

Invesco EQV International Equity Fund

Q2 2025

Key takeaways

- 1 The fund underperformed its benchmark**
 Many of the quality characteristics we seek in companies through our bottom-up EQV investment process were out of favor during the quarter. Quality stocks, as represented by the MSCI ACWI ex USA Quality Index, lagged the broader MSCI ACWI ex USA Index for the quarter.¹
- 2 Bottom-up stock selection focused on EQV (Earnings, Quality, Valuation) characteristics**
 During the quarter, we initiated seven new positions and exited two 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) 2,495.37

Portfolio managers

Amrita Dukeshier, Brently Bates, Mark McDonnell, Michael Shaman, Richard Nield

Manager perspective and outlook

- Tariff uncertainty appeared to lead to increased volatility in the second quarter of 2025. April was particularly volatile due to the Trump administration announcing larger-than-expected US tariffs on April 2nd. The tariff news affected global stocks, bonds and currencies. Following April's volatility, stocks rebounded as the administration paused the planned tariff increases, easing trade tensions and seemingly boosting investor sentiment. While US stocks recovered during the quarter, the US dollar continued to weaken. In this market environment, both developed and emerging market equities recorded solid gains. Growth stocks outpaced value stocks, largely due to gains in technology. Emerging market equities benefited from the US dollar's depreciation, particularly some Asian countries, including South Korea and Taiwan. Conversely, energy stocks declined for the quarter as OPEC's (Organization of Petroleum Exporting Countries) announcement of increased production weighed on oil prices.
- Our team remains focused on applying our long-term, bottom-up EQV investment process that seeks to identify attractively valued, high quality growth companies. We expect geopolitical and macroeconomic concerns to remain elevated, which has previously favored our conservative quality growth approach. We remain optimistic that our EQV style is well-positioned for the current environment.



For more information, including prospectus and factsheet, please visit [Invesco.com/AIEX](https://www.invesco.com/AIEX)

1. 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. Second quarter return of the Index was 12.03%.

Top issuers

(% of total net assets)

	Fund	Index
Taiwan Semiconductor Manufacturing Co Ltd	3.66	2.98
Investor AB	3.23	0.17
HDFC Bank Ltd	2.26	0.44
RELX PLC	2.21	0.33
RB Global Inc	2.14	0.07
FinecoBank Banca Fineco SpA	1.97	0.05
Keyence Corp	1.94	0.26
Sony Group Corp	1.88	0.53
BAE Systems PLC	1.78	0.26
Techtronic Industries Co Ltd	1.75	0.05

As of 06/30/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

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

KB Financial is a major banking group in South Korea that has been benefiting from the country's Value-Up program, an initiative aimed at enhancing corporate governance. The company has committed to progressively increasing total shareholder payouts, which may continue to rise over time. South Korea's banking industry, and KB Financial in particular, has undergone structural improvements, including reduction of balance sheet risk and enhanced operational stability and efficiency.

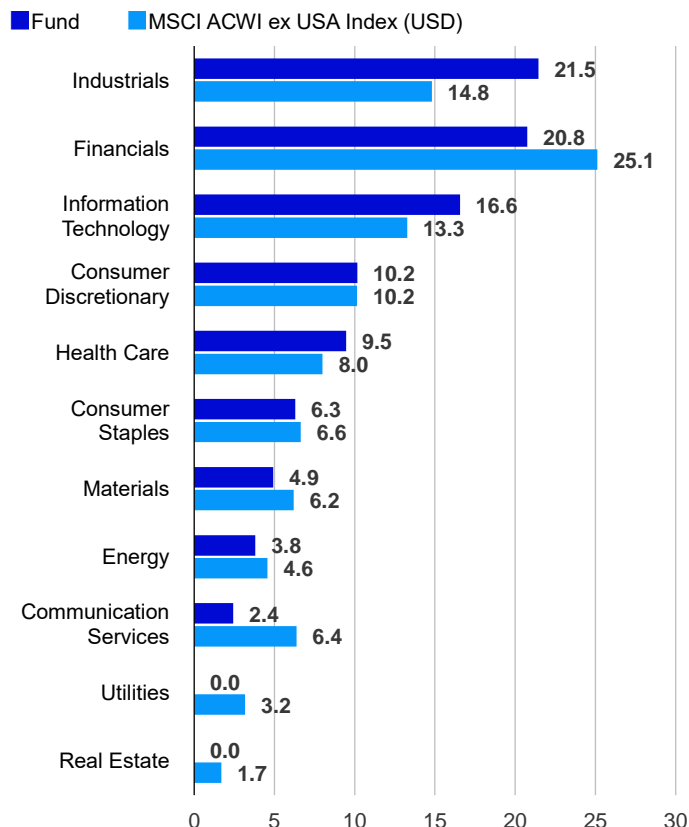
Recruit is a Japan-based human resources technology company. It operates Japan's leading personnel recruitment and temporary staffing businesses and is also a major player in online service listing and matching platforms. Among its portfolio of businesses, Recruit owns Indeed, the world's leading job advertisement search engine. In the US, job openings have normalized to approximately pre-COVID levels, creating in our view a more stable foundation for potential future growth. Additionally, Indeed's introduction of new products and pricing models has improved revenue performance. Meanwhile, we believe the overall quality of Recruit's business has strengthened. Enhanced cost efficiency and an increase in share buybacks may support higher profit margins and improved return on equity.

