

Invesco International Small-Mid Company Fund

Q4 2025

Key takeaways

1 **The fund underperformed its benchmark but outperformed peers for the quarter**
Class A shares underperformed the MSCI ACWI ex-US SMID Index but outperformed the Morningstar Foreign Small/Mid Growth peer group average during the quarter.¹

2 **Opportunity in international small-mid quality**
We have seen that quality stocks tend to outperform the broader market over longer periods. We think recent underperformance, especially outside the US, provides an attractive entry point and that high quality companies can adapt to changing trade policies and economic conditions.

3 **Flexibility during uncertainty**
This quarter we took advantage of buying opportunities created by market uncertainty while exiting companies that we deem to be experiencing declining earnings quality and overstretched valuations.

Investment objective

The fund seeks capital appreciation.

Fund facts

Fund AUM (\$M) 2,559.84

Portfolio managers

David Nadel, Andrey Below

Manager perspective and outlook

- In the fourth quarter of 2025, global equities posted generally positive results amid increased volatility, as international stocks outperformed US stocks. Internationally, value stocks dominated; the value segment outperformed the growth segment by a factor of three to one, as indicated by the respective MSCI ACWI ex-US style indexes.
- Artificial intelligence (AI) appeared to remain a major driver of investor enthusiasm, but momentum in the US faded late in the quarter as investors appeared to grow more cautious about elevated valuations on technology stocks. This led to a broadening of market leadership, and US value stocks showed renewed resilience despite softening labor conditions and a historic US government shutdown early in the quarter.
- Emerging market equities were among the top performers for the quarter, supported by a broad rally in technology stocks across Asia. However, results varied: South Korea delivered robust gains fueled by corporate governance reforms and AI-related semiconductor demand, while Chinese equities lagged on soft economic news and experienced some profit-taking at the renewed threat of US trade tensions.
- European equities also generated solid returns for the quarter, helped by the Euro's appreciation against the US dollar and supported by improving manufacturing trends and expectations of fiscal stimulus in Germany.

1. **3-month return as of 12/31/2025:** Invesco International Small-Mid Company Fund, Class A shares at NAV: -0.07%; Morningstar Foreign Small/Mid Growth peer group average: -0.83%.

Not a Deposit Not FDIC Insured Not Guaranteed by the Bank May Lose Value
Not Insured by any Federal Government Agency

Top issuers

(% of total market value)

	Fund	Index
Partners Group Holding AG	2.91	0.00
Carl Zeiss Meditec AG	2.50	0.01
Spirax Group PLC	2.03	0.05
WEG SA	1.92	0.00
Svenska Handelsbanken AB	1.80	0.00
Disco Corp	1.75	0.00
Raia Drogasil SA	1.68	0.05
Azbil Corp	1.66	0.03
Knorr-Bremse AG	1.66	0.07
Bunzl PLC	1.63	0.07

As of 12/31/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

We are benchmark independent, bottom-up investors, focusing on company fundamentals rather than using a “top-down” perspective to overweight or underweight any sector or region. We seek companies we believe to be high quality growth compounders. Historically, they are consistently profitable, have high internal rates of return on their capital, can fund their operations and growth without financing and have strong balance sheets.

We added three new positions during the quarter, one of which we can now talk about.

Olympus, a health care equipment manufacturer specializing in the endoscope and imaging systems business, has upwards of 60% global market share in gastro-intestinal endoscopy devices. The company has addressed past corporate governance miscues and divestment of its legacy camera business. As with many health care companies, Olympus has been trading at what we consider incredibly attractive valuations, and we initiated a position during the quarter.

We exited five positions during the quarter.

Amadeus Fire is a commercial staffing services and solutions business the fund has held for many years. We believe employee-leasing companies like Amadeus ultimately need scale to thrive across cycles and Amadeus was too dependent on regional strength in Germany despite attempts to diversify geographically. We reallocated the capital to investments where we have higher conviction, that are trading at more favorable valuations.

