

Invesco Oppenheimer International Growth Fund

Q1 2025

Key takeaways

- 1 The fund underperformed its benchmark due to its high-quality characteristics**
The fund, with its quality characteristics, underperformed its benchmark for the quarter, though it did outperform (0.63%) the quality version of the MSCI ACWI ex USA Quality Index (0.43).
- 2 International equity markets outperformed the US**
Apparent uncertainty about US industrial, tax and trade policy held back US stocks. In Europe, governments raised debt limits to enable increased defense spending and the central bank lowered interest rates. Both actions supported equity markets there.
- 3 The fund's companies are in our view well-positioned for recession and stagflation**
Fund holdings have exposure to secular growth trends that may enable them to grow faster than the general economy in both expanding and recessionary environments. Pricing power may help them preserve profit margins in inflationary periods.

Investment objective

The fund seeks capital appreciation.

Fund facts

Fund AUM (\$M) 5,194.79

Portfolio managers

Robert Dunphy, Ananya Lodaya

Manager perspective and outlook

- During the quarter, apparent uncertainty about US industrial, tax and trade policy appeared to dampen equity market performance, particularly in the US. International equity markets outperformed. European markets were also supported by expected spending increases as Germany raised permissible debt levels to fund defense in response to a structural reduction in US support.
- In this environment, both the fund's high-quality portfolio and the equity market's high-quality segments underperformed. Apparent tariff tax uncertainty clouded visibility for future cash flow projections so investors appeared to generally prefer companies with shorter duration outlooks.
- As of two days after the announcement of US import tariffs on April 2nd, all equity markets had declined in response. International equity markets, where consumer price increases have less direct effects, had continued to outperform US equities.
- Looking ahead, growth rate forecasts have naturally been lowered and recession is in our view a significant possibility, as is inflation from higher prices on imported and domestically produced goods. Earnings of the fund's companies are driven by structural growth trends. In our experience, during periods of recession, positive secular trends have grown at a faster rate than the average economy. Also, we choose companies for their pricing power, which supports profit margins during inflationary periods.



Top issuers

(% of total net assets)

	Fund	Index
London Stock Exchange Group PLC	3.16	0.26
Reliance Industries Ltd	3.06	0.34
Siemens AG	2.95	0.65
Alibaba Group Holding Ltd	2.89	0.99
ResMed Inc	2.80	0.00
Dollarama Inc	2.77	0.11
BAE Systems PLC	2.74	0.23
AstraZeneca PLC	2.66	0.84
Taiwan Semiconductor Manufacturing Co Ltd	2.51	2.51
Universal Music Group NV	2.49	0.08

As of 03/31/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

We initiated six new positions in the first quarter and can now also discuss three positions initiated in the fourth quarter of 2024.

We have introduced a new portfolio theme: bank market restructuring. This may be surprising as our bias against developed market banks is well known. However, the fundamental competitive landscape has been changing, where regulators require consolidation and permit higher profitability. We see an analogue in Australia and Canada where there are only a few banks with high profits. However, in the markets we have identified with this potential, banks have not yet been priced to reflect it. **Svenska Handelsbanken** is one of four major banks in Sweden. **Societe Generale** is one of four major banks in France. **Mitsubishi UFJ** is Japan's largest bank. **Caixabank** is Spain's third largest bank. **Finecobank** in Italy has been successfully disrupting the asset management market there.

Accenture is an Ireland-based, global IT consultant. In our opinion, companies will need help adapting artificial intelligence (AI) into their operations.

Ryanair, Ireland's low-cost European carrier, is a play on low end consumption. Boeing's problems have changed the demand/supply equation: there simply aren't enough excess planes for airline startups. Ryanair offers bare bones point-to-point service between secondary cities and has steadfastly resisted "mission creep." The result is a highly cash-generative business that has fended off market share erosion. At current valuations, we find it attractive.

Tencent is a Chinese internet and technology company that has developed a robust suite of digital offerings for its user base.

Diageo is the world's largest producer and distributor of alcoholic beverages.