Roche is in our opinion a high quality pharmaceutical company with a robust product pipeline and numerous opportunities for success, alongside a dominant diagnostics business. The current valuation appears to underappreciate the potential of its improving pharmaceutical pipeline, particularly in light of tempered expectations for several key drugs. Meanwhile, we believe the diagnostics division has continued to support stable, long-term growth. Roche has maintained a healthy balance sheet and has generated substantial cash flow.

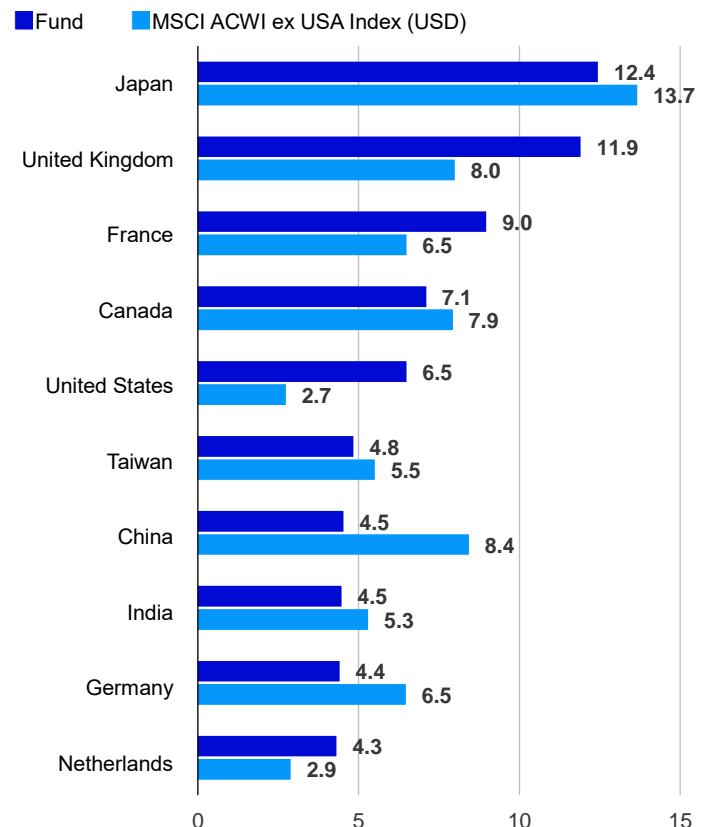
We also bought Belgium-based brewing company **Anheuser-Busch InBev**, Spain-based retail and small- and medium enterprises bank **Bankinter**, Germany-based multinational building materials company **Heidelberg Materials**, and France-based multinational bank and financial services company **BNP Paribas**.

We sold Switzerland-based testing and inspection services company **SGS** due deteriorating growth trends as globalization trends have reversed. We also sold France-based spirits company **Pernod Ricard**. Headwinds in the business, which we thought were cyclical, have started to look more structural.

Sector breakdown (% of total net assets)



Top countries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
Taiwan Semiconductor Manufacturing Company Limited	32.97	0.92
Celestica Inc.	97.69	0.74
Broadcom Inc.	65.02	0.73
Tokyo Electron Limited	42.50	0.53
BAE Systems plc	29.97	0.47

Top detractors (%)

Issuer	Return	Contrib. to return
ICON plc	-16.88	-0.29
LVMH Moët Hennessy Louis Vuitton SE	-14.22	-0.24
Meituan	-20.29	-0.18
Trip.com Group Limited	-8.55	-0.17
Shenzhen Inovance Technology Co., Ltd	-3.53	-0.09

Performance highlights

Fund holdings in the information technology (IT) sector outperformed those of the benchmark index, contributing the most to relative performance. An overweight in IT and an underweight in energy also added to relative results. Geographically, stock selection in Brazil, India and the UK contributed to relative performance.

Stock selection in industrials detracted the most from relative results. Fund holdings in financials and health care underperformed those of the benchmark, also detracting from relative return. An overweight in health care hampered relative return as well. Geographically, stock selection in Japan, South Korea, Sweden and Germany detracted from relative results, as did an underweight in South Korea.

Contributors to performance

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

Taiwan Semiconductor's stock responded positively to strong first quarter results and a favorable outlook for artificial intelligence (AI)-related demand. The company has also seemingly eased investor concerns about a potential slowdown in AI demand and the effect of tariffs on customer orders.

Celestica, a Canada-based leader in electronics manufacturing services (EMS), has benefited from the rising AI capital expenditures of major hyperscalers and AI companies building large-scale data centers.

