

# Invesco EQV European Equity Fund

## Q2 2025

## Key takeaways

- 1 New portfolio management team**  
Effective June 23, 2025, Zachary Sacks and Steve Smith assumed management of the fund.
- 2 The fund lagged its benchmark**  
The fund had a positive return for the quarter but underperformed the MSCI Europe Index. Performance results prior to June 23, 2025, reflect the track record of the previous management team.
- 3 Upcoming changes to the fund name, strategy and benchmarks**  
On August 22, 2025, the fund's name, its investment strategy and process, and its benchmarks will be updated. The fund's investment objective will remain unchanged. Please see below for further details.

### Investment objective

The fund seeks long-term growth of capital.

### Fund facts

Fund AUM (\$M)	432.14
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### Portfolio managers

Steve Smith, Zachary Sacks

## Manager perspective and outlook

- Tariff uncertainty led 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, seemingly easing trade tensions and 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. Conversely, energy stocks declined for the quarter as OPEC's (Organization of Petroleum Exporting Countries) announcement of increased production weighed on oil prices.
- The upcoming repositioning of Invesco EQV European Equity Fund to a new International Value strategy aligns with Invesco's commitment to offer high quality investment products that meet evolving client needs. We believe the fund, soon to be renamed Invesco International Value Fund, has the potential to provide better client outcomes across a broader landscape of international equity investment opportunities.



## Top issuers

(% of total net assets)

	Fund	Index
Roche Holding AG	3.15	1.92
Nestle SA	2.92	2.08
Shell PLC	2.69	1.68
Investor AB	2.67	0.41
Publicis Groupe SA	2.57	0.21
Deutsche Boerse AG	2.55	0.49
ASML Holding NV	2.55	2.51
FinecoBank Banca	2.52	0.11
Fineco SpA		
RELX PLC	2.41	0.80
Air Liquide SA	2.39	0.95

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

## Portfolio positioning

Effective June 23, 2025, Zachary Sacks and Steve Smith assumed management of the fund. Additionally, on August 22, 2025, the fund's name, investment strategy and process, and its benchmarks will be updated. The fund will be renamed Invesco International Value Fund. The MSCI ACWI ex USA Value Index will be its style-specific benchmark and the MSCI ACWI ex USA Index will be its broad-based benchmark. The fund's investment objective will remain unchanged.

The new portfolio managers will employ an investment process that seeks to capitalize on short-term dislocations in the market by taking a long-term approach and investing in high quality businesses trading at an appreciable discount to their estimated intrinsic values and offering potential to generate superior total returns through price appreciation and income.

Zachary and Steve are collectively supported by the Global Equities Group, consisting of 40+ additional equity investment professionals with a long history of investing in non-US equities.

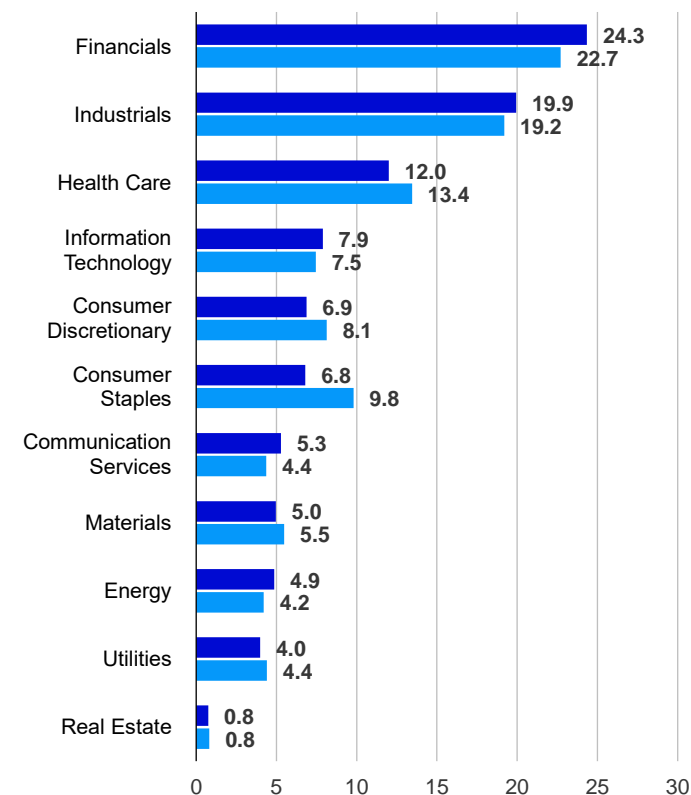
At quarter end, the fund's largest absolute sector weights were in financials, industrials and health care. The largest country exposures were the UK, France, Germany and Switzerland.

