Invesco Discovery Fund

Q1 2024

Key takeaways

1. **The fund outperformed its benchmark**
Strong results led the fund to outperform its benchmark, the Russell 2000 Growth Index, in the first quarter. Outperformance was primarily driven by stock selection in the industrials, consumer discretionary and consumer staples sectors.

2. **US equity market strength continued into the first quarter of 2024**
The US Federal Reserve's (Fed) signaling of easier monetary policy and positive earnings appeared to stoke market optimism, leading to broader strength across equity styles and capitalizations. All US equity style indexes posted positive performance.

3. **We remain focused on premier growth compounders**
Technology-driven innovation has continued to disrupt large portions of the global economy, providing opportunity through investment in growth compounders. We remain focused on capturing those opportunities for the fund's shareholders.

Investment objective
The fund seeks capital appreciation.

Fund facts

Fund AUM ($M)	4,508.66

Portfolio managers
Ronald Zibelli, Asutosh Shah

Manager perspective and outlook

- The Fed signaled a pivot toward lower interest rates and the corporate earnings season was positive, which appeared to stoke investor optimism. Market strength broadened beyond the small number of stocks that had been leading the market and all US equity style indexes delivered positive performance. In response to mixed economic data, the Fed's anticipated interest rate cuts have been delayed, which caused the yield curve to shift uniformly higher while remaining inverted. Momentum and Growth were the best performing factors this quarter, which aligns well with the fund's investment approach.
- Invesco Growth Team's view of the stock market outlook for 2024 is constructive. The US economy has continued to expand, inflation has been moderating, the Fed has been forecasting interest rate cuts and corporate profits have been rising again after a multi-quarter period of contraction.
- Meanwhile, technology-driven innovation has continued to create opportunities for wealth creation. Keeping this backdrop in mind, we remain focused on investing in shares of reasonably valued companies that we judge to have superior relative growth potential.

Top issuers
(% of total net assets)

	Fund	Index
Medpace Holdings Inc	2.57	0.00
Comfort Systems USA Inc	2.42	0.84
Clean Harbors Inc	2.18	0.00
Saia Inc	2.06	0.00
Duolingo Inc	1.94	0.49
Hamilton Lane Inc	1.93	0.18
CyberArk Software Ltd	1.87	0.00
Wingstop Inc	1.77	0.00
elf Beauty Inc	1.75	0.79
Evercore Inc	1.70	0.00

As of 03/31/24. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

During the quarter, we changed several stocks that resulted in minor sector shifts. We increased the fund's overweights in industrials and consumer discretionary, increased the underweight in consumer staples and decreased the overweight in financials.

At quarter end, the fund's largest overweights were in the consumer discretionary, industrials and information technology sectors. The fund was underweight in the health care and communication services sectors. The fund had no exposure in the smallest sector, utilities.

At the security level, we added and removed several stocks to reflect our desired positioning and upgrade the portfolio:

Buys

Crane produces valves, fittings and specialty castings for a growing industrial America. The company is a steady compounder of engineered industrial products and we think there is significant upside for revenue and operating margins.

Impinj develops and sells radio frequency identification (RFID) solutions and provides reader chip, tag chips, readers, gateways and software. We believe an inventory correction for RFID readers is over and the company is winning new customers.

Federal Signal manufactures street sweeper vehicles, public address systems, emergency vehicle equipment and emergency vehicle lighting. The company continues to benefit from federal stimulus dollars. The addition of this position replaces some trimming done to other industrials holdings.