We exited nine positions during the quarter.

Aalberts, a Netherlands-based company focused on niche technologies, had steadily taken share during the 22 years the fund owned it. The law of big numbers has been slowing growth.

Beijer Ref, a Swedish company, has failed to raise US sales.

CapGemini is a French-based IT consultant. We prefer Accenture's client profile.

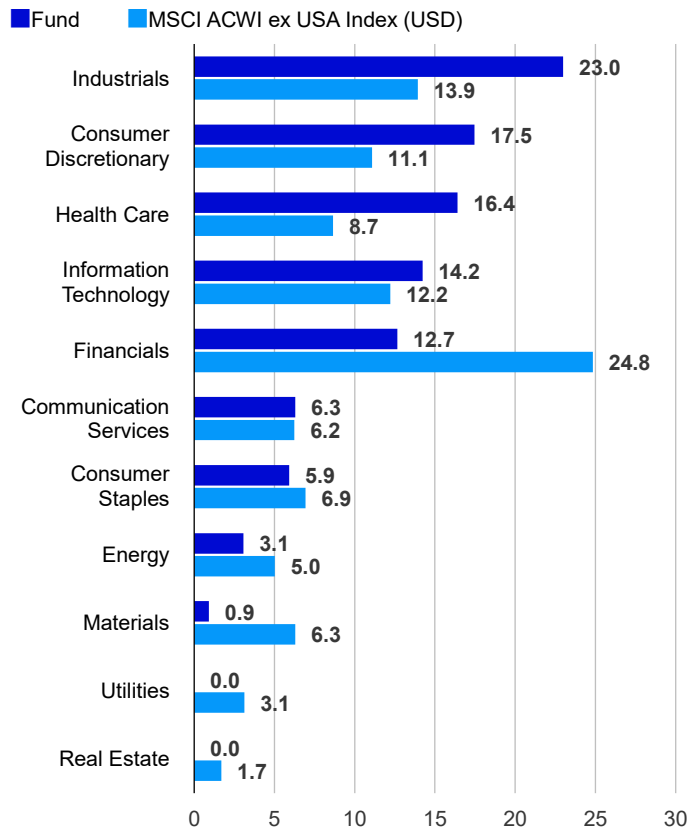
CSL is an Australia-based blood plasma company the fund had owned for many years. We believe the plasma market's profitability structure is deteriorating.

James Hardie, Australian maker of Hardie Plank, plans to acquire a lower quality company.

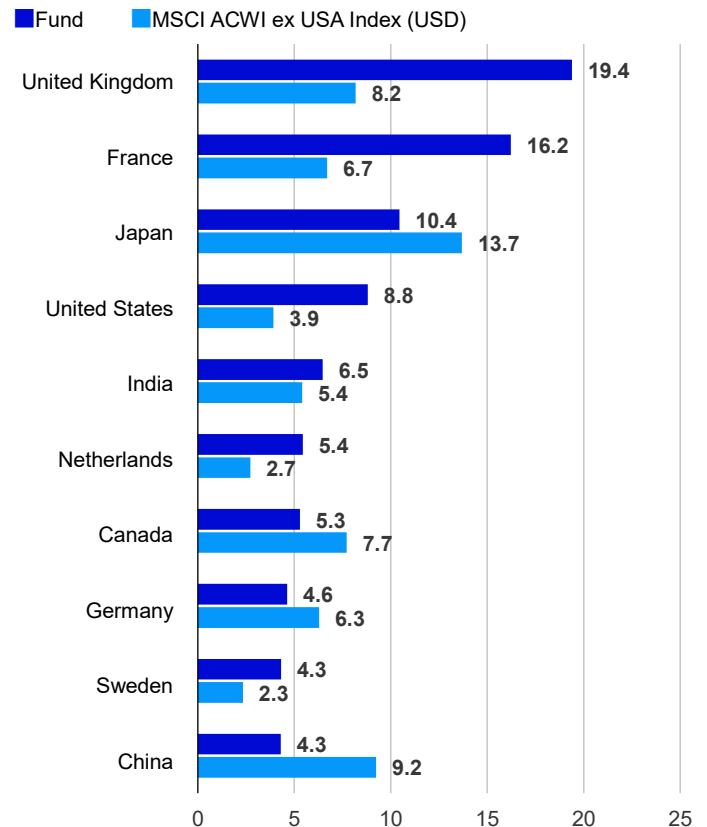
JD Sports, UK athletic footwear retailer, has entered the US market; we disagree with this.