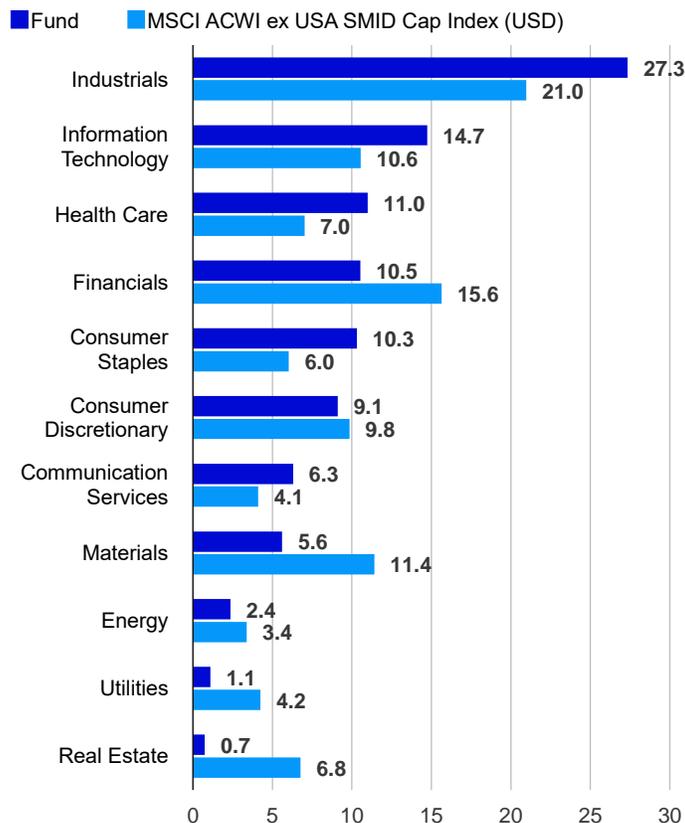
Medikit is a Japanese medical equipment manufacturer that has exhibited strong execution, and we maintain a favorable view of the company. However, we find other health care opportunities more attractive at this time and exited the position in Medikit.

MonotaRO is a long-time fund holding. We exited the position due to overstretched valuations, especially relative to other value-added distributors in the fund.

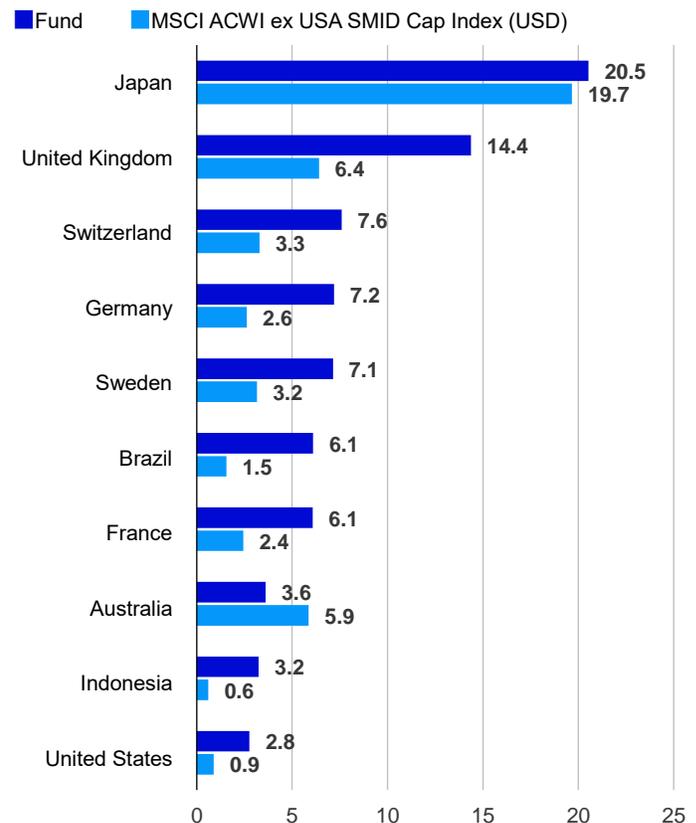
SCSK is a Japanese information technology (IT) business that was acquired by Sumitomo (not a fund holding) at about a 30% premium. We sold the position, capturing the premium placed on the company’s shares.

