

August 2023

Portfolio Manager

Ronald Zibelli, CFA
(Since 6/10)

Justin Livengood, CFA
(Since 2/14)

Portfolio Inception

November 1, 2000

Fund Assets

\$5.6 billion

Investment Philosophy

We believe consistent outperformance can be achieved by focusing on premier growth companies that pioneer new markets and/or have leadership positions within their industries.

For additional information, please visit our website at [invesco.com](https://www.invesco.com)

Market Overview

US equity markets fell in August as the S&P 500 posted its first negative monthly return since February. US economic data remains strong, and investors are expecting a “higher for longer” interest rate scenario from the Fed.

From a market cap perspective, small-caps, represented by the Russell 2000 Index, underperformed mega-caps, represented by the Russell Top 200 Index, by approximately 380 basis points, though both were down for the month.

Within the Russell Mid Cap Growth Index, the energy and consumer staples sectors were the best performing with positive returns. The utilities, communication services and information technology sectors were worst performing for the month, down more than 5%.

Monthly Performance Comments

Invesco Discovery Mid Cap Growth Fund Class A shares (without sales charge) outperformed its style specific benchmark for the month, returning -2.83% versus the Russell Mid Cap Growth Index return of -3.30%. From a sector perspective, outperformance versus the benchmark was largely due to strong stock selection in the industrials and financials sectors.



Top Individual Contributors to Absolute Performance

- Celsius
- West Pharmaceutical Services
- Manhattan Associates

Bottom Individual Detractors from Absolute Performance

- DexCom
- Insulet
- Datadog



The top contributors to absolute performance during the month were **Celsius**, **West Pharmaceutical Services** and **Manhattan Associates**.

Celsius, through its subsidiaries, provides thermogenic calorie-burning beverages. The company posted a very strong earnings report during the first week of August. Revenues, EBITDA (earnings before interest, taxes, depreciation and amortization) and EPS (earnings per share) were all reported significantly above Street consensus estimates on strong product sell through and margins. Celsius, with its healthier positioning within the energy drink category, is taking share and helping to drive category growth of “new age” (non-legacy) energy drinks. Nielsen/IRI weekly data since the company’s earnings report has also continued strong.

West Pharmaceutical Services manufactures packaging components and delivery systems for injectable drugs and healthcare products. In addition to reporting solid 2Q financial results at the very end of July, West Pharmaceutical Services got a boost in early August from the Novo Nordisk Select study showing the cardiovascular benefits of their obesity drug. West Pharmaceutical Services makes components used in the pre-filled syringes for both Eli Lilly and Novo Nordisk’s obesity drugs, so they directly benefit from the success of those drugs and the stock rallied accordingly.

Manhattan Associates provides omnichannel commerce and digital supply chain solutions. The stock outperformed due to a rotation into software stocks.

The top detractors from absolute performance during the month were **DexCom**, **Insulet** and **Datadog**.

DexCom and **Insulet** are medical device companies. On the flip side of the Novo Nordisk Select study readout, both stocks were hit hard over fears that these obesity drugs will slow the onset of diabetes in certain people with weight issues and shrink the addressable market. The fear is more real for Insulet (which makes insulin pumps) than DexCom (which



Monthly Performance Comments (Continued)

makes continuous glucose monitoring (CGM) devices). People on obesity drugs at risk of diabetes still need to track their blood sugar levels and use a CGM, but if the number of people developing diabetes does slow, it could impact the market for pumps. We exited our position in Insulet as a result but continue to own DexCom.

Datadog develops a monitoring and analytics platform for developers, information technology teams and business users. The stock underperformed as the company continued to experience soft consumption trends resulting in a reduction of guidance for the back half of the year.

Year-to-Date Performance Comments

Invesco Discovery Mid Cap Growth Fund Class A shares (without sales charge) returned 8.88% for the Year-to-Date (YTD) period, underperforming the Russell Midcap Growth Index, which returned 15.51%. Underperformance largely occurred in the first 6-7 weeks of the year, when there was a rally in low quality stocks and investors may have been covering their short positions. The portfolio had also been in the process of shifting from a defensive to a more neutral posture and this slower shift caused us to lag in January.

From a sector perspective, underperformance versus the benchmark YTD was largely due to weaker stock selection in the health care and industrials sectors. This was partially offset by stronger stock selection in the energy sector.

Portfolio Outlook & Positioning

US stocks have generated surprisingly strong returns in the first half of 2023, primarily due to a resilient economy, the Fed's progress in taming inflation and a burst of enthusiasm for technology and mega-capitalization companies.

Though we remain alert to the risk of an economic stumble, the Invesco Growth Team maintains a favorable view of the opportunities ahead. We believe the risk of a wide scale recession has been diminished by sector-specific rolling recessions that have rippled through the economy in recent months.

