

Invesco Small Cap Growth Fund

Q4 2025

Key takeaways

- 1 Small-cap equities recovered by year end.**

Small-cap stocks advanced in the fourth quarter, despite increased volatility that appeared primarily driven by the government shutdown and concerns about capital spending for artificial intelligence (AI).
- 2 The fund outperformed its benchmark.**

Outperformance was driven by security selection in several sectors, including information technology (IT), industrials and energy. Stock selection in real estate, financials, consumer discretionary and materials detracted from relative return.
- 3 We believe active management will be important in this environment.**

Strategic stock selection will be particularly crucial in navigating this market environment and the AI innovation wave, in our view.

Investment objective

The fund seeks long-term growth of capital.

Fund facts

Fund AUM (\$M)	1,607.02
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Portfolio managers

Juan Hartsfield, Clay Manley, Justin Sander

Manager perspective and outlook

- Following the rally in low quality stocks that began in April and continued through the third quarter, US stocks finished the volatile fourth quarter with a rotation back to quality leadership.
- We believe 2026 will mark the inflection point where quality stocks reassert market leadership.
- Greater clarity of US Federal Reserve (Fed) monetary policy, a positive inflection in corporate earnings, continued US GDP growth and reduced tariff uncertainty should provide cyclical support for small-cap stocks, in our view.
- A cyclical shift to quality small-cap stocks, along with higher valuations due to mean reversion and private equity demand, should in our view provide structural support for the small-cap segment.
- Potential risks for small-cap stocks in 2026 include in our view higher-than-expected tariffs, a Fed policy error, geopolitics and mega-cap technology stocks continuing to absorb capital.
- The fund is positioned across profitable companies in secular growth industries, with what we see as strong balance sheets and shareholder return programs, and reasonable valuations with improving fundamentals. The fund has cyclical exposure to industrials, materials and energy.
- We rely on the weight of evidence and adjust positioning as conditions evolve but will not abandon discipline to chase unsustainable momentum.
- We remain committed to running our own race, focused on quality companies that deliver sustainable, long-term returns.



Top issuers

(% of total market value)

	Fund	Index
Sanmina Corp	2.60	0.23
Guardant Health Inc	2.41	0.82
MACOM Technology Solutions Holdings Inc	2.28	0.00
Madrigal Pharmaceuticals Inc	2.13	0.71
SPX Technologies Inc	1.94	0.64
Bridgebio Pharma Inc	1.90	0.80
Piper Sandler Cos	1.88	0.39
Fabrinet	1.85	1.09
Carpenter Technology Corp	1.83	0.00
Axsome Therapeutics Inc	1.83	0.49

As of 12/31/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

At the end of the fourth quarter, the fund's largest absolute weights were in the industrials, health care, IT, financials and consumer discretionary sectors. Relative to the Russell 2000 Growth Index, the fund was overweight industrials, IT, utilities and consumer discretionary, while underweight real estate, materials, communication services, health care, consumer staples, energy and financials.

Fourth quarter additions:

InterDigital designs and develops advanced wireless and video technologies. In our view, the business benefits from largely uncorrelated revenue streams, strong influence in global standards bodies and upside potential from streaming IP (intellectual property) monetization alongside its core 4G/5G/6G and video compression portfolio.

Embraer manufactures aircraft and provides after-market services. The company historically benefits from strong demand for its next-generation E2 planes and a monopoly in US regional jets. We believe its high-profit services and growing jet market share support its financial stability.

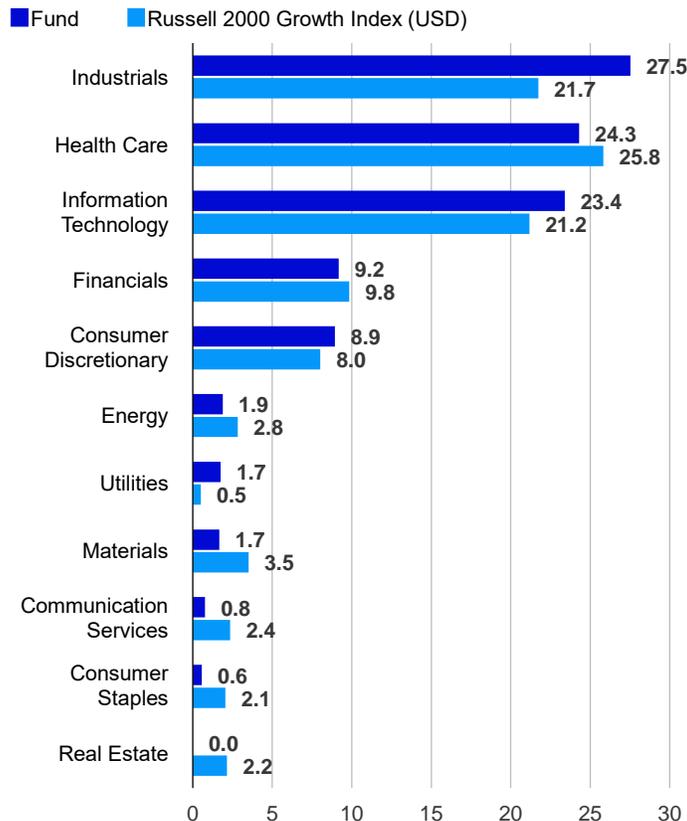
Fourth quarter sales:

