

Invesco Global Opportunities Fund

Q2 2024

Key takeaways

- 1 The fund underperformed its benchmark and competitors.**

Class A shares underperformed the MSCI ACWI SMID Cap Index and underperformed the Morningstar Global Small/Mid Stock Funds category average (return -2.81%) during the second quarter (ranked 128 of 147).
- 2 Small-cap stocks were weak across the globe.**

Small-cap stocks were broadly negative during the quarter, perhaps reflecting softening economic activity.
- 3 Positioned for the long-term opportunity.**

We believe small and mid-cap equities have ample opportunity to outperform larger capitalization stocks after an extended period of underperformance. Actions by the US Federal Reserve (Fed) and other central banks to lower interest rates would be beneficial.

Investment objective

The fund seeks capital appreciation.

Fund facts

Fund AUM (\$M)	3,097.65
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Portfolio managers

David Nadel, Maire Lane

Manager perspective and outlook

- The second quarter was weak across the global mid- and small-cap universe. Just two sectors of the MSCI ACWI SMID Cap Index posted positive results for the period. Those were utilities and communication services, the two smallest sectors in the benchmark. Together they averaged less than 8.50% of the index weight during the quarter.
- As in recent quarters, attention appeared to center on the Fed and the outlook for US interest rate policy. Fed guidance signaled only one rate cut this year and not before September “at the earliest.” Equities rose after the news, which we believe shows valuations have been adjusted for higher capital costs. However, we think the variable effect of higher capital costs on corporate earnings and returns is what matters going forward.
- We seek to invest in companies with high rates of return on their capital, that fund their own growth and have strong balance sheets. We believe those characteristics will prove increasingly valuable in coming years as the varied effects of interest rate normalization settle over the world economy.



Top issuers

(% of total net assets)

	Fund	Index
Advanced Micro Devices Inc	2.97	0.36
Disco Corp	2.84	0.05
Jack Henry & Associates Inc	2.81	0.02
Manhattan Associates Inc	2.78	0.02
SEI Investments Co	2.55	0.01
Deckers Outdoor Corp	2.17	0.03
Exponent Inc	2.00	0.00
Geberit AG	1.75	0.03
Allegion plc	1.75	0.01
QUALCOMM Inc	1.75	0.30

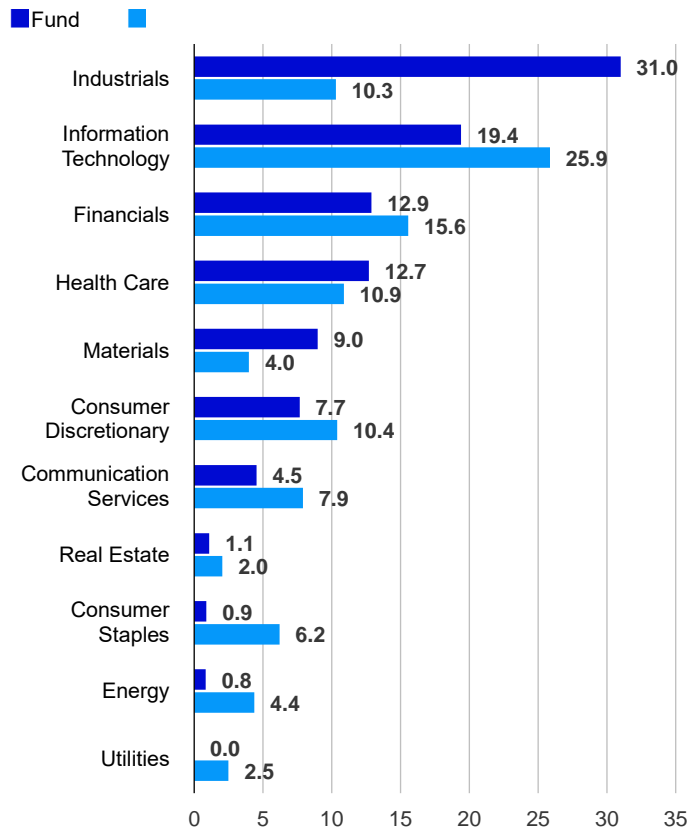
As of 06/30/24. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

