

Invesco EQV International Equity Fund

Q2 2024

Key takeaways

1 The fund underperformed its benchmark
Class A shares underperformed the MSCI ACWI ex USA Index. Stock selection in consumer staples, health care, industrials and materials detracted from relative performance for the quarter, as did overweights in consumer staples and industrials.

2 Bottom-up stock selection focused on EQV (Earnings, Quality, Valuation) characteristics
During the quarter, we initiated three new positions and exited one stock based on our EQV fundamentals. Our actively managed, bottom-up stock selection drives the fund's sector, country and regional allocations.

3 We remain focused on a long-term investment horizon
Regardless of the macroeconomic environment, we remain focused on applying our well-established, long-term, bottom-up EQV investment process that seeks to identify attractively valued, high quality growth companies.

Investment objective

The fund seeks long-term growth of capital.

Fund facts

| | |
|----------------|----------|
| Fund AUM (\$M) | 2,723.75 |
|----------------|----------|

Portfolio managers

Brently Bates, Mark Jason, Mark McDonnell, Michael Shaman, Richard Nield

Manager perspective and outlook

- Despite a notable decline in April, global equities had a positive return for the second quarter as investors appeared to continue anticipating central bank interest rates cuts. Some central banks, including the European Central Bank and the Bank of Canada, have started to ease monetary policy. Others have kept rates the same amid sticky inflation in the services sectors. In this environment, developed market equities performed well, primarily driven by US growth stocks, specifically stocks related to artificial intelligence (AI). In contrast, value stocks led returns in the UK and Europe. French equities were weak due to apparent concerns about the outcome of the country's snap election and this affected equity results in the European region. Emerging market equity returns were positive for the quarter, outperforming developed market equities, driven by equity gains in Taiwan and China.
- Though global equities have continued to rise in some regions, we believe it is important to acknowledge that monetary policy has remained uncertain. Other potential risks include ongoing geopolitical tensions and elections around the globe, which may create market headwinds and may increase volatility. In this environment, we believe equity investors may focus on the type of high quality and traditional investment fundamentals that are central to the fund's balanced EQV investment philosophy.



Top issuers

(% of total net assets)

| | Fund | Index |
|---|------|-------|
| Taiwan Semiconductor Manufacturing Co Ltd | 3.71 | 2.82 |
| Investor AB | 3.26 | 0.18 |
| Novo Nordisk A/S | 3.26 | 1.81 |
| RELX PLC | 2.84 | 0.33 |
| ICON PLC | 2.40 | 0.00 |
| Broadcom Inc | 2.32 | 0.00 |
| HDFC Bank Ltd | 2.30 | 0.22 |
| CGI Inc | 2.21 | 0.08 |
| ASML Holding NV | 2.19 | 1.59 |
| Schneider Electric SE | 2.08 | 0.50 |

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

Portfolio positioning

During the quarter, we initiated positions in the following stocks:

Teva Pharmaceutical Industries is a global pharmaceutical business focused on generics, biosimilars and specialty medicines. While best known as a leading generics manufacturer, Teva has been building a substantial pipeline of branded drugs. After a period of transformation, we believe Teva represents an improving earnings and quality story. Management's outlook includes accelerating topline growth, rising profit margins, lower financial leverage and a valuation multiple that we believe has plenty of room for upside.

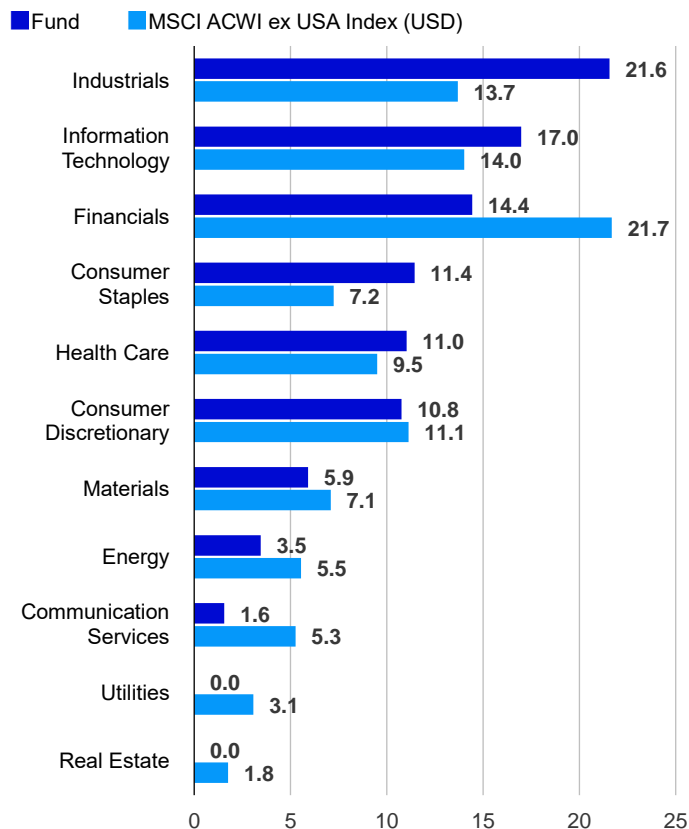
Shenzhen Inovance Technology is a China-based leader in industrial automation products with market share gains in a structurally growing industry. The company has been a key beneficiary of domestic substitution of foreign brands. We believe its return on equity is attractive and it has a healthy balance sheet with negligible debt levels. Valuation has been appealing in part due to the automation industry's recent weakness. However, we see signs that industry demand/growth rates are improving.