Relative to the MSCI Europe Index, the fund's largest overweights were in the financials, communication services and industrials sectors. The most significant underweights were in consumer staples, health care and consumer discretionary. Also relative to the benchmark, the fund's largest geographic overweights were in the Netherlands, France, Ireland and Sweden, while the largest underweights were in Finland, Denmark, Switzerland and Norway.

The fund's US exposure (as categorized by country of risk) includes diversified building materials company **CRH** and contract research organization **ICON**, both headquartered in Ireland, as well as global industrial gases and engineering company **Linde**, which is headquartered in the UK. These holdings have been held for many years and were originally purchased by the prior management team.

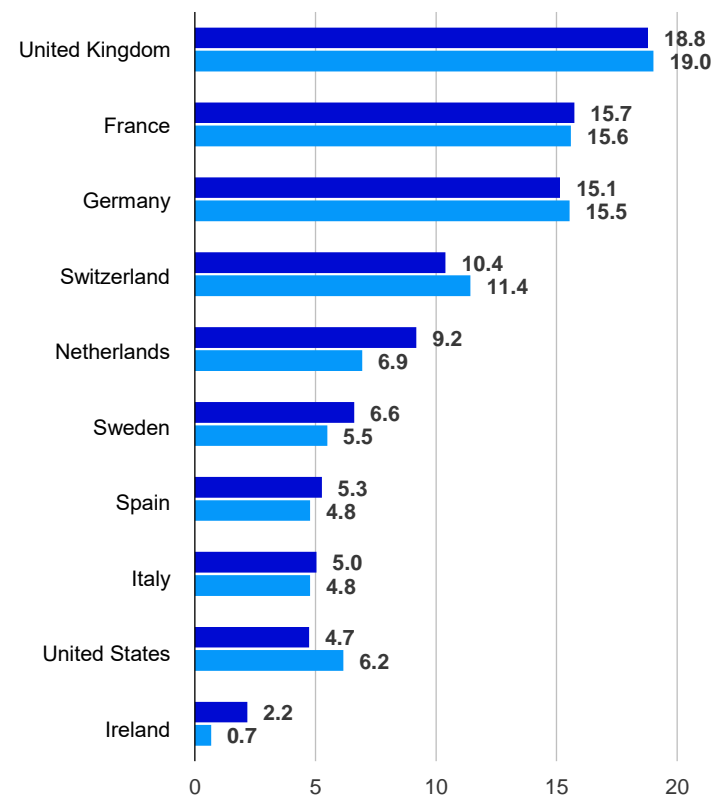
## Sector breakdown (% of total net assets)

Fund MSCI Europe Index (USD)



## Top countries (% of total net assets)

Fund MSCI Europe Index (USD)



## Top contributors (%)

Issuer	Return	Contrib. to return
Diploma PLC	34.72	0.71
BAE Systems plc	30.26	0.62
IG Group Holdings plc	16.42	0.50
ASML Holding NV	21.86	0.48
Publicis Groupe SA	19.79	0.45

## Top detractors (%)

Issuer	Return	Contrib. to return
ICON plc	-17.36	-0.32
LVMH Moët Hennessy Louis Vuitton SE	-14.58	-0.30
Shell plc	-2.62	-0.13
AstraZeneca PLC	-5.29	-0.11
DCC plc	-4.97	-0.11

## Performance highlights

The fund's consumer discretionary and information technology holdings outperformed those of the respective benchmark sectors and were the largest contributors to relative performance. Geographically, stock selection in the UK contributed the most to relative results.

Conversely, stock selection in the financials sector was the largest detractor from relative performance. An underweight in utilities hampered relative return as well. Geographically, fund holdings classified in the US (categorized by country of risk) detracted from relative performance. Stock selection in Germany and Sweden detracted from relative results, as did an underweight in Germany. In a rising equity market, the fund's cash position, which averaged 3.5% for the quarter, negatively affected relative return.

### Contributors to performance

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

**Diploma** is a British industrial distributor. The stock benefited from robust financial results and seemingly positive investor sentiment.

**BAE Systems** is a UK-based aerospace, defense and information security company that has benefited from rising global defense

spending, given NATO's commitment to higher defense spending.

**IG Group** is a British global online trading company. IG Group completed its acquisition of UK-based neobroker Freetrade (not a fund holding) during the quarter.

### 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.

**LVMH Moët Hennessy Louis Vuitton** is a French luxury goods company that has been affected by 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.

**Shell** is a leading integrated energy company headquartered in the UK. The company was affected by broader weakness in energy stocks following OPEC's announcement of increased production, which put downward pressure on oil prices.

