



Invesco Small Cap Value Fund Invesco Value Opportunities Fund

July 2025, Fund Highlights

Investment Team

Jonathan Edwards, CFA
Lead Portfolio Manager

Jonathan Mueller, CFA
Senior Portfolio Manager

Ricardo Sutton, CFA
Portfolio Manager

Jacob Doyle, CFA
Sr. Analyst

David Wang, CFA
Sr. Analyst

Fund Assets

Invesco Small Cap Value Fund:
\$6.89 billion

Invesco Value Opportunities Fund:
\$5.18 billion

Investment philosophy

We seek to provide investors exposure to small-cap and mid-cap companies whose stock price has become disconnected from the intrinsic value of the business. Maintaining a longer-term investment horizon allows this traditional approach to value investing to play out across cycles.

Fund objectives:

Invesco Small Cap Value Fund:
Long-term growth of capital.

Invesco Value Opportunities Fund:
Total return through growth of capital and current income.

For additional information, please visit our website at invesco.com/us

Market overview

In July 2025, US equity markets surged to record highs, fueled by strong corporate earnings and a rebound in economic growth. Robust results from major technology firms and easing trade tensions—particularly with Japan, South Korea, and the European Union—boosted investor sentiment. The initial estimate for second-quarter gross domestic product (GDP) showed a solid 3.0% expansion, recovering from a 0.5% contraction in the first quarter.¹ Inflation remained slightly above the Federal Reserve's target, with the 12-month headline Consumer Price Index (CPI) rate of 2.7%, prompting Fed to keep interest rates unchanged and take a “wait and see” approach to future rate cuts.² Despite positive earnings surprises and easing trade tensions, concerns lingered over other economic data, particularly in jobs and housing. Still, tech sector momentum, driven by artificial intelligence (AI) and cloud computing, continued to propel the markets higher.

In this environment, US equity markets posted gains with the S&P 500 and Nasdaq reaching new record highs. The S&P 500 gained 2.24% for the month, led by strength in information technology (IT) and utilities, while health care lagged due to uncertainty around drug pricing and Medicaid spending.³ Growth stocks outperformed value, with the Russell 1000 Growth Index up 3.78%, compared to a 0.57% gain for the Russell 1000 Value Index.³

Performance drivers

Invesco Small Cap Value Fund (Class A shares at NAV) returned 1.91% in July, outperforming the Russell 2000 Value Index, which returned 1.77%. On an absolute basis, **MP Materials** in the materials sector was the largest individual contributor. During the month, MP Materials secured a \$550 million strategic partnership with the U.S. Department of Defense to expand domestic rare earth production. It also signed a \$500 million supply deal with Apple to provide recycled rare earth magnets for future devices. These deals sent the stock sharply higher. Other notable contributors included IT holdings **Coherent** and **Lumentum**.

Fund holdings in health care and financials were the largest absolute detractors, including **Molina Healthcare** and **Pinnacle Financial Partners** respectively. Molina Healthcare struggled with rising medical costs. The July 4 passage of the “One Big Beautiful Bill Act” put further pressure on health care stocks, given the approximately \$1 trillion in potential cuts to Medicaid. We sold our position during the quarter. Despite reporting strong earnings, shares of Pinnacle Financial Partners declined following the announcement of a merger with Synovus Financial. Investors reacted negatively, as they had expected a higher premium for a deal, and it appeared that it would be dilutive to Pinnacle's per share value of tangible net assets.

Invesco Value Opportunities Fund (Class A shares at NAV) returned 0.45% in July, underperforming the Russell Midcap Value Index, which returned 1.79%. On an absolute basis, several of the fund's health care holdings were among the fund's largest detractors, including **Centene** and **Molina Healthcare**. Centene's stock dropped sharply after the company pulled its 2025 earnings guidance due to lower growth in the health care exchange market rising medical costs. We held Centene at month end but sold our position in Molina.

On the positive side, the fund's holdings in IT companies **Coherent** and **Lumentum** contributed to absolute performance. Coherent's shares rose following the announcement of a new manufacturing plant in Viet Nam, which expanded the company's operations to meet growing demand. Lumentum's shares rose amid continued investor enthusiasm about AI investment.

