Invesco Developing Markets Fund

February 2024

Portfolio Manager
Justin Leverenz
Since 05/07

Portfolio Inception
November 18, 1996

Fund Assets
$22.2 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

In February, Emerging Market (EM) equities reversed the weaker performance of the prior month and delivered positive returns in aggregate. Notably, Chinese equities posted positive and strongest performance we have seen in the recent months. However, China remains in a structural funk with the government setting its economic growth target for 2024 at the same level as last year. While we remain unconvinced with the viability (or wisdom) of more pronounced economic recovery in China, we think there are a handful of terrific idiosyncratic investment opportunities in China. In contrast, most non-China EM markets have entered a period where economic growth post COVID has been substantial or expected to accelerate with the potential of interest rates cuts. We believe EM equities remain attractive to investors as they are notably mispriced with valuation discounts relative to US and global equities hovering at nearly 40% and 30%, respectively.[1]

Monthly performance

Invesco Developing Markets Fund Class A shares (without sales charge) returned 3.40% during the month of February, compared to the MSCI Emerging Markets (EM) Index which returned 4.76%.

Top Sectors Contributing to Relative Performance

- Consumer Discretionary - stock selection
- Industrials - stock selection
- Information Technology - stock selection

Top Countries Contributing to Relative Performance

- Taiwan - stock selection
- Brazil - stock selection
- South Africa - underweight allocation

Bottom Sectors Detracting from Relative Performance

- Consumer Staples - stock selection/overweight allocation
- Financials - stock selection
- Health Care - stock selection

Bottom Countries Detracting from Relative Performance

- Mexico - overweight allocation/stock selection
- South Korea - stock selection
- India - stock selection

Year-to-Date performance

Invesco Developing Markets Fund Class A shares (without sales charge) returned -1.88% for the year-to-date period, compared to the MSCI EM Index which returned -0.11%.

Top Sectors Contributing to Relative Performance

- Consumer Discretionary - stock selection
- Information Technology - stock selection
- Communication Services - stock selection

Top Countries Contributing to Relative Performance

- Taiwan – stock selection
- Italy - overweight allocation
- Switzerland - overweight allocation

Bottom Sectors Detracting from Relative Performance

- Financials - stock selection
- Consumer Staples - overweight allocation/stock selection
- Energy - stock selection/overweight allocation

Bottom Countries Detracting from Relative Performance

- India - stock selection
- Mexico- overweight allocation/stock selection
- South Korea – stock selection

For more information, including prospectus and factsheet, please visit Invesco.com/ODMAX

Top absolute contributors to the year-to-date performance included: **Taiwan Semiconductor Manufacturing Co. (TSMC), Tata Consultancy Services (TCS)** and **H World**

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. TSMC should be well positioned as they continue migrating to next generation processing nodes. The chip inventory correction, which has weighed on demand, appears to be giving way to a rebound in demand. Cyclical recovery in end-markets (PCs and smartphones) as well as structural demand from AI should be very supportive of growth in the medium to long-term.

Tata Consultancy Services (TCS) is an Indian based global IT consulting firm. The company has strong shares in traditional services and has been focused on areas of new growth by expanding their geographic footprint, focusing on small and medium enterprise clients, and pushing digital initiatives. Near-term macro headwinds stemming from inflationary and recessionary fears, have put pressure on the consulting industry. However, TCS has reiterated that they have a healthy deal pipeline and order book.

H World Group is a pioneer in the Chinese hotel industry, primarily using a franchise model. It has solidified and maintained its leadership position through investments in infrastructure technology, which have supported operational efficiency and boosted brand loyalty. Management is focused on continued portfolio optimization with the phase out of underperforming brands, continued expansion initiatives, and strong revenue growth. While China's economic recovery has been weaker than expected, H World's asset-light brand management strategy helps the company maintain its operating profit and healthy, stable cash flows.

Top absolute detractors to the year-to-date performance included: **HDFC Bank, Grupo Mexico** and **Kotak Mahindra Bank**

HDFC Bank is India's largest private sector bank. Earlier this year, HDFC Bank merged with its parent, HDFC Corp, a long-term holding of the Fund. We believe that the combined entity should be able to achieve lower cost of funds for mortgage products along with better cross-selling opportunities through HDFC Bank's vast branch network due to increased synergies. Mortgage penetration and consumer finance remain embryonic in India. The bank's weaker than expected quarterly results along with concerns about tight liquidity conditions for Indian banks have negatively impacted its share prices in 2024.

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. Globally, Grupo Mexico has the largest proven copper reserves, which could allow them to maintain current production levels for decades without significant exploration effort. Grupo Mexico's copper reserves could prove valuable as the world requires increasing quantities of copper for the transition to renewable energy. The mining and rail subsidiaries are significantly cash generative, thanks to quality operations, providing Grupo Mexico with a strong balance sheet and optionality. However, share price has been volatile in 2024 after a strong stock performance in 2023.