Floor & Decor is a US retailer. The company reported solid third quarter results, but ongoing weakness in housing repair and remodeling activity, along with a delayed cyclical recovery, remain in our view key challenges.

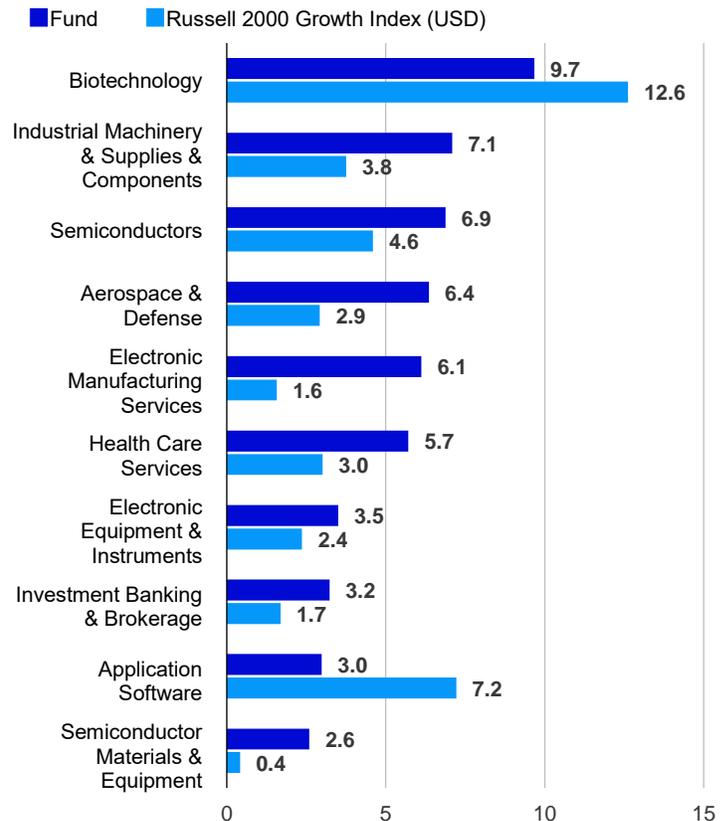
Genius Sports is a global sports data and technology company. It has been facing mounting competitive pressure from Polymarket (not a fund holding), whose rapid US re-entry and regulatory clearance have in our view significantly altered the online sports betting landscape.

Everus Construction provides electrical and mechanical and transmission and distribution construction services across the US. The stock has delivered strong performance since the fund's 2024 investment, but we believe an elevated valuation and high expectations present challenges for further upside.

Sector breakdown (% of total market value)



Top industries (% of total market value)



Top contributors (%)

Issuer	Return	Contrib. to return
Guardant Health, Inc.	63.48	1.07
MACOM Technology Solutions Holdings, Inc.	37.59	0.59
Sanmina Corporation	30.37	0.56
Rocket Lab Corporation	45.61	0.54
BridgeBio Pharma, Inc.	47.27	0.53

Top detractors (%)

Issuer	Return	Contrib. to return
Fermi, Inc.	-59.81	-0.47
Stride, Inc.	-54.32	-0.43
Commvault Systems, Inc.	-36.70	-0.38
Porch Group, Inc.	-45.59	-0.31
Bullish	-40.47	-0.27

Performance highlights

The fund outperformed the Russell 2000 Growth Index during the quarter. Stock selection in IT, industrials and energy added to relative return. Stock selection in real estate, financials, consumer discretionary and materials detracted from relative return.

