

Invesco Oppenheimer International Growth Fund

Q4 2023

Key takeaways

1 The fund outperformed its benchmark and category for the quarter and 2023

Class A shares outperformed the MSCI ACWI ex-US Index and ranked in the 15th percentile of the Morningstar Foreign Large Growth category at NAV in the fourth quarter (60 out of 426). The fund also outperformed the index for 2023, ranking in the Morningstar category's 14th percentile (43 out of 417).

2 Equity market response to new capital cost regime continues

Higher capital costs have shifted focus to contraction of P/E multiples, earnings and creditworthiness. We believe phase one is over. The next two phases will likely play out slowly as companies refinance rolling debt maturities at higher rates.

3 Back to the future: financial capital is once again a scarce resource

Over the coming years, we expect equity performance to increasingly diverge as company fundamentals become increasingly important. The companies held in the fund are capital-rich with demonstrated pricing power and dominant market positions.

Investment objective

The fund seeks capital appreciation.

Fund facts

Fund AUM (\$M) 7,305.03

Portfolio managers

George Evans, Robert Dunphy

Manager perspective and outlook

- During the quarter, investment horizons lengthened beyond the extremely short term, and appeared to shift to fundamentals, which benefited share prices of companies that demonstrated earnings power.
- Higher capital costs have shifted equity market focus to the contraction of price-to-earnings multiples, earnings and creditworthiness. We believe phase one of the regime change is over. The next two phases will likely play out slowly as companies refinance rolling debt maturities at higher interest rates.
- It's unlikely we will see a return of the free money that flowed for nearly 15 years or the indiscriminate bull markets it fueled. Markets are now in a normal regime in which financial capital is a scarce resource. Over the coming years, we expect performance among equities to increasingly diverge with company fundamentals, as earnings that companies return to shareholders once again become a key determinant of share prices.
- We expect volatile markets. Monetary conditions of the past 15 years are unprecedented, but a generation of investors has seen nothing else. It will likely take them time to learn to navigate a normal interest rate world.
- Since the fund's inception nearly 28 years ago, we have invested in companies we believe can monetize long-term structural growth trends profitably and sustainably, buying these stocks at attractive prices and holding them for many years with the goal of enabling their returns to compound.



For more information, including prospectus and factsheet, please visit [Invesco.com/OIGAX](https://www.invesco.com/OIGAX)

Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained. Data sourced from Morningstar.com as of 12/31/23.

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 net assets)

	Fund	Index
Novo Nordisk A/S	4.73	1.34
LVMH Moët Hennessy Louis Vuitton SE	3.27	0.89
Reliance Industries Ltd	3.10	0.38
London Stock Exchange Group PLC	2.97	0.20
ASML Holding NV	2.94	1.21
Epiroc AB	2.83	0.08
Compass Group PLC	2.67	0.19
Dollarama Inc	2.64	0.08
JD Sports Fashion PLC	2.42	0.02
Next PLC	2.40	0.05

As of 12/31/23. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

The fund benefits historically from rising demand for goods and services ranging from semiconductor chips to software, weight loss to medical devices, staples to luxury goods, tourism to housing, just to name a few. We have always evaluated companies according to the level and quality of earnings they return on the capital invested with them.

We did not initiate any new positions in the fourth quarter. We initiated two positions in the third quarter, **ICICI Bank**, which we discussed then, and **Beijer**, which we can discuss now.

Beijer, a Swedish company, distributes air conditioning and refrigeration systems and components internationally. Demand has been rising with warmer temperatures and energy efficiency needs. Recently, Beijer has begun widening its geographic footprint through roll-up acquisitions in what is a relatively fragmented market.