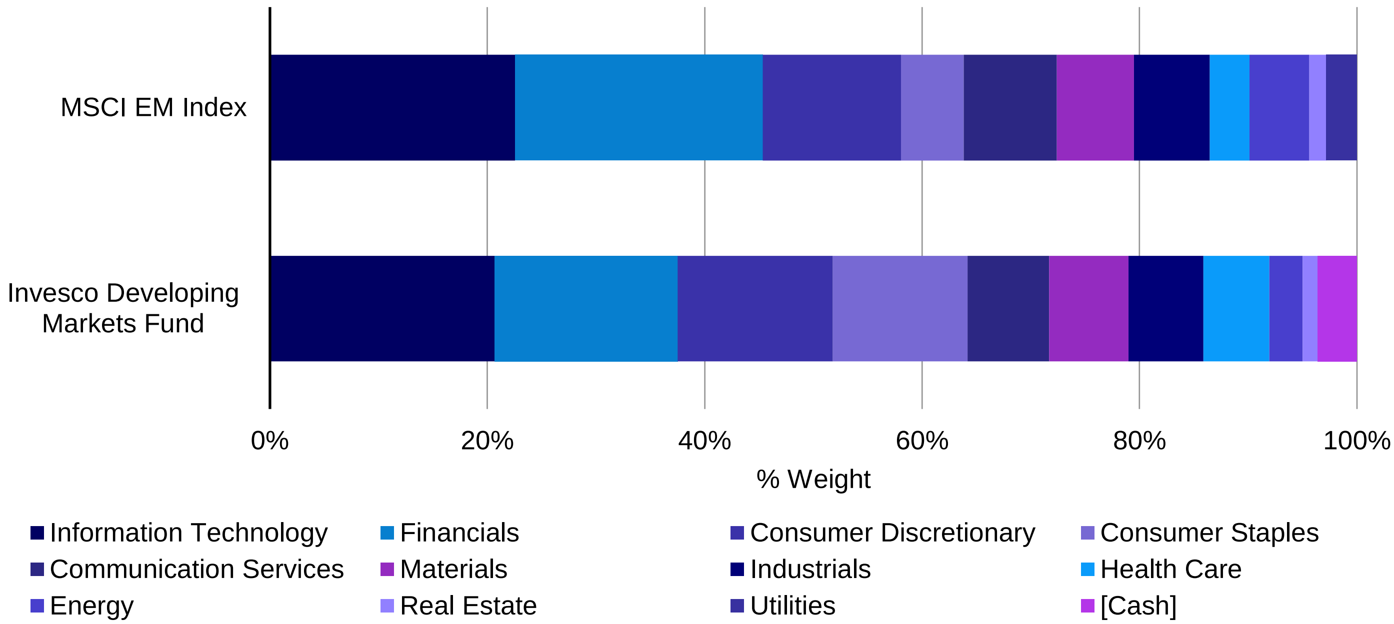
Kotak Mahindra Bank is the fourth largest private bank in India with operations in banking, asset management, life insurance, and capital markets. The Indian financial sector has three structural trends which underpin its strong growth and returns on investment, including market share gains by private sector banks, continuing penetration of formal banking services and widespread digital adoption, allowing the more innovative private banks to disrupt the status quo. The stock has been under pressure due to a negative investor sentiment about tight liquidity in the Indian financial sector with increasing pressure on deposit mobilization on banks. Kotak recently made new appointments at the leadership levels giving impetus to its vision for 'Accelerating Change' in becoming a customer-centric, tech-enabled financial institution.

