

# Invesco Discovery Mid Cap Growth Fund<sup>®</sup>

## Quarterly Performance Commentary

Mutual Fund Retail Share Classes  
Data as of Sept. 30, 2020



### Investment objective

The fund seeks capital appreciation.

### Portfolio management

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### Fund facts

Nasdaq	A: OEGAX	C: OEGCX Y: OEGYX
Total Net Assets	\$5,654,871,311	
Total Number of Holdings	87	

### Top holdings

	% of total net assets
Pool	2.32
Synopsys	2.19
DexCom	2.17
West Pharmaceutical Services	1.99
Ringcentral	1.97
Chipotle Mexican Grill 'A'	1.95
Monolithic Power Systems	1.95
Idexx Laboratories	1.92
Roper	1.88
Twilio	1.79

### Top contributors

	% of total net assets
1. Pool	2.32
2. D.R. Horton	1.58
3. Trade Desk	1.77

### Top detractors

	% of total net assets
1. Alteryx	0.00
2. ResMed	1.25
3. Splunk	0.00

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

### Market overview

+ US equity markets continued to recover from their first quarter losses, with all style-specific indexes posting positive third quarter performance. During the quarter, the Federal Reserve's policy of zero interest rates, government fiscal stimulus and declining unemployment supported investor

confidence.

- + Growth stocks again prevailed over value stocks during the quarter and growth has significantly outperformed value year-to-date.
- + Mid-cap stocks outperformed small-caps for the quarter but lagged their large-cap peers.

### Positioning and outlook

+ Looking forward, we expect the US economy to contract by about 3.5% in 2020, the first decline after 10 consecutive years of growth. However, it appears likely that economic activity bottomed in the spring and will turn positive in the second half of the year. The case for economic recovery is supported by unprecedented fiscal and monetary stimulus and progress, albeit uneven, in the struggle against COVID-19. Meanwhile, interest rates and inflation remain very low by historical

standards and corporate earnings growth is likely to resume after a very difficult first half.

- + Equity valuations are at the high end of their range on most measures but appear more reasonable in the context of the current earnings trough and very low interest rates. Our opportunity set of premier growth companies remains compelling and we expect stock selection to continue to drive the fund's relative performance.

### Performance highlights

- + The fund's Class A shares at net asset value (NAV) performed well but lagged the Russell Midcap Growth Index during the quarter. (Please see the investment results table on page 2 for fund and index performance.)
- + Stock selection within the consumer discretionary sector had a positive effect on relative return.
- + Positioning in the health care, communication services and information technology sectors detracted from relative return.

### Contributors to performance

The top individual contributors were:

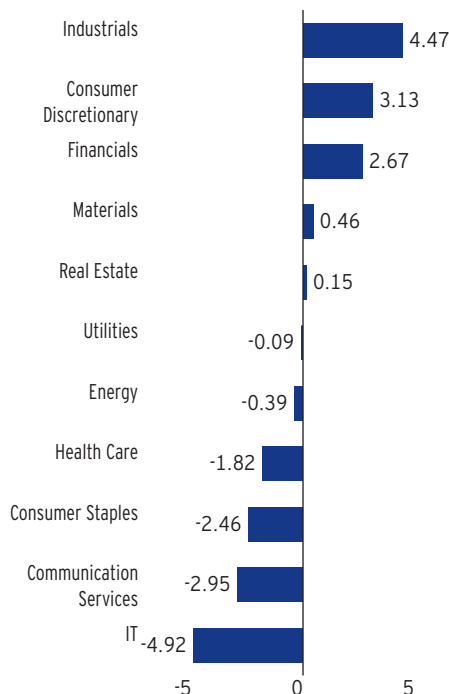
- + **Pool** reported very strong second quarter results and raised its full-year earnings guidance. The company benefited from some effects of the COVID-19 pandemic, including an acceleration in outdoor living trends, a substantial backlog among pool builders and a population move away from cities.
- + **D.R. Horton** reported strong second quarter results, notably higher revenue and profit margins, driven by outsized demand as orders grew by 38% year over year. The homebuilder is among the companies best positioned to benefit from post-COVID-19 secular trends that are pushing new home buyers into suburban communities.
- + **Trade Desk** surprised investors with second quarter results and a third quarter outlook that showed a faster-than-expected revenue rebound from the company's early second quarter levels. Management released positive comments about the recovery in ad spending across virtually all of its customer segments (except travel) and a favorable environment for connected TV ad spending.

### Detractors from performance

The largest individual detractors were:

- + **Alteryx** reported weak second quarter earnings and provided third quarter and 2020 earnings guidance below consensus estimates. The company attributed results to COVID-19 headwinds that led to longer sales cycles, smaller deal sizes and higher spending scrutiny. The company also reported issues with sales onboarding and efficiency.
- + **ResMed** reported results for its fiscal fourth quarter that exceeded expectations, supported by increased ventilator/bi-level machine demand associated with COVID-19. However, modest revenue growth is expected in the near term due to significantly lower COVID-19 volumes and a gradual recovery in the pace of acquiring new sleep apnea patients.
- + **Splunk** underperformed in the third quarter due to uncertainty about whether customers are shifting to the cloud more quickly and its own transition to a cloud-focused business model, which has pressured near-term revenue and cash flow. **Splunk's** product - infrastructure software - appears to have moved down in the priority of technology spending, at least temporarily.

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



**Investment results**

Average annual total returns (%) as of Sept. 30, 2020

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 11/01/00	Inception: 11/01/00	Inception: 11/01/00	Inception: 11/01/00	Inception: 11/01/00	
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	Russell Midcap Growth Index
Inception	8.02	8.33	7.90	7.90	8.79	-
10 Years	14.32	14.97	14.10	14.10	15.34	14.55
5 Years	14.39	15.70	14.84	14.84	15.99	15.53
3 Years	15.51	17.71	16.84	16.84	17.99	16.23
1 Year	19.81	26.79	24.87	25.87	27.14	23.23
Quarter	1.73	7.64	6.47	7.47	7.72	9.37

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](http://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 sources: Invesco, RIMES Technologies Corp.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	1.11	1.11	Dom Common Stock	96.63
Class C Shares	1.86	1.87	Intl Common Stock	2.45
Class Y Shares	0.87	0.87	Cash	0.77
			Other	0.15

Per the current prospectus  
 Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least May 31, 2021. See current prospectus for more information.

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

■ Effective September 30, 2020, "Oppenheimer" was removed from the fund name. Please see the prospectus for additional information.

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 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. An investment cannot be made directly in an index.

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**About risk**

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.

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.

Stocks of 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.

***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](http://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.