



# Invesco International Select Equity Fund<sup>®</sup>

## Quarterly Performance Commentary

Nasdaq: A: IZIAX C: IZICX Y: IZIYX

### Investment objective

The fund seeks long-term growth of capital.

### Portfolio management

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### Portfolio information

Total Net Assets	\$120,191,133
Total Number of Holdings	33

### Top holdings

% of total net assets

Liberty Global	6.70
AB InBev	5.88
Eurofins Scientific	4.83
Howden Joinery	4.79
Kweichow Moutai	4.46
Alibaba	4.27
Naspers	4.12
Liberty Latin America 'K'	3.98
SoftBank	3.84
Focus Media Information Technology	3.76

### Top contributors

% of total net assets

1. Kweichow Moutai	4.46
2. Liberty Global	6.70
3. Anheuser-Busch InBev	5.88
4. Domino's Pizza	3.23
5. Eurofins Scientific	4.83

### Top detractors

% of total net assets

1. Benefit Systems	1.89
2. Cielo	2.18
3. Just Eat	2.75
4. Liberty Latin America	3.98
5. AMOREPACIFIC	1.50

### Market overview

- After a relatively calm start to 2019, global equity markets faced greater volatility in the second quarter, hampered by lingering US/China trade issues, potential for new tariffs and slowing global growth. Global equity markets, particularly China, declined sharply in May, ending a four-month rally. Trade and tariff issues, which were not limited to the US and China, clouded the outlook for many global economies. In response, the European Central Bank maintained its accommodative stance, strongly implying the possibility of future interest rate cuts or further bond purchases. Similarly, the US Federal Reserve held rates steady and opened the door to rate cuts if conditions deteriorate. Disagreement within the UK about its withdrawal from the European Union increased uncertainty for the UK and Eurozone economies. Following better performance in June, most global equity markets managed modest positive returns for the second quarter, with developed markets generally outperforming emerging markets.

### Performance highlights

- The fund's Class A shares at net asset value (NAV) underperformed its benchmark, the MSCI All Cap World ex-U.S. Growth Index for the second quarter. (Please see the investment results table on page 2 for fund and index performance.)

### Contributors to performance

- Strong stock selection in the health care sector and an underweight in the energy sector added to relative return.
- Top individual contributors for the quarter were **Kweichow Moutai** and **Liberty Global**.
- China-based **Kweichow Moutai** produces Moutai liquor products. During the quarter, **Kweichow Moutai's** share price broke through the 1,000-yuan level due to strong reported and expected earnings, as well as encouraging growth figures in China's consumer-related sectors.
- **Liberty Global** is an international cable company that provides residential and commercial cable-based TV, phone and internet access. Shares appreciated after Sunrise Communications (not a fund holding) expressed confidence that its purchase of Liberty Global's Swiss cable business would close in the fourth quarter of 2019.

### Detractors from performance

- Stock selection in the information technology, industrials and consumer discretionary sectors detracted from relative return.
- Regionally, stock selection in emerging markets detracted from relative return.
- The fund's largest individual detractors for the quarter were **Benefit Systems** and **Cielo**.
- Poland-based **Benefit Systems** provides non-wage employee benefits, including sport, recreation and tailor-made programs. During the quarter, the company announced that 2019 pre-tax earnings may decline 30% to 40% year-over-year because of one-time accounting write-offs and disappointing fitness club revenue. Nevertheless, we believe this is a consequence of the company's growth plan and are not concerned about this short-term weakness.
- **Cielo** is one of Brazil's leading merchant-acquiring and payment-processing firms. The stock price fell as the company's fundamentals structurally deteriorated due to regulations that significantly reduced barriers to entry. We are assessing the new industry dynamics while maintaining the fund's position in **Cielo**.

### Positioning and outlook

- At quarter end, the fund's largest overweight positions compared to the index were in the communication services, industrials and consumer staples sectors, and from a regional perspective, in the UK and emerging markets. The largest underweight positions were in financials and materials, and in Europe ex-UK and Asia Pacific ex-Japan.
- As always, the portfolio's country and sector allocations are the result of the team's bottom-up, fundamental stock selection process and are not based on the characteristics of the index. Despite the potential for near-term volatility, we remain optimistic about the long-term outlook for global equities and continue to seek high-quality companies worldwide.

## Investment results

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

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index	MSCI AC World ex US Growth Index
	Inception: 12/21/15	Max Load	Inception: 12/21/15	Max CDSC	Inception: 12/21/15		
Inception	6.92	8.64	7.84	7.84	8.89	-	-
3 Years	5.74	7.74	6.94	6.94	7.96	9.81	9.81
1 Year	-6.35	-0.91	-2.63	-1.71	-0.74	2.64	2.64
Quarter	-5.83	-0.36	-1.55	-0.55	-0.27	4.35	4.35

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.

### Asset mix (%)

Intl Common Stock	90.38
Cash	9.46
Other	0.16

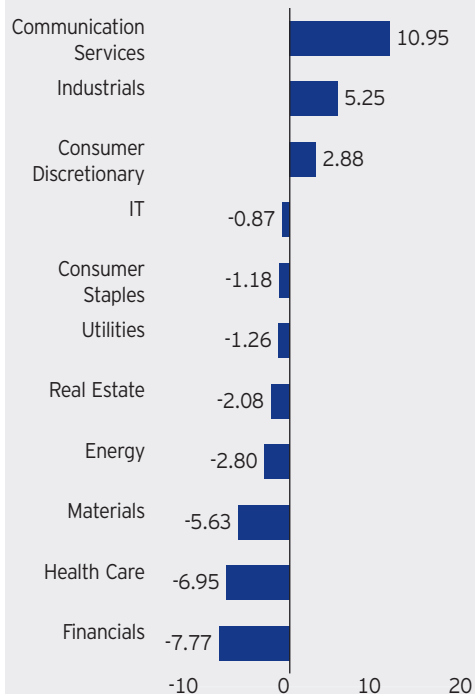
### Expense ratios

	% net	% total
Class A Shares	1.12	1.63
Class C Shares	1.87	2.38
Class Y Shares	0.87	1.38

Per the current prospectus

Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least Feb. 29, 2020 and contractual management fee waivers in effect through at least June 30, 2020. See current prospectus for more information.

## The fund's positioning versus the MSCI AC World ex US Growth Index (% underweight/overweight)



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

■ Effective November 30, 2018, the Invesco International Companies Fund was renamed Invesco International Select Equity Fund. The fund's investment objective, policy and strategy also changed. Please see the prospectus for additional information. Class Y shares are available only to certain investors. See the prospectus for more information.

Asset allocation/diversification does not guarantee a profit or eliminate the risk of loss.

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.

MSCI All Country (AC) World ex-US Growth Index is a market capitalization weighted index that includes growth companies in developed and emerging markets throughout the world, excluding the United States. The index is computed using the net return, which withholds applicable taxes for non-resident investors. An investment cannot be made directly in an index.

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.

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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 fund may from time to time invest a substantial amount of its assets in securities of issuers located in a

single country or a limited number of countries.

Growth stocks tend to be more sensitive to changes in their earnings and can be more volatile.

Many countries in the European Union are susceptible to high economic risks associated with high levels of debt, notably due to investments in sovereign debts of European countries such as Greece, Italy and Spain.

Preferred securities may include provisions that permit the issuer to defer or omit distributions for a certain period of time, and reporting the distribution for

tax purposes may be required, even though the income may not have been received. Further, preferred securities may lose substantial value due to the omission or deferment of dividend payments.

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.