

# Invesco European Growth Fund

## Quarterly Performance Commentary

Mutual Fund Retail Share Classes  
Data as of June 30, 2020



### Investment objective

The fund seeks long-term growth of capital.

### Portfolio management

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### Fund facts

Nasdaq	A: AEDAX	C: AEDCX
	Investor: EGINX	Y: AEDYX
Total Net Assets	\$1,014,597,448	
Total Number of Holdings	56	

Top holdings	% of total net assets
DCC	5.29
Sberbank	5.00
MorphoSys	3.40
Fincobank	3.39
Deutsche Boerse	3.38
Ultra Electronics	2.85
Prosus	2.64
Schneider Electric	2.51
IG Group	2.35
Philip Morris	2.16

Top contributors	% of total net assets
1. DCC	5.29
2. Fincobank	3.39
3. Deutsche Boerse	3.38
4. Sberbank	5.00
5. MorphoSys	3.40

Top detractors	% of total net assets
1. Ultra Electronics	2.85
2. Exor	0.00
3. Philip Morris International	2.16
4. Metropole	0.81
5. Hays	1.20

### Market overview

- + The global spread of the novel coronavirus continued into the second quarter of 2020. However, during the quarter, many countries achieved some success in controlling the spread and were able to slowly reopen their economies.
- + Global equity markets benefited from government policy response to the crisis, which was swift and encouraging. Many economies received fiscal stimulus and very significant monetary stimulus, including the Bank of England's bond buying program and the European Central Bank's Pandemic Emergency Purchase Programme (PEPP).
- + The massive monetary policy response created a second quarter environment in which investors embraced risk. European and UK equity markets rose after a deep rout in the first quarter.

### Positioning and outlook

- + We added one new holding during the quarter, Sweden-based **Sandvik** - a global leader in tooling and mining equipment (0.84% of total net assets). We exited several positions: UK-based communication services company **Informa**, French industrials company **Bureau Veritas**, Netherlands-based holdings company **Exor**, UK-based energy company **John Wood**, Italy-based **Mediobanca** and France-based materials company **Vicat** (all 0.00% of total net assets).
- + Our team has continued to follow the same long-term, bottom-up Earnings-Quality-Valuation (EQV) investment philosophy/process. Our EQV strategy is long-term oriented; therefore, we believe market corrections can provide attractive opportunities to invest in undervalued businesses.
- + After purchasing several high quality growth companies at attractive valuation levels during the first half of the year, we believe the fund could be well positioned to benefit whether the market sustains its recovery or there is a correction due to a second wave of COVID-19.

### Performance highlights

- + Invesco European Growth Fund Class A shares at net asset value (NAV) outperformed its benchmark index. (Please see the investment results table on page 2 for fund and index performance.)

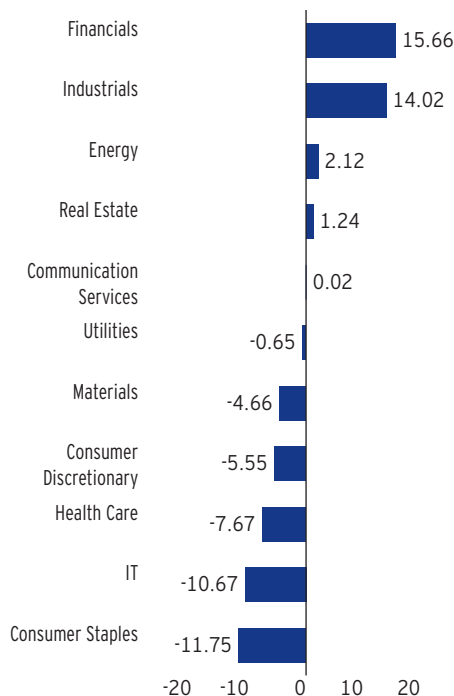
### Contributors to performance

- + Fund holdings in the financials sector outperformed those of the benchmark, adding to relative return. A meaningful overweight in the sector was beneficial as well. Italy-based financial services company **FincoBank** and Russia-based **Sberbank** were among the top contributors during the quarter.
- + Stock selection and an underweight in health care added to relative performance. German biotechnology company **MorphoSys** was a notable contributor within the sector.
- + An underweight in consumer staples added to relative results.
- + Geographically, stock selection in Italy, Switzerland and Ireland positively affected relative return. An underweight in Switzerland was also beneficial.
- + UK-based industrials company **DCC** was the fund's leading individual contributor. The company benefited from a relief rally driven by proactive central banks and an improving demand outlook for its end business segments, especially energy, as COVID-19 restrictions were lifted.

