

# Invesco Discovery Mid Cap Growth Fund

## Q1 2026

## Key takeaways

- 1 The fund outperformed its benchmark in the first quarter**  
Strong stock selection in information technology (IT) and industrials added to relative return. Weakness in energy and health care partially offset the favorable results.
- 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)	5,970.21
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### Portfolio managers

Ronald Zibelli, 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
Hilton Worldwide Holdings Inc	3.21	2.50
Monolithic Power Systems Inc	3.14	1.82
Quanta Services Inc	2.91	2.26
Comfort Systems USA Inc	2.91	1.73
Howmet Aerospace Inc	2.45	3.33
MasTec Inc	2.24	0.15
Cencora Inc	2.21	2.07
Lumentum Holdings Inc	2.19	0.13
Flex Ltd	2.18	0.00
Vertiv Holdings Co	2.13	3.43

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

## Portfolio positioning

At quarter end, the fund's sector weights remained consistent with last quarter. Compared to the benchmark, the fund was overweight the most in industrials and IT, while underweight in the consumer discretionary sector.

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

### Buys

**Ametek** is a global industrial technology platform that designs and manufactures differentiated electronic instruments and electromechanical devices. Recent manufacturing data show that the shallow industrial contraction appears to be easing as excess inventory clears and short-cycle industrial orders begin to pick up. We believe Ametek stands out as a potential beneficiary of this rebound.

**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.

**Cardinal** distributes pharmaceuticals and medical supplies. Under new leadership, the company has in our view improved execution in recent years and demonstrated accelerating growth. The business has been largely unaffected by reimbursement changes or macroeconomic volatility.

### Sales

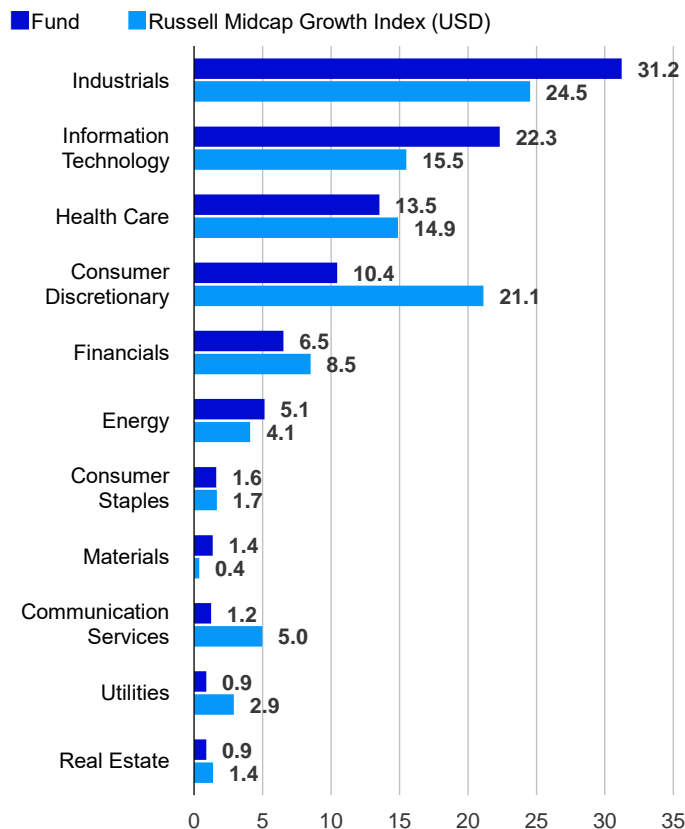
**Insulet** is a medical device company that makes tubeless insulin pump systems for diabetic patients. Management reported a good quarter of financial results in February with strong guidance for 2026. However, competition in the insulin pump industry has been increasing, which we believe makes the outlook beyond 2026 more risky. As a result, we sold the position.