Contributors to performance:

Guardant Health is a biotechnology company that reported strong quarterly results with accelerating oncology revenues and growing adoption of its blood biopsy tests. Guardant Shield for colorectal cancer has emerged as another growth engine. **MACOM Technology Solutions** provides analog semiconductor solutions. Following a strong quarterly report with accelerating book-to-bill and record order backlog, confidence in its sustainable growth has improved, supported by AI data center exposure and demand drivers in satellite and defense markets. **Sanmina** provides electronics contract manufacturing services and reported improving revenues and profits. Despite integration risks from a recent acquisition, we believe Sanmina is in an attractive position and trades at a valuation discount to peers. **Rocket Lab** designs and manufactures satellites, subsystems and spacecraft components for commercial, civil and defense markets worldwide. The stock added to fund results as two hypersonic missions and major contract wins reinforced growth momentum. **BridgeBio Pharma** develops medicines for genetic diseases. The company reported

strong quarterly earnings with accelerating commercial momentum for Attruby (an FDA approved prescription treatment) and favorable results from multiple late-stage clinical trials.

Detractors from performance:

Fermi develops energy infrastructure. It has faced delays and a canceled Amazon Web Services (AWS) contract, creating uncertainty despite strong hyperscaler interest. **Stride** is a technology-based K-12 education provider. The company reported forward guidance below consensus due to operational challenges from a new software rollout that limited admissions and increased withdrawals. We sold the stock. **Commvault Systems** provides data management software. The company has historically outperformed peers, but software stocks broadly underperformed amid concern about AI's impact on growth. Commvault's earnings met expectations but were not enough to sustain momentum. **Porch** provides software and services to home service industries. Its third quarter results were solid, but the stock fell after management reduced fourth quarter guidance, signaling growth deceleration and prioritizing profitability over premium growth. **Bullish** offers a digital asset platform that supports institutional adoption of stablecoins, digital assets and blockchain technology. Despite strong underlying business trends, the stock fell as Bitcoin price weakness appeared to weigh on investor sentiment.

Standardized performance (%) as of December 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 10/18/95	NAV	1.60	5.69	5.69	11.43	-0.89	8.97	9.87
	Max. Load 5.5%	-3.99	-0.12	-0.12	9.35	-2.00	8.35	9.66
Class R6 shares inception: 09/24/12	NAV	1.68	6.11	6.11	11.89	-0.48	9.45	10.52
Class Y shares inception: 10/03/08	NAV	1.65	5.95	5.95	11.70	-0.64	9.24	10.81
Russell 2000 Growth Index (USD)		1.22	13.01	13.01	15.59	3.18	9.57	-
Total return ranking vs. Morningstar Small Growth category (Class A shares at NAV)		-	-	66% (380 of 531)	60% (317 of 518)	84% (409 of 496)	73% (282 of 389)	-

Expense ratios per the current prospectus: Class A: Net: 1.16%, Total: 1.16%; Class R6: Net: 0.75%, Total: 0.75%; Class Y: Net: 0.91%, Total: 0.91%.

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. Returns less than one year are cumulative; all others are annualized. Index source: RIMES Technologies Corp. Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained. 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 R6 shares have no sales charge; therefore performance is at NAV. Class Y shares are available only to certain investors. Class R6 shares are closed to most investors. Please see the prospectus for more details.

Performance highlights (cont'd)

Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	11.30	24.91	-9.01	24.28	57.00	7.33	-35.60	12.66	16.19	5.69
Class R6 shares at NAV	11.85	25.49	-8.58	24.86	57.70	7.80	-35.35	13.17	16.66	6.11
Class Y shares at NAV	11.56	25.25	-8.80	24.59	57.38	7.61	-35.44	12.93	16.49	5.95
Russell 2000 Growth Index (USD)	11.32	22.17	-9.31	28.48	34.63	2.83	-26.36	18.66	15.15	13.01

Portfolio characteristics*

	Fund	Index
No. of holdings	101	1,105
Top 10 issuers (% of AUM)	20.66	9.29
Wtd. avg. mkt. cap (\$M)	9,698	5,443
Price/earnings	31.94	25.24
Price to book	5.69	4.57
Est. 3 – 5 year EPS growth (%)	16.39	12.99
ROE (%)	8.70	3.12
Long-term debt to capital (%)	37.08	32.63
Operating margin (%)	10.91	8.76

