

Invesco Global Focus Fund

Q2 2024

Key takeaways

- 1 The fund underperformed its benchmark and competitors.**

Class A shares underperformed the MSCI ACWI Growth Index and the Morningstar Global Growth Stock Funds Category average (return of 1.44%) during the second quarter (ranked 287 of 350).
- 2 Global growth equities were mixed in the second quarter.**

Results from growth-oriented equities were a mixed bag in the second quarter. Stocks related to artificial intelligence again performed well, but other areas corrected during the quarter.
- 3 Positioned for long-term opportunity.**

The fund is configured and oriented to a consistent five-year investment horizon and not adapted to suit any particular economic environment.

Investment objective

The fund seeks capital appreciation.

Fund facts

Fund AUM (\$M) 592.87

Portfolio managers

John Delano

Manager perspective and outlook

- The upcoming earnings season will likely be important, both in results and management guidance. The US Federal Reserve (Fed) has remained steadfast in getting inflation back to its 2% target. As inflation has fallen, the Fed's policy stance has effectively become more restrictive, which has slowed the economy. Given this backdrop, we believe it makes sense the market would turn back to stocks expected to generate growth in the long term. As the earnings supply, in effect, dwindles, we should in our view see a premium for stocks where we believe it remains reasonably durable.
- We observe that topline price-to-earnings multiples for large-cap indexes are high compared to the past, while equal weighted indexes look to us quite normal. Big-name growth stocks that dominate cap weighted indexes skew the multiple higher. However, we believe the multiples assigned to them are warranted, in most cases, due to their growth rates.
- Artificial Intelligence has been the market's key theme and might well rival the introduction of PCs and the internet in importance. In both cases and with many technology advances, new platforms sparked development of associated applications. The PC ushered in a burst of software applications. The internet gave us ecommerce, new communication tools and much more. The transformative iPhone enabled entirely new industries such as ride hailing. We believe AI will offer similar opportunities once initial infrastructure is in place.



Top issuers

(% of total net assets)

	Fund	Index
Meta Platforms Inc	10.08	2.86
Alphabet Inc	7.57	5.20
Amazon.com Inc	6.97	4.68
Novo Nordisk A/S	6.00	1.22
Hermes International SCA	5.88	0.19
Uber Technologies Inc	4.55	0.35
Mastercard Inc	3.99	0.95
CrowdStrike Holdings Inc	3.73	0.23
ServiceNow Inc	3.60	0.42
Thermo Fisher Scientific Inc	3.45	0.27

As of 06/30/24. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

Invesco Global Focus Strategy is a concentrated portfolio seeking businesses that benefit from structural forces permanently altering the way we live, work and communicate, among others. In our view businesses benefiting from such forces and in possession of durable competitive advantages and strong management teams may compound their shareholder returns at above-average rates for many years.

At quarter end, the fund had 39 holdings spread across seven sectors. The largest sector exposure was health care, followed closely by communication services and consumer discretionary. The largest underweight sectors were information technology, industrials and consumer staples.

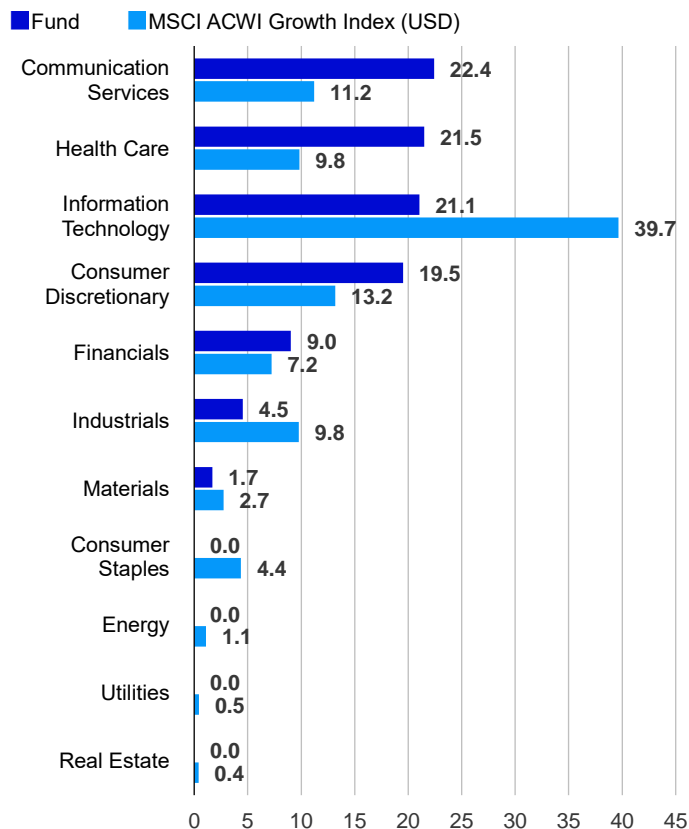
We opened two new positions during the second quarter: **Eli Lilly** and **Broadcom**.

