



# Invesco Pacific Growth Fund

## Quarterly Performance Commentary

Nasdaq: A: TGRAX C: TGRCX Y: TGRDX

### Investment objective

The fund seeks long-term growth of capital.

### Portfolio management

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### Portfolio information

|                          |              |
|--------------------------|--------------|
| Total Net Assets         | \$88,540,977 |
| Total Number of Holdings | 81           |

### Top holdings

% of total net assets

|                         |      |
|-------------------------|------|
| Alibaba                 | 5.48 |
| Tencent                 | 5.33 |
| Ping An Insurance       | 3.60 |
| AIA                     | 3.35 |
| China Construction Bank | 2.37 |
| Samsung Electronics     | 2.27 |
| Taiwan Semiconductor    | 2.10 |
| Telkom Indonesia        | 2.00 |
| CK Hutchison            | 1.86 |
| HDFC Bank               | 1.75 |

### Top contributors

% of total net assets

|  |      |
|--|------|
| 1. Alibaba                             | 5.48 |
| 2. Ping An Insurance                   | 3.60 |
| 3. Tencent                             | 5.33 |
| 4. AIA Group                           | 3.35 |
| 5. New Oriental Education & Technology | 1.12 |

### Top detractors

% of total net assets

|                        |      |
|------------------------|------|
| 1. Pilot               | 0.66 |
| 2. Maruti Suzuki India | 0.99 |
| 3. Eicher Motors       | 0.79 |
| 4. Seven & I Holdings  | 0.56 |
| 5. Resorttrust         | 0.73 |

### Market overview

- Asia ex Japan equities rebounded very positively in the first quarter. The US Federal Reserve's shift to an easier monetary policy stance and ongoing US/China trade talks supported positive investor sentiment. Most Asian countries have seen resilience in their domestic economies.
- In the first quarter of 2019, Japanese equities rebounded in tandem with global stock markets as the Chinese government's economic stimulus, combined with the turnabout in Fed monetary policy, eased investor concerns.

### Performance highlights

- Invesco Pacific Growth Fund Class A shares at net asset value (NAV) posted a positive return for the quarter and outperformed the MSCI AC Asia Pacific Index. (Please see the investment results table on page 2 for fund and index performance.)

### Contributors to performance

- Strong security selection in the financials sector drove outperformance relative to the benchmark. **Ping An Insurance** and **AIA Group** added nicely to both absolute and relative performance.
- Stock selection and overweight exposures in the consumer discretionary and information technology (IT) sectors positively affected relative performance.
- Within consumer discretionary, **Alibaba** was the fund's largest individual contributor for the quarter, while in the IT sector, **Otsuka** and **Largan Precision** (1.30% and 1.19% of total net assets, respectively) were notable contributors.
- Geographically, stock selection and overweight exposure in China was a key contributor to relative results. Stock selection and an underweight in Japan added to relative return as well.

### Detractors from performance

- Stock selection in the health care sector was the largest detractor from relative performance. Lack of exposure to strong index performers, including Japan-based pharmaceutical companies **Daiichi Sankyo** and **Takeda Pharmaceutical** (both 0.00% of total net assets), detracted from relative return.
- Though the fund's real estate holdings outperformed the index, an underweight allocation to the sector ultimately detracted from relative results.
- Geographically, stock selection in India negatively affected relative performance.
- The fund's cash position was a slight drag on relative return, given the rising market.

### Positioning and outlook

- The fund's Asia Pacific ex Japan portion still favors consumer-related sectors, with overweights in communication services, consumer discretionary, an overweight in a diversified mix of industrial stocks, and underweights in financials, utilities and energy.
- We believe 2019 will be a positive year for Asian equities. External environments have turned quite favorable for Asia. We believe the latest Fed statement represents a significant change from its stance in 2018, which should help to reduce the risk of economic shocks from global interest rates. Trade talks have been progressing well and are scheduled to continue, providing further tailwinds to the equity market. In most Asian countries, domestic economies remain resilient.
- Japan's near-term business cycle remains subdued. The Bank of Japan's March Tankan survey showed deterioration in business sentiment. At the same time, the survey indicates that Japan's corporations have not lost their appetite for capital expenditure, which underpins our long-term constructive view that labor force and capacity shortages, combined with companies' cash hoards, should continue to support the capital expenditure cycle, fostering innovation and productivity improvement.

## Investment results

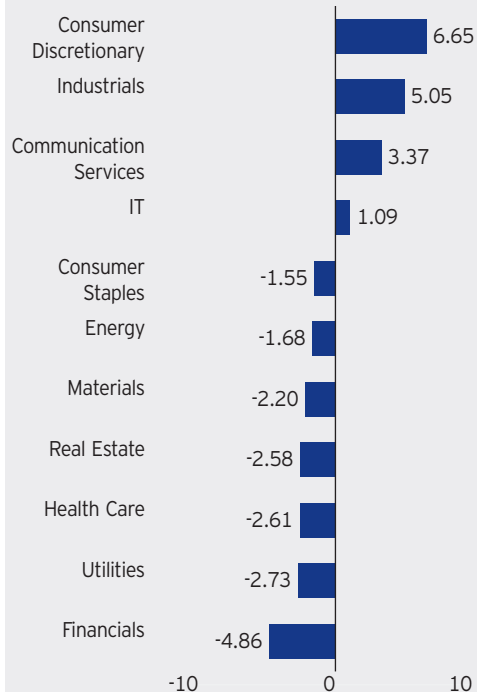
Average annual total returns (%) as of March 31, 2019

| Period    | Class A Shares      |       | Class C Shares      |        | Class Y Shares      | Style-Specific Index | MSCI AC Asia Pacific Index |
|-----------|---------------------|-------|---------------------|--------|---------------------|----------------------|----------------------------|
|           | Inception: 07/28/97 |       | Inception: 07/28/97 |        | Inception: 07/28/97 |                      |                            |
|           | Max Load            | NAV   | Max CDSC            | NAV    | NAV                 |                      |                            |
| Inception | 2.60                | 2.87  | 1.00%               | 2.53   | 2.53                | 3.12                 | -                          |
| 10 Years  | 8.76                | 9.38  | 8.58                | 8.58   | 9.66                | 9.68                 |                            |
| 5 Years   | 5.72                | 6.92  | 6.13                | 6.13   | 7.18                | 5.49                 |                            |
| 3 Years   | 7.73                | 9.78  | 8.99                | 8.99   | 10.06               | 10.03                |                            |
| 1 Year    | -14.86              | -9.90 | -11.38              | -10.55 | -9.71               | -5.14                |                            |
| Quarter   | 7.71                | 13.97 | 12.78               | 13.78  | 14.05               | 9.64                 |                            |

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](http://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.

## The fund's positioning versus the MSCI AC Asia Pacific Index (% underweight/overweight)



## Asset mix (%)

|                   |       |
|-------------------|-------|
| Dom Common Stock  | 0.33  |
| Intl Common Stock | 97.76 |
| Cash              | 1.86  |
| Other             | 0.05  |

## Expense ratios

|                | % net | % total |
|----------------|-------|---------|
| Class A Shares | 1.54  | 1.54    |
| Class C Shares | 2.30  | 2.30    |
| Class Y Shares | 1.30  | 1.30    |

Per the current prospectus

For more information you can visit us at [www.invesco.com/us](http://www.invesco.com/us)

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 MSCI All Country (AC) Asia Pacific Index is an unmanaged index considered representative of Pacific region stock markets. An investment cannot be made directly in an index.

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## About risk

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 markets, can include fluctuations in foreign currencies, political and economic instability,

and foreign taxation issues.

The performance of an investment concentrated in issuers of a certain region or country is expected to be closely tied to conditions within that region and to be more volatile than more geographically diversified funds.

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.

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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.