### Detractors from performance

- + The fund's information technology holdings outperformed those of the benchmark sector, but an underweight in the sector, the quarter's best performing sector, hampered relative return.
- + Stock selection in the real estate sector detracted from relative return, with UK-based global real estate services provider **Savills** a key individual detractor (2.07% of total net assets).
- + Geographically, stock selection in the Netherlands and the US (specifically, **Philip Morris International** - a US multinational company that sells exclusively outside the US) detracted from relative return.
- + Given the rising equity market, the fund's cash position dampened relative results. As a reminder, cash is a by-product of our bottom-up stock selection process.
- + UK-based industrials company **Ultra Electronics** was the largest individual detractor. Despite a relief rally in March, the stock's performance has been weak as the company faces tough competition.

**The fund's positioning versus the MSCI Europe Growth Index (% underweight/overweight)**



**Investment results**

Average annual total returns (%) as of June 30, 2020

Period	Class A Shares Inception: 11/03/97 Max Load 5.50%		Class C Shares Inception: 11/03/97 Max CDSC 1.00%		Investor Class Shares Inception: 09/30/03	Class Y Shares Inception: 10/03/08	Style-Specific Index MSCI Europe Growth Index
	NAV	NAV	NAV	NAV	NAV		
Inception	8.39	8.66	8.32	8.32	7.77	5.69	-
10 Years	5.82	6.43	5.63	5.63	6.47	6.69	8.00
5 Years	-0.29	0.85	0.10	0.10	0.91	1.11	4.92
3 Years	-3.32	-1.48	-2.21	-2.21	-1.41	-1.23	5.12
1 Year	-12.65	-7.57	-9.19	-8.29	-7.53	-7.35	2.66
Quarter	11.17	17.62	16.40	17.40	17.64	17.67	16.49

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](http://invesco.com/performance) 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, and you may have a gain or a loss when you sell shares. No contingent deferred sales charge (CDSC) will be imposed on redemptions of Class C shares following one year from the date shares were purchased. Performance shown at NAV does not include applicable CDSC or front-end sales charges, which would have reduced the performance. The Investor Class shares have no sales charge; therefore, performance is at NAV. Class Y shares have no sales charge; therefore, performance is at NAV. Returns less than one year are cumulative; all others are annualized. Fund performance reflects any applicable fee waivers and/or expense reimbursements. Had the adviser not waived fees and/or reimbursed expenses currently or in the past, returns would have been lower. See current prospectus for more information. Index returns do not reflect any fees, expenses, or sales charges. Index source: FactSet Research Systems Inc.

Expense ratios	% net	% total	Asset mix (%)
Class A Shares	1.36	1.37	Dom Common Stock 4.34
Class C Shares	2.11	2.12	Intl Common Stock 89.76
Investor Class Shares	1.30	1.31	Cash 5.50
Class Y Shares	1.11	1.12	Other 0.40

Per the current prospectus  
Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least June 30, 2021. See current prospectus for more information.

For more information you can visit us at [www.invesco.com/us](http://www.invesco.com/us)

Class Y shares and Investor Class shares are available only to certain investors. See the prospectus for more information. 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. The MSCI Europe Growth Index is an unmanaged index considered representative of European growth stocks. An investment cannot be made directly in an index.

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**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, 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 funds.

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

Stocks of small and mid-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.

**NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE**

*Before investing, investors should carefully read the prospectus and/or summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the fund(s), investors should ask their advisors for a prospectus/summary prospectus or visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus).*

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 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. Holdings are subject to change and are not buy/sell recommendations.

All data provided by Invesco unless otherwise noted.