Our team seeks to take advantage of short-term investor fear using our intrinsic value investment process. Recent market volatility has provided an opportunity to purchase new holdings into the Funds, and it has also allowed us to add to many existing Fund positions at attractive prices.

Not a Deposit Not FDIC Insured
Not Guaranteed by the Bank May Lose Value
Not Insured by any Federal Government Agency

1. Source: US Bureau of Economic Analysis, July 30, 2025
2. Source: US Bureau of Labor Statistics, 7/15/2025
3. Source: Morningstar Direct, 7/31/2025, Past performance does not guarantee future results. An investment cannot be made in an index.



For more information, including prospectus and factsheet, please visit invesco.com

Portfolio Positioning

We use an intrinsic value approach to stock selection in the Funds. The portfolios are not constructed based on a short-term macroeconomic view; instead, positioning is driven by bottom-up stock selection based on a company's intrinsic value. We seek to create wealth by maintaining a long-term investment horizon and investing in companies that we believe are significantly undervalued on an absolute basis. Given our long-term investment horizon and focus on intrinsic value, we believe the Funds are currently positioned in more economically sensitive stocks versus the Russell 2000 Value Index and Russell Midcap Value Index. At month end, we believe the difference between the market price and the estimated intrinsic value of the Funds' holdings was very attractive, according to our estimation. Though there is no guarantee that the market value will ever reflect our estimate of the Funds' intrinsic value, we believe the gap between price and estimated intrinsic value may indicate above-average capital appreciation potential. We are constructive on the current portfolios and believe the Funds' investments may be positioned for solid absolute and relative performance.

Standardized performance (%) as of July 31, 2025

Invesco Small Cap Value Fund	1 Month	3 Months	YTD	1 Year	Annualized		
					3 years	5 Years	10 Years
Class A shares at NAV	1.91	14.67	2.08	7.85	17.97	26.33	12.06
Class A shares w/ max 5.50% load	-3.69	8.35	-3.54	1.93	15.76	24.91	11.42
Russell 2000 Value Index	1.77	11.29	-1.45	-4.27	4.80	12.41	7.20
Morningstar Percentile Rank and Ranking: Small Cap Value Category (Class A shares based on total return)				2% (14/496)	1% (3/477)	1% (3/448)	1% (3/372)

Performance as of latest quarter end, June 30, 2025

Invesco Small Cap Value Fund	1 Month	3 Months	YTD	1 Year	3 years	5 Years	10 Years
Class A shares at NAV	6.90	6.46	0.17	11.17	20.36	26.72	11.29
Class A shares w/ max 5.50% load	1.03	0.60	-5.35	5.04	18.12	25.29	10.66
Russell 2000 Value Index	4.95	4.97	-3.16	5.54	7.45	12.47	6.72
Morningstar Percentile Rank and Ranking: Small Cap Value Category (Class A shares based on total return)				10% (37/494)	1% (4/477)	1% (3/446)	1% (3/369)

Standardized performance (%) as of July 31, 2025

Invesco Value Opportunities Fund	1 Month	3 Months	YTD	1 Year	Annualized		
					3 years	5 Years	10 Years
Class A shares at NAV	0.45	13.54	4.01	15.44	18.04	23.31	11.45
Class A shares w/ max 5.50% load	-5.06	7.31	-1.72	9.09	15.84	21.93	10.82
Russell Mid Cap Value Index	1.79	9.96	4.97	7.06	8.96	13.07	8.60
Morningstar Percentile Rank and Ranking: Small Cap Value Category (Class A shares based on total return)				4% (18/406)	2% (10/379)	1% (4/356)	1% (4/281)

