Invesco Developing Markets Fund

Q4 2025

Key takeaways

1 New portfolio positioning in place

As announced on June 23, 2025, Invesco Developing Markets Fund transitioned to new leadership under the Asian and Emerging Markets Equities Investment Team, which resulted in a change to the fund's investment philosophy and process.

2 The fund outperformed its benchmark

Invesco Developing Markets Fund Class A shares at net asset value outperformed the MSCI EM Index in the fourth quarter of 2025. Stock selection in consumer discretionary was the largest contributor to relative return.

3 Emerging markets performance

Emerging market equities delivered a positive return in the fourth quarter, outperforming US equities and underperforming developed international equities.[1]

Investment objective

The fund seeks long-term growth of capital.

Fund facts

Fund AUM ($M)	9,131.63

Portfolio managers

Charles Bond, Ian Hargreaves, Matthew Pigott, William Lam

Manager perspective and outlook

- Emerging market equities had another positive quarter, outperformed US equities for the third consecutive quarter, and underperformed developed international equities.[1]
- For 2025, the MSCI EM Index returned 33.57% compared to 31.89% and 17.88% for the MSCI EAFE and S&P 500 Indexes, respectively.
- South Korea posted the highest return for the quarter, with strong contributions from technology stocks like SK Hynix and Samsung Electronics. Latin America, along with Taiwan and South Africa, also outperformed the index for the quarter. China and Saudi Arabia were key underperformers.
- We believe emerging market equities offer double-digit earnings growth potential, with reasonable valuations across much of the universe. Despite recent outperformance, the asset class has been trading at a discount to global equities, particularly the US. Easier US monetary policy could be a tailwind for emerging markets, particularly given a weakening US dollar.
- While we are mindful of geopolitical risks and uncertainty tied to evolving trade policy, emerging market corporates generally appear to have healthy balance sheets and competitive advantages that could make them more resilient than what is implied in valuations. Moreover, if specific global trade channels are forced to reconfigure away from China, other emerging countries could benefit, fostering further growth in trade among emerging countries.

1. Emerging market equities are represented by the MSCI Emerging Markets (EM) Index which returned 4.73% in Q4 2025. International developed stocks are represented by the MSCI EAFE Index (The MSCI EAFE Index is an equity index which captures large and mid cap representation across 21 Developed Markets countries* around the world, excluding the US and Canada) which returned 4.91% in Q4 2025. US equities are represented by the S&P 500 which returned 2.66% in Q4 2025.

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
Taiwan Semiconductor Manufacturing Co Ltd	11.08	11.88
Samsung Electronics Co Ltd	7.49	4.35
Tencent Holdings Ltd	7.32	4.82
HDFC Bank Ltd	4.01	1.23
NetEase Inc	2.83	0.47
AIA Group Ltd	2.70	0.00
H World Group Ltd	2.51	0.09
Anglo American PLC	2.35	0.00
Vale SA	2.34	0.47
Kasikornbank PCL	2.23	0.04

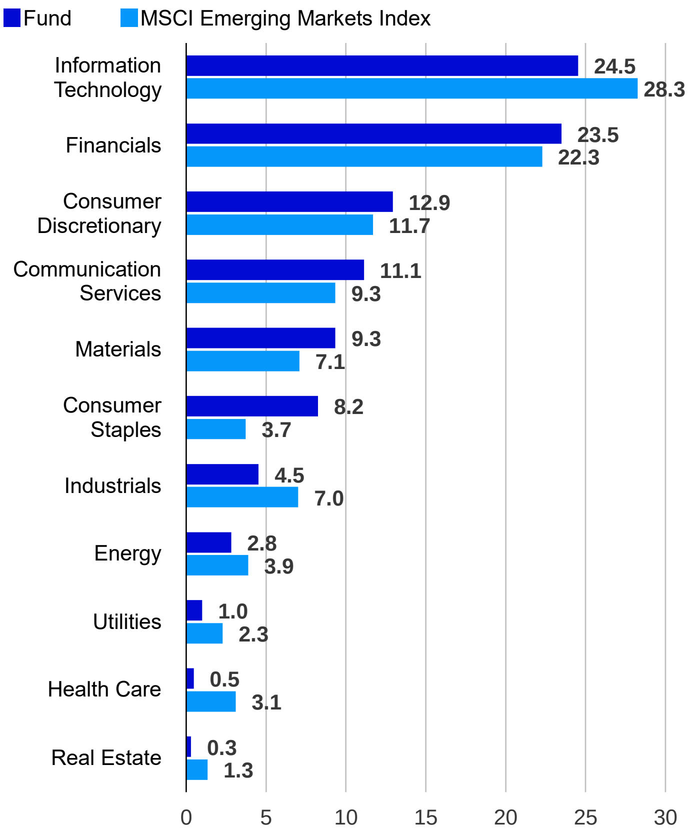
As of 12/31/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