SMS has continued to grow, but we have become concerned about sustainability of its competitive moat and regulatory risk has increased to levels we became uncomfortable with. We sold the position.

Sector breakdown (% of total market value)



Top countries (% of total market value)



Top contributors (%)

Issuer	Return	Contrib. to return
WEG S.A.	33.18	0.56
Raia Drogasil S.A.	27.20	0.37
Knorr-Bremse AG	17.74	0.24
PT Telkom Indonesia (Persero) Tbk	13.64	0.23
AIB Group plc	17.09	0.21

Top detractors (%)

Issuer	Return	Contrib. to return
Rightmove plc	-27.07	-0.21
Nien Made Enterprise Co., Ltd.	-17.84	-0.20
Chow Tai Fook Jewellery Group Limited	-18.68	-0.18
Bunzl plc	-11.12	-0.18
Partners Group Holding AG	-6.29	-0.17

Performance highlights

The fund outperformed most in the real estate and consumer staples sectors due to stock selection. An underweight in real estate also helped relative return.

The fund underperformed most in IT, materials and health care due to stock selection. An underweight in materials detracted.

Contributors to performance

WEG, based in Brazil, is one of the world's largest electric equipment manufacturers. Despite trade uncertainty, WEG maintained strong margins heading into 2026 while reporting higher domestic demand, leading to a rise in the share price.

Raia Dragosil is Brazil's largest drug retailer, twice the size of its nearest competitor. The stock price reacted favorably to increased earnings and sales growth expectations fueled by the anticipated launch of GLP-1 generics in 2026.

Knorr-Bremse, based in Germany, is the world's leading supplier of braking systems for railroads and commercial vehicles. Currency volatility caused top line revenues to miss expectations, but strong organic growth led to a rise in the stock price.

PT Telkom Indonesia is one of Indonesia's two largest telecommunications service providers. Improved execution and strategic expansion have, in our view, increased long-term growth prospects. PT Telkom also announced an increased dividend and a share buyback plan.

AIB Group in Ireland is a conservatively capitalized bank operating in an effective duopoly in its home market. AIB has, in our

view, executed exceptionally and again raised guidance for 2026 as it continued to deliver on cost cutting and margin stability.

Detractors from performance

Rightmove is a leader in the UK property portal industry. Shares sold off after management lowered revenue forecasts and announced capital investments in AI initiatives focused on medium to long-term growth.

Niem Made Enterprise is the world's largest manufacturer of window coverings. Custom-made orders make up over 70% of sales but saw a decline due to uncertain US discretionary spending, leading the share price to fall.

Chow Tai Fook Jewellery is the number one gold retailer in China, the largest gold market after India. Following strong results in the first three quarters of 2025, the share price stalled in the fourth quarter as sales fell short of expectations. Nevertheless, Chow Tai Fook raised guidance for 2026.

Bunzl is a UK-based global company that provides products such as napkins, cups, stirrers, lids and so forth to delicatessens. In the fourth quarter, the company announced a decline in volume and a shift toward lower margin products, which led to a decline in share price.

Partners Group is a Swiss private equity manager that has a seven-year "lock-up" on money invested with it, a strong business model, in our opinion. The company has been navigating a challenging currency environment due to a weakening US dollar, which accounts for approximately 45% of its assets under management.

