

Invesco Small Cap Value Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Sept. 30, 2022



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	\$2,014,356,744	
Total Number of Holdings	89	

Top holdings

	% of total net assets
Northern Oil and Gas	3.28
AECOM	2.60
Parsons	2.50
Flex	2.42
Huntington Ingalls	2.32
TechnipFMC	2.28
Grand Canyon Education	2.22
American Equity Investment Life	2.15
KBR	2.09
Webster Financial	2.08

Top contributors

	% of total net assets
1. TechnipFMC	2.28
2. Flex	2.42
3. Northern Oil and Gas	3.28
4. HF Sinclair	0.00
5. EQT	1.18

Top detractors

	% of total net assets
1. Spectrum Brands	0.75
2. Fresenius Medical Care	1.07
3. MillerKnoll	0.74
4. Hensoldt	1.61
5. Primoris Services	1.09

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

Market overview

+ Despite a brief summer rally, stocks traded sharply lower in the third quarter, particularly following comments from US Federal Reserve Chair Jerome Powell in August that indicated further monetary policy tightening. Though energy prices fell during the quarter, the Consumer Price Index (CPI) remained at a multi-decade high, rising by 8.3% for the 12 months ending in August, far above the Fed's annual inflation target. Complicating matters, a tight labor market boosted wage and job growth, with the

3.7% US unemployment rate still near record lows. The Fed acknowledged that its continued aggressive action to curb inflation could "bring pain to households and businesses." In July and again in September, the Fed raised the benchmark federal funds rate by 0.75%. This forceful action deflated investors' hopes for a pause in rate hikes during the second half and increased the likelihood of a US recession. In this environment, equities and fixed income instruments broadly declined.

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 macroeconomic 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 was positioned with more economically sensitive stocks than its peers at quarter end.

+ At quarter end, the difference between the market price and the estimated intrinsic value of the fund's

holdings was, in our view, very attractive, according to our estimation. 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 above-average, long-term capital appreciation potential.

+ We are excited about the current portfolio and believe the fund's investments may continue to position it 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.) Sector results within the fund were mixed, with energy, information technology and financials contributing the most to absolute return, while holdings within industrials and health care detracted. Relative to the benchmark, an overweight position in energy and avoidance of real estate helped fund performance. Conversely, stock selection in the health care and industrials sectors detracted from performance relative to the Russell 2000 Value Index.

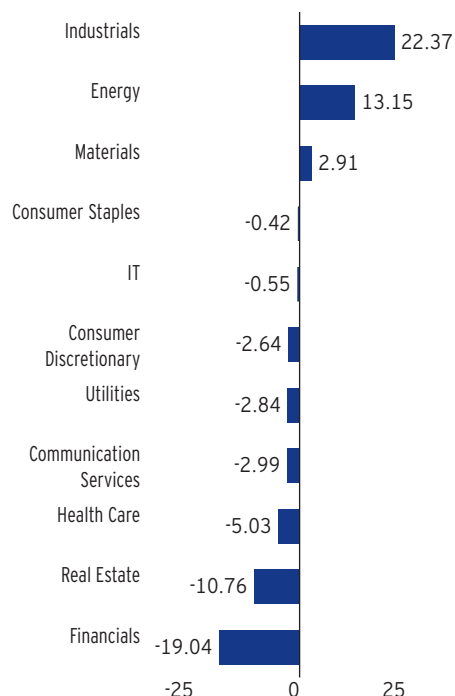
Contributors to performance

+ Shares of **TechnipFMC** and **Northern Oil and Gas** rose during the quarter along with most energy stocks. **TechnipFMC** is a top provider for subsea equipment and services in the offshore market. **Northern Oil and Gas**, an oil & gas exploration & production company, reported strong financial results for the second quarter with record quarterly production. Shares of global contract manufacturer **Flex** also rose after management reported strong financial results for its fiscal first quarter.

Detractors from performance

+ Shares of household and personal products company **Spectrum Brands** fell after reporting third quarter profit and sales that were below expectations due to rapidly changing consumer behaviors and inventory reduction at its retail customers. Shares of dialysis services company **Fresenius Medical Care** fell after management told investors to expect lower revenue and earnings in the second half of 2022 due to wage inflation and staff shortages in North America, higher inflation and supply chain disruptions.

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



Investment results

Average annual total returns (%) as of Sept. 30, 2022

Period	Class A Shares Inception: 06/21/99 Max Load 5.50%		Class C Shares Inception: 06/21/99 Max CDSC 1.00%		Class Y Shares Inception: 08/12/05	Style-Specific Index Russell 2000 Value Index
	NAV	NAV	NAV	NAV		
Inception	9.72	9.98	9.70	9.70	9.38	-
10 Years	9.85	10.48	9.84	9.84	10.76	7.94
5 Years	5.46	6.66	5.88	5.88	6.92	2.87
3 Years	11.05	13.17	12.38	12.38	13.48	4.72
1 Year	-13.57	-8.52	-9.91	-9.22	-8.31	-17.69
Quarter	-10.33	-5.11	-6.30	-5.35	-5.06	-4.61

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](https://www.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	1.09	1.09	Dom Common Stock	80.44
Class C Shares	1.84	1.84	Intl Common Stock	13.74
Class Y Shares	0.84	0.84	Cash	5.82

Per the current prospectus

For more information you can visit us at www.invesco.com/us

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.

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.

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.

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 financial professionals 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. 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.