## Standardized performance (%) as of June 30, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 11/03/97	NAV	9.58	14.99	8.03	13.73	7.26	4.00	8.40
	Max. Load 5.5%	3.55	8.66	2.08	11.61	6.05	3.42	8.18
Class R6 shares inception: 04/04/17	NAV	9.69	15.18	8.43	14.17	7.66	4.33	-
Class Y shares inception: 10/03/08	NAV	9.64	15.12	8.28	14.02	7.52	4.27	6.24
MSCI Europe Index (USD)		11.38	23.05	18.38	17.21	12.38	6.78	-
Total return ranking vs. Morningstar Europe Stock category (Class A shares at NAV)		-	-	100% (80 of 82)	85% (72 of 82)	96% (76 of 81)	99% (56 of 58)	-

Expense ratios per the current prospectus: Class A: Net: 1.41%, Total: 1.41%; Class R6: Net: 1.03%, Total: 1.03%; Class Y: Net: 1.16%, Total: 1.16%.

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. Performance shown prior to the inception date of Class R6 shares is that of Class A shares and includes the 12b-1 fees applicable to Class A shares. 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	4.57	-2.75	26.90	-18.84	24.50	-0.08	14.15	-21.70	19.66	-0.75
Class R6 shares at NAV	4.57	-2.75	27.25	-18.50	24.91	0.32	14.57	-21.41	20.12	-0.35
Class Y shares at NAV	4.82	-2.49	27.19	-18.61	24.81	0.17	14.47	-21.54	19.96	-0.50
MSCI Europe Index (USD)	-2.84	-0.40	25.51	-14.86	23.77	5.38	16.30	-15.06	19.89	1.79

### Portfolio characteristics\*

	Fund	Index
No. of holdings	61	402
Top 10 issuers (% of AUM)	26.41	19.25
Wtd. avg. mkt. cap (\$M)	109,568	108,671
Price/earnings	16.78	15.64
Price to book	2.67	2.19
Est. 3 – 5 year EPS growth (%)	9.06	10.38
ROE (%)	18.43	16.48
Long-term debt to capital (%)	34.59	35.30
Operating margin (%)	18.96	18.35

### Risk statistics (5 year)\*

	Fund	Index
Alpha (%)	-4.37	0.00
Beta	0.99	1.00
Sharpe ratio	0.25	0.54
Information ratio	-1.06	0.00
Standard dev. (%)	18.01	17.59
Tracking error (%)	4.84	0.00
Up capture (%)	88.91	100.00
Down capture (%)	108.33	100.00
Max. drawdown (%)	36.77	28.83

## Quarterly performance attribution

### Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.13	-0.24	-0.11
Consumer Discretionary	-0.10	0.51	0.41
Consumer Staples	0.14	-0.31	-0.17
Energy	0.06	-0.01	0.05
Financials	0.08	-0.83	-0.74
Health Care	0.03	-0.16	-0.13
Industrials	0.17	-0.27	-0.10
Information Technology	-0.12	0.37	0.25
Materials	0.00	-0.23	-0.23
Other	0.00	0.00	0.00
Real Estate	0.05	-0.09	-0.04
Utilities	-0.38	-0.05	-0.43
Cash	-0.31	0.00	-0.31
<b>Total</b>	<b>-0.23</b>	<b>-1.31</b>	<b>-1.54</b>

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
<b>Developed</b>	<b>0.00</b>	<b>-1.29</b>	<b>-1.29</b>
Africa/Mideast	0.01	0.00	0.01
Asia/Pacific Ex Japan	-0.01	0.00	-0.01
Europe	0.00	-0.68	-0.68
North America	-0.62	0.00	-0.62
<b>Emerging</b>	<b>0.08</b>	<b>-0.02</b>	<b>0.06</b>
Europe	0.09	-0.03	0.06
Latin America	0.00	0.00	0.00
<b>Other</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Cash</b>	<b>-0.31</b>	<b>0.00</b>	<b>-0.31</b>
<b>Total</b>	<b>-0.23</b>	<b>-1.31</b>	<b>-1.54</b>

## Performance attribution (cont'd)

### Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
United Kingdom	0.93	26.73	12.26
Italy	0.18	6.93	15.93
Hungary	0.03	1.85	11.82
Poland	0.03	0.92	18.35
Netherlands	0.03	9.08	16.97

### Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
United States	-0.62	3.33	-4.95
Germany	-0.61	9.86	12.45
Sweden	-0.33	5.26	4.09
France	-0.17	19.36	8.60
Spain	-0.15	1.88	24.63

Unless otherwise specified, all information is as of 06/30/25. Unless stated otherwise, Index refers to MSCI Europe Index (USD).

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

The MSCI Europe Index is an unmanaged index considered representative of European stocks. An investment cannot be made directly in an index.

#### About Risk

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.

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, including emerging markets, can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues. Developing markets may especially be volatile.

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.

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.**