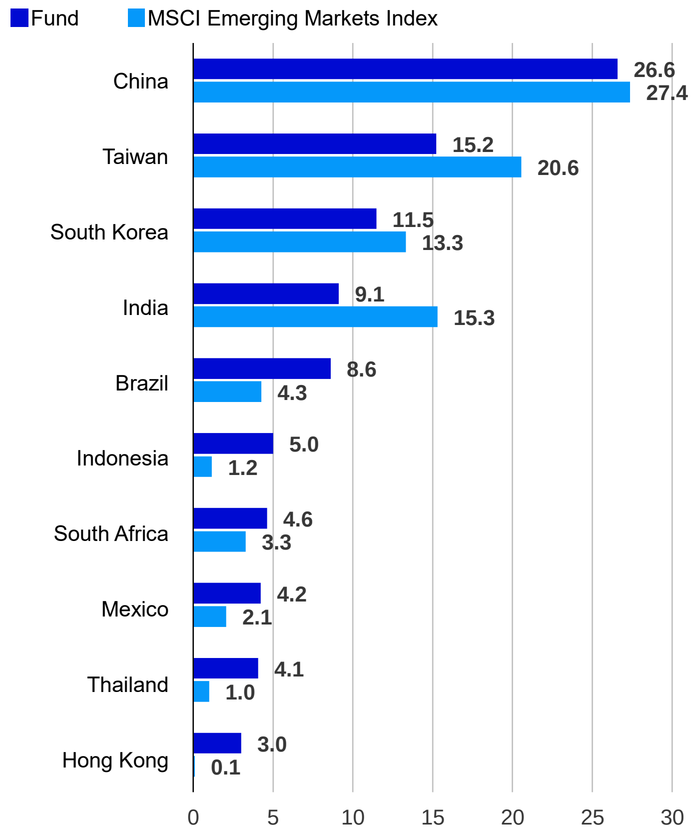
As of quarter end, relative to the MSCI EM Index, the fund was overweight in consumer staples, materials, consumer discretionary, communication services and financials. Real estate, energy, utilities, industrials, health care and information technology (IT) were underweight.

We added to the fund's positions in **Petroleo Brasileiro, Bank Rakyat Indonesia** (BRI) and **EPAM Systems** during the quarter, while trimming positions in **Taiwan Semiconductor Manufacturing Co.** (TSMC) and **Samsung Electronics**. We sold **Jiangsu Hengrui** and **Kotak Mahindra** during the quarter and initiated a position in **New Oriental Education**.

Sector breakdown (% of total market value)



Top countries (% of total market value)



Top contributors (%)

Issuer	Return	Contrib. to return
Samsung Electronics Co., Ltd.	39.57	1.57
Taiwan Semiconductor Manufacturing Company Limited	13.54	0.90
Vale S.A.	25.69	0.54
H World Group Limited	20.42	0.50
Shriram Finance Limited	60.87	0.40

Top detractors (%)

Issuer	Return	Contrib. to return
Tencent Holdings Limited	-9.97	-0.66
Alibaba Group Holding Limited	-17.81	-0.44
JD.com, Inc.	-17.74	-0.43
Full Truck Alliance Co., Ltd.	-16.77	-0.26
NetEase, Inc.	-9.07	-0.18

Performance highlights

From a sector perspective, stock selection in consumer discretionary, consumer staples and IT added to relative results. The largest detractor from relative return was communication services due to stock selection and an overweight, followed by selection in energy.