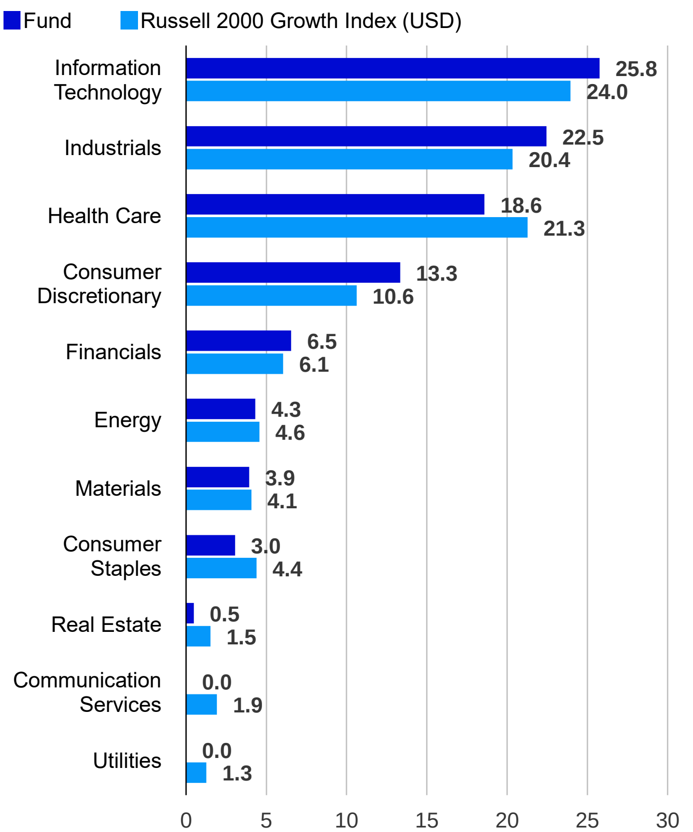
Sells

Celsius develops, markets, sells and distributes functional drinks and liquid supplements. The company also offers post-workout functional energy drinks and protein bars. We sold the position because the market capitalization became too large following strong stock performance.

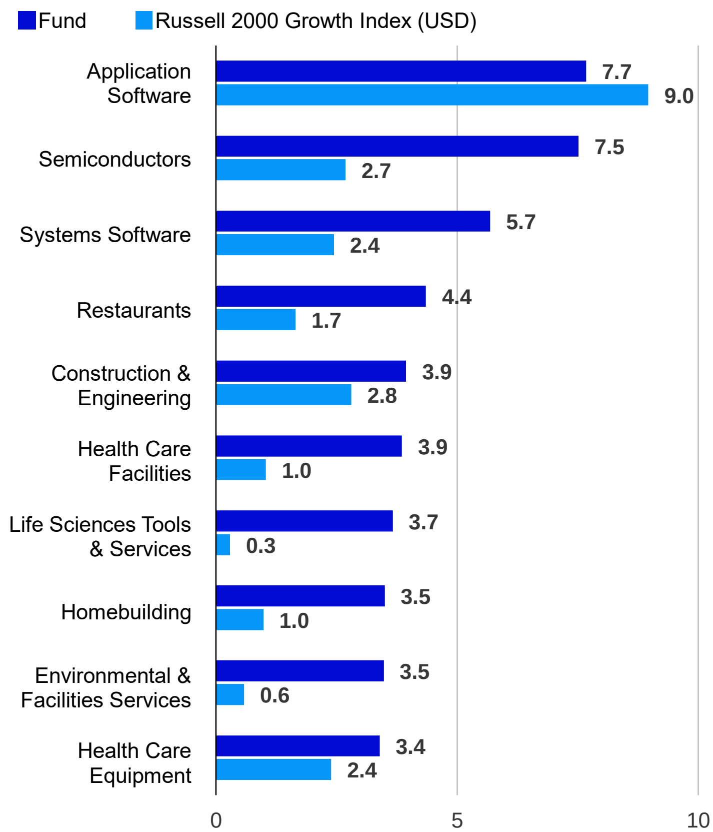
Axonics provides novel implantable sacral neuromodulation devices to treat patients with bladder and bowel dysfunction. We sold the position after it was announced in January that the company would be acquired by Boston Scientific in a cash deal.

TKO is a sports and entertainment company that includes Ultimate Fighting Championship and World Wrestling Entertainment. We believe the risk/reward became unfavorable based on the company moving its flagship show "Raw" to Netflix, along with controversy related to former executive chairman Vince McMahon.

Sector breakdown (% of total net assets)



Top industries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
Comfort Systems USA, Inc.	54.60	1.17
e.l.f. Beauty, Inc.	35.81	0.80
Saia, Inc.	33.49	0.76
Wingstop Inc.	42.89	0.73
Medpace Holdings, Inc.	31.85	0.70

Top detractors (%)

Issuer	Return	Contrib. to return
Endava plc	-51.83	-0.69
10x Genomics, Inc.	-33.11	-0.23
Rambus Inc.	-9.44	-0.17
Braze, Inc.	-16.62	-0.17
Freshworks Inc.	-21.88	-0.17

Performance highlights

The fund outperformed its benchmark, the Russell 2000 Growth Index for the first quarter. Outperformance primarily resulted from stock selection in the industrials, consumer discretionary and consumer staples sectors.

Contributors to performance

The largest absolute contributors for the quarter were **Comfort Systems, e.l.f. Beauty** and **Saia.**

Comfort Systems provides heating, ventilation and air conditioning (HVAC) installation, maintenance, repair and replacement services within the mechanical services industry. Comfort Systems released a strong fourth earnings report with revenues, EPS (earnings per share), EBITDA (earnings before interest, taxes, depreciation and amortization) and order backlog all better than Wall Street analyst estimates. The stock also outperformed due to its exposure to data center and mega cap construction spending.

e.l.f. Beauty is a value-priced seller of cosmetics and skin-care products. The company's business momentum has continued. The 2023 holiday selling season was strong, and management reported a strong quarter in which sales, EPS and gross profit margins beat consensus estimates. Management also provided fiscal fourth quarter sales guidance above expectations.

