



Invesco European Growth Fund

Quarterly Performance Commentary

Nasdaq: A: AEDAX C: AEDCX Investor: EGINX Y: AEDYX

Investment objective

The fund seeks long-term growth of capital.

Portfolio management

Clas G. Olsson, Jason T. Holzer, Matthew Dennis, Borge Endresen, Richard Nield

Portfolio information

Total Net Assets	\$1,331,891,327
Total Number of Holdings	58

Top holdings

% of total net assets

Sberbank of Russia Pfd	5.51
DCC	4.58
Deutsche Boerse	3.14
Investor	2.80
Wolters Kluwer	2.71
MorphoSys	2.45
RELX	2.39
Allianz	2.29
Bollere	2.25
SAP	2.07

Top contributors

% of total net assets

1. Sberbank of Russia	5.51
2. Deutsche Boerse	3.14
3. SAP	2.07
4. RELX	2.39
5. Schneider Electric	1.75

Top detractors

% of total net assets

1. British American Tobacco	1.80
2. FincoBank	1.63
3. Philip Morris International	2.01
4. Danieli & C. Officine Meccaniche	1.08
5. Tupras Turkiye Petrol Rafinerileri	1.25

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 fourth-month rally. Trade and tariff issues, which were not limited to the US and China, clouded the outlook for many global economies. 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. China was an exception, declining during the second quarter.

Performance highlights

- Invesco European Growth Fund Class A shares at net asset value (NAV) posted a positive return during the quarter, but underperformed its benchmark index. (Please see the investment results table on page 2 for fund and index performance.)

Contributors to performance

- Stock selection and an underweight in the health care sector was the largest contributor to relative performance. German biotechnology company **MorphoSys** was a notable contributor within the sector (2.45% of total net assets).
- A meaningful overweight in financials, one of the quarter's strongest sectors, added to relative return.
- Geographically, exposure to Russia, which is not represented in the benchmark index, added to relative return. Stock selection and an underweight in Denmark added to relative results as well.
- **Sberbank of Russia** was the fund's leading individual contributor for the quarter. The company continues to deliver industry-leading returns despite a lackluster Russian economy. Investor perceptions have also improved, partly because Russia's economy has shown it can function reasonably under sanctions and partly because there are many new concerns, including trade wars to which other economies are far more exposed and Middle East flare-ups.

Detractors from performance

- Stock selection in the consumer staples sector was a key detractor from relative return. The portfolio's food, beverage & tobacco industry holdings were weak. Having no exposure to strong index performers, including **Nestle** in Switzerland and **Danone** in France (both 0.00% of total net assets), hampered relative return as well.
- Portfolio's holdings in the industrials sector underperformed those of the benchmark index, detracting from relative results.
- Geographically, stock selection in France and Italy hampered relative return.
- The fund's cash position in a rising market detracted from relative results. As a reminder, cash is a by-product of our bottom-up stock selection process.
- UK-based **British American Tobacco** was the largest individual detractor for the quarter. After price gains in the first quarter of 2019, valuation multiples in the tobacco sector compressed during the second quarter due to US growth concerns. We are keenly monitoring the US regulatory situation and believe earnings risk is adequately reflected in the company's valuation

Positioning and outlook

- We initiated one new position during the quarter, Switzerland-based vision care and device company **Alcon** (0.80% of total net assets). We exited **Israel Discount Bank** as its management team has executed well and its valuation has risen (0.00% of total net assets). We hope investor sentiment will eventually rotate back in favor of European equities as their valuation levels are close to five-year lows and they now trade at a major discount to US equities.
- Regardless of the macroeconomic environment, we remain focused on applying our well-established, long-term, bottom-up Earnings, Quality, Valuation (EQV) investment process that seeks to identify attractively valued, high-quality growth companies.

Investment results

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

Period	Class A Shares		Class C Shares		Investor Class Shares		Class Y Shares		Style-Specific Index MSCI Europe Growth Index
	Inception: 11/03/97		Inception: 11/03/97		Inception: 09/30/03		Inception: 10/03/08		
	Max Load	NAV	Max CDSC	NAV	NAV	NAV	NAV	NAV	
Inception	9.19	9.47	9.12	9.12	8.83	7.00			-
10 Years	7.90	8.51	7.70	7.70	8.56	8.78			8.71
5 Years	0.44	1.58	0.82	0.82	1.64	1.84			3.64
3 Years	4.82	6.82	6.04	6.04	6.89	7.10			9.60
1 Year	-6.20	-0.75	-2.47	-1.49	-0.68	-0.50			6.25
Quarter	-1.34	4.40	3.22	4.22	4.41	4.48			7.13

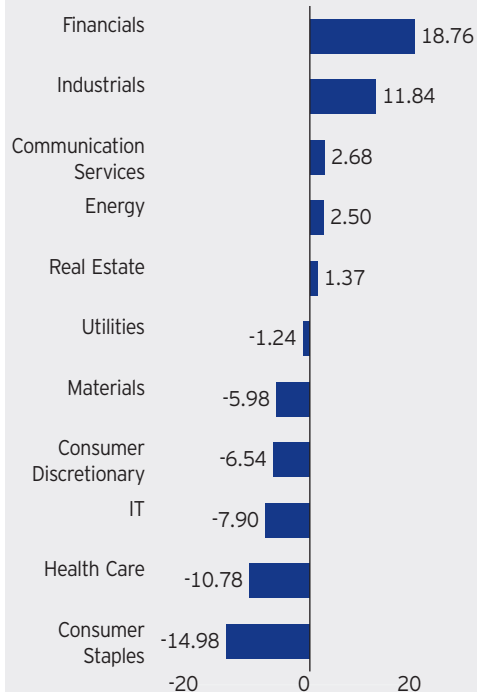
Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit invesco.com/performance for the most recent month-end performance. Performance figures reflect reinvested distributions and changes in net asset value (NAV). Investment return and principal value will vary, 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. The Investor Class shares have no sales charge; therefore, performance is at NAV. 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 (%)		Expense ratios	
		% net	% total
Dom Common Stock	2.01	Class A Shares	1.36
Intl Common Stock	87.63	Class C Shares	2.11
Cash	9.63	Investor Class Shares	1.31
Other	0.73	Class Y Shares	1.11

Per the current prospectus

The fund's positioning versus the MSCI Europe Growth Index (% underweight/overweight)



For more information you can visit us at www.invesco.com/us

Class Y shares and Investor Class 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 Europe Growth Index is an unmanaged index considered representative of European growth stocks. An investment cannot be made directly in an index.

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.

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.