Broadcom, a prominent supplier of semiconductor and infrastructure software

solutions, has seen strengthening demand for its application-specific processors and networking semiconductors, which are critical for supporting AI applications.

Detractors from performance

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

ICON is an Ireland-based contract research organization that has been affected by reduced spending by large pharmaceutical companies, a slowdown in vaccine-related contracts and a challenging biotech funding environment. While the demand environment has remained difficult, growth expectations have seemingly moderated, and the current valuation appears to reflect many of the transitory challenges facing the industry.

LVMH Moët Hennessy Louis Vuitton is a French luxury goods company that has been affected by a slower consumer spending across fashion and leather goods, as well as wines and spirits. Visibility into a luxury demand recovery in our view remains limited as consumers appear to continue to pull back. However, LVMH has continued to invest in its core brands while also taking steps to manage costs in a softer revenue environment.

Trip.com is China's leading online travel agency. Accelerated investment in its international business may temporarily compress profit margins but also in our view positions the company for better long-term growth. Potential competitive pressure from JD.com (not a fund holding) has contributed to recent share price weakness as well.

Standardized performance (%) as of June 30, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 04/07/92	NAV	10.06	11.35	8.83	10.94	6.90	4.74	6.97
	Max. Load 5.5%	3.99	5.23	2.86	8.86	5.70	4.15	6.78
Class R6 shares inception: 09/24/12	NAV	10.22	11.62	9.33	11.39	7.34	5.18	6.00
Class Y shares inception: 10/03/08	NAV	10.14	11.53	9.17	11.21	7.18	5.01	6.34
MSCI ACWI ex USA Index (USD)		12.03	17.90	17.72	13.99	10.13	6.12	-
Total return ranking vs. Morningstar Foreign Large Growth category (Class A shares at NAV)		-	-	83% (328 of 388)	77% (280 of 365)	62% (203 of 333)	90% (200 of 222)	-

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 (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Class A shares at NAV	-2.60	-0.88	22.63	-15.34	27.95	13.36	5.52	-18.53	17.53	0.31
Class R6 shares at NAV	-2.21	-0.47	23.16	-14.99	28.54	13.85	5.93	-18.19	18.02	0.70
Class Y shares at NAV	-2.34	-0.63	22.94	-15.12	28.30	13.65	5.77	-18.33	17.87	0.53
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	80	1,981
Top 10 issuers (% of AUM)	23.70	11.12
Wtd. avg. mkt. cap (\$M)	133,980	117,697
Price/earnings	19.71	16.04
Price to book	2.73	2.04
Est. 3 – 5 year EPS growth (%)	10.62	10.48
ROE (%)	17.46	15.76
Long-term debt to capital (%)	27.63	28.26
Operating margin (%)	22.11	19.71

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-2.78	0.00
Beta	0.99	1.00
Sharpe ratio	0.26	0.48
Information ratio	-0.67	0.00
Standard dev. (%)	15.73	15.16
Tracking error (%)	4.79	0.00
Up capture (%)	94.01	100.00
Down capture (%)	107.93	100.00
Max. drawdown (%)	29.23	27.87

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	-0.09	-0.08	-0.17
Consumer Discretionary	-0.10	0.02	-0.08
Consumer Staples	0.00	-0.13	-0.13
Energy	0.15	-0.02	0.14
Financials	-0.09	-0.37	-0.46
Health Care	-0.13	-0.27	-0.40
Industrials	0.41	-1.55	-1.14
Information Technology	0.38	0.92	1.30
Materials	0.04	-0.16	-0.12
Real Estate	-0.03	0.00	-0.03
Utilities	-0.05	0.00	-0.05
Cash	-0.18	0.00	-0.18
Total	0.32	-1.64	-1.32

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	-1.59	-1.58
Africa/Mideast	0.03	-0.12	-0.09
Asia/Pacific Ex Japan	-0.01	-0.47	-0.48
Europe	-0.04	-0.62	-0.66
Japan	0.01	-0.41	-0.40
North America	0.08	-0.04	0.05
Emerging	0.03	0.42	0.45
Africa/Mideast	0.20	0.00	0.20
Asia/Pacific Ex Japan	0.01	-0.22	-0.21
Europe	-0.03	0.00	-0.03
Latin America	0.05	0.45	0.49
Cash	-0.18	0.00	-0.18
Total	-0.15	-1.17	-1.32

Performance attribution (cont'd)

Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
Brazil	0.46	2.33	33.98
India	0.35	4.48	17.08
United Kingdom	0.21	11.87	11.33
Saudi Arabia	0.20	0.00	0.00
Canada	0.18	7.69	16.43

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
Japan	-0.40	12.39	8.07
South Korea	-0.35	1.26	21.41
Sweden	-0.34	4.23	3.46
Germany	-0.33	3.77	9.77
Hong Kong	-0.28	2.74	3.04

Unless otherwise specified, all information is as of 06/30/25. 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.

• 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

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.

The risks of investing in securities of foreign issuers can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

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.

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

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.

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.