%; Class R6: Net: 0.65%, Total: 0.65%; Class Y: Net: 0.79%, Total: 0.79%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com](https://www.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 source: RIMES Technologies Corp. Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained. 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.

Performance highlights (cont'd)

Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	4.22	29.12	-3.60	36.74	50.06	15.61	-31.26	17.01	22.55	16.52
Class R6 shares at NAV	4.69	29.64	-3.20	37.30	50.65	16.04	-31.01	17.46	22.99	16.96
Class Y shares at NAV	4.48	29.40	-3.36	37.06	50.40	15.88	-31.10	17.30	22.84	16.79
Russell 2000 Growth Index (USD)	11.32	22.17	-9.31	28.48	34.63	2.83	-26.36	18.66	15.15	13.01

Portfolio characteristics*

	Fund	Index
No. of holdings	91	1,107
Top 10 issuers (% of AUM)	25.92	10.03
Wtd. avg. mkt. cap (\$M)	10,489	5,922
Price/earnings	34.06	23.58
Price to book	5.66	4.25
Est. 3 – 5 year EPS growth (%)	17.42	13.81
ROE (%)	11.23	5.48
Long-term debt to capital (%)	33.06	33.61
Operating margin (%)	10.64	10.51

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	4.83	0.00
Beta	0.95	1.00
Sharpe ratio	0.14	-0.08
Information ratio	0.69	0.00
Standard dev. (%)	21.10	20.90
Tracking error (%)	6.97	0.00
Up capture (%)	98.42	100.00
Down capture (%)	90.95	100.00
Max. drawdown (%)	37.58	33.43

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.04	0.00	0.04
Consumer Discretionary	0.04	-0.53	-0.49
Consumer Staples	0.00	0.00	0.00
Energy	-0.08	0.54	0.46
Financials	-0.09	-1.08	-1.17
Health Care	0.16	-0.90	-0.74
Industrials	0.61	3.56	4.16
Information Technology	-0.46	7.65	7.18
Materials	-0.24	0.18	-0.05
Real Estate	0.03	0.00	0.03
Utilities	-0.01	-0.13	-0.15
Cash	0.31	0.00	0.31
Total	0.30	9.28	9.58

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 03/31/26. Unless stated otherwise, Index refers to Russell 2000 Growth Index (USD).

Asset allocation/diversification does not guarantee a profit or eliminate the risk of loss.

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.

The Russell 2000 Growth Index is an unmanaged index considered representative of growth stocks. The Russell 2000 Growth 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

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.

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 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.

Stocks of small and medium-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.

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

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