Geographically, stock selection in India, stock selection in Thailand and an underweight in Saudi Arabia added to relative return. The largest detractor from relative return was an overweight in Singapore. Underweights in South Korea and South Africa also detracted.

Contributors to absolute performance

Samsung Electronics is a leading manufacturer of consumer and industrial electronic equipment. Earnings estimates for Samsung rose on the belief that ongoing demand for AI infrastructure would drive prices for its memory chips. We have always liked Samsung's strong balance sheet and robust free cash flow, particularly because shareholder return appears to be near the top of the company's agenda.

Taiwan Semiconductor Manufacturing is one of the world's leading semiconductor foundries and a key enabler of the new computing revolution. It is known for advanced technology, high volume production and a robust customer base, including major technology companies like Apple, Qualcomm and NVIDIA (not fund holdings).

Vale, a Brazilian metal mining company and one of the world's largest iron ore producers, also produces nickel and copper. The stock had underperformed iron ore peers over the past three years as it emerged from a challenging operational period. With low expectations across key segments, there is scope for the stock's further recovery. Iron ore remains central to our investment case and we believe industry returns are likely to be resilient over the medium term.

Detractors from absolute return

Tencent, one of China's leading internet companies, has strong positions in gaming, social media, digital content and cloud services. It has been investing heavily in AI infrastructure that has been integrated across its platforms. As of September 30, 2025, the stock had a 60% year-to-date return. In the fourth quarter, profit-taking, weaker-than-expected economic data and China's ongoing policy uncertainty appeared to weigh on the stock.

Alibaba is one of the world's largest e-commerce and retail platforms. Over the past year, the company has undergone a strategic reorganization, including divestment of non-core assets, stabilization of its e-commerce market share and improvements to its organizational structure.

JD.com is China's second largest e-commerce company. Weakening sales trends in certain categories, in some cases relative to strong previous sales, appeared to weigh on the stock. Also, management's strategic focus on the highly competitive food delivery industry appeared to raise some concerns about capital allocation decisions.

Standardized performance (%) as of December 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 11/18/96	NAV	4.87	28.33	28.33	12.05	-0.53	6.00	9.66
	Max. Load 5.5%	-0.89	21.27	21.27	9.96	-1.65	5.40	9.45
Class R6 shares inception: 12/29/11	NAV	4.97	28.84	28.84	12.48	-0.14	6.43	5.22
Class Y shares inception: 09/07/05	NAV	4.94	28.63	28.63	12.31	-0.28	6.26	7.00
MSCI Emerging Markets Index		4.73	33.57	33.57	16.40	4.20	8.42	-
Total return ranking vs. Morningstar Diversified Emerging Mkts category (Class A shares at NAV)		-	-	67% (531 of 751)	88% (625 of 704)	92% (562 of 620)	90% (418 of 460)	-

Expense ratios per the current prospectus: Class A: Net: 1.28%, Total: 1.28%; Class R6: Net: 0.88%, Total: 0.88%; Class Y: Net: 1.03%, Total: 1.03%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit 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.

Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	6.89	34.77	-12.14	23.99	17.22	-7.50	-25.16	11.17	-1.39	28.33
Class R6 shares at NAV	7.38	35.33	-11.79	24.53	17.66	-7.13	-24.85	11.54	-0.97	28.84
Class Y shares at NAV	7.16	35.10	-11.95	24.31	17.51	-7.25	-24.97	11.40	-1.12	28.63
MSCI Emerging Markets Index	11.19	37.28	-14.57	18.42	18.31	-2.54	-20.09	9.83	7.50	33.57

Portfolio characteristics*

	Fund	Index
No. of holdings	71	1,197
Top 10 issuers (% of AUM)	43.63	30.99
Wtd. avg. mkt. cap ($M)	270,488	261,272
Price/earnings	15.25	16.38
Price to book	1.99	2.18
Est. 3 – 5 year EPS growth (%)	12.65	15.73
ROE (%)	16.75	18.02
Long-term debt to capital (%)	20.29	20.68
Operating margin (%)	23.52	22.95