Eli Lilly has a blockbuster business emerging in its line-up of weight loss and diabetes treatments. This position complements the fund's other holding in this area, **Novo Nordisk**. We expect that for the next several years supply constraints and limited competition will benefit these companies.

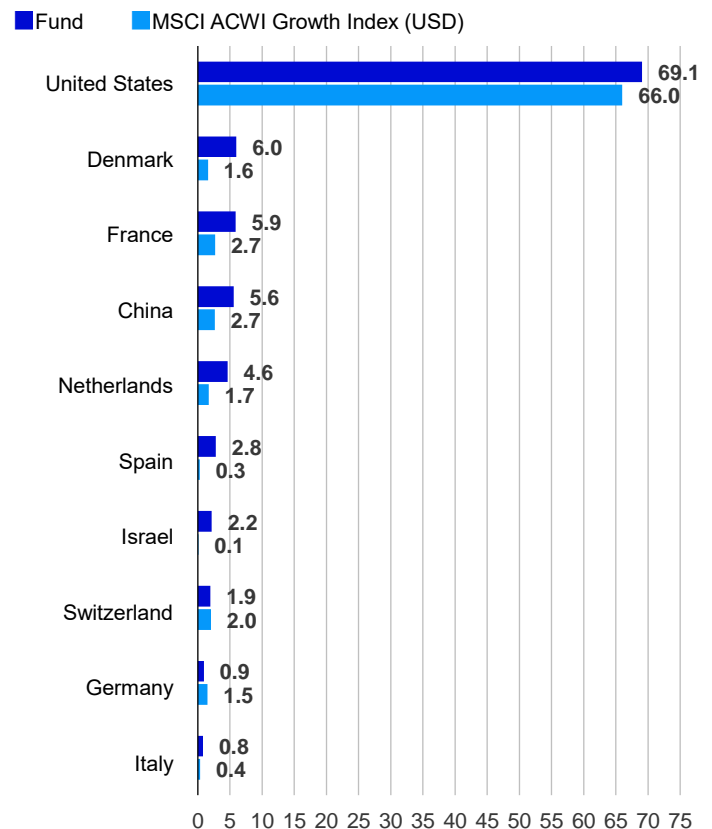
Broadcom has several different businesses that relate to infrastructure software and semiconductors. We are most interested in its semiconductor business, which specializes in custom chips. We believe demand will grow significantly as hyperscalers such as Amazon Web Services (AWS), Azure and others seek to offer differentiated and custom services to clients.

We closed no positions during the second quarter but did trim several, in some cases due to increasing concerns about a company's direction or governance that may well lead us to an ultimate exit. Other changes represented fairly normal trimming to manage position sizing.