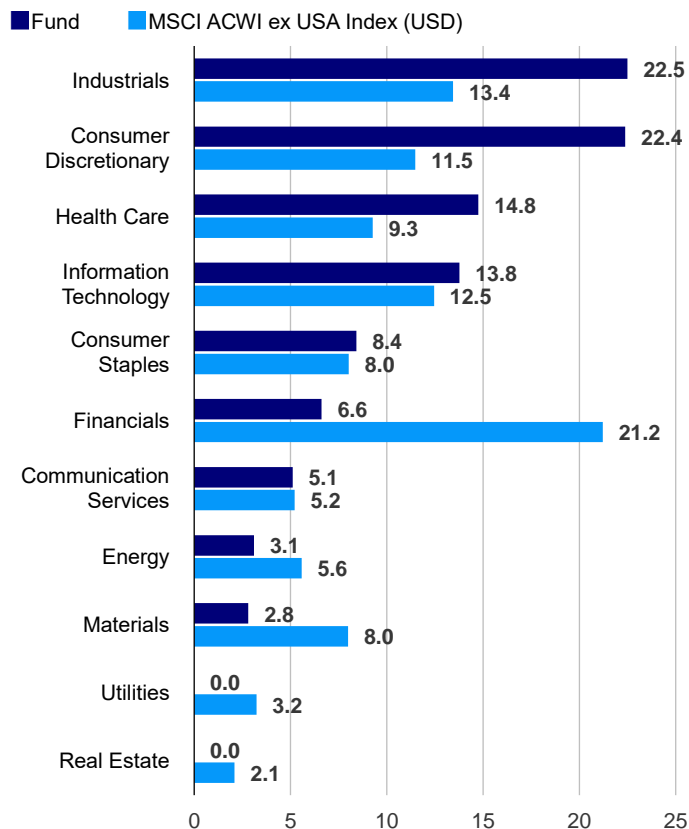
We exited three positions during the quarter.

Alibaba is China's largest e-retailer. Despite that attractive position in a huge market, China's regulatory environment for investors negatively affects the risk/reward profile of owning Alibaba's stock. We exited the relatively small position because we saw better opportunities elsewhere.

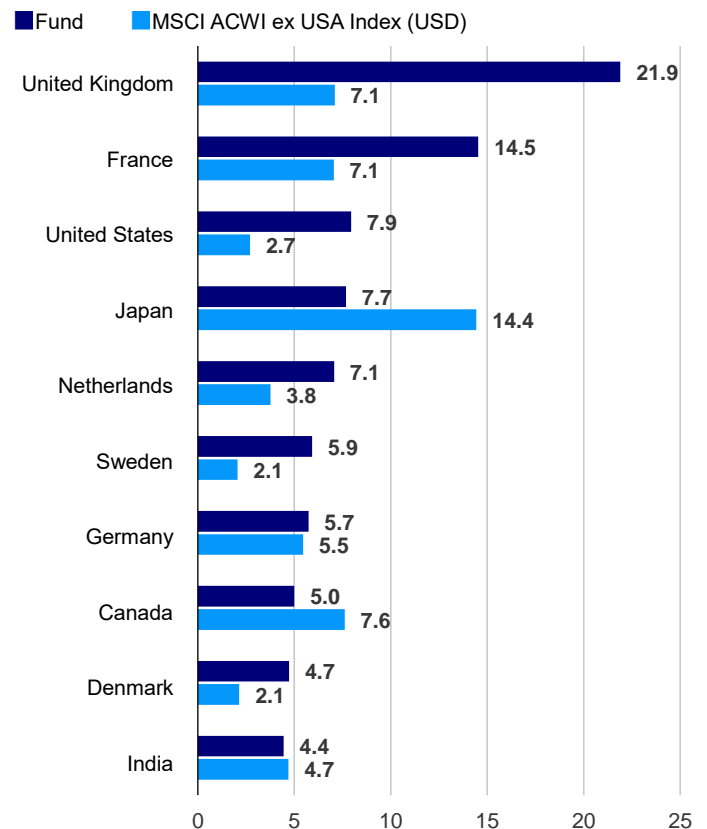
Entain is a British sports betting company that operates in the US through a joint venture company offering online betting. We bought the company during the COVID market decline of early 2020 with the goal of diversifying our thesis on the growth of the US online gaming industry. The industry has indeed grown since then, but Entain has simply not executed, in our view, as well as its two leading competitors – FanDuel, whose parent company Flutter is also held in the fund, and Draft Kings, a US company (not a fund holding) – which together share roughly 80% of the US market. We have exited the position.

