

Invesco EQV International Equity Fund

Q1 2024

Key takeaways

- 1 The fund underperformed its benchmark**

Class A shares underperformed the MSCI ACWI ex USA Index. Stock selection in financials, consumer staples and consumer discretionary detracted from relative performance for the quarter, as did an overweight in consumer staples.
- 2 Bottom-up stock selection focused on EQV (Earnings, Quality, Valuation) characteristics**

During the quarter, we initiated six new positions and exited six stocks 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)	2,867.24
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Portfolio managers

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

Manager perspective and outlook

- Global equity returns were mostly positive for the first quarter, with developed equities outperforming emerging market equities. Japanese equities were among the best-performing developed markets, benefiting from the weakening yen and corporate governance regulatory reforms. After almost two decades, the Bank of Japan raised its benchmark interest rate, ending negative interest rates. US equities also performed well during the quarter, led by mega-cap growth stocks. Within emerging market equities, Latin America stocks were weak. Chinese equities also ended the quarter in negative territory, despite a February rebound that followed several positive government actions.
- Though global equity markets have moved higher on improving investor confidence, we believe it is important to acknowledge that monetary policy remains uncertain and there is no guarantee of a soft economic landing. Potential risks in 2024 include ongoing geopolitical tensions and elections around the globe. Following robust global equity returns, these potential risks may create market headwinds and may increase volatility as investors look for confirmation of a positive market transition. Consequently, 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
Investor AB	3.37	0.17
Broadcom Inc	3.22	0.00
Wal-Mart de Mexico SAB de CV	3.06	0.08
Novo Nordisk A/S	2.99	1.59
Taiwan Semiconductor Manufacturing Co Ltd	2.96	2.30
ICON PLC	2.75	0.00
RELX PLC	2.64	0.31
Techtronic Industries Co Ltd	2.57	0.07
CGI Inc	2.31	0.09
LVMH Moët Hennessy Louis Vuitton SE	2.19	0.95

As of 03/31/24. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

During the quarter, we initiated several positions, including the following stocks:

Coloplast is a Danish developer of ostomy, continence, laryngectomy and interventional urology products and services. We believe Coloplast's organic growth may reaccelerate after a few challenging years, supported by several new product launches and the recent acquisition of Kerecis (specialized wound care company). We took advantage of a decline in the stock price to initiate a position.

TOTVS is a Brazilian software company with leadership in enterprise resource planning, payroll and accounting software for small to medium-sized enterprises. Rising IT spending in Brazil and the company's ability to cross sell new products to existing customers have supported the company's revenue growth. We believe TOTVS' high levels of recurring revenue and pricing power are key strengths.

Canadian Pacific Kansas City (CPKC) is the only single-line railway connecting all three North American Free Trade Agreement (NAFTA) countries. The shares have lagged over the last couple of years due to a modest economic environment, but we believe earnings may grow due to the combination of structural industry growth and synergies from the recent merger between Canadian Pacific and Kansas City Southern.

London Stock Exchange Group (LSEG) is a British financial markets information services and market infrastructure company that owns London Stock Exchange, FTSE Russell, Refinitiv and majority stakes in Tradeweb and London Clearing House (LCH). We believe LSEG has had a much-improved business model since the Refinitiv acquisition as a larger contribution from higher quality data and analytics solutions drives recurring revenue.

We sold several stocks, including the following:

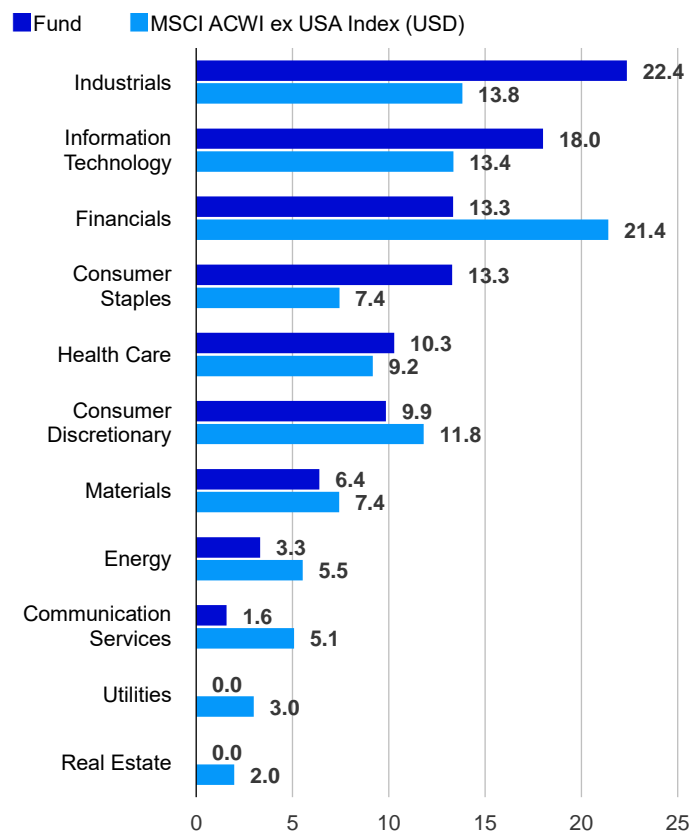
Amadeus IT is a Spanish travel technology company. Deteriorating earnings and quality led us to exit the stock to make way for better EQV opportunities.