Positioning and Outlook

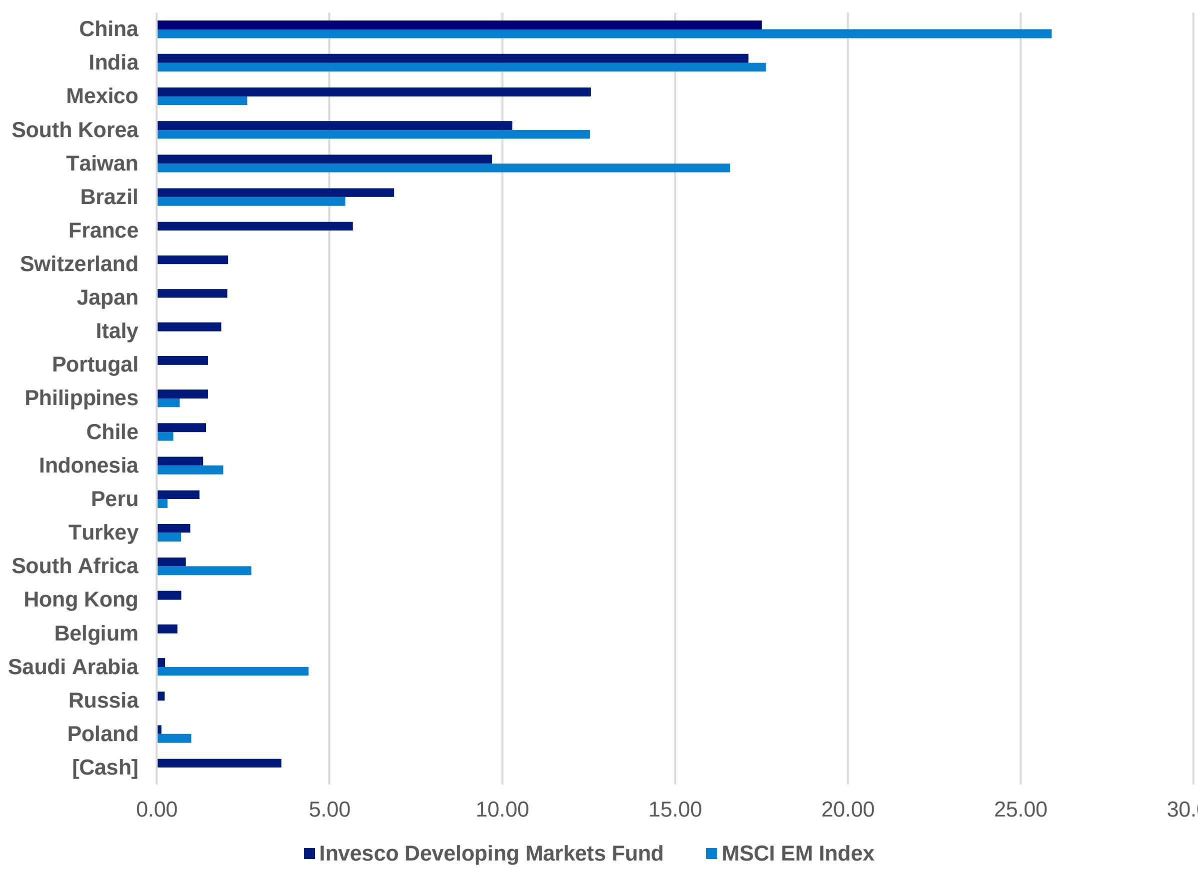
As of the end of February, relative to the benchmark, the fund was overweight in the Consumer Staples, Health Care, Consumer Discretionary, and Materials sectors. The fund was underweight the benchmark in the Financials, Utilities, Energy, Information Technology, Communication Services, Real Estate, and Industrials sectors. 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.

As long-term investors, company fundamentals are especially crucial to us. Our investment approach has always been rooted in the unwavering focus of unearthing high-quality compounders- innovative companies with structural tailwinds, durable competitive advantages and a host of options that should manifest over time. We believe that this environment favors those with an idiosyncratic approach and rewards genuine imagination and creativity in unearthing the rare breed of extraordinary companies.

Sector Weights (%)



Country Weights (%)



Source: Invesco. Data as of 2/29/2024. The portfolio does not have exposure to the following MSCI EM Index country constituents: Colombia, Czech Republic, Egypt, Greece, Hungary, Kuwait, Malaysia, Qatar, Thailand, United Arab Emirates, United Kingdom or Australia. Subject to change.

Top 10 Holdings (%)

Issuer	Sector	Invesco Developing Markets Fund	MSCI EM Index
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	9.54	7.63
Samsung Electronics Co Ltd.	Information Technology	5.67	4.29
Kotak Mahindra Bank Ltd.	Financials	5.09	0.32
Grupo Mexico SAB de CV	Materials	4.94	0.21
H World Group Ltd.	Consumer Discretionary	4.30	0.11
Tata Consultancy Services Ltd.	Information Technology	4.07	0.64
HDFC Bank Ltd.	Financials	4.06	0.67
Pernod Ricard SA	Consumer Staples	3.72	0.00
Tencent Holdings Ltd.	Communication Services	3.36	3.35
Yum China Holdings Inc.	Consumer Discretionary	3.33	0.25
TOTAL		**48.08**	**17.47**

Invesco Developing Markets Fund Holdings as of 02/29/2024. Holdings are subject to change and are not buy/sell recommendations.

Standardized performance (%) as of December 31, 2023

	Q4 2023	1 year	3 years	5 years	10 years	Inception
Invesco Developing Markets Fund (Class A Shares w/o Sales Charge)	6.96	11.17	-8.36	2.27	1.48	9.46
Invesco Developing Markets Fund **(Class A Shares w/ max sales load (5.50%))**	1.08	5.06	-10.08	1.12	0.91	9.23
Invesco Developing Markets Fund (Class Y Shares)	6.99	11.40	-8.14	2.52	1.73	6.38
Invesco Developing Markets Fund (Class R6 Shares)	7.04	11.54	-8.01	2.67	1.90	3.99
MSCI Emerging Markets Index[2]	7.86	9.83	-5.08	3.68	2.66	-

- 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: 1.26%.
- Class Y shares: Gross: 1.01%.
- Class R6 shares: Gross: 0.88%.

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. Index source: RIMES Technologies Corp.

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. Source: Morningstar as of 2/29/2024. Global equity markets are represented by the MSCI ACWI index. EM equity markets are represented by the MSCI EM Index. **Past performance does not guarantee future results.** An investment cannot be made directly into an index.
2. 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.** An investor cannot invest directly in an index.

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. All data sourced as of 02/29/2024 unless otherwise stated.

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.

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.

Environmental, Social and Governance (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.

The MSCI All Country World Index is a market-capitalization-weighted index designed to provide a broad measure of equity-market performance throughout the world. The index comprises stocks from both developed and emerging markets.

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 2024