Medtronic is an Ireland-headquartered medical device and service company with strong market positions in heart health and minimally invasive surgeries. That said, its market share has started to erode. In our opinion, this is due to Medtronic's poor management and execution. We are disappointed in the company's management and have exited the position.

Sector breakdown (% of total net assets)



Top countries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
ASML Holding NV	27.93	0.78
Novo Nordisk A/S	13.43	0.68
James Hardie Industries plc	46.65	0.68
Atlas Copco AB	28.26	0.61
London Stock Exchange Group plc	17.64	0.53

Top detractors (%)

Issuer	Return	Contrib. to return
Rentokil Initial plc	-24.31	-0.74
HelloFresh SE	-47.21	-0.36
Edenred SE	-4.59	-0.14
Davide Campari-Milano NV	-4.41	-0.12
Lonza Group AG	-9.45	-0.07

Performance highlights

The fund outperformed most in the consumer discretionary, health care, industrials and communication services sectors, all due to stock selection.

The fund underperformed most in utilities and real estate due to its usual underweight positions in those sectors.

Contributors to performance

ASML, a Dutch company, makes equipment needed to produce semiconductors. ASML is the only supplier of the extreme ultraviolet lithography equipment required to produce the smallest semiconductor chips. During the quarter, the share price recovered from significant profit-taking during the summer.

Novo Nordisk, a Danish company, is the world's leading maker of care products and insulin for diabetes, a disease that has been increasing worldwide. In addition, Novo has introduced Wegovy, a drug that treats obesity and associated health conditions. Wegovy's clinical trial results for coronary disease risk have exceeded expectations, and initial results for treating other conditions appear promising.

James Hardie, an Australian company, makes Hardie Plank, a fiber cement siding, and has introduced a substitute for stucco as well. The fund has owned the company for 14 years, during which time its market share has consistently grown. Most of the world's developed markets have housing deficits and we continue to view James Hardie's prospects favorably.

Detractors from performance

Rentokil, a UK company, delivers pest control services worldwide. This growing market is still highly fragmented. Rentokil has acquired Terminex in the US, thus increasing client density – a key profitability factor for the industry – in many service areas. During the quarter, Rentokil reported that its integration of Terminex was on track, but US demand had softened. The share price declined. Our view of Rentokil's longer-term growth and profitability remains positive.

HelloFresh, which originated in Germany, is the largest meal kit provider in the US and several other markets. In November, the company issued a profit warning due to a slower-than-expected capacity ramp up, and the share price fell. In our opinion, the meal kit is here to stay, and Hello Fresh has the scale necessary for attractive profitability.

Edenred is a France-based company that manages employee benefit programs and expenses through prepaid vouchers. It has been growing steadily through geographic and service expansion, and its use of digital vouchers and expense reporting has reduced operating costs. During the quarter, the French regulator announced a review of the meal voucher market with the possibility of increased industry regulation. This triggered profit-taking that brought Edenred shares down from their record highs. Less than 15% of Edenred's operating income and less than 10% of operating income growth is sourced in France. We continue to view Edenred's prospects favorably.

Standardized performance (%) as of December 31, 2023

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
Class A shares inception: 03/25/96	NAV	14.53	20.75	20.75	-0.99	8.76	3.78	7.30
	Max. Load 5.5%	8.23	14.10	14.10	-2.84	7.54	3.20	7.08
Class R6 shares inception: 03/29/12	NAV	14.65	21.20	21.20	-0.60	9.20	4.21	6.36
Class Y shares inception: 09/07/05	NAV	14.57	21.02	21.02	-0.75	9.03	4.04	6.32
MSCI ACWI ex USA Index (USD)		9.75	15.62	15.62	1.55	7.08	3.83	-
Total return ranking vs. Morningstar Foreign Large Growth category (Class A shares at NAV)		-	-	14% (43 of 417)	46% (160 of 394)	44% (117 of 339)	78% (176 of 232)	-

Expense ratios per the current prospectus: Class A: Net: 1.08%, Total: 1.08%; Class R6: Net: 0.69%, Total: 0.69%; Class Y: Net: 0.83%, Total: 0.83%.

