

Invesco Value Opportunities Fund

Q1 2025

Key takeaways

- 1 The fund underperformed its benchmark**

Stock selection and an overweight in the information technology (IT) and industrials sectors drove the fund's underperformance. An underweight in utilities and lack of real estate exposure also hurt relative return.
- 2 Fund managers capitalized on heightened market volatility to find new opportunities**

We took advantage of market volatility to purchase several new fund holdings across various sectors. Conversely, we eliminated several holdings and used the proceeds to fund investments we believe have more upside potential.
- 3 Longer term, mid-cap value stocks appear attractive relative to S&P 500 stocks**

The price/earnings (P/E) multiple of the Russell Midcap Value Index is at a large historical discount compared to the P/E of the S&P 500 Index. We believe this valuation represents a compelling long-term investment opportunity (Source: FactSet Research Systems, Inc.).

Investment objective

The fund seeks total return through growth of capital and current income.

Fund facts

Fund AUM (\$M)	4,582.33
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Portfolio managers

Jonathan Edwards, Jonathan Mueller

Manager perspective and outlook

- In managing the fund, we employ an intrinsic value approach to select holdings. It should be noted that the portfolio is not constructed based on a short-term macroeconomic view. Instead, positioning is driven by a bottom-up stock selection process based on our estimate of intrinsic value.
- We seek to create wealth by maintaining a long-term investment horizon and by investing in companies that we believe are significantly undervalued on an absolute basis.
- Given our focus on intrinsic value and our long-term investment horizon, at quarter end, the fund was positioned with greater exposure to economically sensitive stocks compared to its peers.
- Following the outperformance of large-cap stocks over small-cap stocks in recent years, we see greater long-term upside to intrinsic value in many small-caps compared to large-caps.
- At quarter end, the difference between the market prices of the fund's holdings and our estimates of their intrinsic value was attractive, in our view.
- Although there is no assurance that market value will ever reflect our estimate of the fund's intrinsic value, we believe the gap between price and estimated intrinsic value indicates attractive long-term capital appreciation potential.



Top issuers

(% of total net assets)

	Fund	Index
Fidelity National Information Services Inc	2.95	0.47
NRG Energy Inc	2.77	0.13
Centene Corp	2.63	0.36
Globe Life Inc	2.53	0.13
AppLovin Corp	2.51	0.00
STMicroelectronics NV	2.23	0.00
Western Alliance Bancorp	2.21	0.10
Huntington Bancshares Inc/OH	2.10	0.26
Microchip Technology Inc	2.07	0.30
Coherent Corp	2.07	0.10

As of 03/31/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

During the quarter, tariff policy and recession risks appeared to raise investors' short-term fears, allowing us to identify stocks with attractive long-term upside to intrinsic value across a diverse set of industries. At quarter end, the fund had overweights in more economically sensitive stocks than its benchmark and peers.

Notable Additions:

Electronic Arts: The company is a leading global developer of video games, including titles such as EA Sports FC, Madden NFL and The Sims. The company provided weaker-than-expected financial guidance due to lackluster results for EA Sports FC. The near-term effect of this issue in our view created a disconnect between market price and our estimate of intrinsic value. We believe these issues are temporary in nature and should be resolved with future updates.

Microchip Technology: The company produces a wide range of semiconductor products, including microcontrollers, analog, and mixed-signal integrated circuits that are used in automotive and industrial markets, as well as consumer end products. A downturn in auto and industrial demand has pressured the stock price, allowing us to purchase the company at what we see as a significant discount to intrinsic value. In our view, the chipmaker has a broad product line that is sold to a diverse set of end markets, customers and channels. We believe it will be well positioned when the cycle turns positive.

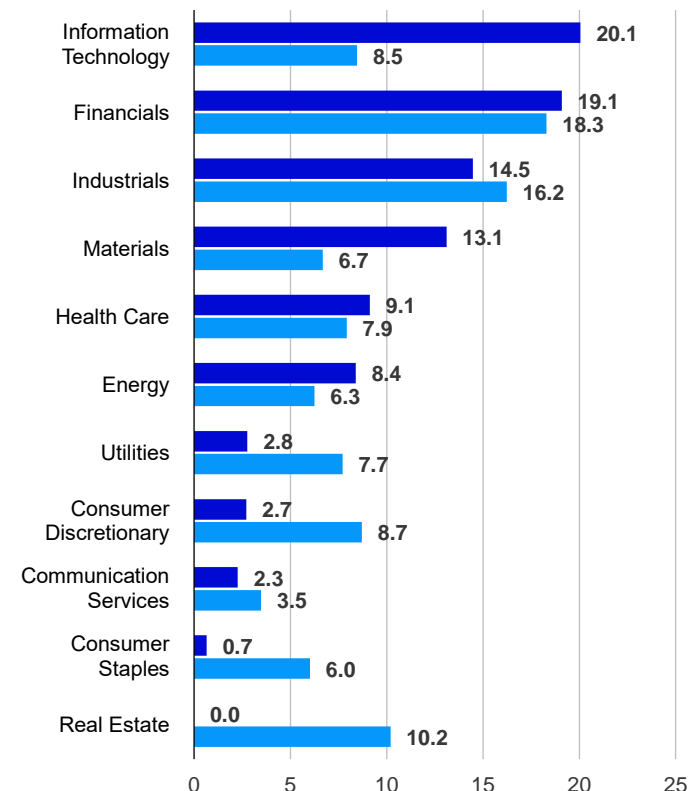
Notable Sales:

Leonardo: The company is one of Europe's largest defense firms and a strong free cash flow generator. A new CEO and board have achieved in our opinion meaningful operational and ROIC (return on invested capital) improvements. We sold after the stock rose on news the European Union would boost defense spending. We believe the higher share price reduced upside potential relative to our estimate of intrinsic value.

Intra-Cellular Therapies: This biopharmaceutical company discovers, develops and commercializes small molecule drugs for psychiatric and neurological disorders. In January, Johnson & Johnson (not a fund holding) made a bid to acquire it at a premium, sending shares higher. We sold the position after the announcement.

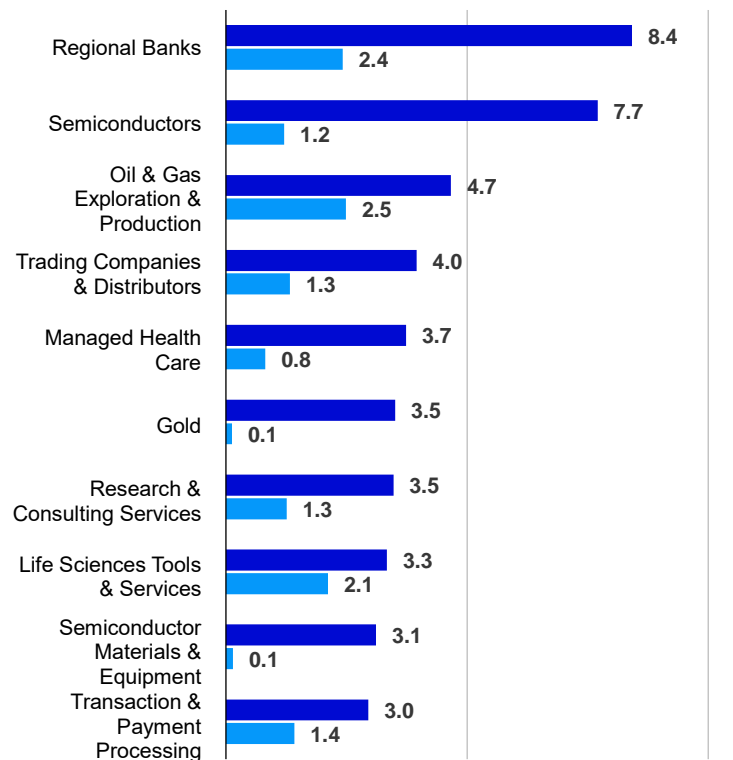
Sector breakdown (% of total net assets)

■ Fund ■ Russell Midcap Value Index (USD)



Top industries (% of total net assets)

■ Fund ■ Russell Midcap Value Index (USD)



Top contributors (%)

Issuer	Return	Contrib. to return
Leonardo SpA	74.89	1.24
Agnico Eagle Mines Limited	39.19	0.63
Newmont Corporation	30.48	0.39
Globe Life Inc.	18.37	0.35
Pan American Silver Corp.	28.27	0.30

Top detractors (%)

Issuer	Return	Contrib. to return
Marvell Technology, Inc.	-44.23	-1.03
Coherent Corp.	-31.45	-0.81
Lumentum Holdings Inc.	-25.74	-0.56
EPAM Systems, Inc.	-27.79	-0.53
Chart Industries, Inc.	-24.36	-0.42

Performance highlights

Within the fund, seven of 10 sectors had negative returns. Only materials, utilities and communication services posted positive returns. Stock selection in materials aided relative performance. Within materials, a number of the fund's mining holdings were notable contributors. In terms of sector results, IT had the lowest absolute return, driven in part by a decline in artificial intelligence (AI)-related stocks. Selection and an overweight in IT was the primary detractor from the fund's relative return as well.

Contributors to performance

Leonardo: This Italian aerospace and defense firm reported strong results for 2024 with double-digit increases in revenues and new orders. More broadly, Leonardo's share price also benefited from an outlook for higher defense spending by European nations.

