

# Invesco Emerging Markets Select Equity Fund<sup>®</sup>

## Quarterly Performance Commentary

Mutual Fund Retirement Share Classes  
Data as of Dec. 31, 2020



### Investment objective

The fund seeks long-term growth of capital.

### Portfolio management

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### Fund facts

Nasdaq	A: IEMAX R: IEMRX	Y: IEMYX R6: EMEFX R5: IEMIX
Total Net Assets	\$106,148,901	
Total Number of Holdings	32	

### Top holdings

	% of total net assets
Ping An Insurance Group Co of China	6.68
Alibaba ADR	6.14
Virscend Education	5.95
Prosus	5.80
Tencent	5.31
Samsung Electronics Pfc	5.02
Gree Electric Appliances Inc of Zhuhai 'A'	4.99
Taiwan Semiconductor	4.32
Kweichow Moutai 'A'	3.83
Housing Development Finance	3.39

### Top contributors

	% of total net assets
1. Samsung Electronics	5.02
2. Housing Development Finance	3.39
3. Gree Electric Appliances	4.99
4. Sberbank of Russia	4.09
5. Prosus	5.80

### Top detractors

	% of total net assets
1. Alibaba	6.14
2. China Isotope & Radiation	3.29
3. Benefit Systems	0.00
4. United Tractors	0.00

Not a deposit; Not FDIC insured; Not guaranteed by the bank; May lose value; Not insured by any federal agency

### Market overview

+ Emerging equity markets posted gains in the fourth quarter as positive news about COVID-19 vaccines outweighed concerns about sharply rising infection rates and tightening social restrictions in many countries. In most emerging regions, equity market leadership shifted as value stocks outperformed growth stocks. Sectors and countries that had been severely affected by the pandemic, including materials, financials and many Latin American countries, were among the

quarter's top performers. The US Federal Reserve's pledge to maintain its accommodative monetary stance and asset purchases supported US equities. The European Union's approval of a budget package, recovery fund and Brexit trade deal with the UK boosted European equities. Emerging market equities, which posted robust gains amplified by US dollar weakness, outperformed developed market equities for the quarter.

### Positioning and outlook

+ At quarter end, the fund's largest overweight positions compared to its benchmark were in the consumer discretionary and consumer staples sectors. From a country perspective, the largest overweights were in China and in the Netherlands, through its position in a Netherlands-based company with internet-related businesses primarily operating in emerging markets. Conversely, the

largest underweight positions were in IT and materials, and in South Korea and India.

+ As always, the portfolio's country and sector allocations are the result of the team's bottom-up, fundamental stock selection process and are not based on the characteristics of the index. We continue to seek high quality companies worldwide.

### Performance highlights

+ The fund's Class A shares at net asset value (NAV) underperformed its benchmark, the MSCI Emerging Markets Index, for the fourth quarter. (Please see the investment results table on page 2 for fund and index performance.)

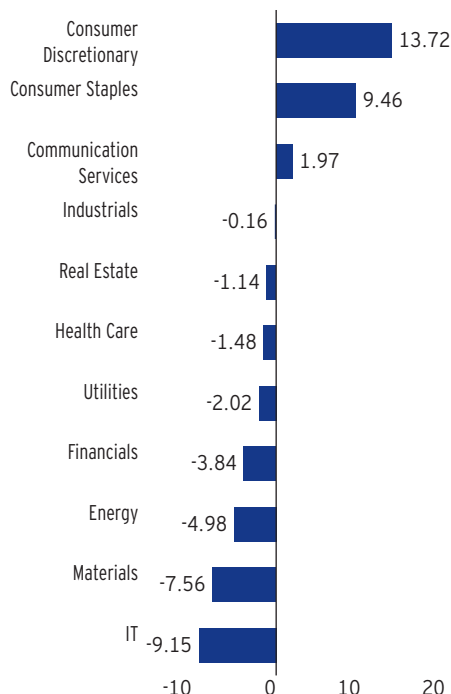
### Contributors to performance

- + The fund's relative performance benefited from strong stock selection in the consumer staples and industrials sectors.
- + From a country perspective, strong stock performance within India and lack of exposure to Saudi Arabia contributed to relative performance.
- + Top individual contributors to absolute return during the quarter included South Korea's **Samsung Electronics** and Indian financial services company **Housing Development Finance**.