Magna International is a Canadian auto parts manufacturer that has experienced deteriorating earnings and quality characteristics.

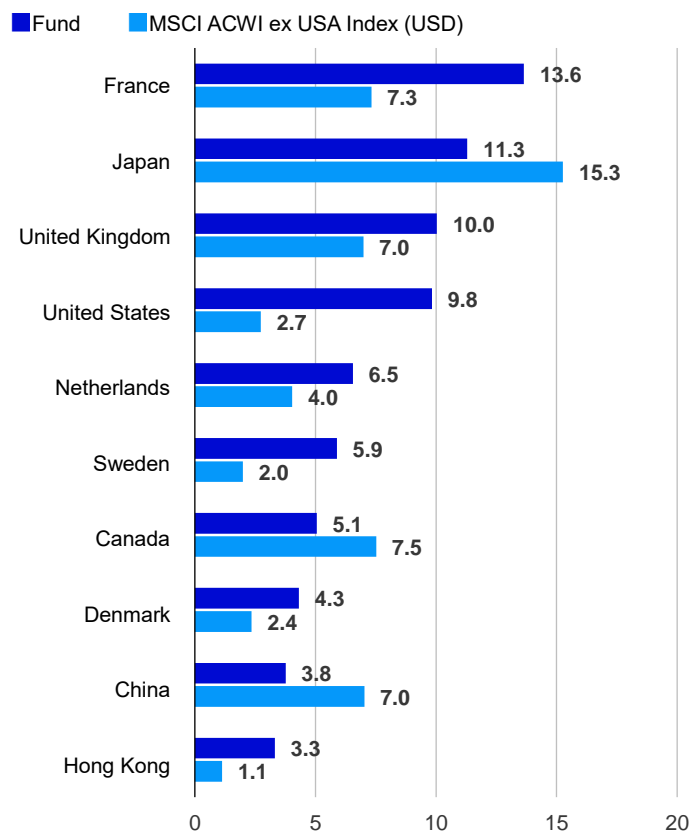
Yum China is a Chinese fast-food company. We exited the stock due to increased competition in the restaurant channel that has negatively affected same store sales.

B3 is a Brazilian stock exchange operator. We exited because cost pressures and a rising mix of data analytics business may lead to structurally lower profit margins.

Sector breakdown (% of total net assets)



Top countries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
Tokyo Electron Ltd.	46.77	0.66
Taiwan Semiconductor Manufacturing Company Limited	26.55	0.65
Novo Nordisk A/S	24.24	0.61
Broadcom Inc.	19.23	0.60
ASML Holding NV	28.19	0.52

Top detractors (%)

Issuer	Return	Contrib. to return
HDFC Bank Ltd.	-16.60	-0.44
BayCurrent Consulting, Inc.	-40.79	-0.43
AIA Group Limited	-22.95	-0.25
Nestle S.A.	-8.24	-0.20
Yum China Holdings, Inc.	-15.32	-0.18

Performance highlights

Stock selection in materials, health care and information technology (IT) were among the largest contributors to relative performance. An underweight in materials and an overweight in IT added to relative results. Geographically, the largest contributors to relative return were the fund's US holdings (categorized by country of risk), stock selection in Denmark and an underweight in China.

Stock selection in financials, consumer staples and consumer discretionary detracted from relative results. An underweight in financials and an overweight in consumer staples hampered relative return as well. Geographically, the fund's holdings in Japan, India and Mexico underperformed those of the benchmark, detracting from relative performance. An underweight in Japan and an overweight in Mexico negatively affected relative results.

Contributors to performance

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

Sales of **Tokyo Electron's** semiconductor production equipment have been improving as supply/demand conditions for semiconductors have improved. Also, the company has been experiencing strong sales growth in China, a country that has been investing heavily in the chip sector.