Agnico Eagle Mines: This Canadian gold mining company reported strong financial results for the fourth quarter and full year. The stock also benefited from an increase in gold prices during the quarter as investors appeared to move into assets perceived as "safe havens" amid volatility.

Newmont: A leading US mining company that produces copper, silver, zinc and lead, Newmont reported better-than-expected earnings and higher revenues in its latest quarterly financials. The stock also benefited from higher gold prices.

Detractors from performance

Marvell Technology: Shares of this networking semiconductor company declined following news about DeepSeek, a lower cost AI model, as investors appeared to worry companies might not need to invest as heavily in AI model development. We believe concern about the impact of DeepSeek on long-term AI opportunities is misplaced.

Coherent: This laser company develops and manufactures optoelectronic components and devices. Its optical transceivers are key enablers for networking of AI servers. The stock also declined following news about DeepSeek.

Lumentum: Shares of this market-leading designer and manufacturer of innovative optical and photonic products for the communications and electronics end markets also suffered amid the broader decline in AI-related stocks.

Standardized performance (%) as of March 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 06/25/01	NAV	-5.04	-5.04	8.92	11.49	27.44	10.39	7.50
	Max. Load 5.5%	-10.26	-10.26	2.93	9.41	25.99	9.77	7.25
Class R6 shares inception: 04/04/17	NAV	-4.98	-4.98	9.23	11.89	27.91	10.74	-
Class Y shares inception: 03/23/05	NAV	-5.00	-5.00	9.17	11.76	27.73	10.66	8.00
Russell Midcap Value Index (USD)		-2.11	-2.11	2.27	3.78	16.70	7.62	-
Total return ranking vs. Morningstar Mid-Cap Value category (Class A shares at NAV)		-	-	10% (29 of 415)	2% (6 of 388)	1% (4 of 365)	1% (5 of 281)	-

Expense ratios per the current prospectus: Class A: Net: 1.07%, Total: 1.07%; Class R6: Net: 0.69%, Total: 0.69%; Class Y: Net: 0.82%, Total: 0.82%.

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. Performance shown prior to the inception date of Class R6 shares is that of Class A shares and includes the 12b-1 fees applicable to Class A shares. Index source: RIMES Technologies Corp. 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 (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Class A shares at NAV	-10.43	18.01	17.10	-19.71	29.88	5.48	35.59	1.35	15.14	30.10
Class R6 shares at NAV	-10.43	18.01	17.48	-19.37	30.49	5.96	36.09	1.74	15.55	30.56
Class Y shares at NAV	-10.17	18.28	17.40	-19.53	30.24	5.72	35.86	1.71	15.34	30.45
Russell Midcap Value Index (USD)	-4.78	20.00	13.34	-12.29	27.06	4.96	28.34	-12.03	12.71	13.07

Portfolio characteristics*

	Fund	Index
No. of holdings	76	712
Top 10 issuers (% of AUM)	25.94	7.07
Wtd. avg. mkt. cap (\$M)	24,621	25,580
Price/earnings	18.41	18.16
Price to book	2.00	2.26
Est. 3 – 5 year EPS growth (%)	13.57	9.39
ROE (%)	9.86	13.68
Long-term debt to capital (%)	37.74	40.03
Operating margin (%)	14.74	17.85

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	8.31	0.00
Beta	1.10	1.00
Sharpe ratio	1.12	0.74
Information ratio	1.45	0.00
Standard dev. (%)	22.08	18.92
Tracking error (%)	7.43	0.00
Up capture (%)	150.26	100.00
Down capture (%)	94.41	100.00
Max. drawdown (%)	18.16	20.36

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	-0.01	-0.08	-0.09
Consumer Discretionary	0.32	-0.03	0.29
Consumer Staples	-0.28	-0.07	-0.34
Energy	0.16	-0.56	-0.40
Financials	0.00	-0.35	-0.35
Health Care	-0.04	-0.06	-0.10
Industrials	0.02	0.82	0.85
Information Technology	-1.17	-2.13	-3.30
Materials	-0.08	1.73	1.65
Real Estate	-0.41	0.00	-0.41
Utilities	-0.45	-0.05	-0.51
Cash	0.06	0.00	0.06
Total	-1.88	-0.77	-2.65

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.**

About Risk

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. Developing markets may especially be volatile.

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.

Investments in real estate related instruments may be affected by economic, legal, or environmental factors that affect property values, rents or occupancies of real estate. Real estate companies, including REITs or similar structures, tend to be small and mid-cap companies and their shares may be more volatile and less liquid.

A value style of investing is subject to the risk that the valuations never improve or that the returns will trail other styles of investing or the overall stock markets.

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.