**HEICO** designs and manufactures aerospace components and aircraft replacement parts.

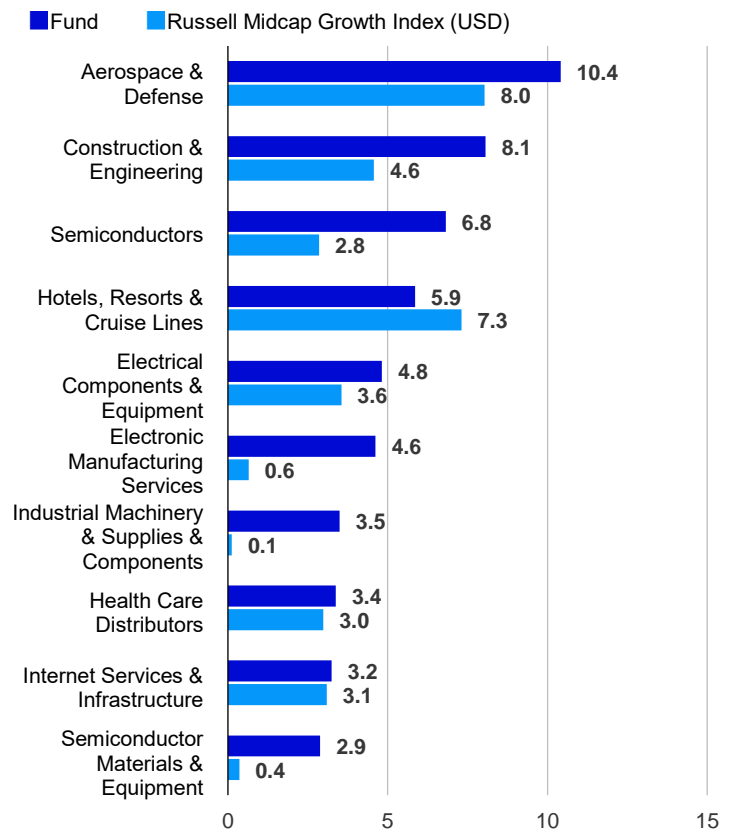
During the quarter, management released a mixed earnings report. We decided to move on from the stock and swapped the position for Woodward, a key supplier to the aero engine and power generation markets.

**Vistra** is an independent power producer and retail electricity provider primarily serving customers in Texas and the mid-Atlantic. We sold the position because recent developments indicate to us the possibility of negotiated prices for electricity agreements with data center providers. In addition, the Electric Reliability Council of Texas recently announced it was considering reevaluating some data center grid approvals for previously approved projects due to the large number of data centers in development.

## Sector breakdown (% of total market value)



## Top industries (% of total market value)



## Top contributors (%)

Issuer	Return	Contrib. to return
Lumentum Holdings Inc.	90.66	1.72
Comfort Systems USA, Inc.	47.84	1.12
Vertiv Holdings Co	54.71	0.90
Quanta Services, Inc.	30.11	0.73
MasTec, Inc.	48.01	0.69

## Top detractors (%)

Issuer	Return	Contrib. to return
MongoDB, Inc.	-41.68	-0.67
Reddit, Inc.	-35.92	-0.32
IDEXX Laboratories, Inc.	-16.95	-0.30
Alnylam Pharmaceuticals, Inc.	-16.79	-0.28
Zscaler, Inc.	-34.65	-0.26

## Performance highlights

The fund outperformed its benchmark in the first quarter. Strong stock selection in IT and industrials added to relative return. Weakness in energy and health care partially offset the favorable results.

### Contributors to performance

The largest contributors to absolute return for the quarter were **Lumentum, Comfort Systems** and **Vertiv**.

**Lumentum** is a leading provider of advanced optical connectivity solutions used in cloud and AI-driven data center networks. The stock benefited from a strong earnings report and rising AI-related demand for high-speed optical connectivity.

**Comfort Systems** is an engineering and construction services provider with exposure to data center development. Shares outperformed after the company reported a stronger-than-expected quarter, highlighted by an earnings increase, rapid revenue growth and a record order backlog driven by accelerating demand for data center infrastructure.

**Vertiv** provides critical digital infrastructure solutions, including power, cooling and IT infrastructure management for data centers, communication networks, and commercial and industrial facilities. The stock price rose due to strong orders, an order backlog and

favorable 2026 guidance against a backdrop of accelerating spending for AI-driven data centers.

### Detractors from performance

The largest detractors from absolute return for the quarter were **MongoDB, Reddit** and **IDEXX**.

**MongoDB** is a software company providing a general purpose database platform. Though the company's quarterly results were strong, the stock price fell on conservative guidance. A broad-based selloff in the software sector also appeared to pressure the stock price.