### Detractors from performance

- + An underweight in information technology (IT), a strong performing benchmark sector, and the fund's residual cash position, which hampered results given the rising equity market, were the largest detractors from relative return during the quarter.
- + From a country perspective, an overweight in China, a country that lagged within the benchmark, and an underweight in South Korea, one of the better performing countries in the index, detracted from relative performance.
- + **Alibaba**, a Chinese ecommerce company, and **China Isotope & Radiation**, a China-based research and development manufacturer and distributor of nuclear products, detracted from relative return during the quarter.

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



Valuation statistics	fund	index
12-Month Forward P/E	16.09	15.70
12-Month Trailing P/E	17.76	20.21
Price/Book (Wtd. Har. Avg.)	3.21	2.16
1-Year ROE (Wtd. Avg.)	17.16	15.97
12-Month Fwd. Growth Rate (Wtd. Avg.) (%)	40.10	26.89
3-Year EPS Growth Rate (Wtd. Avg.) (%)	25.15	22.17
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	11.30	14.01
Weighted Average Market Cap (\$MM)	154,023	158,776
Weighted Median Market Cap (\$MM)	56,976	36,290

Source: FactSet Research Systems Inc.

**Investment results**

Average annual total returns (%) as of Dec. 31, 2020

	Class A Shares	Class Y Shares	Class R Shares	Class R6 Shares	Class R5 Shares	Style-Specific Index
Inception:	05/31/11	05/31/11	05/31/11	09/24/12	05/31/11	MSCI Emerging Markets Index
<b>Period</b>	<b>NAV</b>	<b>NAV</b>	<b>NAV</b>	<b>NAV</b>	<b>NAV</b>	<b>Index</b>
Inception	3.32	3.57	3.06	3.53	3.57	-
5 Years	15.97	16.30	15.66	16.24	16.26	12.81
3 Years	10.24	10.53	9.99	10.55	10.53	6.17
1 Year	26.30	26.73	26.08	26.76	26.73	18.31
Quarter	16.63	16.81	16.68	16.83	16.81	19.70

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](http://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. Class A shares at NAV are available only to certain investors and have no sales charge; therefore, performance is at NAV. Class Y shares have no sales charge; therefore, performance is at NAV. Class R shares have no sales charge; therefore, performance is at NAV. Class R5 shares have no sales charge; therefore, performance is at NAV. 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. Class R6 shares have no sales charge; therefore, performance is at NAV. 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.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	1.34	1.90	Dom Common Stock	0.00
Class Y Shares	1.09	1.65	Intl Common Stock	94.91
Class R Shares	1.59	2.15	Cash	5.16
Class R6 Shares	1.09	1.40	Other	-0.07
Class R5 Shares	1.09	1.40		

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 Feb. 28, 2021. See current prospectus for more information.

A negative in Cash or Other, as of the date shown, is normally due to fund activity that has accrued or is pending settlement.

For more information you can visit us at [www.invesco.com/us](http://www.invesco.com/us)

■ Effective November 1, 2018, the Invesco Emerging Markets Equity Fund was renamed Invesco Emerging Markets Select Equity Fund. The fund's investment objective, policy and strategy also changed. Please see the prospectus for additional information. Class A shares at NAV and Class Y shares are available only to certain investors. Class R shares are generally available only to employee benefit plans. Class R6 shares and Class R5 shares are primarily intended for retirement plans that meet certain standards and for institutional investors. See the prospectus for more information.

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

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.

There is no guarantee any outlooks mentioned will come to pass.

**Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained.**

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.

**12-month forward and trailing P/E** are calculated using weighted harmonic averaging, which helps avoid extreme results that may occur due to small relative numbers in the denominator. It doesn't exclude extreme values; instead, it reduces the effect of outliers on the aggregate calculation. The **price/book ratio** is the market price of a stock divided by the book value per share. **Return on equity (ROE)** is net income divided by net worth. The **median 12-Month Fwd. Growth Rate** is the percent change between the next twelve months' mean EPS estimate and the previous twelve months' actuals. The **three-year EPS growth rate** is a weighted average of each stock's growth rate in earnings per share (EPS). EPS is total earnings divided by the number of shares outstanding. The **five-year dividend growth rate** is the weighted average of each stock's annualized percentage rate of growth in dividend yield over five years. The three-year EPS and five-year dividend growth rates are not forecasts of fund performance.

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**About risk**

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.

Preferred securities may include provisions that permit the issuer to defer or omit distributions for a certain period of time, and reporting the distribution for tax purposes may be required, even though the income may not have been received. Further, preferred securities may lose substantial value due to the omission or deferment of dividend payments.

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.

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.

***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. Financial professionals, 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.