

Invesco Small Cap Value Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Sept. 30, 2019



Investment objective

The fund seeks long-term growth of capital.

Portfolio management

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Fund facts

Nasdaq	A: VSCAX	C: VSMCX	Y: VSMIX
Total Net Assets	\$1,323,942,508		
Total Number of Holdings	64		

Top holdings

% of total net assets

AECOM	3.85
Energizer	3.71
Owens Corning	3.25
Carpenter Technology	3.12
Sealed Air	2.99
Flextronics	2.95
Crown	2.85
LKQ	2.85
MGIC Investment	2.79
CNO Financial	2.68

Top contributors

% of total net assets

1. Builders FirstSource	2.11
2. Energizer	3.71
3. LKQ	2.85
4. Huntsman	2.57
5. Carpenter Technology	3.12

Top detractors

% of total net assets

1. Delphi Technologies	2.27
2. Fluor	1.20
3. Dana	2.19
4. Chemours	1.26
5. QEP Resources	0.39

Market overview

+ Key issues that concerned investors in the second quarter carried over into the third quarter. US-China trade conflict worried investors and stifled business investment even as the Federal Reserve cut interest rates by 0.25% in July and September. This environment, combined with evidence of slowing global economic growth, fueled volatility in August. The US Treasury yield curve inverted several times, raising fears of a US recession. As a result, August saw increased risk aversion, with investors crowding into asset classes perceived as safe havens, such as US Treasuries and gold. However, the Fed's

accommodative tone provided some support for risk assets. Oil prices briefly spiked in September after a drone attack on Saudi Arabia's oil fields caused a supply shock. Prices retreated a bit after the US announced it would tap the national oil reserves to alleviate the supply shortage. Despite increased volatility, the S&P 500 Index posted a positive return of 1.70%. The Russell 2000 Value Index posted a small loss in the third quarter. Within the index, sector performance was mixed as real estate posted the largest gain and energy posted a double-digit loss.

Positioning and outlook

+ We use an intrinsic value approach to select investments for the fund. The portfolio is not constructed based on a short-term macro-economic view. Instead, positioning is driven by bottom-up stock selection based on intrinsic value. We seek to create wealth by maintaining a long-term investment horizon and investing in companies that we believe are significantly undervalued on an absolute basis.

+ Given our focus on intrinsic value and a long-term investment horizon, the fund is currently positioned with more economically sensitive stocks than its peers.

+ For some time, we have found very limited investment opportunities in the yield-oriented sectors of utilities and REITs, given their unattractive valuations.

+ At quarter end, the difference between the

market price and the estimated intrinsic value of the fund's holdings was very attractive, according to our estimation. Though 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 above-average capital appreciation potential.

+ We have been taking advantage of recent short-term, fear-induced market volatility to invest in new opportunities. We are excited about the current portfolio and believe the investments we have been making may continue to position the fund for solid absolute and relative performance over the long term.

+ Going forward, we will work hard to protect and grow the fund's estimated intrinsic value. We thank you for your investment and for sharing our long-term perspective.

Performance highlights

+ The fund's Class A shares at net asset value (NAV) underperformed the Russell 2000 Value Index. (Please see the investment results table on page 2 for fund and index performance.) Performance drivers were mainly stock specific. Select holdings in the industrials and consumer staples sectors were the largest contributors to absolute performance. Select holdings in consumer discretionary and industrials were the largest detractors from absolute return. The fund's avoidance of REITs and utilities detracted from performance relative to the index, as these sectors performed well during the quarter.

Contributors to performance

+ Shares of **Builders FirstSource** rose after management reported solid financial results for the second quarter, driven by improving housing demand and growth of its higher margin value-added products.

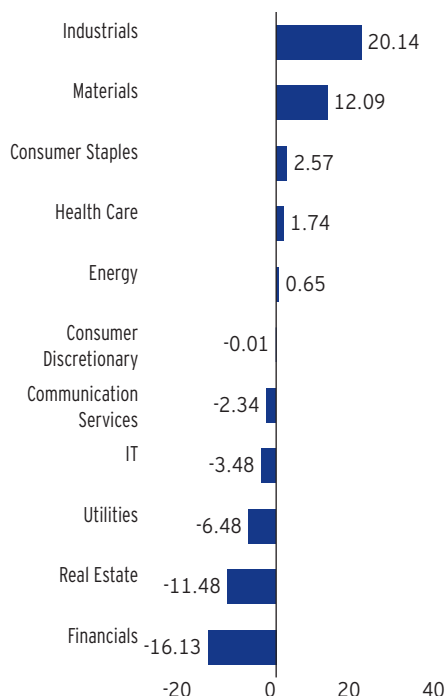
+ **Energizer's** share price rose as more investors began to appreciate the long-term value of the business.

Detractors from performance

+ Shares of **Delphi Technologies** declined along with other auto parts suppliers due to weak global auto sales that are negatively affecting the company's near-term sales and earnings. We believe there is significant upside to the company's stock price based on our estimate of intrinsic value.

+ **Fluor's** stock price fell after the company announced larger-than-expected project charges following replacement of its CEO in the second quarter.

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



Investment results

Average annual total returns (%) as of Sept. 30, 2019

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index	Russell 2000 Value Index
	Inception: 06/21/99		Inception: 06/21/99		Inception: 08/12/05		
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV		
Inception	9.22	9.52	9.11	9.11	8.53	-	-
10 Years	9.62	10.23	9.40	9.40	10.50	10.06	10.06
5 Years	2.81	3.98	3.20	3.20	4.22	7.17	7.17
3 Years	3.86	5.83	5.01	5.01	6.07	6.54	6.54
1 Year	-13.84	-8.85	-10.19	-9.56	-8.64	-8.24	-8.24
Quarter	-7.74	-2.34	-3.52	-2.54	-2.34	-0.57	-0.57

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit 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. Index source: FactSet Research Systems Inc.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	1.12	1.12	Dom Common Stock	95.14
Class C Shares	1.87	1.87	Intl Common Stock	2.23
Class Y Shares	0.87	0.87	Cash	2.71
Per the current prospectus			Other	-0.08

A negative in Cash or Other, as of the date shown, is normally due to fund activity that has accrued or is pending settlement.

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Class Y shares are available only to certain investors. See the prospectus for more information.

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

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 2000® Value Index is an unmanaged index considered representative of small-cap value stocks. The Russell 2000 Value 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.

The S&P 500® Index is an unmanaged index considered representative of the US stock market. An investment cannot be made directly in an index.

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.

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.

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.

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.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

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](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. Advisors, 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.