

Invesco European Small Company Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of June 30, 2020



Investment objective

The fund seeks long-term growth of capital.

Portfolio management

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Fund facts

Nasdaq	A: ESMAX	C: ESMCX
		Y: ESMYX
Total Net Assets	\$217,497,173	
Total Number of Holdings	44	

Top holdings

	% of total net assets
Linedata	5.31
Hilan	5.20
Kaufman & Broad	4.82
Gerard Perrier	4.58
CPL Resources	4.15
Diploma	4.01
MorphoSys	3.62
Fondul Proprietatea	3.58
Kardex	3.51
Origin Enterprises	3.21

Top contributors

	% of total net assets
1. Linedata Services	5.31
2. Hilan	5.20
3. Origin Enterprises	3.21
4. Gerard Perrier	4.58
5. Kardex	3.51

Top detractors

	% of total net assets
1. Credit Agricole Group	2.04
2. Caisse Regionale de Credit Agricole Mutuel de Paris et d'Ile-de-France	0.56
3. Eurocell	1.77
4. Carlo Gavazzi	0.96
5. Caisse Regionale de Credit Agricole Mutuel Brie Picardie	0.57

Market overview

- + The global spread of the novel coronavirus continued into the second quarter of 2020. However, during the quarter, many countries achieved some success in controlling the spread and were able to slowly reopen their economies.
- + Global equity markets benefited from government policy response to the crisis, which was swift and encouraging. Many economies received fiscal stimulus and very significant monetary stimulus, including the Bank of England's bond buying program and the European Central Bank's Pandemic Emergency Purchase Programme (PEPP).
- + The massive monetary policy response created a second quarter environment in which investors embraced risk. European and UK equity markets rose after a deep rout in the first quarter.

Positioning and outlook

- + We initiated no new positions during the quarter, but added to the fund's holdings of Russia-based industrials company **Globaltrans**, a position we initiated during the first quarter (1.02% of total net assets). We exited three positions, two UK-based companies, communication services firm **XLMedia** and industrials company **Staffline**, as well as France-based industrials company **CNIM** (all 0.00% of total net assets).
- + Our team has continued to follow the same long-term, bottom-up Earnings-Quality-Valuation (EQV) investment philosophy/process. Our EQV strategy is long-term oriented; therefore, we believe market corrections can provide attractive opportunities to invest in undervalued businesses.
- + We believe the fund could be well positioned to benefit whether the market sustains its recovery or there is a correction due to a second wave of COVID-19.

Performance highlights

- + Invesco European Small Company Fund Class A shares at net asset value (NAV) underperformed the MSCI Europe Small Cap Index. (Please see the investment results table on page 2 for fund and index performance.)

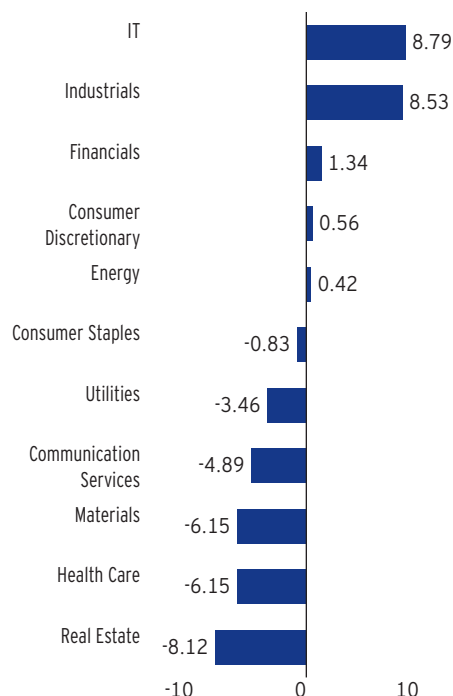
Contributors to performance

- + The fund's holdings in consumer staples and communication services outperformed those of the benchmark sectors, adding to relative return. Within consumer staples, Ireland-based **Origin Enterprises** was a notable contributor, and within communication services, UK-based **XLMedia** was a key contributor.
- + An underweight in the real estate sector and having no exposure to utilities added to relative results.
- + From a geographic perspective, lack of exposure to Belgium and Spain contributed to relative results. Security selection in Ireland and Switzerland, as well as an overweight in Israel, positively affected relative return.

Detractors from performance

- + Security selection in the industrials sector was the largest detractor from relative return. Within the sector, UK-based **Eurocell** was a notable individual detractor during the quarter.
- + The fund's financials holdings underperformed those of the benchmark sector, detracting from relative return. An overweight in the sector was a drag as well.
- + Geographically, stock selection in France and the UK negatively affected relative return. Lack of exposure to Sweden and the Netherlands and an overweight in France also hampered relative results.
- + Given the rising equity market, the fund's cash position dampened relative results. As a reminder, cash is a by-product of our bottom-up stock selection process.

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



Investment results

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

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 08/31/00	NAV	Inception: 08/31/00	NAV	Inception: 10/03/08	
	Max Load 5.50%		Max CDSC 1.00%			MSCI Europe Small Cap Index
Inception	8.91	9.22	8.83	8.83	7.93	-
10 Years	7.96	8.57	7.77	7.77	8.85	8.94
5 Years	2.10	3.25	2.48	2.48	3.51	3.03
3 Years	-5.89	-4.10	-4.81	-4.81	-3.85	-0.32
1 Year	-14.13	-9.16	-10.63	-9.78	-8.87	-5.46
Quarter	8.28	14.61	13.39	14.39	14.63	21.46

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	1.39	1.42	Dom Common Stock	1.82
Class C Shares	2.14	2.17	Intl Common Stock	93.41
Class Y Shares	1.14	1.17	Cash	4.49
			Other	0.28

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

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. EQV stands for earnings, quality and valuation. Our investment process looks for companies with strong Earnings growth, they must be Quality companies that can sustain those earnings and these companies need to have attractive Valuations. The MSCI Europe Small Cap Index is an unmanaged index considered representative of small-cap European stocks. 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.

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 performance of an investment concentrated in issuers of a certain region or country is expected to be closely tied to conditions within that region and to be more volatile than more geographically diversified funds.

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. 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.