

Invesco Small Cap Discovery Fund

Quarterly Performance Commentary

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



Investment objective

The fund seeks capital appreciation.

Portfolio management

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Fund facts

Nasdaq	A: VASCX	C: VCSCX Y: VISCX
Total Net Assets	\$516,539,302	
Total Number of Holdings	106	

Top holdings

	% of total net assets
Brink's	1.80
Black Knight	1.73
Aerojet Rocketdyne	1.68
Entegris	1.62
Casella Waste Systems	1.61
Summit Materials	1.49
Insulet	1.47
Realpage	1.44
Lattice Semiconductor	1.40
Rapid7	1.36

Top contributors

	% of total net assets
1. Insulet	1.47
2. Trex	0.77
3. Entegris	1.62
4. Mercury Systems	0.77
5. Lattice Semiconductor	1.40

Top detractors

	% of total net assets
1. Sarepta Therapeutics	0.49
2. New Relic	0.00
3. Rapid7	1.36
4. Green Dot	0.00
5. GW Pharmaceuticals	0.70

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 and consumers appear to be fine. However, these are clearly the late innings of the economic cycle and we 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.)
- + Leading detractors included stock selection in the consumer discretionary and consumer staples sectors. Underweights in defensive sectors such as consumer staples and REITs and having no exposure in utilities also detracted.
- + Stock selection in the industrials sector was the leading contributor. An underweight in health care also helped as the increasingly politicized sector has come under pressure ahead of the 2020 presidential election. Stock selection in communication services also added to relative return.

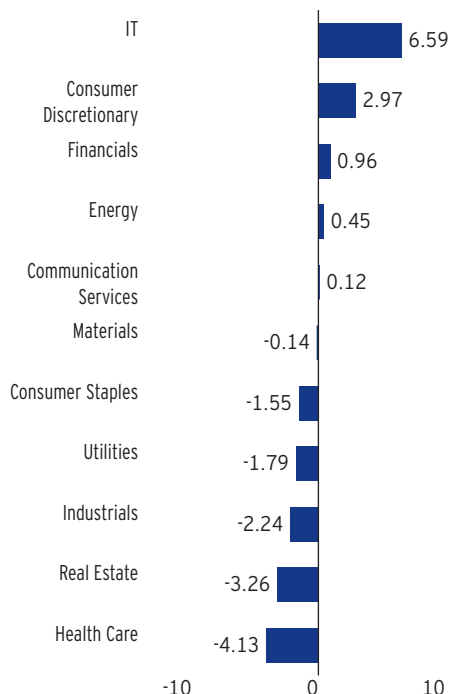
Contributors to performance

- + **Trex** is a manufacturer of wood-alternative decking whose products have traditionally sold at a higher price point. In 2019, **Trex** launched a lower priced product designed to compete with wood decks. The stock sold off early in 2019 due to fear that its new product would cannibalize existing products. **Trex** announced strong demand and improving costs for its lower priced item, which helped drive the stock higher.
- + **Entegris** rallied as investors rotated out of software stocks and into semiconductors. We believe this move was spurred by expectations that semiconductor fundamentals will bottom over the next two quarters and improve in 2020.
- + **Lattice Semiconductor's** new management is executing ahead of its turnaround plan and is achieving higher organic growth than the market anticipated. As a result, the company's earnings power has expanded sooner than predicted and we think there is room for further growth.

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.
- + **GW Pharmaceuticals**, a UK-based biopharmaceutical company known for its cannabinoid multiple sclerosis treatment, came under pressure amid underperformance of the broader biotech group and from concerns about a waning of high pent-up demand for the first FDA-approved CBD product.
- + **Rapid7** was affected by the rotation away from software and by concerns about a slight decline in its Annual Recurring Revenue growth, an indicator of future growth. Despite these concerns, recent meetings with management have given us confidence that new products will drive revenue growth.

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



Investment results

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

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 11/27/00	NAV	Inception: 11/27/00	NAV	Inception: 02/02/06	
	Max Load 5.50%		Max CDSC 1.00%			Russell 2000 Growth Index
Inception	5.16	5.47	5.06	5.06	7.90	-
10 Years	11.10	11.72	10.91	10.91	12.01	12.25
5 Years	8.19	9.42	8.63	8.63	9.67	9.08
3 Years	10.59	12.71	11.89	11.89	12.95	9.79
1 Year	-10.21	-5.00	-6.39	-5.65	-4.84	-9.63
Quarter	-10.01	-4.73	-5.96	-5.01	-4.77	-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. 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	1.37	1.37	Dom Common Stock	97.34
Class C Shares	2.08	2.08	Intl Common Stock	0.70
Class Y Shares	1.12	1.12	Cash	0.68
Per the current prospectus			Other	1.28

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Class Y 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

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.

Investments concentrated in a comparatively narrow segment of the economy may be more volatile than non-concentrated investments.

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.