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 source: RIMES Technologies Corp. 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 (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Class A shares at NAV	-7.22	3.16	-2.30	26.61	-19.55	28.60	21.91	10.57	-27.31	20.75
Class R6 shares at NAV	-6.80	3.63	-1.88	27.15	-19.22	29.16	22.41	10.99	-27.00	21.20
Class Y shares at NAV	-6.99	3.43	-2.06	26.89	-19.36	28.98	22.18	10.86	-27.12	21.02
MSCI ACWI ex USA Index (USD)	-3.87	-5.66	4.50	27.19	-14.20	21.51	10.65	7.82	-16.00	15.62

Portfolio characteristics*

	Fund	Index
No. of holdings	66	2,312
Top 10 issuers (% of AUM)	29.97	11.22
Wtd. avg. mkt. cap (\$M)	91,209	89,301
Price/earnings	26.95	14.81
Price to book	5.11	1.82
Est. 3 – 5 year EPS growth (%)	14.00	9.15
ROE (%)	20.04	15.71
Long-term debt to capital (%)	29.46	28.25
Operating margin (%)	21.36	19.71

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	1.56	0.00
Beta	1.09	1.00
Sharpe ratio	0.33	0.29
Information ratio	0.22	0.00
Standard dev. (%)	20.87	17.80
Tracking error (%)	7.77	0.00
Up capture (%)	137.27	100.00
Down capture (%)	108.25	100.00
Max. drawdown (%)	38.36	27.87

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.01	0.55	0.56
Consumer Discretionary	-0.44	1.61	1.17
Consumer Staples	-0.01	0.23	0.21
Energy	0.21	0.27	0.48
Financials	-0.05	0.33	0.28
Health Care	-0.24	1.25	1.01
Industrials	0.26	0.32	0.58
Information Technology	0.13	0.11	0.24
Materials	-0.15	0.60	0.45
Other	0.00	0.00	0.00
Real Estate	-0.03	0.00	-0.03
Utilities	-0.12	0.00	-0.12
Cash	-0.14	0.00	-0.14
Total	-0.58	5.26	4.68

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	0.18	4.07	4.25
Africa/Mideast	0.00	0.00	0.00
Asia/Pacific Ex Japan	-0.06	0.58	0.52
Europe	0.45	2.29	2.74
Japan	0.12	0.76	0.88
North America	0.00	0.11	0.11
Emerging	0.45	0.12	0.57
Africa/Mideast	0.07	0.00	0.07
Asia/Pacific Ex Japan	0.53	0.18	0.71
Europe	-0.02	0.00	-0.02
Latin America	-0.20	0.00	-0.20
Cash	-0.14	0.00	-0.14
Total	0.49	4.19	4.68

Performance attribution (cont'd)

Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
China	1.19	0.09	-7.25
United Kingdom	1.00	24.84	12.79
Japan	0.88	7.52	18.49
Netherlands	0.80	6.71	25.94
France	0.47	15.58	12.95

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
Italy	-0.34	1.95	-4.41
Taiwan	-0.21	1.11	18.93
South Korea	-0.20	0.00	0.00
India	-0.18	4.60	8.04
Brazil	-0.13	0.00	0.00

Unless otherwise specified, all information is as of 12/31/23. Unless stated otherwise, Index refers to MSCI ACWI ex USA Index (USD).

Asset allocation/diversification does not guarantee a profit or eliminate the risk of loss.

The MSCI All Country (AC) World Ex-U.S. Index is an index considered representative of developed and emerging market stock 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

Stock and other equity securities values fluctuate 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.

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.

Preferred securities may include provisions that permit the issuer to defer or omit distributions for a certain period of time, and reporting the distribution for tax purposes may be required, even though the income may not have been received. Further, preferred securities may lose substantial value due to the omission or deferment of dividend payments.

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.