

Invesco EQV Asia Pacific Equity Fund

Q1 2025

Key takeaways

1 The fund underperformed its benchmark
Class A shares underperformed the MSCI AC Asia Pacific ex Japan Index. Stock selection in consumer discretionary, health care and information technology (IT) were among the largest detractors from relative performance.

2 Bottom-up stock selection focused on EQV (Earnings, Quality, Valuation) characteristics
During the quarter, we initiated four new positions and sold two positions based on our EQV fundamentals. Our actively managed, bottom-up stock selection drives the fund's sector and country allocations.

3 We remain focused on a long-term investment horizon
Regardless of the macroeconomic environment, we remain focused on applying our well-established, long-term, bottom-up EQV investment process that seeks to identify attractively valued, high quality growth companies.

Investment objective

The fund seeks long-term growth of capital.

Fund facts

Fund AUM (\$M)	410.21
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Portfolio managers

Brently Bates, Ge Sun, Mark Jason, Michael Shaman

Manager perspective and outlook

- The first quarter of 2025 was marked by volatility and shifts in market leadership. Developed markets in Europe as well as emerging markets outperformed US equities. Among emerging markets, China was one of the best performers as the country's stocks benefited from stimulus measures, including wage increases and expanded trade-in programs for consumer goods. Stocks in Singapore, Hong Kong and South Korea also posted positive returns for the quarter. South Korean stocks benefited from improving performance of dynamic random-access memory (DRAM) chip manufacturers.
- Conversely, US equities declined, affected by uncertainty about US trade policy and the rise of Chinese artificial intelligence (AI) company DeepSeek, which put downward pressure on US technology and consumer discretionary sectors. Equities in India, Indonesia and Thailand declined due to economic growth concerns. In Taiwan, equities were dragged down by uncertainty about US trade tariffs.
- Our team remains focused on applying our long-term, bottom-up EQV investment process that seeks to identify attractively valued, high quality growth companies. We expect geopolitical and macro concerns to remain elevated, which has historically favored our traditional fundamental approach. We remain optimistic that our conservative quality growth style is well-positioned for the current environment.



Top issuers

(% of total net assets)

	Fund	Index
Taiwan Semiconductor Manufacturing Co Ltd	8.40	8.38
Tencent Holdings Ltd	6.85	5.12
HDFC Bank Ltd	5.02	1.50
Tongcheng Travel Holdings Ltd	3.90	0.04
MediaTek Inc	3.33	0.79
BDO Unibank Inc	3.13	0.08
Fuyao Glass Industry Group Co Ltd	2.88	0.07
Techtronic Industries Co Ltd	2.84	0.20
Airtac International Group	2.68	0.04
United Overseas Bank Ltd	2.66	0.44

As of 03/31/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

During the quarter, we initiated the following positions:

Kanzhun is a large online recruiting platform in China. With its disruptive business model, Kanzhun has gained market share and improved profitability through operating leverage. The stock has declined due to weak macroeconomic conditions in China in recent years. However, given early signs of stabilizing economic and employment trends, we initiated a position in the stock.