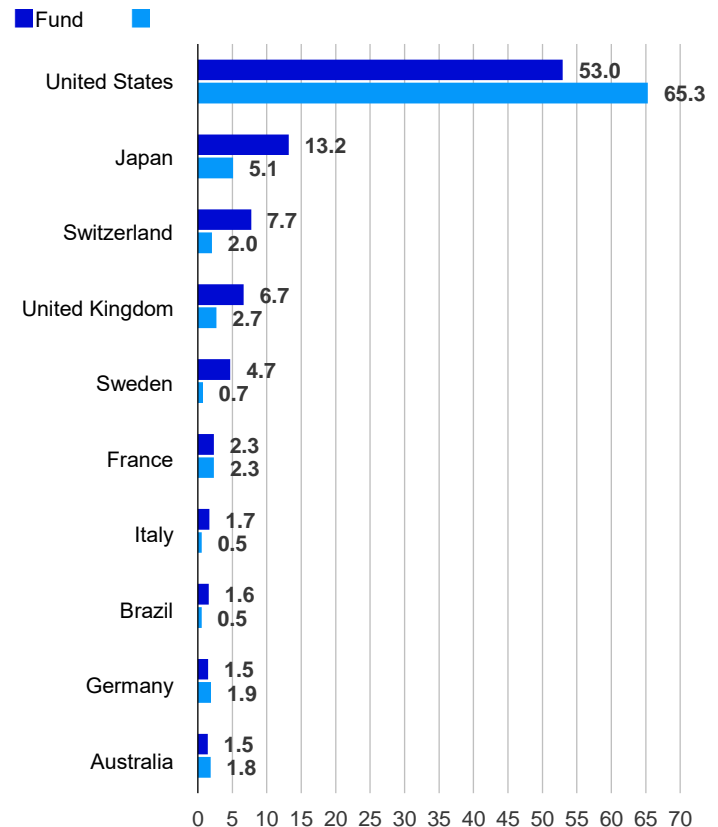
The fund's most sizable exposures are in the industrials, information technology, health care, financials and materials sectors. Collectively, these sectors make up over 80% of the fund. Relative to the benchmark, industrials are the largest overweight and the real estate sector is the largest underweight.

We remain positive on prospects for the fund's holdings. Most provide key products or services to other businesses and in our view have significant recurring revenue streams. We believe strong balance sheets – a key ownership criteria for us – greatly diminish the financial risk in owning these stocks. The economic environment has been cooling this year, raising the possibility that interest rates may come down soon.

Sector breakdown (% of total net assets)



Top countries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
MISUMI Group Inc.	25.80	0.32
Hargreaves Lansdown plc	53.91	0.32
Exponent, Inc.	15.38	0.27
QUALCOMM Incorporated	18.14	0.25
New York Times Company	18.85	0.24

Top detractors (%)

Issuer	Return	Contrib. to return
Carl Zeiss Meditec AG	-43.74	-0.98
Lincoln Electric Holdings, Inc.	-25.87	-0.48
SHIFT, Inc.	-38.90	-0.46
Pool Corporation	-23.60	-0.46
Advanced Micro Devices, Inc.	-10.13	-0.34

Performance highlights

Small-cap stocks were broadly lower in the second quarter, perhaps reflecting softening economic activity. Invesco Global Opportunities Fund Class A shares underperformed the MSCI ACWI SMID Cap Index and the Morningstar Global Small/Mid Stock Funds category average.

Small and mid-cap equities, in our view, currently have ample opportunity to outperform larger capitalization stocks after the recent underperformance. We believe the probability of Fed action to lower interest rates, along with potential rates cuts by other central banks around the globe, further strengthens the case for small- and mid-cap equities.

Contributors to performance

Following are the largest contributors to absolute return:

MISUMI, based in Japan, sells precision machinery by mail order to factories and hospitals, among other users. Its sales rose in the months of March and April, driven by a stronger economic environment in Asia.

Hargreaves Lansdown is a UK company with a dominant position in direct-to-consumer investing, akin to Vanguard in the US. The company has been aggressively pursued by a consortium of private equity firms seeking to acquire it.

Exponent is a science and engineering focused consulting company that assists clients with issues such as environmental risks, regulatory risk and workplace safety,

among others. The company posted strong first quarter results, raising expectations that full year results might be better than first thought.

Detractors from performance

Following are the largest detractors from absolute return for the quarter:

SHIFT is a software testing company that is based in Japan and does most of its business there. SHIFT has been set back this year by staffing shortages among senior engineers and fears that generative AI could threaten its business model. We exited the fund's position during the quarter.

Lincoln Electric is a world leader in the engineering, design and manufacturing of advanced arc welding solutions, automated joining and assembly and cutting systems and also has a leading global position in brazing and soldering alloys. The company has been weighed down this year by a soft manufacturing environment. We maintained the fund's position in the stock during the quarter.

Carl Zeiss Meditec is a large global player in ophthalmic equipment. Management cut its guidance in June, citing weakness in North America and China. The rise in interest rates has weighed on the company's business in North America where much of its equipment is financed. Effects of China's economic weakness have been evident across an array of medical technology businesses. We added to the fund's position during the quarter.

