

Invesco Small Cap Growth Fund

Quarterly Performance Commentary

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



Limited Offering

Investment objective

The fund seeks long-term growth of capital.

Portfolio management

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Fund facts

Nasdaq	A: GTSAX	C: GTSDX
	Investor: GTSIX	Y: GTSYX
Total Net Assets	\$2,657,651,004	
Total Number of Holdings	119	

Top holdings

	% of total net assets
Q2 Holdings	1.71
Chemed	1.50
TransDigm	1.48
CoreSite Realty	1.40
Martin Marietta Materials	1.40
Bio-Techne	1.35
Realpage	1.32
Silicon Laboratories	1.27
Repligen	1.27
Aspen Technology	1.22

Top contributors

	% of total net assets
1. Martin Marietta Materials	1.40
2. TransDigm	1.48
3. Chemed	1.50
4. Natera	1.05
5. Nevro	0.65

Top detractors

	% of total net assets
1. Sarepta Therapeutics	0.63
2. ICU Medical	0.08
3. GW Pharmaceuticals	0.67
4. Amicus Therapeutics	0.59
5. Agios Pharmaceuticals	0.55

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.
- + The US Treasury yield curve inverted several times, raising fears of a US recession. However, the Fed's accommodative tone provided some support for risk assets.
- + Despite increased volatility, US equity markets delivered generally positive results.

Positioning and outlook

- + All positioning changes are based on bottom-up stock selection.
 - + Our long-term investment horizon results in relatively low portfolio turnover, while disciplined portfolio construction acts as a risk control and ensures alignment with small-cap market sector exposure with modest over- and underweights.
 - + Recent central bank actions have supported continued growth by keeping the cost of debt low.
- The labor market remains healthy with job and wage gains; thus, consumers appear to be fine. However, these are clearly the late innings of the economic cycle and we, therefore, expect only modest growth from here, as well as continued volatility spurred by trade and election headlines.
- + True growth is likely to be scarce and we believe the market will favor companies that can produce growth and compound earnings despite the economic cycle.

Performance highlights

- + The fund's Class A shares at net asset value (NAV) declined for the quarter and underperformed the Russell 2000 Growth Index. (Please see the investment results table on page 2 for fund and index performance.)
- + The health care and industrials sectors were the leading detractors from relative return due to stock selection. Health care has come under pressure from a heavily politicized environment ahead of the 2020 presidential election.
- + Stock selection and an underweight in consumer staples was another notable detractor.
- + Key contributors to relative return included stock selection in the information technology, communication services and consumer discretionary sectors.

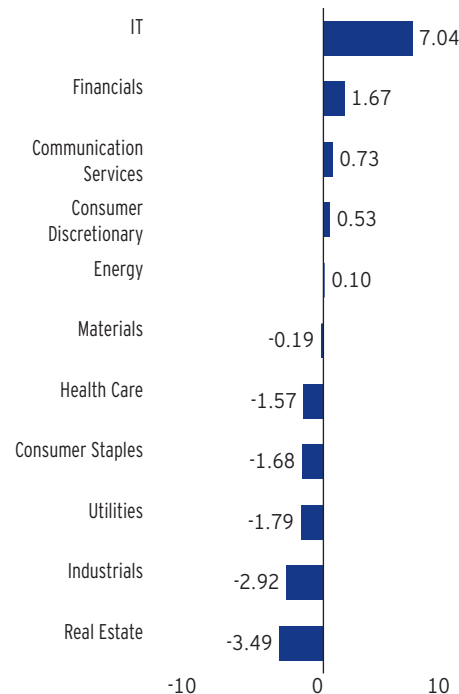
Contributors to performance

- + **Martin Marietta Materials** supplies aggregates and building materials and has benefited from strong pent-up demand after several years of bad weather caused project delays. **Martin Marietta** also declared a special dividend.
- + **TransDigm** is a global producer, designer and supplier of engineered aerospace components, systems and sub-systems. The company has delivered strong organic growth and good cost synergies from its Esterline Technologies (not a fund holding) acquisition.
- + **Chemed** operates in two business areas - home hospice care and Roto-Rooter plumbing. The company benefited from the finalization of favorable hospice reimbursement changes by the Centers for Medicare & Medicaid Services, which is perceived to be a potentially meaningful tailwind to the company's 2020 earnings. The company has shown consistent execution while delivering attractive growth and profit margins in both business segments.

Detractors from performance

- + **Sarepta Therapeutics** is a medical research and drug development company. The stock suffered along with underperformance of the broader biotechnology group as bipartisan support for legislative action on drug pricing gained momentum. **Sarepta Therapeutics** also faced broader management credibility concerns.
- + **ICU Medical** develops medical devices. During the quarter, management unexpectedly lowered earnings guidance for its IV Solutions business due to profit margin pressures from increased competition. The company has decided to exit this business segment to focus on areas that offer long-term contracts.
- + **GW Pharmaceuticals**, a UK-based biopharmaceutical company known for its cannabinoid multiple sclerosis treatment, came under pressure amid underperformance of the broader biotech group. There are also concerns about a waning of high pent-up demand for the first FDA-approved CBD product, which led to a strong launch of EPIDIOLEX, its CBD seizure treatment.

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



Investment results

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

	Class A Shares	Class C Shares	Investor Class Shares	Class Y Shares	Style-Specific Index		
	Inception: 10/18/95	Inception: 05/03/99	Inception: 04/07/06	Inception: 10/03/08			
	Max Load	Max CDSC			Russell 2000 Growth Index		
Period	5.50%	1.00%	NAV	NAV			
Inception	10.05	10.31	8.25	8.25	8.43	12.17	-
10 Years	11.99	12.62	11.78	11.78	12.64	12.91	12.25
5 Years	7.23	8.45	7.63	7.63	8.46	8.72	9.08
3 Years	8.02	10.08	9.25	9.25	10.12	10.37	9.79
1 Year	-15.03	-10.08	-11.55	-10.77	-10.03	-9.84	-9.63
Quarter	-10.24	-5.02	-6.14	-5.19	-4.98	-4.94	-4.17

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. The Investor Class shares have no sales charge; therefore, performance is at NAV. 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	1.18	1.18	Dom Common Stock 97.11
Class C Shares	1.93	1.93	Intl Common Stock 1.35
Investor Class Shares	1.18	1.18	Cash 1.10
Class Y Shares	0.93	0.93	Other 0.44

Per the current prospectus

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

The fund has limited public sales of its shares to certain investors. For more information on who may continue to invest in the fund, please see the prospectus.

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

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

About risk

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.

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

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.

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.