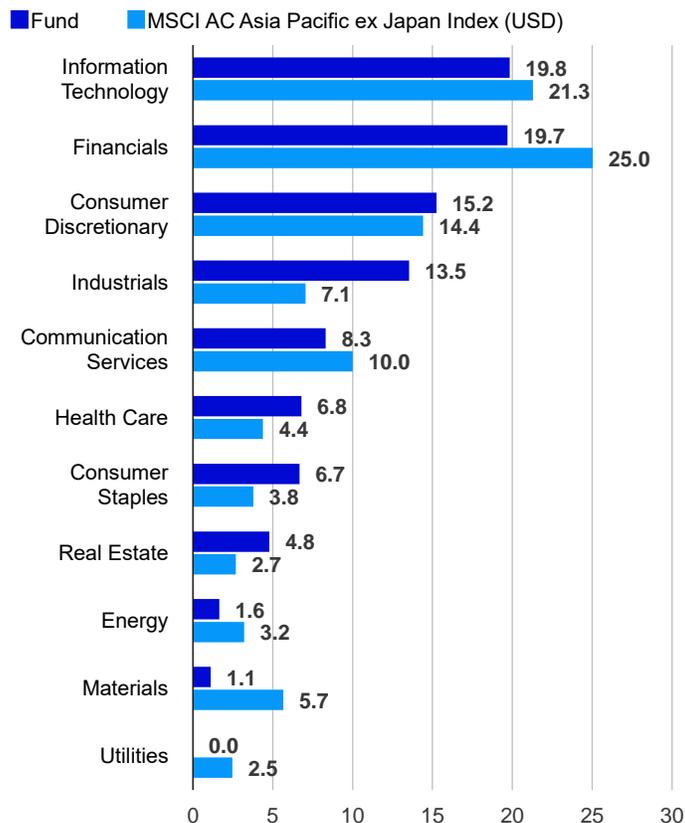
Meituan is a market leader in China's food delivery and growing on-demand retail sector. The company in our view also excels in online sales of services, including hotel bookings, dining reservations and services booked online but enjoyed in-store. In our view, a strengthening competitive position and favorable growth outlook are key positives, as are the company's attractive return on equity, net cash balance sheet and asset-light business model.

Brambles is an Australia-based maker of pooled pallets and plastic crates. The pandemic introduced volatility and distortions into a business that had historically been stable. Following COVID, retailers built safety stock as they shifted to a "just-in-case" mentality, which led to a global pallet shortage. The shift back to "just-in-time" inventory management led to an excess pallet inventory, causing temporarily elevated costs. However, we expect these costs to normalize soon, based on past cycles and more recent results.

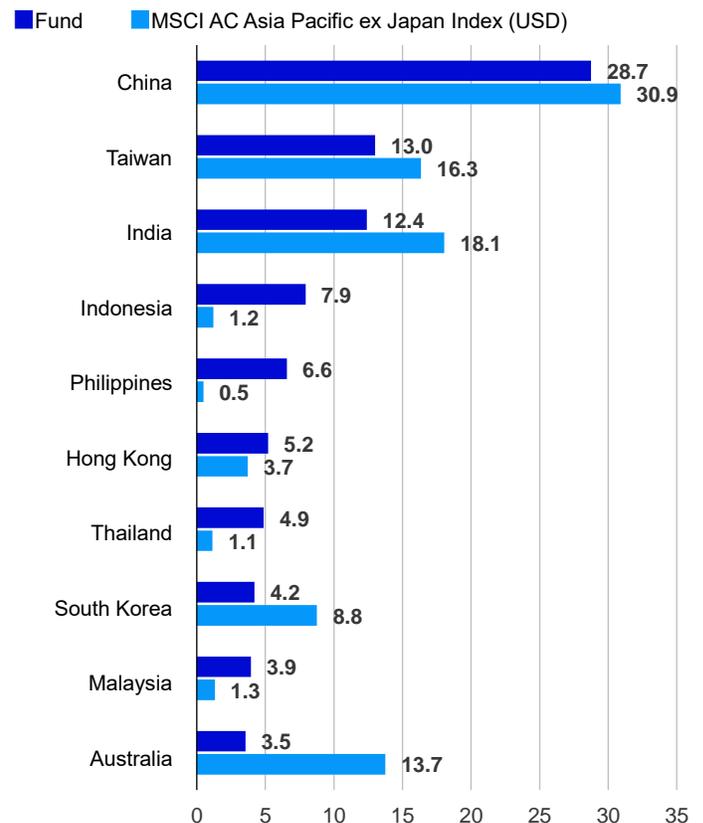
Alibaba is a Chinese technology company that we believe is poised to benefit from surging demand for AI applications, driven by proliferation of large language models. AliCloud is China's largest public cloud service provider and Qwen (aka Tongyi) is the country's leading open-source foundation model. Alibaba's extensive AI cloud applications have been driving accelerated, margin-enhancing revenue growth. We have also observed narrowing losses in key growth areas, such as international business and local services, as the company focuses on monetization and scale. Additionally, capital allocation has improved as Alibaba sells off weaker businesses.

