



Invesco Developing Markets Fund

Quarterly Performance Commentary

Nasdaq: A: GTDDX C: GTDCX Y: GTDYX

Investment objective

The fund seeks long-term growth of capital.

Portfolio management

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Portfolio information

Total Net Assets	\$2,235,612,068
Total Number of Holdings	53

Top holdings

% of total net assets

Sberbank of Russia	3.95
Yandex	3.40
Wuliangye Yibin	3.33
B3	3.24
Samsung Electronics	3.21
Bank Mandiri Persero Tbk	3.14
Bank Central Asia	3.13
Ambev	3.12
Telkom Indonesia	2.91
Banco Bradesco	2.86

Top contributors

% of total net assets

1. Sberbank of Russia	3.95
2. Wuliangye Yibin	3.33
3. B3	3.24
4. Gazprom	1.40
5. Grupo Aeroportuario del Pacifico	2.32

Top detractors

% of total net assets

1. Weibo	0.83
2. Sunny Optical Technology	1.93
3. Tupras Turkiye Petrol Rafinerileri	1.41
4. Zenith Bank	1.24
5. Baidu	0.00

Market overview

- After a relatively calm start to 2019, global equity markets faced greater volatility in the second quarter, hampered by 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. 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 Developing Markets Fund Class A shares at net asset value (NAV) outperformed its benchmark index during the quarter. (Please see the investment results table on page 2 for fund and index performance.)

Contributors to performance

- Stock selection in the financials sector was the largest driver of outperformance. The portfolio's bank and diversified financial holdings, including Indonesia-based **Bank Mandiri Persero**, Brazil-based **B3** and Turkey-based **Haci Omer Sabanci**, were notable contributors to absolute and relative returns (3.14%, 3.24% and 1.92% of total net assets, respectively).
- Stock selection in the consumer staples sector was beneficial as well. The portfolio's food, beverage & tobacco industry stocks showed particular strength, including China-based companies **Wuliangye Yibin** and **Kweichow Moutai** (1.00% of total net assets). A meaningful overweight in the sector also added to relative return.
- Geographically, stock selection in Russia, China and Brazil added to relative return. Overweights in Russia and Brazil and an underweight in China were advantageous.
- **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 under sanctions and partly because of 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 information technology sector was the largest detractor from relative return. Within the sector, China-based **Sunny Optical Technology** was a notable individual detractor.
- Lack of exposure to utilities slightly detracted from relative return.
- Geographically, having no exposure to South Africa and an overweight in Nigeria dragged on relative return. Stock selection in Taiwan detracted as well.
- **Weibo**, a communication services company in China, was the fund's largest individual detractor. China's online advertising industry has been soft, in part due to weaker spending in gaming, education and auto advertising. Though demand from small merchants has been weak, **Weibo's** brand identity as the leading platform for key opinion leaders in China remains strong.

Positioning and outlook

- We added one new holding during the quarter, China-based yeast company **Angel Yeast** (0.73% of total net assets). We exited two positions, China-based search engine provider **Baidu** and Turkey-based consumer staples company **Anadolu Efes** (both 0.00% of total net assets).
- Since mid-June 2018, investors have generally shifted their focus away from richly valued momentum growth stocks, focusing instead on fundamentals, valuation and risk. This shift in sentiment has benefited relative performance given our team's approach, which combines quality growth with a valuation bias.
- 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 Inception: 01/11/94		Class C Shares Inception: 03/01/99		Class Y Shares Inception: 10/03/08	Style-Specific Index	MSCI Emerging Markets Index
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV		
Inception	5.10	5.33	9.02	9.02	7.29	-	-
10 Years	5.91	6.51	5.72	5.72	6.77	5.81	5.81
5 Years	0.60	1.74	0.98	0.98	1.99	2.49	2.49
3 Years	5.88	7.90	7.11	7.11	8.18	10.66	10.66
1 Year	4.24	10.30	8.50	9.50	10.57	1.21	1.21
Quarter	-0.45	5.34	4.13	5.13	5.40	0.61	0.61

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. Class Y shares have no sales charge; therefore, performance is at NAV. On Oct. 31, 1997, the fund reorganized from a closed-end fund to an open-end fund. Returns through that date are the closed-end fund's historical performance. Returns since that date are those of the open-end fund. Fees and expenses of the open-end fund differ from those of the closed-end fund. 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 (%)

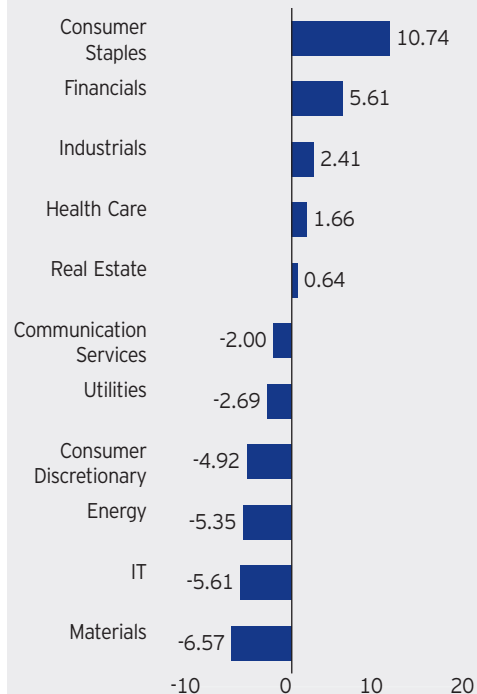
Intl Common Stock	93.71
Cash	5.59
Other	0.70

Expense ratios

	% net	% total
Class A Shares	1.41	1.42
Class C Shares	2.16	2.17
Class Y Shares	1.16	1.17

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 June 30, 2020. See current prospectus for more information.

The fund's positioning versus the MSCI Emerging Markets Index (% underweight/overweight)



For more information you can visit us at 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 Emerging Markets Index (ND) is an unmanaged index considered representative of stocks of developing countries. The index is computed using the net return, which withholds applicable taxes for non-residents investors. 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.

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.