We also sold UK retailer **Next**, UK global pest control company **Rentokil** and Switzerland-based **VAT**.

Sector breakdown (% of total net assets)



Top countries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
Alibaba Group Holding Limited	55.95	0.95
BAE Systems plc	40.60	0.71
Siemens Aktiengesellschaft	20.88	0.45
CaixaBank, S.A.	43.38	0.39
Epiroc AB	15.62	0.30

Top detractors (%)

Issuer	Return	Contrib. to return
Trainline plc	-33.95	-0.63
EPAM Systems, Inc.	-27.79	-0.55
James Hardie Industries plc	-20.72	-0.39
Flutter Entertainment plc	-14.37	-0.34
Taiwan Semiconductor Manufacturing Company Limited	-12.94	-0.33

Performance highlights

The fund outperformed most in the real estate sector due to its typical underweight allocation.

The fund underperformed most in the health care, materials and consumer staples sectors due to stock selection.

Contributors to performance

Alibaba, widely considered “the Amazon of China,” is also emerging as a significant web service provider with AI capabilities that have seemingly surprised the market.

BAE, a UK-based defense contractor, has been benefiting from rising defense spending.

Siemens is based in Germany, with significant market share in three key businesses: smart building infrastructure, industrial automation and health care.

Management announced earnings that were above consensus estimates.

CaixaBank, Spain’s third largest bank, has been benefiting from market consolidation.

Epiroc, a Swedish underground mining equipment company whose products and services are mission and safety critical, announced sales and orders above forecasts.

Detractors from performance

Trainline is a UK company that provides an end-to-end, intermodal transport reservation and ticketing service. Its share price declined when the UK government announced – again – that it will launch its own app. In our opinion, a state-backed retailer is not as well

placed to invest, innovate and attract talent as Trainline.

EPAM is an IT company offering businesses a wide range of services, from consulting to engineering and implementation. It was a top contributor last quarter after earnings exceeded expectations and management raised guidance. However, earnings came in below elevated consensus forecasts this quarter.

James Hardie Industries, Australia-based maker of Hardie Plank, announced plans to acquire US building supply company Azek (not a fund holding). It’s in our view a significant acquisition, a third to half the size of James Hardie depending on the measurement used, and is a lower quality company, in our opinion. We sold the position.

Flutter is a UK company that owns FanDuel, a US sports betting service. A top contributor last quarter, Flutter announced earning and guidance in line with expectations but experienced profit taking from the record high it reached around the Super Bowl.

Taiwan Semiconductor Manufacturing Company (TSMC) is one of the world’s leading semiconductor foundries, particularly in producing chips sized 7 nanometers and smaller. A top contributor last quarter that detracted in this one, TSMC has experienced profit taking amid apparent uncertainty about US industrial policy.

Standardized performance (%) as of March 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 03/25/96	NAV	0.63	0.63	-5.39	1.54	7.90	4.03	6.93
	Max. Load 5.5%	-4.90	-4.90	-10.59	-0.36	6.68	3.44	6.72
Class R6 shares inception: 03/29/12	NAV	0.73	0.73	-5.06	1.91	8.30	4.45	5.67
Class Y shares inception: 09/07/05	NAV	0.70	0.70	-5.17	1.79	8.16	4.29	5.86
MSCI ACWI ex USA Index (USD)		5.23	5.23	6.09	4.48	10.92	4.98	-
Total return ranking vs. Morningstar Foreign Large Growth category (Class A shares at NAV)		-	-	88% (352 of 389)	63% (236 of 369)	71% (238 of 335)	85% (184 of 216)	-

Expense ratios per the current prospectus: Class A: Net: 1.10%, Total: 1.10%; Class R6: Net: 0.73%, Total: 0.73%; Class Y: Net: 0.86%, Total: 0.86%.

