

# Invesco Emerging Markets Innovators Fund<sup>®</sup>

## Quarterly Performance Commentary

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



### Investment objective

The fund seeks capital appreciation.

### Portfolio management

Justin Leverenz

### Fund facts

Nasdaq	A: EMIAX	C: EMVCX Y: EMIYX
Total Net Assets	\$423,919,645	
Total Number of Holdings	61	

### Top holdings

	% of total net assets
Yandex	7.17
Yum China	6.18
Huazhu	4.90
Lojas Americanas	4.04
Ace Hardware Indonesia	3.02
Voltas	3.00
Samsung Biologics	2.77
Tencent Music Entertainment	2.47
Oberoi Realty	2.47
TCS	2.32

### Top contributors

	% of total net assets
1. Yandex	7.17
2. Huazhu	4.90
3. Voltas	3.00
4. SITC International	2.10
5. TCS	2.32

### Top detractors

	% of total net assets
1. Lojas Americanas	4.04
2. Samsung Biologics	2.77
3. Silergy	2.01
4. Turkiye Garanti Bankasi	0.00
5. Largan Precision	1.10

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

### Market overview

- + Political tensions and uncertainty surrounding the COVID-19 pandemic abounded this quarter, yet equity markets incrementally recovered. Emerging equity markets have been supported by China's sizable gains year-to-date. Neighbors Taiwan and South Korea also performed well. India and Mexico, whose equity markets performed dismally earlier this year, turned around with positive returns for the quarter. Brazil, which faces structural impediments, remained one of the weakest markets.
- + Despite current COVID-19 related stressors on emerging markets, we still believe the next decade will be favorable for the asset class. China, with many internal economic drivers, will likely remain

the dominant global growth engine. Additionally, the current environment of low interest rates, low energy prices and a weakening US dollar should eventually culminate in large foreign capital flows and private investments into emerging markets. This scenario should give emerging market countries constrained by insufficient domestic savings the necessary funds for structural growth, benefiting much of Latin America, Southeast Asia and parts of sub-Saharan Africa. However, in the near term, many emerging market countries will need to grapple with a variety of issues such as external debt, unsustainable deficits, asset quality stress and institutional reforms, among others, before achieving sustainable growth.

### Positioning and outlook

- + We added several new holdings during the quarter including **Thai Beverages**, a category leader throughout Southeast Asia, Poland-based **Amrest**, which operates a portfolio of quick serve restaurants including KFC, Burger King and Starbucks, among others, and Chinese biopharmaceutical company **Beigene** (1.04%, 0.62% and 0.67% of total net assets, respectively).
- + We exited multiple positions during the quarter, including Chinese e-commerce solutions company **Baozun**, Turkish retailer **Bim Birlesik Magazalar** and

Turkish bank **Turkiye Garanti Bankasi**.

- + During this period of crisis and uncertainty, we remain focused on understanding the macroeconomic pressures unique to emerging markets. However, we are unwavering in our approach as bottom-up investors who focus on the long term and avoid tactical decisions. We will continue to seek high quality companies that have durable long-term growth potential supported by strong competitive positions, balance sheets, cash flows, etc. that will enable them to thrive in the post-pandemic world.

### Performance highlights

- + Invesco Emerging Markets Innovators Fund Class A shares at net asset value (NAV) underperformed its benchmark index for the quarter. (Please see the investment results table on page 2 for fund and index performance.)

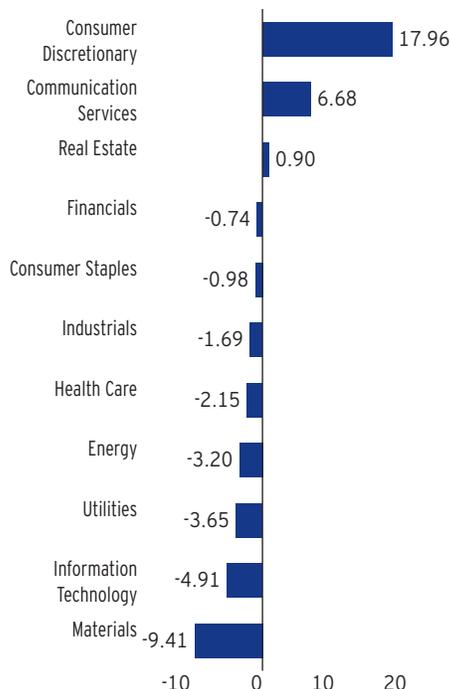
### Contributors to performance

- + Stock selection and an underweight in the industrial sector added to relative return, particularly a position in Indian home appliance company **Voltas**.
- + Stock selection in the communication services sector added to relative return, as did lack of exposure to utilities.
- + Geographically, stock selection in Russia was the largest contributor to relative return, with **Yandex**, the country's dominant internet company, adding to results. The fund benefited from holdings in Hong Kong, where the index has no allocation. Having no exposure to Thailand's equity market was also advantageous.

### Detractors from performance

- + The largest detractor from relative return was stock selection in the consumer discretionary sector. An underweight and stock selection in materials also detracted, as did stock selection in information technology.
- + Geographically, stock selection and an underweight in South Korea negatively affected relative return. Stock selection in the Philippines and Mexico also detracted.
- + The largest individual detractor was **Lojas Americanas**. Brazil's largest discount retailer has a nationwide store network but reported earnings below expectations, which negatively affected the share price. We view this as a short-term issue and are pleased with the company's ability to adapt, thrive and, perhaps more importantly, execute well during times of uncertainty.

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



**Investment results**

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

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index  MSCI Emerging Markets Mid Cap Index
	Inception: 06/30/14	Max Load 5.50%	Inception: 06/30/14	Max CDSC 1.00%	Inception: 06/30/14	
Inception	1.13	2.05	1.26	1.26	2.30	-
5 Years	6.10	7.29	6.45	6.45	7.56	5.21
3 Years	-0.05	1.84	1.04	1.04	2.06	-0.72
1 Year	7.61	13.90	11.96	12.96	14.14	2.44
Quarter	-1.14	4.63	3.44	4.44	4.75	7.48

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. No contingent deferred sales charge (CDSC) will be imposed on redemptions of Class C shares following one year from the date shares were purchased. Performance shown at NAV does not include applicable CDSC or front-end sales charges, which would have reduced the performance. Class Y 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. 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.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	1.65	1.66	Intl Common Stock	96.14
Class C Shares	2.41	2.42	Cash	0.75
Class Y Shares	1.41	1.42	Other	3.11

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 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)

■ Effective September 30, 2020, "Oppenheimer" was removed from the fund name. Please see the prospectus for additional information.

Class Y shares are available only to certain 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 Emerging Markets Mid Cap Index includes mid-cap representation across 26 emerging markets countries. An investment cannot be made directly in an index.

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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.

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.

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](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.