

Invesco International Small Company Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Sept. 30, 2019



Investment objective

The fund seeks long-term growth of capital.

Portfolio management

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Fund facts

Nasdaq	A: IEGAX	C: IEGCX Y: IEGYX
Total Net Assets	\$261,911,655	
Total Number of Holdings	64	

Top holdings

	% of total net assets
Calian Group	3.71
MorphoSys	3.23
Bolsa Mexicana de Valores SAB de CV	3.11
Wilson Sons	2.88
Fondul Proprietatea SA	2.74
Eastern Tobacco	2.72
Precia	2.69
Fleury	2.62
Romgaz	2.55
DCC	2.52

Top contributors

	% of total net assets
1. MorphoSys	3.23
2. Vitec Software	1.94
3. Fleury	2.62
4. Eastern Tobacco	2.72
5. Caisse Regionale de Credit Agricole Mutuel Nord de France	2.47

Top detractors

	% of total net assets
1. Character Group	0.70
2. Wilson Sons	2.88
3. Kardex	1.12
4. Total Energy Services	1.43
5. TBC Bank	1.20

Market overview

- + Weakening global economic data and ongoing US-China trade conflict contributed to higher market volatility in the third quarter. Data releases during the quarter showed slowing manufacturing activity and declining business investment, evidence that trade tensions were stifling economic growth across both developed and emerging markets.
- + Global recession concerns caused a sharp equity selloff in August as investors crowded into asset classes perceived to be safe havens, including US Treasuries and gold.
- + In September, both the Federal Reserve and European Central Bank cut interest rates, providing a measure of support for risk assets. Growing optimism about a potential trade deal also boosted equities in September.
- + However, except for the US and Japan, most regions declined during the quarter. Uncertainty about the UK's withdrawal from the European Union continued to weigh on UK and European equities, while political and trade issues affected areas of Latin America and Asia.

Positioning and outlook

- + There was one new portfolio addition during the quarter, Singapore-based electrical equipment company **XP Power** (0.51% of total net assets). Deteriorating fundamentals and valuations led to the sale of Ireland-based **Total Produce** (0.00% of total net assets).
- + Since mid-June 2018, investors have generally shifted their focus away from richly valued momentum growth names toward fundamentals, valuation and risk. The investment team hopes the broadening in investor focus that has occurred in the last year will persist and develop into a more prolonged period of market rotation. In an environment where US growth might be peaking and volatility continuing, the team believes their quality growth style may be moving back into favor.
- + Regardless of the macroeconomic environment, the team remains focused on applying its well-established, long-term, bottom-up Earnings, Quality, Value (EQV) investment process that seeks to identify attractively valued, high-quality growth companies.

Performance highlights

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

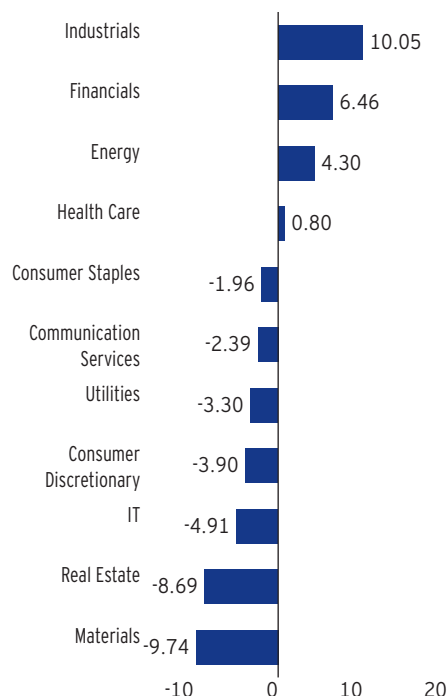
Contributors to performance

- + From a sector perspective, stock selection and an underweight in health care was the largest contributor to relative return. Holdings in the energy and consumer staples sectors added to relative performance as well.
- + Geographically, the fund's holdings in Germany and Sweden added to relative performance.
- + Exposure to Romania, a country not represented in the benchmark, had a positive impact on relative results.
- + The largest individual contributor for the quarter was Germany-based biopharmaceutical company **MorphoSys**. The company benefited from strong sales of its commercial product Tremfya and from good progress in its clinical pipeline with 29 products in clinical development and at least 70 more in pre-clinical development.

Detractors from performance

- + The fund's holdings in the industrials and consumer discretionary sectors underperformed those of the benchmark and were among the largest detractors from relative performance.
- + Security selection and a meaningful underweight in the real estate sector also hampered relative return.
- + On a geographic basis, stock selection in the UK and an underweight in Japan detracted from relative results.
- + Among the largest detractors during the quarter was UK-based **Character Group**. The company issued a profit warning in September due to the liquidation of a major Scandinavian customer and weakness in the pound sterling. In addition, investors are concerned about the group's Peppa Pig business after Hasbro (not a fund holding) acquired Entertainment One. **Character Group's** Peppa Pig license expires at year end 2020.

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



Investment results

Average annual total returns (%) as of Sept. 30, 2019

Period	Class A Shares Inception: 08/31/00 Max Load 5.50%		Class C Shares Inception: 08/31/00 Max CDSC 1.00%		Class Y Shares Inception: 10/03/08	Style-Specific Index MSCI ACWI ex USA Small Cap Index
	NAV	NAV	NAV	NAV		
Inception	7.89	8.21	7.81	7.81	7.41	-
10 Years	5.28	5.87	5.09	5.09	6.14	6.13
5 Years	0.39	1.54	0.78	0.78	1.78	3.98
3 Years	2.10	4.04	3.25	3.25	4.28	4.64
1 Year	-11.81	-6.70	-8.28	-7.38	-6.50	-5.63
Quarter	-7.63	-2.24	-3.41	-2.43	-2.24	-1.19

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit 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. Index source: FactSet Research Systems Inc.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	1.57	1.58	Dom Common Stock	1.40
Class C Shares	2.32	2.33	Intl Common Stock	87.55
Class Y Shares	1.32	1.33	Cash	10.92
			Other	0.13

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, 2020. See current prospectus for more information.

For more information you can visit us at www.invesco.com/us

Class Y shares are available only to certain investors. See the prospectus for more information.

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 US Small Cap Index represents the performance of small-cap stocks in developed and emerging 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.

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.

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

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.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

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. Advisors, 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.