Invesco Developing Markets Fund

February 2023

Portfolio Manager
Justin Leverenz
Since 05/07

Portfolio Inception
November 18, 1996

Fund Assets
$25.0 billion

Investment Philosophy
We believe long-term outperformance can be achieved by focusing on exceptional companies with durable tailwinds that can drive sustainable growth. We look to build and manage a diversified portfolio of stocks that we want to own for the long term. We believe that entry price is a key component of returns when investing in these companies.

For additional information, please visit our website at **invesco.com**

Market overview

Emerging Market equities underperformed their global peers during the month of February. Globally, inflation has been an ongoing concern with many countries implementing fiscal controls, such as consecutive interest rate hikes, in a bid to normalize economic activity. Growth prospects in emerging markets were dampened after the United States released resilient macroeconomic data, resulting in a strong dollar, which may lead to additional inflationary pressure in EM markets and hinder near-term growth prospects. Heightened geopolitical tensions between the United States and China thwarted what many investors assumed would be a strong period of performance in China.

Monthly performance

Invesco Developing Markets Fund Class A shares (without sales charge) returned -3.26% during the month of February, compared to the MSCI EM Index which returned -6.48%.

Top Sectors Contributing to Relative Performance

- Consumer Discretionary - stock selection
- Energy – stock selection
- Financials – stock selection

Top Countries Contributing to Relative Performance

- Russia – overweight allocation
- China – stock selection/underweight allocation
- India – stock selection/overweight allocation

Bottom Sectors Detracting from Relative Performance

- Industrials – stock selection
- Information Technology – stock selection/underweight allocation
- Health Care – stock selection/overweight allocation

Bottom Countries Detracting from Relative Performance

- Taiwan – underweight allocation/stock selection
- South Korea – stock selection
- United Arab Emirates – underweight allocation

Year-to-Date performance

Invesco Developing Markets Fund Class A shares (without sales charge) returned 6.57% for the year-to-date period, compared to the MSCI EM Index which returned 0.90%. Performance has been driven by our ability to realize share-holder value in our Russian equities, particularly Novatek and Yandex, in the over-the-counter (OTC) market. These positions were previously written down to zero. Positioning in Mexico, where we are overweight the benchmark, significantly contributed, as did our underweight exposure to Chinese equities, which were negatively impacted by heightened political tensions with the United States.

Top Sectors Contributing to Relative Performance

- Consumer Discretionary – stock selection
- Materials – stock selection
- Energy – stock selection/underweight allocation

Top Countries Contributing to Relative Performance

- Russia – overweight allocation
- Mexico – stock selection/overweight allocation
- China – stock selection

Bottom Sectors Detracting from Relative Performance

- Industrials – stock selection
- Information Technology – underweight allocation
- Financials – stock selection

Bottom Countries Detracting from Relative Performance

- South Korea – stock selection/underweight allocation
- Taiwan – underweight allocation
- Hong Kong – overweight allocation

Top absolute contributors to the year-to-date performance included: **Grupo Mexico**, **Taiwan Semiconductor Manufacturing Co. (TSMC)**, and **Novatek.**

Grupo Mexico is a diversified mining company based in Mexico that boasts a portfolio of unique assets including the fourth largest copper mine in the world. Copper should rise in importance as countries roll out their green agendas. Copper prices rose after China began easing its zero-Covid policy. China is one of the world's largest importers of copper.

Taiwan Semiconductor Manufacturing Co. (TSMC) is one of the world's leading semiconductor foundries and the key enabler of the new computing revolution, with multiple architectures, chip platforms, and design teams competing to push computing and AI innovation.

Novatek, which we have held for nearly 15 years, is one of the largest independent global gas producers. As per industry practice following Russia's invasion of Ukraine, Invesco priced all Russian equity holdings to zero as of March 2nd, 2022. Market conditions have evolved, and allowed us- following strict guidelines and regulations, to sell shares in the over-the-counter (OTC) market.

Top absolute detractors to the year-to-date performance included: **ZTO Express**, **Meituan**, and **Kotak Mahindra**.

ZTO Express operates one of the largest express delivery companies, by market share in China, providing consumers and merchants with segmented delivery services such as door to door delivery and next day delivery. In general, Chinese equities were negatively impacted by investor concern over escalating political tensions between the United States and China.

Meituan operates a leading service-based e-commerce platform in China, facilitating food delivery and restaurant reservations, among other services. In general, Chinese equities were negatively impacted by investor concern over escalating political tensions between the United States and China.