**Reddit** is an online platform where people share content and have discussions in topic based communities called subreddits. The overall communication services sector has been under pressure for the last few quarters and Reddit has not been an exception. The AI headwind revolves around concern that LLMs (large language models) may take queries away from Reddit in contrast to users going directly to Reddit's site.

**IDEXX** is a veterinary diagnostics and testing company. Management reported strong financial results for the vet testing business and provided good guidance for 2026. The stock underperformed largely due to the broader selloff in the medical technology sector during the quarter. IDEXX remains a large holding in the fund.

## Standardized performance (%) as of March 31, 2026

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 11/01/00	NAV	5.28	5.28	25.93	13.72	4.58	12.04	8.21
	<b>Max. Load 5.5%</b>	-0.53	-0.53	19.02	11.58	3.41	11.41	7.97
Class R6 shares inception: 02/28/13	NAV	5.37	5.37	26.40	14.13	4.97	12.49	12.26
Class Y shares inception: 11/01/00	NAV	5.36	5.36	26.24	13.99	4.84	12.32	8.63
Russell Midcap Growth Index (USD)		-6.35	-6.35	9.56	12.74	5.37	11.69	-
Total return ranking vs. Morningstar Mid-Cap Growth category (Class A shares at NAV)		-	-	12% (46 of 486)	22% (87 of 469)	30% (102 of 448)	20% (57 of 374)	-

Expense ratios per the current prospectus: Class A: Net: 1.04%, Total: 1.04%; Class R6: Net: 0.67%, Total: 0.67%; 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	1.89	27.98	-6.42	38.96	40.11	18.87	-31.09	12.96	24.12	4.78
Class R6 shares at NAV	2.35	28.54	-6.02	39.52	40.73	19.27	-30.81	13.39	24.55	5.18
Class Y shares at NAV	2.15	28.37	-6.23	39.31	40.51	19.12	-30.92	13.24	24.41	5.03
Russell Midcap Growth Index (USD)	7.33	25.27	-4.75	35.47	35.59	12.73	-26.72	25.87	22.10	8.66

### Portfolio characteristics\*

	Fund	Index
No. of holdings	78	277
Top 10 issuers (% of AUM)	26.56	23.99
Wtd. avg. mkt. cap (\$M)	39,777	38,564
Price/earnings	36.35	30.34
Price to book	7.51	9.56
Est. 3 – 5 year EPS growth (%)	16.15	15.13
ROE (%)	17.43	24.81
Long-term debt to capital (%)	44.77	50.75
Operating margin (%)	13.79	14.92

### Risk statistics (5 year)\*

	Fund	Index
Alpha (%)	-0.51	0.00
Beta	0.96	1.00
Sharpe ratio	0.06	0.10
Information ratio	-0.12	0.00
Standard dev. (%)	20.32	19.89
Tracking error (%)	6.80	0.00
Up capture (%)	88.27	100.00
Down capture (%)	97.52	100.00
Max. drawdown (%)	35.37	34.12

### Quarterly performance attribution

#### Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.67	-0.19	0.49
Consumer Discretionary	0.24	1.31	1.54
Consumer Staples	-0.03	0.40	0.36
Energy	-0.36	0.02	-0.35
Financials	0.13	0.25	0.37
Health Care	0.05	-0.27	-0.22
Industrials	1.12	3.09	4.20
Information Technology	-0.42	5.91	5.50
Materials	0.02	-0.08	-0.06
Real Estate	0.01	-0.20	-0.20
Utilities	-0.04	-0.01	-0.06
Cash	0.38	0.00	0.38
<b>Total</b>	<b>1.74</b>	<b>10.21</b>	<b>11.95</b>

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 Midcap Growth Index (USD).

The Russell Midcap® Growth Index is an unmanaged index considered representative of mid-cap growth stocks. The Russell Midcap Growth Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co.

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### About Risk

Active trading results in added expenses and may result in a lower return and increased tax liability.

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.

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 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.

The Fund's value may be affected by changes in the stock markets. Stock markets may experience significant short-term volatility and may fall or rise sharply at times. Adverse events in any part of the equity or fixed-income markets may have unexpected negative effects on other market segments. Different stock markets may behave differently from each other and U.S. stock markets may move in the opposite direction from one or more foreign stock markets.

The investment techniques and risk analysis used by the portfolio managers may not produce the desired results.

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.

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### 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.**