We believe Fed interest rate hikes are likely mostly done as inflation finally retreats, however any talk of Fed interest rate cuts are premature given the resilience of the US economy. We remain focused on capturing those opportunities by holding shares of companies we judge to have superior relative growth potential.

Sector weights (%) as of August 31, 2023

Sector	Portfolio Weight	Benchmark Weight	Difference
Industrials	24.58	19.61	4.97
Cash	3.04	0.00	3.04
Information Technology	24.23	21.78	2.45
Materials	2.36	1.32	1.04
Consumer Discretionary	12.86	12.83	0.03
Energy	4.01	4.20	-0.19
Utilities	0.00	0.37	-0.37
Real Estate	1.01	1.64	-0.63
Consumer Staples	2.38	3.10	-0.73
Communication Services	2.64	4.10	-1.46
Financials	7.63	10.28	-2.66
Health Care	15.26	20.76	-5.49

The holdings are organized according to the Global Industry Classification Standard, which was developed by and is the exclusive property and service mark of Morgan Stanley Capital International, Inc. and Standard & Poor's.



For more information, including prospectus and factsheet, please visit [Invesco.com/OEGAX](https://www.invesco.com/OEGAX)

Standardized performance (%) as of June 30, 2023

	YTD	1 year	3 years	5 years	10 years	Since inception
Invesco Discovery Mid Cap Growth Fund (Class A Shares w/o Sales Charge)	10.51	14.53	5.10	9.25	11.39	7.64
Invesco Discovery Mid Cap Growth Fund (Class A Shares) at Max 5.5% load	4.45	8.23	3.14	8.02	10.76	7.37
Invesco Discovery Mid Cap Growth Fund (Class Y Shares)	10.65	14.79	5.37	9.52	11.67	8.08
Invesco Discovery Mid Cap Growth Fund (Class R6 Shares)	10.71	14.98	5.52	9.69	11.87	11.95
Russell Midcap Growth Index ¹	15.94	23.13	7.63	9.71	11.53	–
Morningstar Percentile Rank and Ranking: Mid-Cap Growth Category ² (Class A Shares based on total return)	–	76 th #438/560	71 st #342/519	41 st #206/486	33 rd #126/379	–

- Returns for periods of less than one year are cumulative and not annualized.
- Class A share inception date is 11/1/2000
- Class Y share inception date is 11/1/2000
- Class R6 share inception date is 2/28/2013

Annual Expense Ratios:

- Class A shares: Gross: 1.04%.
- Class Y shares: Gross: 0.79%.
- Class R6 shares: Gross: 0.67%.

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. 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 Class R6 shares have no sales charge; therefore, performance is at NAV. Class I shares were reorganized into Class R6 shares. R6 shares are primarily intended for retirement plans that meet certain standards and for institutional investors. An investment cannot be made in an index.

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.

Top 10 stock holdings by issuer (%) as of August 31, 2023

Name	Sector	Weight
Manhattan Associates	Information Technology	2.45
Synopsys	Information Technology	2.37
Quanta Services	Industrials	2.25
TransDigm	Industrials	2.16
HubSpot	Information Technology	2.15
Monolithic Power Systems	Information Technology	2.01
IDEXX Laboratories	Health Care	1.98
Old Dominion Freight Line	Industrials	1.96
D.R. Horton	Consumer Discretionary	1.86
Lattice Semiconductor	Information Technology	1.85

Holdings are subject to change and are not buy/sell recommendations.



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All data as of 8/31/23, unless otherwise stated.

All data provided by Invesco unless otherwise noted.

1. The Russell Midcap Growth Index measures the performance of the mid-cap growth segment of the US equity universe. The index is unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict performance of the Fund. **Past performance is not a guarantee of future results.**
2. Source Morningstar, Inc. **Morningstar rankings are based on total return, excluding sales charges and including fees and expenses versus all funds in the Morningstar category.** Open-end mutual funds and exchange-traded funds are considered a single population for comparison purposes. Had fees not been waived and/or expenses reimbursed currently or in the past, the ranking would have been lower.
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Basis Point: one hundredth of one percent, used chiefly in expressing differences of interest rates.

The S&P 500 Index is an unmanaged index considered representative of the broad U.S. stock market. The Russell Top 200 Index and Russell 2000 Index is an unmanaged index considered representative of mega-cap and small-cap stocks, respectively. The Russell Top 200 and 2000 Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co.

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.

Growth stocks tend to be more sensitive to changes in their earnings and can be more volatile.

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.

The opinions expressed are those of the Portfolio Managers of the Invesco Discovery Mid Cap Growth Fund and 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.

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 professional for a prospectus/summary prospectus or visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus).