



# Invesco Greater China Fund

## Quarterly Performance Commentary

Nasdaq: A: AACFX C: CACFX Y: AMCYX

### Investment objective

The fund seeks long-term growth of capital.

### Portfolio management

Mike Shiao

### Portfolio information

|                          |              |
|--------------------------|--------------|
| Total Net Assets         | \$85,648,333 |
| Total Number of Holdings | 55           |

### Top holdings

% of total net assets

|                                     |      |
|-------------------------------------|------|
| Alibaba                             | 9.64 |
| Tencent                             | 4.82 |
| China Mobile                        | 4.05 |
| Shandong Weigao Medical Polymer 'H' | 3.69 |
| Taiwan Semiconductor                | 3.46 |
| YY                                  | 3.32 |
| Hengan International                | 2.96 |
| Ctrip ADR                           | 2.90 |
| CK Hutchison                        | 2.81 |
| Weibo                               | 2.69 |

### Top contributors

% of total net assets

|                            |      |
|----------------------------|------|
| 1. Alibaba                 | 9.64 |
| 2. Ctrip.com International | 2.90 |
| 3. YY                      | 3.32 |
| 4. Largan Precision        | 1.58 |
| 5. Tencent                 | 4.82 |

### Top detractors

% of total net assets

|                           |      |
|---------------------------|------|
| 1. Sun Art Retail         | 2.60 |
| 2. MediaTek               | 0.00 |
| 3. MicroPort Scientific   | 1.62 |
| 4. President Chain Store  | 2.62 |
| 5. Goodbaby International | 0.93 |

### Market overview

- Greater China markets enjoyed a strong rally during the quarter, benefiting from improved investor risk sentiment as a result of progress in US/China trade talks, the Federal Reserve's shift to an easier monetary policy stance, and the Chinese government's policy steps to support the country's economy.
- Within the region, China's market performed the best for the quarter, with the consumer discretionary and information technology (IT) sectors leading the gain. China's government set a 2019 growth target of 6.0-6.5%, in line with market expectations. The government has also pledged to roll out more accommodative policies to help stabilize the growth outlook.
- The Hong Kong market performed in line with China's market, mainly led by the real estate sector. Hong Kong property stocks regained momentum, supported by the change in the Fed's stance and a turnaround in sentiment toward physical real estate as residential property prices are recovering.
- The Taiwan market also ended in positive territory, boosted by the IT sector's strong performance. Optimism returned following positive progress on US-China trade negotiations.

### Performance highlights

- Invesco Greater China Fund Class A shares at net asset value (NAV) had a positive return for the quarter, but underperformed its benchmark, the MSCI Golden Dragon Index. (Please see the investment results table on page 2 for fund and index performance.)
- Sector allocation drove the fund's results for the quarter.

### Contributors to performance

- Security selection in communication services was the largest contributor to relative performance. Within this sector, Chinese social media company YY was a notable contributor during the quarter.
- Lack of exposure to the financials sector also positively affected relative results.
- The fund's holdings in the industrials sector outperformed those of the benchmark index and added to relative return. Within the sector, CIMC Enric (1.42% of total net assets) added to both absolute and relative performance.

### Detractors from performance

- Stock selection in the consumer staples sector was the largest detractor from relative performance. In the sector, big box superstore operator Sun Art Retail was a notable detractor.
- Having no exposure to the real estate sector dragged on relative results.
- Fund holdings in the health care sector underperformed those of the index, hampering relative return. Microport Scientific, a Chinese company that develops and sells medical devices, was a key detractor during the quarter.

### Positioning and outlook

- We maintain a focus on companies with sustainable leadership and competitive advantages through a purely bottom-up investment approach. This stock selection preference has led to meaningful exposure in consumer-related sectors, such as the consumer discretionary, consumer staples and communication services sectors.
- We believe the slowing of China's GDP growth will bottom out in the second quarter as the government's accommodative policies, stable consumption and progress in the US/China trade dispute have a stimulative impact.
- From a long-term perspective, we believe China's economy will continue to demonstrate resilience as the economy is moving toward a more sustainable condition, with consumption playing a bigger role in driving economic growth. We believe the country's consumption boom will continue to drive economic growth going forward as consumption remains a smaller share of China's GDP compared to other countries.