Edenred is French payment service provider that specializes in pre-paid benefits such as tax advantaged employee meal vouchers or fuel cards. Edenred has a history of robust topline growth and attractive returns on capital. Recently, the company's historic valuation premium fell to a market discount due to concerns about the visibility and duration of its profitable growth algorithm. After reviewing regulatory risk, the competitive landscape, and the impact of moderating interest rates, we believe Edenred is likely to continue a path of profitable growth.

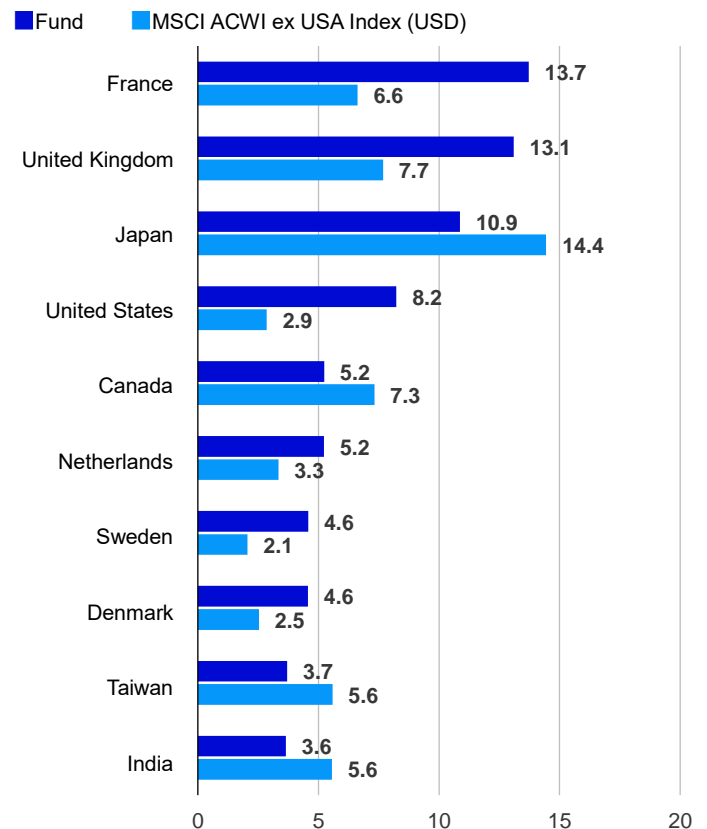
We sold the fund's position in Swedish industrials company **Sandvik** as valuation increased due to the market's apparently favorable outlook for cyclical businesses. We exited the fund's position to make room for businesses we believe have better risk-adjusted return potential.

We trimmed the fund's position in information technology company **Broadcom** to manage position size given the stock's strong performance. We believe the company's outlook remains favorable. We also trimmed the fund's holding in consumer staples company **Walmart de Mexico (Walmex)** following the announcement of a new CEO. We do not necessarily expect any change to strategic direction but chose to reduce the risk by reducing exposure. We also trimmed the Walmex position following Mexico's election.

Sector breakdown (% of total net assets)



Top countries (% of total net assets)



Top contributors (%)

| Issuer | Return | Contrib. to return |
|--|--------|--------------------|
| Taiwan Semiconductor Manufacturing Company Limited | 22.80 | 0.66 |
| Broadcom Inc. | 21.53 | 0.51 |
| Novo Nordisk A/S | 13.26 | 0.38 |
| Investor AB | 10.47 | 0.35 |
| HDFC Bank Ltd. | 16.16 | 0.31 |

Top detractors (%)

| Issuer | Return | Contrib. to return |
|---------------------------------------|--------|--------------------|
| Wal-Mart de Mexico, S.A.B. de C.V. | -15.53 | -0.45 |
| Tokyo Electron Ltd. | -17.02 | -0.29 |
| M3, Inc. | -32.49 | -0.29 |
| LVMH Moët Hennessy Louis Vuitton SE | -14.26 | -0.28 |
| Techtronic Industries Company Limited | -14.94 | -0.26 |

Performance highlights

Stock selection in consumer discretionary and financials contributed to relative performance. Having no exposure in real estate also added to relative results. Geographically, stock selection in Australia, Brazil and Sweden were among the largest contributors to relative results.

