

# Invesco Greater China 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

Mike Shiao

### Fund facts

Nasdaq	A: AACFX	C: CACFX Y: AMCYX
Total Net Assets	\$77,186,063	
Total Number of Holdings	39	

### Top holdings

	% of total net assets
Alibaba	9.62
Tencent	6.53
China Mobile	5.60
Shandong Weigao	4.42
Weibo	4.40
Shanghai International Airport	4.35
Sun Art Retail	3.79
Sino Biopharmaceutical	3.79
Minth	3.52
Baoshan Iron & Steel	3.48

### Top contributors

	% of total net assets
1. Sino Biopharmaceutical	3.79
2. Minth	3.52
3. Shandong Weigao	4.42
4. Pou Sheng International	2.32
5. Universal Scientific	1.25

### Top detractors

	% of total net assets
1. Vipshop	0.00
2. Asia Cement	2.11
3. Tencent	6.53
4. Ajisen	1.17
5. YY	1.49

### Market overview

- + Greater China equity markets had a challenging quarter. Trade tension between China and the US spurred rising volatility, while global economic growth remained under pressure.
- + China's equity market declined during the quarter. Rising external uncertainties have weighed down Chinese exports and manufacturing investments. The government ramped up fiscal policy support in response to softening data. Meanwhile, financial liberalization continued with a major reform in China's interest rate pricing mechanism and the removal of quotas on certain foreign investments (known as the QFII and RQFII programs).
- + Hong Kong equities were down as well. Ongoing

social unrest has significantly disrupted local businesses and tourist inflows. Hong Kong's government announced relief measures for businesses and residents, but the local economy is expected to experience a technical recession in the third quarter.

+ Taiwan's equity market, on the other hand, delivered the strongest performance in the Greater China region over the quarter. Taiwan's information technology sector enjoyed a robust rally and led market gains. Economic activity data were encouraging, and Taiwan's central bank raised its 2019 GDP growth forecast, citing rising domestic production and capital spending from manufacturing activity returning to the country.

### Positioning and outlook

- + We maintain a focus on companies with sustainable leadership and competitive advantages through a purely bottom-up investment approach. This stock selection preference has led to meaningful exposure in consumer-related sectors, such as consumer discretionary, consumer staples and communication services sectors.
- + We expect China's economy to deliver above 6.0% growth in 2019, in line with the government's target. We expect supportive government policies on both monetary and fiscal fronts to offset rising

external uncertainty.

+ We, as a long-term, active investor, are looking beyond the short-term volatility and placing our focus on structural opportunities in China. China is now undergoing an important economic transition to a consumption- and services-led economy. We believe this will provide a favorable backdrop for the emergence and continued growth of highly competitive Chinese enterprises that can tap into the structural demand and deliver innovative products and services.

### Performance highlights

- + Invesco Greater China Fund Class A shares at net asset value (NAV) declined for the quarter but outperformed its benchmark, the MSCI China All Shares Index. (Please see the investment results table on page 2 for fund and index performance).
- + Effective August 1, 2019, the fund changed its style-specific benchmark from the MSCI Golden Dragon Index to the MSCI China All Shares Index. The new benchmark better reflects the fund's investment approach, specifically due to the higher weight of China A shares within the new index, which closely aligns with the investment team's strategy and process.
- + The fund's investment objective, philosophy and process are unchanged.
- + Sector allocations drove the fund's results for the quarter.

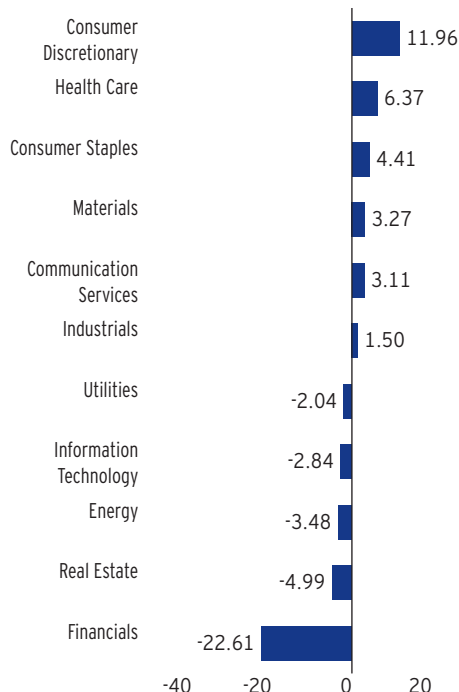
### Contributors to performance

- + Security selection and an overweight in health care was the largest contributor to relative performance. In the sector, China-based **Sino Biopharmaceutical** and **Shandong Weigao** were among the largest individual contributors during the quarter.
- + Lack of exposure to the weak real estate sector and a meaningful underweight in financials bolstered relative results for the quarter.

### Detractors from performance

- + Stock selection in the materials sector was the largest detractor from relative performance. Within the sector, **Asia Cement**, **Baoshan Iron & Steel** and **Formosa Plastics** were notable detractors (2.11%, 3.48% and 1.97% of total net assets, respectively).
- + The fund's holdings in the industrials sector underperformed those of the benchmark index and were a drag on relative return, with **CIMC Enric** (0.89% of total net assets) as the largest individual detractor.

**The fund's positioning versus the MSCI China All Shares Index (% underweight/overweight)**



**Investment results**

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

Period	Class A Shares Inception: 03/31/06 Max Load 5.50%		Class C Shares Inception: 03/31/06 Max CDSC 1.00%		Class Y Shares Inception: 10/03/08	Style-Specific Index MSCI China All Shares Index
	NAV	NAV	NAV	NAV		
Inception	8.07	8.52	7.92	7.92	8.62	-
10 Years	4.72	5.32	4.53	4.53	5.58	4.04
5 Years	6.94	8.15	7.34	7.34	8.43	5.60
3 Years	4.43	6.42	5.61	5.61	6.68	5.08
1 Year	-10.98	-5.80	-7.30	-6.52	-5.58	0.49
Quarter	-7.36	-1.95	-3.13	-2.16	-1.90	-4.00

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. On June 15, 2015, the fund adopted a new investment strategy. Results prior to June 15, 2015, reflect the performance of the fund's previous strategy. 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	1.79	1.79	Intl Common Stock	94.85
Class C Shares	2.54	2.54	Cash	5.11
Class Y Shares	1.54	1.54	Other	0.04

Per the current prospectus

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

There is no guarantee any outlooks mentioned will come to pass.

The MSCI Golden Dragon Index captures the equity market performance of large and mid cap China securities (H shares, B shares, Red-Chips and P-Chips) and non-domestic China securities listed in Hong Kong and Taiwan.

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**About risk**

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.

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.

Investments in companies located or operating in Greater China are subject to the following risks: nationalization, expropriation, or confiscation of property, difficulty in obtaining and/or enforcing judgments, alteration or discontinuation of economic reforms, military conflicts, and China's dependency on the economies of other Asian countries, many of which are developing countries.

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.