## 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 Golden Dragon Index |
|-----------|----------------|-------|----------------|-------|----------------|----------------------|--------------------------|
|           | Inception:     |       | Inception:     |       | Inception:     |                      |                          |
|           | 03/31/06       | NAV   | 03/31/06       | NAV   | 10/03/08       |                      |                          |
|           | Max Load       |       | Max CDSC       |       |                |                      |                          |
|           | 5.50%          | NAV   | 1.00%          | NAV   | NAV            |                      |                          |
| Inception | 8.75           | 9.23  | 8.60           | 8.60  | 9.49           |                      | -                        |
| 10 Years  | 9.77           | 10.39 | 9.58           | 9.58  | 10.68          |                      | 11.21                    |
| 5 Years   | 6.66           | 7.87  | 7.07           | 7.07  | 8.14           |                      | 8.97                     |
| 3 Years   | 11.09          | 13.20 | 12.35          | 12.35 | 13.48          |                      | 14.52                    |
| 1 Year    | -11.36         | -6.21 | -7.72          | -6.94 | -5.98          |                      | -3.68                    |
| Quarter   | 8.58           | 14.90 | 13.70          | 14.70 | 14.97          |                      | 15.37                    |

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. On June 15, 2015, the fund adopted a new investment strategy. Results prior to June 15, 2015, reflect the performance of the fund's previous strategy. 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.

### Asset mix (%)

|                   |       |
|-------------------|-------|
| Intl Common Stock | 99.92 |
| Cash              | 0.20  |
| Other             | -0.12 |

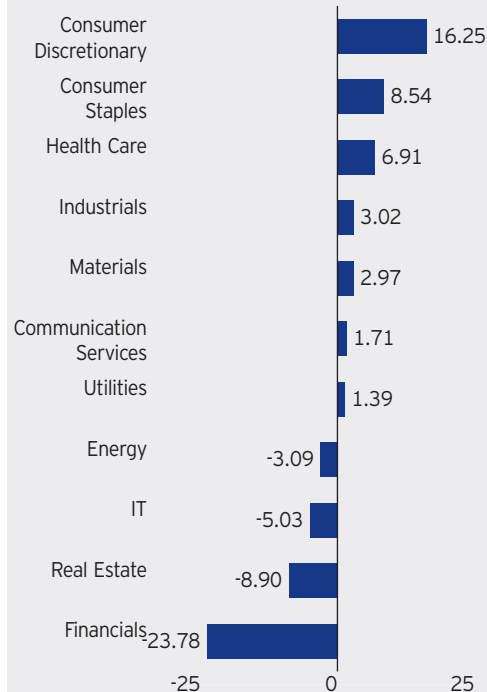
A negative in Cash or Other, as of the date shown, is normally due to fund activity that has accrued or is pending settlement.

### Expense ratios

|                | % net | % total |
|----------------|-------|---------|
| Class A Shares | 1.79  | 1.79    |
| Class C Shares | 2.54  | 2.54    |
| Class Y Shares | 1.54  | 1.54    |

Per the current prospectus

## The fund's positioning versus the MSCI Golden Dragon Index (% underweight/overweight)



## 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.

There is no guarantee any outlooks mentioned will come to pass.

The MSCI Golden Dragon Index captures the equity market performance of large and mid cap China securities (H shares, B shares, Red-Chips and P-Chips) and non-domestic China securities listed in Hong Kong and Taiwan.

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## About risk

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.

Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa.

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.

Investments in companies located or operating in Greater China are subject to the following risks: nationalization, expropriation, or confiscation of property, difficulty in obtaining and/or enforcing

judgments, alteration or discontinuation of economic reforms, military conflicts, and China's dependency on the economies of other Asian countries, many of which are developing countries.

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.