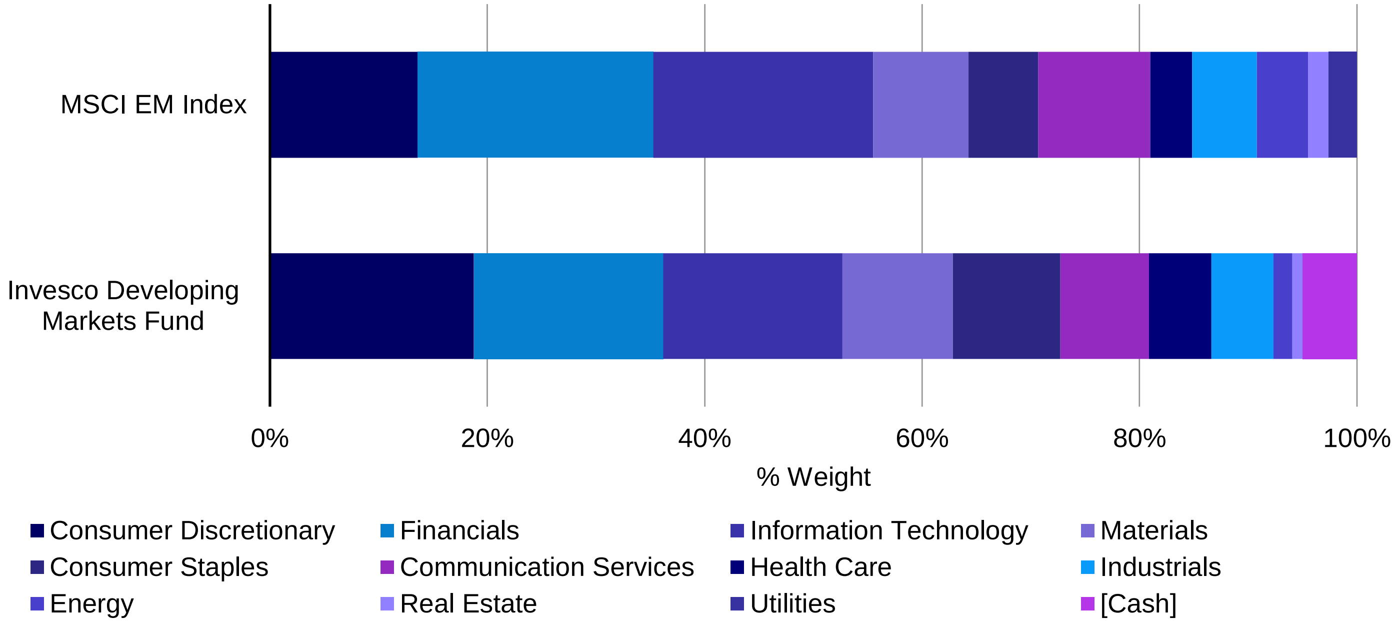
Kotak Mahindra serves the largely underbanked Indian population through a physical retail presence and robust digital infrastructure. In general, Indian equities have shown weak performance as the country grapples with ongoing inflation and concerns over growth. Kotak, however, has strong fundamentals and underwriting quality which should support growth initiatives.