Standardized performance (%) as of December 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 11/17/97	NAV	-0.07	16.74	16.74	7.04	-0.80	6.40	10.58
	Max. Load 5.5%	-5.56	10.33	10.33	5.04	-1.92	5.80	10.36
Class R6 shares inception: 12/29/11	NAV	0.00	17.19	17.19	7.45	-0.43	6.81	10.50
Class Y shares inception: 09/07/05	NAV	-0.02	17.02	17.02	7.29	-0.56	6.66	9.38
MSCI ACWI ex USA SMID Cap Index (USD)		3.13	30.74	30.74	16.14	6.80	7.87	-
Total return ranking vs. Morningstar Foreign Small/Mid Growth category (Class A shares at NAV)		-	-	59% (64 of 116)	87% (99 of 112)	79% (77 of 96)	50% (36 of 81)	-

Expense ratios per the current prospectus: Class A: Net: 1.37%, Total: 1.37%; Class R6: Net: 0.99%, Total: 0.99%; Class Y: Net: 1.13%, Total: 1.13%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com](https://www.invesco.com) 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 so that you may have a gain or a loss when you sell shares. Returns less than one year are cumulative; all others are annualized. 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 sources: Invesco, RIMES Technologies Corp. Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained. Had fees not been waived and/or expenses reimbursed in the past, returns would have been lower. Performance shown at NAV does not include the applicable front-end sales charge, which would have reduced the performance.

Class Y and R6 shares have no sales charge; therefore performance is at NAV. Class Y shares are available only to certain investors. Class R6 shares are closed to most investors. Please see the prospectus for more details.

Performance highlights (cont'd)

Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	-0.49	37.93	-9.46	24.78	24.78	13.86	-31.19	12.29	-6.45	16.74
Class R6 shares at NAV	-0.07	38.54	-9.09	25.28	25.23	14.26	-30.94	12.73	-6.11	17.19
Class Y shares at NAV	-0.24	38.30	-9.25	25.08	25.07	14.14	-31.02	12.57	-6.23	17.02
MSCI ACWI ex USA SMID Cap Index (USD)	3.57	30.35	-17.06	22.36	12.01	10.16	-19.49	15.79	3.49	30.74

Portfolio characteristics*

	Fund	Index
No. of holdings	101	5,217
Top 10 issuers (% of AUM)	19.55	2.61
Wtd. avg. mkt. cap (\$M)	9,931	10,150
Price/earnings	18.72	17.77
Price to book	3.15	1.80
Est. 3 – 5 year EPS growth (%)	7.27	11.04
ROE (%)	19.14	12.57
Long-term debt to capital (%)	20.24	26.84
Operating margin (%)	21.24	17.00

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-7.34	0.00
Beta	1.24	1.00
Sharpe ratio	-0.21	0.25
Information ratio	-0.88	0.00
Standard dev. (%)	19.49	14.42
Tracking error (%)	8.65	0.00
Up capture (%)	111.29	100.00
Down capture (%)	128.79	100.00
Max. drawdown (%)	41.76	31.23

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	-0.18	0.06	-0.11
Consumer Discretionary	0.07	-0.52	-0.45
Consumer Staples	-0.10	0.47	0.36
Energy	-0.06	-0.03	-0.09
Financials	-0.13	-0.18	-0.31
Health Care	-0.12	-0.50	-0.62
Industrials	0.02	-0.15	-0.13
Information Technology	-0.02	-0.77	-0.79
Materials	-0.39	-0.29	-0.69
Real Estate	0.11	0.04	0.15
Utilities	-0.04	-0.07	-0.11
Cash	-0.07	0.00	-0.07
Total	-1.01	-1.85	-2.86

Holdings are subject to change and are not buy/sell recommendations. Attribution methodology notes: The attribution provides analysis of the effects of several portfolio management decisions, including allocation and security selection. Securities classified as "Other" may include non-equity securities, derivatives, and securities for which a sector classification may not be appropriate. The portfolio is actively managed and portfolio holdings are subject to change. The percentage weights represented for the portfolio are dollar weighted based on market value. **Market allocation effect** shows the excess contribution due to sector/market allocation. A positive allocation effect implies that the choice of sector weights in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Selection effect** shows the excess contribution due to security selection. A positive selection effect implies that the choice of stocks in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Total effect** is the difference in contribution between the benchmark and portfolio. **Past performance does not guarantee future results.**