Sector breakdown (% of total net assets)



Top countries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
Alphabet Inc.	20.82	1.34
Novo Nordisk A/S	13.26	0.74
Tencent Holdings Limited	23.29	0.65
CrowdStrike Holdings, Inc.	19.53	0.61
Amazon.com, Inc.	7.13	0.48

Top detractors (%)

Issuer	Return	Contrib. to return
NICE Ltd.	-34.02	-1.13
Hermes International SCA	-8.68	-0.54
Salesforce, Inc.	-14.64	-0.48
Mastercard Incorporated	-8.26	-0.40
Adyen N.V.	-29.55	-0.38

Performance highlights

In the second quarter, the fund outperformed in seven of the 11 GICs (Global Industry Classification Standard) sectors in the MSCI ACWI Growth Index. However, performance in those sectors was not enough to offset negative results in information technology, health care, consumer discretionary and financials.

Contributors to performance

The largest contributors to absolute performance for the quarter were:

Alphabet performed well, rebounding from earlier fears that ChatGPT would soon destroy its search dominance. Such fears overlook Alphabet's own AI capabilities and that the company makes money largely by directing web traffic for consumers searching with intent to purchase, not by answering questions.

Novo Nordisk continued the resounding success of its weight loss franchise.

Tencent has been a poor performer for the last three years, along with China's equity market overall. The company, however, has benefited from resumption of approvals for new games. In our view the low valuation left little for the price to do but rise.

CrowdStrike issued earnings in early June that were stronger than expected and accompanied by robust guidance. Security software spending has remained a top priority for corporate CIOs.

Amazon.com has steadily expanded its profitability under CEO Andy Jassy. The company has remained dominant in ecommerce, and its cloud business in our view has a long runway of potential growth ahead.

Detractors from performance

The largest detractors from absolute performance for the quarter were:

Adyen is a rapidly growing company in omnichannel payments. During the quarter, the company announced earnings that were lower than expected, but management indicated some large enterprise customers would be onboarding in the second half. The position size is small in keeping with volatility of the share price.

Mastercard stock pulled back in the second quarter, but the price had previously risen by more than 70% since the fall of 2022. Mastercard has a number of structural tailwinds, and its large network serves as a protective moat against competitors, which make this in our view an attractive holding for the fund.

Salesforce was hurt by rumors it was considering a sizable acquisition and by earnings guidance that was below expectations. We trimmed the position but continue to own it.

Hermes International is in our view a wonderful business with a steady growth profile and wide profit margins. The stock corrected in the second quarter after an extended period of strong price performance.

Nice, a producer of software to optimize call center operations and customer service, has had strong business trends. In surprise news, its CEO, who had been at the helm for 10 years, said he would step down. After examining the issue thoroughly, we are comfortable that the business is fine, and he simply wants to take on new challenges.

Standardized performance (%) as of June 30, 2024

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
Class A shares inception: 10/01/07	NAV	-0.25	16.11	23.81	-2.52	11.58	8.54	7.68
	Max. Load 5.5%	-5.74	9.73	17.01	-4.34	10.33	7.93	7.32
Class R6 shares inception: 08/28/12	NAV	-0.17	16.31	24.24	-2.17	12.00	8.98	11.53
Class Y shares inception: 10/01/07	NAV	-0.19	16.25	24.11	-2.29	11.85	8.80	8.04
MSCI ACWI Growth Index (USD)		6.20	16.30	24.70	5.50	13.85	11.15	-
Total return ranking vs. Morningstar Global Large-Stock Growth category (Class A shares at NAV)		-	-	22% (97 of 343)	83% (283 of 321)	35% (99 of 277)	69% (137 of 188)	-

Expense ratios per the current prospectus: Class A: Net: 1.28%, Total: 1.28%; Class R6: Net: 0.90%, Total: 0.90%; Class Y: Net: 1.03%, Total: 1.03%.