Positioning and Outlook

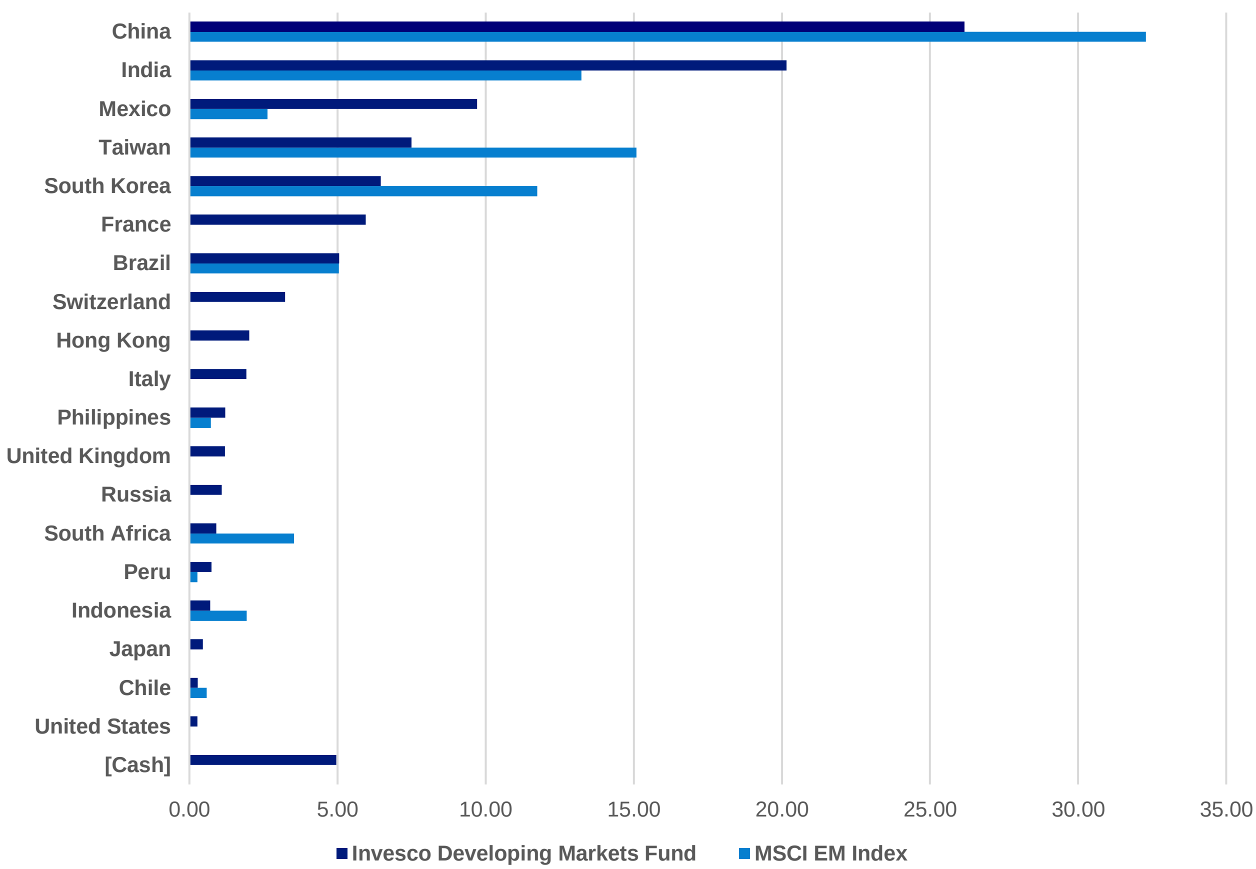
As of the end of February, the portfolio was overweight Consumer Discretionary, Consumer Staples, Health Care and Materials and underweight Financials, Information Technology, Energy, Communication Services and Real Estate. The portfolio has no exposure to Utilities. Effective February 28, 2023, we updated the current good faith fair value price of zero for Russian equities that are USD denominated and tradeable under current sanctions. We have seen enough market activity such that we will price the securities in accordance with the most recent observed transaction, making appropriate adjustments in light of additional market color.

Looking ahead, we believe many emerging market companies are embarking on a new era – cutting back on oversized ambitions and focusing on opportunities that are profitable and cash generating. This should improve earnings and returns as these businesses become more rational and disciplined. We have focused on finding investment opportunities where the visible risks are well understood, have been deeply digested and have led to price discounts. Conversely, we are wary of circumstances where risks have not yet been widely perceived. The net result is an opportunity to own undervalued, high-quality stocks with potential for long-term structural growth.

Sector Weights (%)



Country Weights (%)



Source: Invesco. Data as of 02/28/2023. The portfolio does not have exposure to the following MSCI EM Index country constituents: Colombia, Czech Republic, Egypt, Greece, Hungary, Kuwait, Malaysia, Poland, Qatar, Saudi Arabia, Thailand, Turkey or United Arab Emirates. Subject to change.

Top 10 Holdings (%)

Issuer	Sector	Invesco Developing Markets Fund	MSCI EM Index
Yum China Holdings, Inc.	Consumer Discretionary	6.99	0.39
Housing Development Finance Corp. Limited	Financials	6.94	0.85
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	6.28	6.48
Tata Consultancy Services Limited	Information Technology	4.94	0.58
Grupo Mexico S.A.B. de C.V. Class B	Materials	4.88	0.22
H World Group Ltd	Consumer Discretionary	4.80	0.14
Kotak Mahindra Bank Limited	Financials	4.73	0.18
Pernod Ricard SA	Consumer Staples	4.70	0.00
ZTO Express Cayman Inc	Industrials	3.75	0.16
Cie Financiere Richemont SA	Consumer Discretionary	3.21	0.00
TOTAL		**51.22**	**9.00**

Invesco Developing Markets Fund Holdings as of 02/28/2023. Holdings are subject to change and are not buy/sell recommendations.

