Invesco Emerging Markets Local Debt Fund

Q4 2025

Key takeaways

1. **The fund outperformed for the quarter**
The fund outperformed its benchmark for the quarter. The fund's interest rate positioning and foreign currency exposure added to relative return.

2. **Emerging market debt offers income, diversification and total return potential**
Emerging market local bonds, in our view, offer an attractive opportunity to invest in a high-yielding asset class with low correlation to both US stocks and bonds and potentially high total returns.

3. **Favorable outlook for emerging market local debt**
Narrowing growth differentials, a weakening US dollar and attractive valuations create a compelling case for emerging market local debt, in our view. Also, we believe economic and policy divergences across regions and countries create exciting opportunities.

Investment objective
The fund seeks total return.

Fund facts	
Fund AUM ($M)	96.27

Portfolio managers
Hemant Baijal, Jason Martin, Wim Vandenhoeck

Manager perspective and outlook

- Economic activity accelerated in the fourth quarter, driven by widening differences in growth across regions and contrasting monetary policies. Investors appear to be increasingly moving beyond US-centric portfolios, embracing broader diversification across global fixed income strategies.
- The US economy, in our view, shows signs of strengthening, supported by reduced trade tensions, tax incentives and artificial intelligence (AI) spending. Risks from inflation and a weak labor market lingered, prompting the US Federal Reserve (Fed) to cut the federal funds rate by 0.25% while signaling further cuts in 2026. Other developed market central banks largely cut rates in an effort to support growth. The European Central Bank held rates steady; the Bank of Japan made a surprise rate hike.
- Monetary policy remained a key theme for emerging markets, with broad-based rate cuts across major economies, reflecting in our view confidence in disinflation trends and improved policy credibility.
- The US dollar remained relatively weak, seemingly weighed down by easier monetary policy, fiscal and policy uncertainty, and debt concerns. This environment supported emerging market currencies, though performance in our estimation increasingly reflected idiosyncratic, country-specific factors rather than broad dollar moves.
- We believe diverging global growth, traditional policy easing and a weakening US dollar create compelling total return opportunities for emerging market debt heading into 2026.

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

Not a Deposit Not FDIC Insured Not Guaranteed by the Bank May Lose Value
Not Insured by any Federal Government Agency

Portfolio characteristics*

Effective duration (years)	5.52
Weighted avg. effective maturity (years)	7.72
30-day SEC yield (Class A shares)	5.61
30-day SEC unsubsidized yield (Class A shares)	5.35

Quality breakdown	(% total)
AAA	1.8
AA	5.5
A	19.6
BBB	37.9
BB	26.5
B	1.2
CCC and below	0.0
Not rated	1.7
Cash and Cash equivalent	5.2
Derivatives & FX	0.6

Investment categories	(% total)
Emerging Market Debt	**91.0**
Emerging Market Sovereign Bonds	91.0
Cash & Cash Equivalent	**5.2**
Derivatives & FX	**0.6**
Other	**3.2**

Portfolio positioning

During the quarter, we raised the fund's foreign currency exposure, mainly by adding to positions in the Hungarian forint, Chinese yuan and Chilean peso. We increased duration exposure, with the largest additions in South Africa and China.

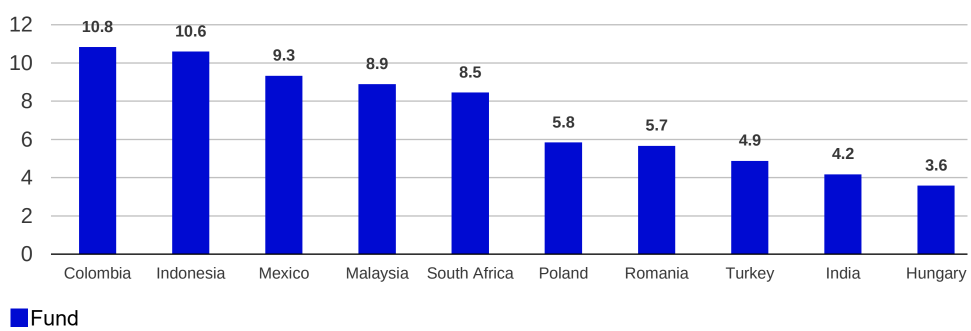
Global economic and monetary policy paths continued to diverge across regions, reinforcing in our view the case for global diversification as growth differentials, fiscal dynamics and monetary policy responses varied meaningfully between developed and emerging markets. We believe the US economy reflects a complex balance of steady growth, lingering inflationary pressures and shifting policy dynamics. The Fed eased monetary policy during the quarter, implementing two cuts to end the year. Targeted fiscal measures and rising AI-driven investments have continued to fuel economic expansion while adding to inflationary pressures. Meanwhile, we expect tariff impacts to fade in the second half of 2026, creating additional room for policy adjustments and influencing global market positioning.

Monetary easing broadened globally in the fourth quarter. Like the Fed, most other developed market central banks also signaled a preference for accommodative policy in 2026, with Japan the key exception. Emerging market central banks continued to reduce rates in a disciplined and traditional manner, reflecting to us confidence in disinflation trends and improved policy credibility. Rate cuts occurred in Poland, Mexico, Chile, Turkey, Egypt, South Africa and several Asian nations. Ongoing disinflation, improving financial conditions and supportive fiscal settings should in our view allow further selective easing, particularly across Central and Eastern Europe, the Middle East and Africa, and parts of Latin America.