Taiwan Semiconductor's technology roadmap and financial performance have remained strong and the company has continued to benefit from structural growth in generative AI.

Novo Nordisk is a Danish pharmaceuticals business exposed to strong structural growth trends given rising incidence of diabetes and obesity. Novo has benefited from strong 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:

HDFC Bank's long-term fundamentals have remained intact, with the company potentially poised to gain further market share in loans and deposits. We believe the merger with parent company HDFC Ltd. may lead to additional growth opportunities through effective cross-selling of products. However, in the first quarter, the bank's deposit growth missed expectations, which could lead to lower profit margins than originally expected for the short term. We believe the company is moving in the right direction in terms of merger integration, but it could take a little more time to optimize funding costs than originally anticipated.

BayCurrent Consulting is a Japanese IT and business consulting firm. We exited the fund's position during the quarter.

AIA is a Hong-Kong-based insurance and finance company. AIA's financial performance has remained strong so it is difficult to isolate a reason for weaker stock performance other than waning demand for Chinese investments.

Standardized performance (%) as of March 31, 2024

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
Class A shares inception: 04/07/92	NAV	4.29	4.29	11.50	0.80	6.02	4.30	7.02
	Max. Load 5.5%	-1.45	-1.45	5.38	-1.08	4.83	3.71	6.83
Class R6 shares inception: 09/24/12	NAV	4.40	4.40	11.94	1.20	6.46	4.73	5.99
Class Y shares inception: 10/03/08	NAV	4.32	4.32	11.79	1.04	6.28	4.56	6.37
MSCI ACWI ex USA Index (USD)		4.69	4.69	13.26	1.94	5.97	4.25	-
Total return ranking vs. Morningstar Foreign Large Growth category (Class A shares at NAV)		-	-	60% (221 of 407)	47% (152 of 383)	70% (222 of 330)	79% (183 of 226)	-

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	64	2,231
Top 10 issuers (% of AUM)	28.06	12.17
Wtd. avg. mkt. cap (\$M)	129,735	101,182
Price/earnings	20.37	16.07
Price to book	3.08	1.96
Est. 3 – 5 year EPS growth (%)	11.37	10.31
ROE (%)	18.54	15.05
Long-term debt to capital (%)	27.20	28.13
Operating margin (%)	22.55	19.18

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	0.21	0.00
Beta	0.98	1.00
Sharpe ratio	0.22	0.22
Information ratio	0.01	0.00
Standard dev. (%)	17.85	17.58
Tracking error (%)	4.71	0.00
Up capture (%)	101.43	100.00
Down capture (%)	100.41	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	0.22	0.31
Consumer Discretionary	0.01	-0.80	-0.78
Consumer Staples	-0.53	-0.28	-0.80
Energy	-0.01	-0.07	-0.09
Financials	-0.10	-1.24	-1.34
Health Care	-0.04	0.87	0.84
Industrials	0.18	-0.22	-0.04
Information Technology	0.27	0.50	0.76
Materials	0.10	0.81	0.91
Other	0.00	0.00	0.00
Real Estate	0.10	0.00	0.10
Utilities	0.25	0.00	0.25
Cash	-0.13	0.00	-0.13
Total	0.19	-0.21	-0.02

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	0.08	0.48	0.56
Africa/Mideast	-0.03	0.00	-0.03
Asia/Pacific Ex Japan	0.09	0.19	0.28
Europe	0.07	0.17	0.24
Japan	-0.17	-1.22	-1.39
North America	-0.06	1.52	1.46
Emerging	0.23	-0.67	-0.44
Africa/Mideast	0.14	0.00	0.14
Asia/Pacific Ex Japan	0.10	-0.19	-0.09
Europe	-0.01	0.00	-0.01
Latin America	-0.23	-0.25	-0.49
Cash	-0.13	0.00	-0.13
Total	0.18	-0.20	-0.02

Performance attribution (cont'd)

Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
United States	1.36	9.32	19.54
Denmark	0.35	3.57	24.05
China	0.20	3.97	-0.64
Hong Kong	0.17	2.96	2.19
Sweden	0.16	5.92	6.24

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
Japan	-1.39	11.58	0.76
India	-0.56	3.24	-9.54
Mexico	-0.27	3.09	-4.62
Italy	-0.26	2.03	-0.07
Spain	-0.23	0.84	-12.16

Unless otherwise specified, all information is as of 03/31/24. 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

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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.