Saia is a multi-regional and inter-regional less-than-truckload (LTL) transport carrier. Management delivered a solid quarter with profit margins at the high end of its guidance range.

Detractors from performance

The largest absolute detractors for the quarter were **Endava, 10x Genomics** and **Rambus.**

Endava provides cloud transformation, software engineering, technology consulting and test automation services. Management lowered its guidance due to delayed IT service contracts.

10x Genomics develops software for analyzing biological systems such as genetic and immune cells. Management reported mixed quarterly financial results and provided mixed 2024 guidance due to slower demand for certain products.

Rambus designs, develops, licenses and markets high-speed chip-to-chip interface technology to enhance the performance and cost-effectiveness of consumer electronics, computer systems and other electronic products. Management reported good earnings results for the fourth quarter and fiscal year, but provided conservative guidance for fiscal 2024, causing shares to pull back.

Standardized performance (%) as of March 31, 2024

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
Class A shares inception: 09/11/86	NAV	12.80	12.80	24.38	0.49	12.56	11.05	10.85
	Max. Load 5.5%	6.60	6.60	17.54	-1.39	11.30	10.43	10.69
Class R6 shares inception: 01/27/12	NAV	12.90	12.90	24.83	0.86	12.99	11.50	13.56
Class Y shares inception: 06/01/94	NAV	12.87	12.87	24.67	0.73	12.83	11.32	9.57
Russell 2000 Growth Index (USD)		7.58	7.58	20.35	-2.68	7.38	7.89	-
Total return ranking vs. Morningstar Small Growth category (Class A shares at NAV)		-	-	17% (88 of 585)	35% (160 of 552)	11% (43 of 520)	10% (35 of 404)	-

Expense ratios per the current prospectus: Class A: Net: 1.03%, Total: 1.03%; Class R6: Net: 0.66%, Total: 0.66%; Class Y: Net: 0.79%, Total: 0.79%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit 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. As the result of a reorganization on May 24, 2019, the returns of the fund for periods on or prior to May 24, 2019 reflect performance of the Oppenheimer predecessor fund. Share class returns will differ from the predecessor fund due to a change in expenses and sales charges. 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.

Calendar year total returns (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Class A shares at NAV	-2.19	1.98	4.22	29.12	-3.60	36.74	50.06	15.61	-31.26	17.01
Class R6 shares at NAV	-1.76	2.40	4.69	29.64	-3.20	37.30	50.65	16.04	-31.01	17.46
Class Y shares at NAV	-1.96	2.21	4.48	29.40	-3.36	37.06	50.40	15.88	-31.10	17.30
Russell 2000 Growth Index (USD)	5.60	-1.38	11.32	22.17	-9.31	28.48	34.63	2.83	-26.36	18.66

Portfolio characteristics*

	Fund	Index
No. of holdings	101	1,064
Top 10 issuers (% of AUM)	20.19	10.95
Wtd. avg. mkt. cap ($M)	7,682	6,459
Price/earnings	30.50	23.84
Price to book	5.08	4.17
Est. 3 – 5 year EPS growth (%)	16.23	18.11
ROE (%)	10.66	9.13
Long-term debt to capital (%)	32.57	35.22
Operating margin (%)	10.48	9.11

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	5.46	0.00
Beta	0.90	1.00
Sharpe ratio	0.46	0.22
Information ratio	0.62	0.00
Standard dev. (%)	23.03	24.09
Tracking error (%)	8.40	0.00
Up capture (%)	99.73	100.00
Down capture (%)	91.73	100.00
Max. drawdown (%)	37.58	33.43

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.28	0.08	0.36
Consumer Discretionary	-0.01	1.83	1.82
Consumer Staples	0.00	1.03	1.03
Energy	0.00	0.23	0.23
Financials	-0.02	0.80	0.79
Health Care	0.19	0.80	0.99
Industrials	0.07	3.32	3.39
Information Technology	0.42	-4.55	-4.13
Materials	0.05	0.54	0.60
Real Estate	0.11	0.04	0.15
Utilities	0.27	0.00	0.27
Cash	-0.10	0.00	-0.10
Total	**1.28**	**4.13**	**5.41**

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 03/31/24. Unless stated otherwise, Index refers to Russell 2000 Growth Index (USD).

As of the open of business on June 28, 2013, the fund limited public sales of its shares to certain investors. For more information on who may invest in the fund, please see the prospectus.

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

To the extent an investment focuses on securities issued or guaranteed by companies in a particular industry, the investment's performance will depend on the overall condition of those industries, which may be affected by the following factors: the supply of short-term financing, changes in government regulation and interest rates, and overall economy.

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 medium-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

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