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-4.38	0.00
Beta	0.97	1.00
Sharpe ratio	-0.23	0.06
Information ratio	-0.75	0.00
Standard dev. (%)	16.26	15.42
Tracking error (%)	6.29	0.00
Up capture (%)	75.65	100.00
Down capture (%)	103.39	100.00
Max. drawdown (%)	42.91	35.98

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.14	-0.20	-0.06
Consumer Discretionary	0.26	0.88	1.15
Consumer Staples	-0.10	0.71	0.61
Energy	-0.05	-0.21	-0.26
Financials	0.17	0.14	0.31
Health Care	0.31	-0.11	0.20
Industrials	-0.11	-0.30	-0.41
Information Technology	-1.21	0.64	-0.58
Materials	0.30	0.30	0.60
Other	-2.32	1.65	-0.67
Real Estate	0.11	0.01	0.12
Utilities	0.05	0.01	0.05
Cash	-0.08	0.00	-0.08
Total	**-2.54**	**3.53**	**0.99**

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	0.24	0.00	0.24
Emerging	0.00	1.48	1.48
Other	-0.66	0.00	-0.66
Cash	-0.08	0.00	-0.08
Total	**-0.50**	**1.48**	**0.99**

Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
China	1.31	24.16	-6.93
Thailand	0.37	2.96	18.01
Saudi Arabia	0.36	0.64	-3.37
Brazil	0.35	8.06	8.49
India	0.33	8.05	8.34

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
South Korea	-0.77	9.19	28.88
Taiwan	-0.47	13.28	12.02
Singapore	-0.16	0.59	-16.94
Poland	-0.10	0.00	0.00
Chile	-0.09	0.00	0.00

Unless otherwise specified, all information is as of 12/31/25. Unless stated otherwise, Index refers to MSCI Emerging Markets Index.

The MSCI Emerging Markets Index (ND) is an unmanaged index considered representative of stocks of developing countries. The index is computed using the net return, which withholds applicable taxes for non-residents investors. An investment cannot be made directly in an index.

About Risk

In general, stock and other equity securities values fluctuate, sometimes widely, 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.

Environmental, Social and Governance (ESG) considerations may vary across investments and issuers, and not every ESG factor may be identified or evaluated for investment. The Fund will not be solely based on ESG considerations; therefore, issuers may not be considered ESG-focused companies. ESG factors may affect the Fund's exposure to certain companies or industries and may not work as intended. The Fund may underperform other funds that do not assess ESG factors or that use a different methodology to identify and/or incorporate ESG factors. ESG is not a uniformly defined characteristic and as a result, information used by the Fund to evaluate such factors may not be readily available, complete or accurate, and may vary across providers and issuers. There is no guarantee that ESG considerations will enhance Fund performance.

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.

The Fund may hold illiquid securities that it may be unable to sell at the preferred time or price and could lose its entire investment in such securities.

The investment techniques and risk analysis used by the portfolio managers may not produce the desired results.

Following Russia's invasion of Ukraine in February 2022, various countries, including the U.S., NATO and the European Union, issued broad-ranging economic sanctions against Russia and Belarus. As a result, responses to military actions (and further potential sanctions related to continued military activity), the potential for military escalation and other corresponding events, have had, and could continue to have, severe negative effects on regional and global economic and financial markets, including increased volatility, reduced liquidity, and overall uncertainty. Russia may take additional counter measures or retaliatory actions (including cyberattacks), which could exacerbate negative consequences on global financial markets. The duration of ongoing hostilities, corresponding sanctions and related events cannot be predicted. As a result, the value of an investment in the Fund and its performance may be negatively impacted, particularly as it relates to Russia exposure.

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.

Investing in securities of Chinese companies involves additional risks, including, but not limited to: the economy of China differs, often unfavorably, from the U.S. economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, allocation of resources and capital reinvestment, among others; the central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership; and actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China.

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 for a prospectus/summary prospectus containing this information. Read it carefully before investing.