Stock selection in consumer staples, health care, industrials and materials were the largest detractors from relative results. Overweights in consumer staples and industrials hampered relative return as well. Geographically, stock selection in China and the UK detracted from relative return. An underweight in China and overweights in France and Mexico negatively affected relative results.

Contributors to performance

Below are some of the largest contributors to absolute return for the quarter:

Taiwan Semiconductor's technology roadmap and financial performance have remained strong, and the company has continued to benefit from increased AI demand and a better pricing outlook.

Broadcom's generative AI demand has been better than expected. The non-AI semiconductor business may be bottoming, with recovery for storage and networking expected in the second half of 2024. Broadcom noted constructive booking trends. The newly acquired VMware software business has been generating better-than-expected revenue, and the company is executing on cost synergies as planned.

Novo Nordisk is a Danish pharmaceuticals business exposed to robust structural growth trends given rising incidence of diabetes and obesity. Novo has benefited from demand for its differentiated GLP-1 products for diabetes and more recently from accelerating demand for Wegovy, its GLP-1 drug to treat obesity.

Detractors from performance

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

Walmex's overall fundamentals have remained strong, underpinned by market share gains and robust ecommerce growth. However, as previously mentioned, an unexpected CEO change and a broad sell-off in Mexico's equity market following June presidential and congressional elections led to a pullback in the company's share price.

Tokyo Electron is a Japan-based electronics and semiconductor company. Demand for its semiconductor production equipment has remained strong. While the stock's quarterly return was positive in local currency, the return in US dollars was negative due to depreciation of the yen.

M3 is a leading online platform for doctors to find information about drugs and medical care in Japan. Headline results in the recent quarter were weak as the business has continued to normalize from extraordinary revenues during the COVID era. Industry data has been starting to show signs of stabilization in online pharmaceutical marketing, where M3 has a leading market share.

Standardized performance (%) as of June 30, 2024

| | | Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since inception |
|--|-----------------------|---------|-------|---------------------|---------------------|---------------------|---------------------|-----------------|
| Class A shares inception: 04/07/92 | NAV | -1.60 | 2.63 | 6.82 | -0.80 | 4.69 | 3.57 | 6.91 |
| | Max. Load 5.5% | -7.03 | -3.02 | 0.93 | -2.65 | 3.51 | 2.99 | 6.72 |
| Class R6 shares inception: 09/24/12 | NAV | -1.51 | 2.82 | 7.26 | -0.41 | 5.12 | 4.00 | 5.73 |
| Class Y shares inception: 10/03/08 | NAV | -1.55 | 2.71 | 7.06 | -0.57 | 4.95 | 3.83 | 6.16 |
| MSCI ACWI ex USA Index (USD) | | 0.96 | 5.69 | 11.62 | 0.46 | 5.55 | 3.84 | - |
| Total return ranking vs. Morningstar Foreign Large Growth category (Class A shares at NAV) | | - | - | 74% (287 of 398) | 45% (145 of 383) | 76% (253 of 334) | 89% (197 of 224) | - |

Expense ratios per the current prospectus: Class A: Net: 1.27%, Total: 1.27%; Class R6: Net: 0.86%, Total: 0.86%; Class Y: Net: 1.02%, Total: 1.02%.

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. 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 | -0.10 | -2.60 | -0.88 | 22.63 | -15.34 | 27.95 | 13.36 | 5.52 | -18.53 | 17.53 |
| Class R6 shares at NAV | 0.37 | -2.21 | -0.47 | 23.16 | -14.99 | 28.54 | 13.85 | 5.93 | -18.19 | 18.02 |
| Class Y shares at NAV | 0.15 | -2.34 | -0.63 | 22.94 | -15.12 | 28.30 | 13.65 | 5.77 | -18.33 | 17.87 |
| 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 | 2,159 |
| Top 10 issuers (% of AUM) | 26.56 | 13.02 |
| Wtd. avg. mkt. cap (\$M) | 136,272 | 110,759 |
| Price/earnings | 21.44 | 15.79 |
| Price to book | 2.97 | 1.95 |
| Est. 3 – 5 year EPS growth (%) | 12.87 | 11.83 |
| ROE (%) | 17.92 | 15.25 |
| Long-term debt to capital (%) | 28.39 | 27.72 |
| Operating margin (%) | 21.93 | 19.12 |