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-3.85	0.00
Beta	0.95	1.00
Sharpe ratio	-0.20	0.00
Information ratio	-0.67	0.00
Standard dev. (%)	20.72	20.82
Tracking error (%)	6.10	0.00
Up capture (%)	79.10	100.00
Down capture (%)	100.78	100.00
Max. drawdown (%)	43.28	33.43

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.06	0.04	0.09
Consumer Discretionary	-0.09	-0.20	-0.30
Consumer Staples	0.10	-0.02	0.08
Energy	0.02	0.22	0.24
Financials	-0.10	-0.50	-0.60
Health Care	-0.81	-0.58	-1.40
Industrials	-0.25	1.61	1.36
Information Technology	-0.18	2.42	2.24
Materials	0.03	-0.26	-0.23
Real Estate	-0.09	-0.60	-0.70
Utilities	-0.15	-0.02	-0.17
Cash	-0.01	0.00	-0.01
Total	-1.48	2.10	0.62

Holdings are subject to change and are not buy/sell recommendations. Attribution methodology notes: The attribution provides analysis of the effects of several portfolio management decisions, including allocation and security selection. Securities classified as "Other" may include non-equity securities, derivatives, and securities for which a sector classification may not be appropriate. The portfolio is actively managed and portfolio holdings are subject to change. The percentage weights represented for the portfolio are dollar weighted based on market value. **Market allocation effect** shows the excess contribution due to sector/market allocation. A positive allocation effect implies that the choice of sector weights in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Selection effect** shows the excess contribution due to security selection. A positive selection effect implies that the choice of stocks in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Total effect** is the difference in contribution between the benchmark and portfolio. **Past performance does not guarantee future results.**

Unless otherwise specified, all information is as of 12/31/25. Unless stated otherwise, Index refers to Russell 2000 Growth Index (USD).

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.

The Russell 2000 Growth Index is an unmanaged index considered representative of growth stocks. The Russell 2000 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.

About Risk

The risks of investing in securities of foreign issuers, including emerging markets 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.

The Fund's value may be affected by changes in the stock markets. Stock markets may experience significant short-term volatility and may fall or rise sharply at times. Adverse events in any part of the equity or fixed-income markets may have unexpected negative effects on other market segments. Different stock markets may behave differently from each other and U.S. stock markets may move in the opposite direction from one or more foreign stock markets.

Investments focused in a particular industry or sector are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

The investment techniques and risk analysis used by the portfolio managers may not produce the desired results.

Stocks of small-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 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.

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 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.

* **Alpha** (cash adjusted) is a measure of performance on a risk-adjusted basis. **Beta** (cash adjusted) is a measure of relative risk and the slope of regression. **Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio indicates better risk-adjusted performance. **Information Ratio** is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns. **Standard deviation** measures a fund's range of total returns and identifies the spread of a fund's short-term fluctuations. **Tracking Error** is defined as the expected standard deviation of a portfolio's excess return over the benchmark index return. The **up and down capture** measures how well a manager was able to replicate or improve on periods of positive benchmark returns and how severely the manager was affected by periods of negative benchmark returns. **Maximum Drawdown** is the maximum observed loss from a high to a low of a portfolio, before a new high is attained. Maximum drawdown is an indicator of downside risk over a specified time period. **Weighted Average Market Cap** is a measure of the average size of company held in a portfolio. The percentage of the portfolio invested each company, or its weight, is multiplied by its size (market capitalization). An average of the weighted size of all companies held is then calculated. **Price/earnings** measures the price per share relative to the earnings per share of the company while excluding extraordinary items. **Price to book** measures the firm's capitalization (market price) to book value. **Est. 3-5 year EPS (Earning per share) growth** measures the earning per share growth from FY3 to FY5. **ROE** is the Return on Equity that measures the fund's annual return relative to total shareholders' equity. This ratio evaluates how quickly investments can be turned into profits. **Long-term debt to capital** measures a fund's financial leverage by calculating the proportion of long-term debt used to finance its assets relative to the amount of equity used for the same purpose. A higher ratio indicates higher leverage. **Operating margin** measures the profit a fund makes for every dollar of sales after paying the variable expenses. **Contribution to Return** measures the performance impact from portfolio holdings over a defined time period. It takes into account both weight and performance of the portfolio holdings. Contribution to Return is calculated at security level.

Morningstar

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Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus) for a prospectus/summary prospectus containing this information. Read it carefully before investing.