

# Invesco International Select Equity Fund<sup>®</sup>

Quarterly Performance  
Commentary

Mutual Fund Retirement Share Classes  
Data as of Sept. 30, 2020



## Investment objective

The fund seeks long-term growth of capital.

## Portfolio management

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## Fund facts

Nasdaq A: IZIAX Y: IZIYX R:  
IZIRX R6: IZISX R5:  
IZIFX

Total Net Assets \$216,864,789

Total Number of Holdings 33

## Top holdings % of total net assets

Alibaba	7.29
Prosus	6.23
Corporate Travel Management	5.84
Gree Electric	4.64
Scout24	4.42
Eurofins Scientific	3.96
Amadeus IT	3.88
Focus Media Information Technology	3.62
Samsung Electronics	3.57
Kweichow Moutai	3.57

## Top contributors % of total net assets

1. Corporate Travel Management	5.84
2. Alibaba	7.29
3. Focus Media Information Technology	3.62
4. Eurofins Scientific	3.96
5. Ritchie Bros Auctioneers	2.49

## Top detractors % of total net assets

1. Gree Electric Appliances	4.64
2. Kao	0.97
3. Liberty Global	1.59
4. Benefit Systems	1.18
5. Enento	2.10

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

## Market overview

+ Despite a September selloff, international equity markets posted gains in the third quarter as central banks extended their emergency stimulus programs and governments continued their fiscal stimulus, both of which supported equities. A gradual decline in new COVID-19 infections in many regions, combined with optimism about progress on a coronavirus vaccine further boosted stocks. Business activity, employment and corporate earnings were much better than expected across many areas of the global

economy. Data for both manufacturing and services indicated expansion, a reversal from significant declines earlier in the year. Toward the end of the quarter, volatility spiked as increases in COVID-19 cases in multiple countries signaled a possible second wave of infections. Also, the potential ramifications of a polarizing US election weighed on investor sentiment. The MSCI All Country World ex-U.S. Index returned 6.25% for the quarter.

## Positioning and outlook

+ At quarter end, the fund's largest overweight positions compared to the index were in the consumer discretionary and industrials sectors, and from a regional perspective, in the emerging markets and Europe ex UK. The largest underweight positions were in financials and

materials, and in Japan and Canada.

+ 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) outperformed its benchmark, the MSCI All Country World ex-U.S. Index, for the third quarter. (Please see the investment results table on page 2 for fund and index performance.)

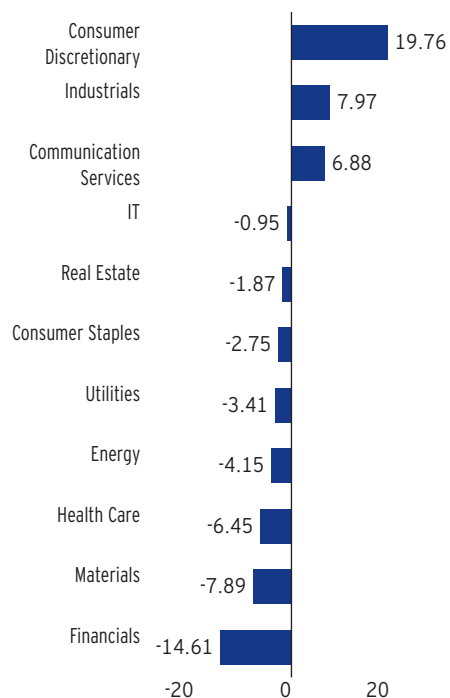
## Contributors to performance

- + The fund's relative performance benefited from strong stock selection in the consumer discretionary and communication services sectors.
- + Regionally, strong stock selection within Asia Pacific ex Japan and emerging markets added to relative performance.
- + The top individual contributors to absolute return during the quarter included **Corporate Travel Management**, an Australian business travel management services company, and **Alibaba**, a Chinese multinational technology company.

## Detractors from performance

- + Stock selection within the information technology sector and an underweight in the materials sector detracted from relative performance for the quarter.
- + There were no regional detractors from relative performance.
- + The top individual detractors from absolute return during the quarter included **Gree Electric Appliances**, a Chinese major appliance manufacturer, and **Kao**, a Japanese chemical and cosmetics company.

**The fund's positioning versus the MSCI ACWI ex USA Index (% underweight/overweight)**



Valuation statistics	fund	index
12-Month Forward P/E	18.94	15.92
12-Month Trailing P/E	32.79	17.73
Price/Book (Wtd. Har. Avg.)	3.35	1.75
1-Year ROE (Wtd. Avg.)	14.84	13.81
12-Month Fwd. Growth Rate (Wtd. Avg.) (%)	24.56	15.37
3-Year EPS Growth Rate (Wtd. Avg.) (%)	23.78	6.36
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	5.98	8.45
Weighted Average Market Cap (\$MM)	109,547	94,008
Weighted Median Market Cap (\$MM)	31,158	34,388

Source: FactSet Research Systems Inc.

**Investment results**

Average annual total returns (%) as of Sept. 30, 2020

	Class A Shares	Class Y Shares	Class R Shares	Class R6 Shares	Class R5 Shares	Broad-Based Index
Inception:	12/21/15	12/21/15	12/21/15	12/21/15	12/21/15	
<b>Period</b>	<b>NAV</b>	<b>NAV</b>	<b>NAV</b>	<b>NAV</b>	<b>NAV</b>	<b>MSCI ACWI ex USA Index</b>
Inception	11.43	11.70	11.15	11.70	11.70	-
3 Years	7.71	7.98	7.44	7.98	7.98	1.16
1 Year	25.47	25.90	25.29	25.90	25.90	3.00
Quarter	15.78	15.84	15.70	15.84	15.84	6.25

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 R6 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. 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	1.12	1.61	Dom Common Stock	0.00
Class Y Shares	0.87	1.36	Intl Common Stock	92.58
Class R Shares	1.37	1.86	Cash	7.42
Class R6 Shares	0.87	1.15	Other	0.00
Class R5 Shares	0.87	1.15		

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 and contractual management fee waivers in effect through at least June 30, 2021. See current prospectus for more information.

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

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.

The MSCI All Country (AC) World Ex-U.S. Index is an index considered representative of developed and emerging market stock markets, excluding the US. The index is computed using the net return, which withholds applicable taxes for non-resident investors. An investment cannot be made directly in an index.

The S&P 500® Index is an unmanaged index considered representative of the US stock market. An investment cannot be made directly in an index.

Effective Sept. 30, 2020, the Invesco International Select Equity Fund changed its marketed benchmark from the MSCI ACWI Ex USA Growth Index (NR) to the MSCI ACWI Ex USA Index (NR) to better reflect the Fund's investment approach. For performance information related to the MSCI ACWI Ex USA Growth Index, please see the Fund's product page on [invesco.com/us](http://invesco.com/us).

**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**

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 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 fund may from time to time invest a substantial amount of its assets in securities of issuers located in a single country or a limited number of countries.

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.

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.

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](http://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.