Risk statistics (5 year)*

| | Fund | Index |
|--------------------|--------|--------|
| Alpha (%) | -0.67 | 0.00 |
| Beta | 0.97 | 1.00 |
| Sharpe ratio | 0.14 | 0.20 |
| Information ratio | -0.18 | 0.00 |
| Standard dev. (%) | 17.46 | 17.25 |
| Tracking error (%) | 4.75 | 0.00 |
| Up capture (%) | 98.77 | 100.00 |
| Down capture (%) | 101.73 | 100.00 |
| Max. drawdown (%) | 29.23 | 27.87 |

Quarterly performance attribution

Sector performance analysis (%)

| Sector | Allocation effect | Selection effect | Total effect |
|------------------------|-------------------|------------------|--------------|
| Communication Services | -0.10 | -0.11 | -0.21 |
| Consumer Discretionary | 0.06 | 0.48 | 0.54 |
| Consumer Staples | -0.12 | -0.95 | -1.08 |
| Energy | -0.02 | 0.08 | 0.06 |
| Financials | -0.12 | 0.39 | 0.27 |
| Health Care | 0.04 | -0.69 | -0.64 |
| Industrials | -0.11 | -0.49 | -0.60 |
| Information Technology | 0.14 | -0.36 | -0.23 |
| Materials | 0.05 | -0.54 | -0.49 |
| Other | 0.00 | 0.00 | 0.00 |
| Real Estate | 0.11 | 0.00 | 0.11 |
| Utilities | -0.04 | 0.00 | -0.04 |
| Cash | 0.02 | 0.00 | 0.02 |
| Total | -0.11 | -2.18 | -2.29 |

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 | -0.16 | -0.68 | -0.84 |
| Africa/Mideast | 0.03 | -0.04 | -0.01 |
| Asia/Pacific Ex Japan | 0.00 | 0.01 | 0.01 |
| Europe | -0.06 | -0.32 | -0.38 |
| Japan | 0.18 | -0.32 | -0.14 |
| North America | -0.14 | -0.17 | -0.31 |
| Emerging | -0.49 | -0.98 | -1.47 |
| Africa/Mideast | 0.03 | 0.00 | 0.03 |
| Asia/Pacific Ex Japan | -0.67 | -0.67 | -1.34 |
| Europe | -0.06 | 0.00 | -0.06 |
| Latin America | -0.32 | 0.22 | -0.11 |
| Cash | 0.02 | 0.00 | 0.02 |
| Total | -0.63 | -1.66 | -2.29 |

Performance attribution (cont'd)

Performance analysis by country — top 5 (%)

| | Total effect | Avg. weight | Total return |
|-----------|--------------|-------------|--------------|
| Australia | 0.25 | 2.42 | 12.12 |
| Brazil | 0.23 | 2.09 | 2.82 |
| Sweden | 0.20 | 4.74 | 5.79 |
| Germany | 0.14 | 0.80 | 2.10 |
| Italy | 0.14 | 1.68 | 4.09 |

Performance analysis by country — bottom 5 (%)

| | Total effect | Avg. weight | Total return |
|----------------|--------------|-------------|--------------|
| China | -1.18 | 3.84 | -16.80 |
| France | -0.52 | 13.82 | -7.27 |
| Mexico | -0.33 | 2.50 | -15.53 |
| United Kingdom | -0.31 | 13.44 | 0.88 |
| Hong Kong | -0.28 | 2.99 | -10.80 |

Unless otherwise specified, all information is as of 06/30/24. 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.

• On February 28, 2022, Invesco International Growth Fund was renamed Invesco EQV International Equity Fund. Please see prospectus for more information.

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

The fund may use leverage to seek to enhance income, which creates the likelihood of greater volatility of the fund's shares and may also impair the ability to maintain its qualification for federal income tax purposes as a regulated investment company.

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 investments.

Growth stocks tend to be more sensitive to changes in their earnings and can be more volatile.

The Fund's value may be affected by changes in the stock markets. Stock markets may experience significant short-term volatility and may fall or rise sharply at times. Adverse events in any part of the equity or fixed-income markets may have unexpected negative effects on other market segments. Different stock markets may behave differently from each other and U.S. stock markets may move in the opposite direction from one or more foreign stock markets.

Stocks of medium-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to resale.

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.

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.

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

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

Source: ©2024 Morningstar Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers. It may not be copied or distributed and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Open-end mutual funds and exchange-traded funds are considered a single population for comparison purposes. Had fees not been waived and/or expenses reimbursed currently or in the past, the ranking would have been lower. Rankings for other share classes may differ due to different performance characteristics.

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.