Performance as of latest quarter end, June 30, 2025

Invesco Value Opportunities Fund	1 Month	3 Months	YTD	1 Year	3 years	5 Years	10 Years
Class A shares at NAV	6.11	9.03	3.54	20.37	20.79	23.80	11.13
Class A shares w/ max 5.50% load	0.27	3.01	-2.16	13.78	18.55	22.40	10.50
Russell Mid Cap Value Index	3.51	5.35	3.12	11.53	11.34	13.71	8.39
Morningstar Percentile Rank and Ranking: Small Cap Value Category (Class A shares based on total return)				3% (17/412)	1% (9/383)	1% (4/358)	2% (5/283)

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 so that you may have a gain or loss when you sell shares. Return figures for periods less than one year are cumulative. Return figures for periods greater than one year are annualized. Index returns do not reflect any fees, expenses or sales charges. Performance shown at NAV does not include applicable front-end sales charges (max. 5.50%), which would have reduced performance. Performance for other share classes will differ due to differing sales charge structures and class expenses. 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.

Invesco Small Cap Value 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.

Source: Invesco, FactSet Research Systems, Inc., RIMES Technologies, StyleADVISOR and Morningstar Inc.

Total annual expense ratios: Invesco Small Cap Value Fund : Class A Shares, 1.12%, Invesco Value Opportunities Fund Class A Shares, 1.07%.

Inception dates: Invesco Small Cap Value Fund Class A is 6/21/1999, Invesco Value Opportunities Fund Class A is 6/25/2001.

As of 7/31/2025, Invesco Small Cap Value Fund held 1.42% of MP Materials, 3.24% of Coherent, 3.12% of Lumentum, 0.00% of Molina Healthcare and 1.34% of Pinnacle Financial Partners. Invesco Value Opportunities Fund held 1.14% of Centene, 0.0% of Molina Healthcare, 3.19% of Coherent and 3.25% of Lumentum.

The Russell 1000® Value Index is an unmanaged index considered representative of large-cap value stocks. The Russell 1000 Value Index is a trademark/service mark of the Frank Russell Co.

The Russell 1000® Growth Index is an unmanaged index considered representative of large-cap growth stocks. The Russell 1000® Growth Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co.

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

The Russell Midcap Value Index is an unmanaged index considered representative of mid-cap value stocks. An investment cannot be made into an index. Past performance is not a guarantee of future results.

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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Intrinsic Value: Intrinsic value is a the perceived or "true value" of an investment, which may or may not equal the current market price due to over- or under-valuation by the market. Intrinsic value is commonly used in fundamental analysis but does not have a universal methodology for calculation. One firm's Intrinsic Value calculation of an investment may be different from another.

Important disclosures:

All data as of 7/31/2025, unless otherwise stated. All data provided by Invesco unless otherwise noted.

Holdings are subject to change and are not buy/sell recommendations. The investment techniques and risk analysis used by the portfolio managers may not produce the desired results.

Note: Not all products, materials or services available at all firms. Financial professionals, please contact your home office.

Forward-looking statements are not guarantees of future results. They involve risks, uncertainties and assumptions, there can be no assurance that actual results will not differ materially from expectations.

The opinions expressed are those of the Portfolio Managers of the Invesco Small Cap Value and Invesco Value Opportunities Funds 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.

About risk

Invesco Small Cap Value Fund and Invesco Value Opportunities Fund – 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.

The risks of investing in securities of foreign issuers, including emerging market issuers, can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

A value style of investing is subject to the risk that the valuations never improve or that the returns will trail other styles of investing or the overall stock markets.

The Funds listed are subject to certain other risks. Please see the current prospectus for more information regarding the risks associated with an investment in the Fund.

Investments in real estate related instruments may be affected by economic, legal, or environmental factors that affect property values, rents or occupancies of real estate. Real estate companies, including REITs or similar structures, tend to be small and mid-cap companies and their shares may be more volatile and less liquid.

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.

Invesco Value Opportunities Fund - In general, stock values fluctuate, sometimes widely, in response to activities specific to the company as well as general market, economic and political conditions

Larger, more established companies may be unable to respond quickly to new competitive challenges such as changes in consumer tastes or innovative smaller competitors. Returns on investments in large capitalization companies could trail the returns on investments in smaller companies.

Because the Fund may hold a limited number of securities, a change in the value of these securities could significantly affect the investment value of the Fund.

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).