Standardized performance (%) as of December 31, 2022

	Q4 2022	1 year	3 years	5 years	10 years	Inception
Invesco Developing Markets Fund (Class A Shares w/o Sales Charge)	11.28	-25.16	-6.73	-2.44	1.22	9.39
Invesco Developing Markets Fund **(Class A Shares w/ Sales Charge)**	5.16	-29.28	-8.47	-3.53	0.65	9.16
Invesco Developing Markets Fund (Class Y Shares)	11.37	-24.97	-6.49	-2.19	1.48	6.10
Invesco Developing Markets Fund (Class R6 Shares)	11.42	-24.85	-6.36	-2.04	1.65	3.33
MSCI Emerging Markets Index[1]	9.70	-20.09	-2.69	-1.40	1.44	--

- Returns for periods of less than one year are cumulative and not annualized.
- Class A share inception date is 11/18/1996
- Class Y share inception date is 9/7/2005
- Class R6 share inception date is 12/29/2011

Annual Expense Ratios:
- Class A shares: Gross: 1.24%.
- Class Y shares: Gross: 0.99 %.
- Class R6 shares: Gross: 0.84%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit 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. 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 shares have no sales charge; therefore, performance is at NAV. Class I shares were reorganized into Class R6 shares. R6 shares are primarily intended for retirement plans that meet certain standards and for institutional investors.

As the result of a reorganization on May 24, 2019, the returns of the fund for periods on or prior to May 24, 2019 reflect performance of the Oppenheimer predecessor fund. Share class returns will differ from the predecessor fund due to a change in expenses and sales charges.

1. The MSCI Emerging Markets Index is designed to measure equity market performance of emerging markets. The index is unmanaged, includes the reinvestment of dividends and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of the Fund. **Past performance does not guarantee future results.**

Special Risks:

In general, stock values fluctuate, sometimes widely, in response to activities specific to the company as well as general market, economic and political conditions.

The risks of investing in securities of foreign issuers, including emerging market issuers, can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

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 Fund may hold illiquid securities that it may be unable to sell at the preferred time or price and could lose its entire investment in such securities.

The performance of an investment concentrated in issuers of a certain region or country, such as Asia Pacific, is expected to be closely tied to conditions within that region and to be more volatile than more geographically diversified investments.

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 holdings are organized according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of Morgan Stanley Capital International Inc. and Standard & Poor's.

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

Investing in securities of Chinese companies involves additional risks, including, but not limited to: the economy of China differs, often unfavorably, from the U.S. economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, allocation of resources and capital reinvestment, among others; the central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership; and actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China.

ESG considerations may vary across investments and issuers, and not every ESG factor may be identified or evaluated for investment. The Fund will not be solely based on ESG considerations; therefore, issuers may not be considered ESG-focused companies. ESG factors may affect the Fund’s exposure to certain companies or industries and may not work as intended. The Fund may underperform other funds that do not assess ESG factors or that use a different methodology to identify and/or incorporate ESG factors. ESG is not a uniformly defined characteristic and as a result, information used by the Fund to evaluate such factors may not be readily available, complete or accurate, and may vary across providers and issuers. There is no guarantee that ESG considerations will enhance Fund performance.

Following Russia’s invasion of Ukraine in February 2022, various countries, including the U.S., NATO and the European Union, issued broad-ranging economic sanctions against Russia and Belarus. As a result, responses to military actions (and further potential sanctions related to continued military activity), the potential for military escalation and other corresponding events, have had, and could continue to have, severe negative effects on regional and global economic and financial markets, including increased volatility, reduced liquidity, and overall uncertainty. Russia may take additional counter measures or retaliatory actions (including cyberattacks), which could exacerbate negative consequences on global financial markets. The duration of ongoing hostilities, corresponding sanctions and related events cannot be predicted. As a result, the value of an investment in the Fund and its performance may be negatively impacted, particularly as it relates to Russia exposure.

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.

Diversification does not guarantee a profit or eliminate the risk of loss.

The investment techniques and risk analysis used by the portfolio managers may not produce the desired results.

The opinions expressed are those of the Portfolio Manager of the Invesco Developing Markets Fund and 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.

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 financial professionals for a prospectus/summary prospectus or visit invesco.com.

Invesco Distributors, Inc. February 2023

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