Standardized performance (%) as of June 30, 2024

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
Class A shares inception: 10/22/90	NAV	-5.86	-7.34	-7.03	-15.55	-0.95	5.46	9.85
	Max. Load 5.5%	-11.04	-12.44	-12.15	-17.13	-2.06	4.86	9.66
Class R6 shares inception: 01/27/12	NAV	-5.78	-7.16	-6.67	-15.23	-0.58	5.88	7.85
Class Y shares inception: 02/01/01	NAV	-5.81	-7.23	-6.80	-15.35	-0.72	5.72	6.93
MSCI ACWI SMID Cap Index (USD)		-2.06	2.83	10.71	-0.34	7.07	6.17	-
Total return ranking vs. Morningstar Global Small/Mid Stock category (Class A shares at NAV)		-	-	80% (129 of 147)	90% (124 of 133)	97% (114 of 117)	55% (49 of 74)	-

Expense ratios per the current prospectus: Class A: Net: 1.12%, Total: 1.13%; Class R6: Net: 0.75%, Total: 0.76%; Class Y: Net: 0.88%, Total: 0.89%.

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	-3.46	13.94	10.70	52.52	-18.09	27.78	39.58	0.12	-41.63	17.35
Class R6 shares at NAV	-3.04	14.44	11.16	53.18	-17.77	28.31	40.12	0.47	-41.39	17.76
Class Y shares at NAV	-3.23	14.22	10.95	52.93	-17.91	28.12	39.89	0.37	-41.50	17.63
MSCI ACWI SMID Cap Index (USD)	3.17	-1.34	9.26	24.18	-13.80	25.37	15.67	16.23	-18.72	16.02

Portfolio characteristics*

	Fund	Index
No. of holdings	86	2,760
Top 10 issuers (% of AUM)	23.38	22.28
Wtd. avg. mkt. cap (\$M)	23,266	665,181
Price/earnings	24.03	21.09
Price to book	4.35	3.15
Est. 3 – 5 year EPS growth (%)	9.76	13.90
ROE (%)	22.29	19.51
Long-term debt to capital (%)	20.35	34.46
Operating margin (%)	19.93	22.76

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-7.35	0.00
Beta	1.18	1.00
Sharpe ratio	-0.12	0.24
Information ratio	-0.66	0.00
Standard dev. (%)	26.52	20.20
Tracking error (%)	12.09	0.00
Up capture (%)	101.76	100.00
Down capture (%)	114.75	100.00
Max. drawdown (%)	49.93	28.31

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	-0.19	-0.20	-0.39
Consumer Discretionary	0.14	-0.73	-0.59
Consumer Staples	0.16	-0.31	-0.15
Energy	0.12	-0.09	0.03
Financials	0.10	-0.48	-0.39
Health Care	-0.09	-1.69	-1.78
Industrials	-0.90	-0.71	-1.61
Information Technology	-0.46	-2.34	-2.80
Materials	-0.29	-0.43	-0.71
Other	0.00	0.00	0.00
Real Estate	0.07	-0.06	0.01
Utilities	-0.02	0.00	-0.02
Cash	-0.08	0.00	-0.08
Total	-1.42	-7.05	-8.47

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	-0.01	-8.11	-8.12
Africa/Mideast	0.01	0.00	0.01
Asia/Pacific Ex Japan	0.00	-0.02	-0.01
Europe	-0.26	-1.50	-1.75
Japan	-0.56	0.08	-0.48
North America	-0.11	-5.77	-5.89
Emerging	-0.14	-0.14	-0.27
Africa/Mideast	0.03	0.00	0.03
Asia/Pacific Ex Japan	-0.24	-0.12	-0.36
Europe	-0.02	0.00	-0.02
Latin America	-0.07	0.14	0.07
Cash	-0.08	0.00	-0.08
Total	-0.23	-8.25	-8.47

Performance attribution (cont'd)

Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
New Zealand	0.11	0.76	20.56
South Korea	0.09	0.57	10.11
Thailand	0.07	0.93	9.64
Mexico	0.05	0.00	0.00
France	0.05	2.34	-6.80

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
United States	-5.93	52.60	-7.00
Germany	-0.94	1.83	-43.74
Japan	-0.48	13.39	-3.12
United Kingdom	-0.42	6.44	-4.06
China	-0.30	0.74	-22.02

Unless otherwise specified, all information is as of 06/30/24. Unless stated otherwise, Index refers to MSCI ACWI SMID Cap Index (USD).

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.

To the extent an investment focuses on securities issued or guaranteed by companies in a particular industry, the investment's performance will depend on the overall condition of those industries, which may be affected by the following factors: the supply of short-term financing, changes in government regulation and interest rates, and overall economy.

Fixed-income investments are subject to credit risk of the issuer and the effects of changing interest rates.

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.

Junk bonds have greater risk of default or price changes due to changes in the issuer's credit quality. Junk bond values fluctuate more than high quality bonds and can decline significantly over a short time.

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.