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 (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Class A shares at NAV	3.16	-2.30	26.61	-19.55	28.60	21.91	10.57	-27.31	20.75	-1.74
Class R6 shares at NAV	3.63	-1.88	27.15	-19.22	29.16	22.41	10.99	-27.00	21.20	-1.41
Class Y shares at NAV	3.43	-2.06	26.89	-19.36	28.98	22.18	10.86	-27.12	21.02	-1.50
MSCI ACWI ex USA Index (USD)	-5.66	4.50	27.19	-14.20	21.51	10.65	7.82	-16.00	15.62	5.53

Portfolio characteristics*

	Fund	Index
No. of holdings	60	1,982
Top 10 issuers (% of AUM)	28.03	11.33
Wtd. avg. mkt. cap (\$M)	117,405	105,157
Price/earnings	24.30	15.60
Price to book	3.70	1.95
Est. 3 – 5 year EPS growth (%)	11.71	10.66
ROE (%)	18.50	15.46
Long-term debt to capital (%)	28.31	28.44
Operating margin (%)	22.14	19.61

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-3.49	0.00
Beta	1.16	1.00
Sharpe ratio	0.27	0.54
Information ratio	-0.38	0.00
Standard dev. (%)	19.40	15.40
Tracking error (%)	7.90	0.00
Up capture (%)	123.78	100.00
Down capture (%)	120.74	100.00
Max. drawdown (%)	38.36	27.87

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.03	-0.19	-0.17
Consumer Discretionary	-0.04	-0.51	-0.55
Consumer Staples	0.01	-0.59	-0.58
Energy	-0.03	-0.09	-0.12
Financials	-0.66	0.11	-0.55
Health Care	-0.21	-0.69	-0.89
Industrials	-0.01	-0.08	-0.09
Information Technology	-0.09	-0.43	-0.52
Materials	-0.04	-0.62	-0.66
Other	0.00	0.00	0.00
Real Estate	0.08	0.00	0.08
Utilities	-0.11	0.00	-0.11
Cash	-0.06	0.00	-0.06
Total	-1.14	-3.09	-4.23

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	-5.26	-5.08
Africa/Mideast	0.04	0.00	0.04
Asia/Pacific Ex Japan	0.27	-0.49	-0.22
Europe	1.34	-5.01	-3.67
Japan	0.24	0.00	0.23
North America	-0.05	-1.41	-1.46
Emerging	0.43	0.48	0.91
Africa/Mideast	-0.02	0.00	-0.02
Asia/Pacific Ex Japan	0.50	0.65	1.15
Europe	-0.08	0.00	-0.08
Latin America	-0.15	0.00	-0.15
Cash	-0.06	0.00	-0.06
Total	0.55	-4.78	-4.23

Performance attribution (cont'd)

Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
Taiwan	0.49	2.65	-12.94
China	0.36	3.17	48.53
Japan	0.23	9.52	0.35
Spain	0.15	2.52	23.17
Canada	0.09	4.63	-0.40

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
United Kingdom	-1.56	24.27	0.58
United States	-1.54	5.97	-15.42
Ireland	-0.55	2.49	-14.62
Netherlands	-0.47	6.33	-3.94
France	-0.41	15.94	4.92

Unless otherwise specified, all information is as of 03/31/25. 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.

The MSCI ACWI ex USA Quality Index is based on MSCI ACWI ex USA, its parent index. The index aims to capture the performance of quality growth stocks by identifying stocks in the parent index with high quality scores based on three variables: high return on equity (ROE), stable year-over year earnings growth and low financial leverage. The index is unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict performance of the Fund. Past performance is not a guarantee of future results.

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. 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.

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.