Region performance analysis (%)

Region	Allocation effect	Selection effect	Total effect
Developed	0.06	-3.03	-2.96
Africa/Mideast	-0.24	0.00	-0.24
Asia/Pacific Ex Japan	0.19	0.09	0.28
Europe	0.22	-2.35	-2.13
Japan	-0.03	-0.66	-0.69
North America	-0.07	-0.12	-0.18
Emerging	0.12	0.06	0.17
Africa/Mideast	-0.02	0.04	0.02
Asia/Pacific Ex Japan	0.25	-0.50	-0.25
Europe	-0.03	0.00	-0.03
Latin America	0.18	0.25	0.43
Cash	-0.07	0.00	-0.07
Total	0.11	-2.97	-2.86

Performance attribution (cont'd)

Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
Brazil	0.66	6.48	12.59
China	0.54	1.93	-4.26
Australia	0.19	3.65	1.15
Saudi Arabia	0.15	0.00	0.00
Ireland	0.14	1.18	17.09

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
Switzerland	-0.73	7.01	-5.91
Japan	-0.69	20.52	-2.21
United Kingdom	-0.64	14.82	-1.31
Taiwan	-0.56	2.12	-15.52
South Korea	-0.45	1.89	-10.45

Unless otherwise specified, all information is as of 12/31/25. Unless stated otherwise, Index refers to MSCI ACWI ex USA SMID Cap Index (USD).

The MSCI All Country World ex USA SMID Cap Index is considered representative of small- and mid-cap stocks in developed and emerging markets, excluding the US. The indexes are computing using the net return, which withholds applicable taxes for nonresident investors. An investment cannot be made directly in an index.

About Risk

Stock and other equity securities values fluctuate in response to activities specific to the company as well as general market, economic and political conditions.

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. Developing markets may especially be volatile.

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.

Investments concentrated in a comparatively narrow segment of the economy may be more volatile than non-concentrated investments.

Stocks of small and medium-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.

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.

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 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.

* **Alpha** (cash adjusted) is a measure of performance on a risk-adjusted basis. **Beta** (cash adjusted) is a measure of relative risk and the slope of regression. **Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio indicates better risk-adjusted performance. **Information Ratio** is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns. **Standard deviation** measures a fund's range of total returns and identifies the spread of a fund's short-term fluctuations. **Tracking Error** is defined as the expected standard deviation of a portfolio's excess return over the benchmark index return. The **up and down capture** measures how well a manager was able to replicate or improve on periods of positive benchmark returns and how severely the manager was affected by periods of negative benchmark returns. **Maximum Drawdown** is the maximum observed loss from a high to a low of a portfolio, before a new high is attained. Maximum drawdown is an indicator of downside risk over a specified time period. **Weighted Average Market Cap** is a measure of the average size of company held in a portfolio. The percentage of the portfolio invested each company, or its weight, is multiplied by its size (market capitalization). An average of the weighted size of all companies held is then calculated. **Price/earnings** measures the price per share relative to the earnings per share of the company while excluding extraordinary items. **Price to book** measures the firm's capitalization (market price) to book value. **Est. 3-5 year EPS (Earning per share) growth** measures the earning per share growth from FY3 to FY5. **ROE** is the Return on Equity that measures the fund's annual return relative to total shareholders' equity. This ratio evaluates how quickly investments can be turned into profits. **Long-term debt to capital** measures a fund's financial leverage by calculating the proportion of long-term debt used to finance its assets relative to the amount of equity used for the same purpose. A higher ratio indicates higher leverage. **Operating margin** measures the profit a fund makes for every dollar of sales after paying the variable expenses. **Contribution to Return** measures the performance impact from portfolio holdings over a defined time period. It takes into account both weight and performance of the portfolio holdings. Contribution to Return is calculated at security level.

Morningstar

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Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus) for a prospectus/summary prospectus containing this information. Read it carefully before investing.