

Invesco Small Cap Growth Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes

Data as of June 30, 2020



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	\$2,941,439,160	
Total Number of Holdings	122	

Top holdings

	% of total net assets
Repligen	1.90
Catalent	1.80
Etsy	1.59
Bio-Techne	1.55
Q2 Holdings	1.48
Eldorado Resorts	1.36
Tandem Diabetes Care	1.29
Blackline	1.23
Lattice Semiconductor	1.22
Horizon Therapeutics	1.20

Top contributors

	% of total net assets
1. Etsy	1.59
2. El Dorado Resorts	1.36
3. DexCom	0.00
4. Penn National Gaming	0.99
5. Catalent	1.80

Top detractors

	% of total net assets
1. eHealth	0.94
2. Brink's	0.00
3. Planet Fitness	0.67
4. Heron Therapeutics	0.40
5. Insulet	0.71

Market overview

- + US stocks largely shrugged off economic uncertainty, social unrest and a resurgence in coronavirus infections to post the best quarterly return since 1998.
- + With record unemployment and despite continued economic uncertainty, most economists believe the US economy hit a low in April.
- + Investor sentiment improved in response to trillions of dollars in fiscal stimulus, progress on a coronavirus vaccine and reopening in many US regions.
- + Oil prices doubled in June and provided some support to struggling energy companies.
- + All S&P 500 Index sectors had positive returns for the quarter, with consumer discretionary, information technology (IT) and energy returning over 30%, while utilities and consumer staples had single-digit gains.

Positioning and outlook

- + All positioning changes are based on bottom-up stock selection while disciplined portfolio construction acts as a risk control and ensures alignment with small-cap market sector exposure with modest over- and underweights.
- + Our long-term investment horizon leads to relatively low turnover. We used the COVID-19 pullback in the equity market as an opportunity to upgrade holdings and position the portfolio for a post-COVID-19 market and economic rebound.
- + At the margin, we have shifted out of more defensive stocks and into stocks that have more upside potential in a post-COVID economic and market recovery.
- + Though the situation continues to evolve, we believe the US economy will gradually reopen on a regional basis.
- + We expect that unemployment, weakened confidence, de-leveraging and bankruptcies will be headwinds, while advances in COVID-19 vaccines/treatments, growing herd immunity, monetary and fiscal stimulus, and pent-up demand will provide tailwinds.

Performance highlights

- + The fund's Class A shares at net asset value (NAV) had a positive return for the quarter and outperformed the Russell 2000 Growth Index. (Please see the investment results table on page 2 for fund and index performance.)
- + Stock selection in the information technology (IT) sector was the leading driver of relative outperformance. Stock selection and an overweight in consumer discretionary stocks also added to relative results. The consumer discretionary sector rebounded as states eased COVID-19 restrictions and was the quarter's best performing sector.
- + Conversely, the portfolio's ancillary cash position was the leading detractor as small-cap equities generally rallied during the quarter. Stock selection in communication services, industrials and materials also detracted.

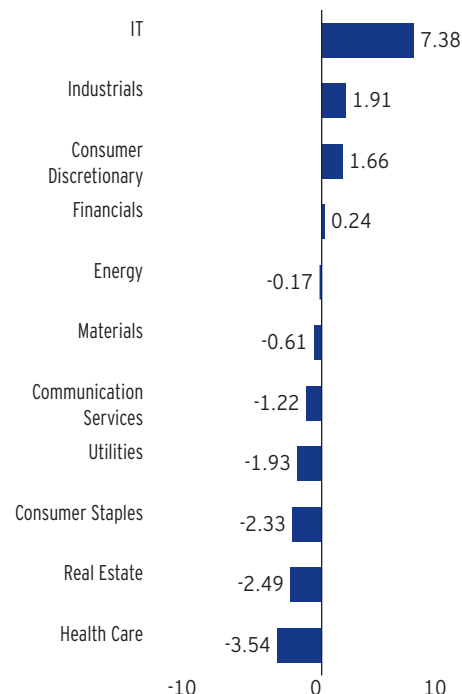
Contributors to performance

- + **Etsy's** strong first quarter profitability and accelerating sales growth pushed its share price higher. Demand for COVID-19 face masks contributed to sales growth on the website.
- + **El Dorado Resorts** rallied during the quarter as several states relaxed social distancing measures and initial casino traffic was better than anticipated with improved profitability.
- + **DexCom** makes continuous glucose monitoring systems for diabetes management and has been a long-term holding in the portfolio. We sold this position during the quarter due to its increasing market capitalization and reallocated the proceeds to smaller market cap ideas.

Detractors from performance

- + **eHealth**, an online health insurance marketplace, declined during the quarter as investors took profits. The stock had previously performed well following a strong fourth quarter (when the company typically generates most of its income) fueled by high Medicare enrollments.
- + **Brink's** has been a long-term fund holding and was sold during the quarter with the proceeds reallocated to other stocks that we believe offer better growth opportunities.
- + **Planet Fitness** was added to the portfolio during the quarter and is one of the largest and fastest-growing franchisors and operators of fitness clubs in the US, with over 1,000 clubs that are 95% franchise-owned and have roughly 7 million members. The stock performed well and not owning it earlier in the quarter was a drag on relative performance due to its large weighting in the index.

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



Investment results

Average annual total returns (%) as of June 30, 2020

	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	10.35	10.60	8.65	8.65	9.02	12.68	-
10 Years	13.30	13.94	13.09	13.09	13.95	14.23	12.92
5 Years	7.17	8.39	7.57	7.57	8.41	8.66	6.86
3 Years	8.38	10.45	9.60	9.60	10.48	10.73	7.86
1 Year	3.00	9.00	7.27	8.15	9.06	9.28	3.48
Quarter	26.88	34.24	32.92	33.92	34.25	34.33	30.58

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. 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	1.17	1.17	Dom Common Stock 96.15
Class C Shares	1.92	1.92	Intl Common Stock 2.90
Investor Class Shares	1.13	1.13	Cash 0.68
Class Y Shares	0.92	0.92	Other 0.27

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. 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.