We sold **New Oriental Education & Technology** due to increasing competition in China's after-school tutoring segment and weakness in high-end overseas test prep programs as consumers appear to have traded down to lesser programs. We sold biotech company **CSL** due to a decline in our long-term growth outlook for the company, driven by rising competition across products, research and development missteps, and a limited drug development pipeline.

Sector breakdown (% of total net assets)



Top countries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
Tencent Holdings Limited	19.00	0.91
Tongcheng Travel Holdings Limited.	14.93	0.49
Shenzhen Inovance Technology Co., Ltd	17.13	0.40
BDO Unibank, Inc.	8.29	0.28
Kanzhun Limited	30.05	0.23

Top detractors (%)

Issuer	Return	Contrib. to return
Taiwan Semiconductor Manufacturing Company Limited	-16.03	-1.48
Broadcom Inc.	-27.56	-0.79
PT Kalbe Farma Tbk	-18.89	-0.38
Central Pattana Public Company Limited	-13.58	-0.37
PT. Mitra Keluarga Karyasehat Tbk.	-14.29	-0.33

Performance highlights

Stock selection in consumer staples added to relative return. Having no exposure in utilities was also beneficial. Geographically, stock selection in India and Malaysia and underweights in Taiwan and Australia all contributed to relative results.

Stock selection in consumer discretionary, health care and IT were the largest detractors from relative results. An overweight in health care also hampered relative return. Geographically, fund holdings in China and Indonesia underperformed those of the benchmark index, detracting from relative return. An underweight in China, an overweight in Indonesia and the fund's US exposure (categorized by country of risk) detracted from relative results.

Contributors to performance

Below are the largest contributors to absolute return for the quarter:

Tencent's financial results have exceeded expectations on strong game sales and online ad growth momentum, and profit margins continued to strengthen on positive product mix shifts and cost controls. Tencent has been enhancing its use of AI to strengthen its ecosystem and growth prospects.

Shenzhen Inovance Technology, an electrical equipment company, benefited from China's improving automation cycle, as evidenced by an order uptick in early 2025. The company's electric vehicle components business has maintained strong momentum as well

BDO Unibank, a large Philippine bank, continued to report solid results driven by robust and accelerating loan growth, benign asset quality and strong fee growth.

Detractors from performance

Below are the largest detractors from absolute return for the quarter:

Taiwan Semiconductor Manufacturing is a semiconductor and electronic components manufacturer. Concerns about data center overexpansion associated with potentially weaker-than-expected AI spending caused the share price decline. We believe the longer term growth outlook for AI remains strong, with this company being the key semiconductor supplier for AI data centers.

Broadcom is a leading designer of semiconductors that has benefited from strong growth in data center buildout to support AI applications. It has continued to diversify its customer base in the growing application-specific semiconductors business. The company's software business has also continued to exceed expectations. Broadcom's stock pulled back due to concerns about near-term datacenter overexpansion.

Kalbe Farma, an Indonesian pharmaceutical and consumer health company, faced challenges due to a weak macroeconomic environment, poorer consumer sentiment and political noise, which appeared to spark an overall decline in Indonesia's stock market. We remain optimistic about Kalbe's long-term prospects.

Standardized performance (%) as of March 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 11/03/97	NAV	-2.48	-2.48	4.09	1.11	6.64	4.13	7.67
	Max. Load 5.5%	-7.84	-7.84	-1.64	-0.77	5.44	3.54	7.44
Class R6 shares inception: 04/04/17	NAV	-2.38	-2.38	4.53	1.51	7.07	4.47	-
Class Y shares inception: 10/03/08	NAV	-2.41	-2.41	4.35	1.37	6.91	4.39	8.42
MSCI AC Asia Pacific ex Japan Index (USD)		1.12	1.12	9.12	1.52	8.16	4.33	-
Total return ranking vs. Morningstar Pacific/Asia ex-Japan Stk category (Class A shares at NAV)		-	-	97% (38 of 40)	61% (23 of 38)	67% (22 of 37)	48% (16 of 27)	-

Expense ratios per the current prospectus: Class A: Net: 1.43%, Total: 1.43%; Class R6: Net: 0.99%, Total: 0.99%; Class Y: Net: 1.18%, Total: 1.18%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com](https://www.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. Performance shown prior to the inception date of Class R6 shares is that of Class A shares and includes the 12b-1 fees applicable to Class A shares. 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.