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. 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. 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 (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Class A shares at NAV	-4.80	-0.65	-0.82	25.08	-9.94	31.60	56.23	3.52	-37.89	36.99
Class R6 shares at NAV	-4.36	-0.21	-0.38	25.62	-9.56	32.15	56.86	3.88	-37.65	37.51
Class Y shares at NAV	-4.57	-0.38	-0.60	25.41	-9.73	31.92	56.59	3.76	-37.74	37.34
MSCI ACWI Growth Index (USD)	5.43	1.55	3.27	30.00	-8.13	32.72	33.60	17.10	-28.61	33.22

Portfolio characteristics*

	Fund	Index
No. of holdings	40	1,448
Top 10 issuers (% of AUM)	55.82	42.13
Wtd. avg. mkt. cap (\$M)	669,284	1,136,447
Price/earnings	36.99	32.70
Price to book	8.00	6.65
Est. 3 – 5 year EPS growth (%)	20.94	20.34
ROE (%)	21.94	23.96
Long-term debt to capital (%)	26.35	30.78
Operating margin (%)	26.67	26.37

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-2.57	0.00
Beta	1.10	1.00
Sharpe ratio	0.42	0.61
Information ratio	-0.28	0.00
Standard dev. (%)	22.48	19.22
Tracking error (%)	8.05	0.00
Up capture (%)	108.44	100.00
Down capture (%)	108.21	100.00
Max. drawdown (%)	46.62	32.19

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.65	-0.16	0.49
Consumer Discretionary	-0.30	-0.59	-0.89
Consumer Staples	0.32	0.00	0.32
Energy	0.11	0.00	0.11
Financials	-0.12	-0.67	-0.79
Health Care	-0.23	-1.34	-1.57
Industrials	0.38	-0.32	0.06
Information Technology	-1.15	-2.80	-3.95
Materials	0.13	0.05	0.18
Real Estate	0.08	0.00	0.08
Utilities	0.03	0.00	0.03
Cash	-0.02	0.00	-0.02
Total	-0.12	-5.83	-5.95

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	0.00	-6.20	-6.19
Africa/Mideast	-0.38	-0.88	-1.27
Asia/Pacific Ex Japan	0.06	0.00	0.06
Europe	-0.54	-0.03	-0.56
Japan	0.59	0.00	0.59
North America	0.06	-5.07	-5.01
Emerging	0.02	0.25	0.27
Africa/Mideast	0.07	0.00	0.07
Asia/Pacific Ex Japan	-0.07	0.11	0.03
Europe	-0.01	0.00	-0.01
Latin America	0.17	0.00	0.17
Cash	-0.02	0.00	-0.02
Total	0.01	-5.95	-5.95

Performance attribution (cont'd)

Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
Japan	0.59	0.00	0.00
Denmark	0.35	5.56	13.26
Canada	0.23	0.00	0.00
United Kingdom	0.18	0.00	0.00
China	0.17	5.25	9.97

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
United States	-5.23	68.88	1.47
Israel	-1.27	2.59	-34.02
France	-0.48	6.19	-8.68
Netherlands	-0.35	4.54	-1.73
Taiwan	-0.26	0.00	0.00

Unless otherwise specified, all information is as of 06/30/24. Unless stated otherwise, Index refers to MSCI ACWI Growth Index (USD).

The MSCI All Country World Growth Index captures large and mid cap securities exhibiting overall growth style characteristics across 23 Developed Markets (DM) countries and 21 Emerging Markets (EM) countries. 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.

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 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 investments.

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

Many countries in the European Union are susceptible to high economic risks associated with high levels of debt, notably due to investments in sovereign debts of European countries such as Greece, Italy, and Spain.

The Fund's value may be affected by changes in the stock markets. Stock markets may experience significant short-term volatility and may fall or rise sharply at times. Adverse events in any part of the equity or fixed-income markets may have unexpected negative effects on other market segments. Different stock markets may behave differently from each other and U.S. stock markets may move in the opposite direction from one or more foreign stock markets.

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.

A value style of investing is subject to the risk that the valuations never improve or that the returns will trail other styles of investing or the overall stock markets.

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.

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.

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

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

Source: ©2024 Morningstar Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers. It may not be copied or distributed and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Open-end mutual funds and exchange-traded funds are considered a single population for comparison purposes. Had fees not been waived and/or expenses reimbursed currently or in the past, the ranking would have been lower. Rankings for other share classes may differ due to different performance characteristics.

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.