Looking ahead, we expect global growth momentum is expected to remain solid into 2026, supported by fiscal stimulus across the Eurozone, the US and China. Still, we believe risks remain, including persistent core inflation, uncertain trade policy and potential for AI-driven equity corrections, particularly in the US.

In our view, continued divergence in economic outcomes, election cycles and policy responses across countries creates a particularly constructive environment for active management heading into 2026. We believe prudent monetary policy easing, capital inflows and a weaker US dollar should provide a supportive backdrop for emerging market debt.

Top countries (% of total market value)



Top/bottom rates relative returns

	bps
South Africa	40
Turkey	38
Romania	9
India	-10
Brazil	-15
Colombia	-24

Top/bottom FX rates relative returns

	bps
BRL	13
ZAR	13
CLP	10
THB	-6
CNH	-10
TRY	-14

Performance highlights

Emerging markets delivered strong performance in the fourth quarter, aided by resilient growth, easing inflation and what we see as increasingly credible monetary policy frameworks. Emerging market assets continued to benefit from favorable income and growth differentials versus developed markets, reinforcing in our view the case for emerging market local rates and selective foreign currency exposure.

The fund's Class A shares at net asset value (NAV) outperformed its benchmark for the quarter. The fund's interest rate positioning and foreign currency exposure added to relative return. The top contributors to relative return were interest rate positioning in South Africa and Turkey and positioning in the South African Rand. The largest detractors from relative return were interest rate positioning in Colombia and Brazil and positioning in the Turkish Lira.

Contributors to performance

- Interest Rate Positioning in South Africa
- Interest Rate Positioning in Turkey
- Positioning in the South African Rand

Detractors from performance

- Interest Rate Positioning in Colombia
- Interest Rate Positioning in Brazil
- Positioning in the Turkish Lira

Standardized performance (%) as of December 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 06/30/10	NAV	3.62	19.60	19.60	8.92	1.02	4.00	2.14
	Max. Load 4.25%	-0.73	14.58	14.58	7.37	0.16	3.56	1.86
Class R6 shares inception: 09/28/12	NAV	3.69	19.89	19.89	9.20	1.33	4.33	1.46
Class Y shares inception: 06/30/10	NAV	3.68	19.65	19.65	9.12	1.27	4.25	2.40
JP Morgan GBI EM Global Diversified Index		3.34	19.26	19.26	9.48	1.12	3.88	-
Total return ranking vs. Morningstar Emerging-Markets Local-Currency Bond category (Class A shares at NAV)		-	-	44% (27 of 65)	60% (43 of 65)	61% (44 of 62)	28% (24 of 56)	-

Expense ratios per the current prospectus: Class A**: Net: 1.23%, Total: 1.50%; Class R6**: Net: 0.98%, Total: 1.06%; Class Y**: Net: 0.98%, Total: 1.26%.

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. 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. 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.

Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	11.84	14.94	-7.05	13.50	3.77	-10.40	-9.10	13.87	-5.13	19.60
Class R6 shares at NAV	12.12	15.32	-6.79	13.86	4.22	-10.10	-8.74	14.19	-4.89	19.89
Class Y shares at NAV	12.17	15.19	-6.86	13.73	3.98	-10.19	-8.70	13.94	-4.70	19.65
JP Morgan GBI EM Global Diversified Index	9.94	15.21	-6.21	13.47	2.69	-8.75	-11.69	12.70	-2.38	19.26

****** Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least Feb 28, 2026.

Unless otherwise specified, all information is as of 12/31/25. Unless stated otherwise, Index refers to JP Morgan GBI EM Global Diversified Index.
The JP Morgan Government Bond Index Emerging Markets (GBI EM) Global Diversified Index is a comprehensive global local emerging markets index comprising liquid, fixed rate, domestic currency government bonds. An investment cannot be made directly in an index.

About Risk

An issuer may be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating.

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.

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.

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.

Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa.

Junk bonds have greater risk of default or price changes due to changes in the issuer's credit quality. Junk bond values fluctuate more than high quality bonds and can decline significantly over a short time.

The Fund is considered non-diversified and may experience greater volatility than a more diversified investment.

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.

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.
Ratings source: Standard & Poor's, Moody's or Fitch, as applicable. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations, including specific securities, money market instruments or other debts. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. Not Rated indicates the debtor was not rated and should not be interpreted as indicating low quality. A negative in Cash indicates fund activity that has accrued or is pending settlement. For more information on rating methodologies, please visit the following NRSRO websites: www.standardandpoors.com and select 'Understanding Credit Ratings' under Rating Resources 'About Ratings' on the homepage; https://ratings.moodys.io/ratings and select 'Understanding Ratings' on the homepage; www.fitchratings.com and select 'Ratings Definitions Criteria' under 'Resources' on the homepage. Then select 'Rating Definitions' under 'Resources' on the 'Contents' menu.

*** 30-day SEC yield** is based on a 30-day period and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. **30-day SEC unsubsidized yield** reflects the 30-day yield if the investment adviser were not waiving all or part of its fee or reimbursing the fund for part of its expenses. Total return would have also been lower in the absence of these temporary reimbursements or waivers. **Effective duration** is the managers' estimate of a bond fund's price sensitivity to changes in interest rates. This measure takes into account mortgage prepayments, puts, adjustable coupons and potential call dates. **Weighted average maturity** is a measure, as estimated by the fund's portfolio managers, of the length of time the average security in a bond fund will mature or be redeemed by its issuer. It takes into account mortgage prepayments, puts, adjustable coupons and potential call dates.

Morningstar

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Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit invesco.com/fundprospectus for a prospectus/summary prospectus containing this information. Read it carefully before investing.