Performance highlights (cont'd)

Calendar year total returns (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Class A shares at NAV	-7.28	7.48	29.06	-11.42	18.99	25.72	-6.06	-10.83	0.86	9.58
Class R6 shares at NAV	-7.28	-	29.44	-11.01	19.49	26.31	-5.71	-10.51	1.30	10.01
Class Y shares at NAV	-7.09	7.82	29.35	-11.20	19.27	26.06	-5.84	-10.60	1.14	9.80
MSCI AC Asia Pacific ex Japan Index (USD)	-9.37	6.75	36.99	-13.92	19.16	22.44	-2.90	-17.48	7.36	10.15

Portfolio characteristics*

	Fund	Index
No. of holdings	49	1,073
Top 10 issuers (% of AUM)	41.69	27.73
Wtd. avg. mkt. cap (\$M)	152,575	146,197
Price/earnings	19.13	15.92
Price to book	2.88	1.88
Est. 3 – 5 year EPS growth (%)	11.12	11.82
ROE (%)	18.23	16.62
Long-term debt to capital (%)	18.13	22.37
Operating margin (%)	25.77	21.99

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-0.86	0.00
Beta	0.88	1.00
Sharpe ratio	0.25	0.32
Information ratio	-0.30	0.00
Standard dev. (%)	16.12	17.53
Tracking error (%)	5.08	0.00
Up capture (%)	74.18	100.00
Down capture (%)	90.37	100.00
Max. drawdown (%)	32.19	36.10

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	-0.39	0.46	0.07
Consumer Discretionary	0.00	-1.84	-1.83
Consumer Staples	-0.04	0.23	0.20
Energy	0.02	0.05	0.07
Financials	-0.10	-0.07	-0.17
Health Care	-0.17	-0.64	-0.81
Industrials	-0.04	-0.26	-0.31
Information Technology	0.23	-0.95	-0.72
Materials	-0.03	-0.05	-0.07
Other	0.01	0.00	0.01
Real Estate	-0.12	-0.47	-0.58
Utilities	0.10	0.00	0.10
Cash	0.04	0.00	0.04
Total	-0.48	-3.53	-4.01

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.**

Region performance analysis (%)

Region	Allocation effect	Selection effect	Total effect
Developed	0.10	-1.17	-1.07
Asia/Pacific Ex Japan	0.10	-0.30	-0.20
North America	-0.86	0.00	-0.86
Emerging	0.02	-3.01	-2.99
Asia/Pacific Ex Japan	0.02	-3.01	-2.99
Cash	0.04	0.00	0.04
Total	0.17	-4.17	-4.01

Performance attribution (cont'd)

Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
India	0.56	11.17	-0.94
Taiwan	0.36	13.88	-13.44
Malaysia	0.25	4.36	5.57
Australia	0.23	3.96	-7.97
New Zealand	-0.01	1.91	-1.27

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
China	-2.22	25.52	6.56
Indonesia	-1.18	8.33	-13.92
United States	-0.86	2.91	-27.56
Thailand	-0.46	5.19	-10.82
Hong Kong	-0.39	5.19	-3.82

Unless otherwise specified, all information is as of 03/31/25. Unless stated otherwise, Index refers to MSCI AC Asia Pacific ex Japan Index (USD).

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

• On February 28, 2022, Invesco Asia Pacific Growth Fund was renamed Invesco EQV Asia Pacific Equity Fund. Please see prospectus for more information.

The MSCI All Country (AC) Asia Pacific ex-Japan Index is an unmanaged index considered representative of Asia Pacific region stock markets, excluding Japan. 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.

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. Developing markets may especially be volatile.

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 investments.

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

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