

# Invesco Low Volatility Emerging Markets Fund

## Quarterly Performance Commentary

Mutual Fund Retail Share Classes  
Data as of Sept. 30, 2019



### Investment objective

The fund seeks long-term growth of capital.

### Portfolio management

Michael Abata, Su-Jin Fabian, Nils Huter

### Fund facts

Nasdaq	A: LVLAX	C: LVLCC Y: LVLXX
Total Net Assets	\$30,936,967	
Total Number of Holdings	107	

### Top holdings

	% of total net assets
InterGlobe Aviation	1.76
Kia Motors	1.64
Colgate Palmolive (India)	1.64
Sany Heavy Industry	1.62
Advanced Info Service	1.59
Lukoil ADR	1.57
Walmart de Mexico	1.52
JBS	1.47
Interregional Distribution Grid of Volga JSC	1.45
Norilsk Nickel	1.44

### Top contributors

	% of total net assets
1. JBS	1.47
2. Colgate-Palmolive (India)	1.64
3. Radiant Opto-Electronics	1.27
4. InterGlobe Aviation	1.76
5. Qualicorp Consultoria e Correctora de Seguros	1.26

### Top detractors

	% of total net assets
1. Power Finance	1.20
2. United Tractors	1.04
3. Kumba Iron Ore	1.22
4. NMDC	1.15
5. Tekfen	1.08

### Market overview

+ Weakening global economic data and ongoing US-China trade conflict contributed to higher market volatility in the third quarter. Data releases during the quarter showed slowing manufacturing activity and declining business investment, evidence that trade tensions were stifling economic growth across both developed and emerging markets. Global recession concerns caused a sharp equity selloff in August as investors crowded into asset classes perceived to be safe havens, including US Treasuries and gold.

In September, both the Federal Reserve and European Central Bank cut interest rates, providing a measure of support for risk assets. Growing optimism about a potential trade deal also boosted equities in September. However, except for the US and Japan, most regions declined during the quarter. Uncertainty about the UK's withdrawal from the European Union continued to weigh on UK and European equities, while political and trade issues affected areas of Latin America and Asia.

### Positioning and outlook

+ The fund currently has overweights in the consumer staples, health care, industrials, utilities and materials sectors. The fund is underweight in financials, IT and REITs.

+ From a geographic perspective, the largest overweights are in India, Brazil, Turkey, South

Korea, Russia and Mexico. The largest underweights are in Hong Kong, China and Taiwan.

+ The fund's objective is long-term growth of capital. In addition, the fund targets a level of total volatility that is less than that of its capitalization-weighted market index.

### Performance highlights

- + The fund's Class A shares at net asset value (NAV) underperformed its index in the third quarter of 2019. (Please see the investment results table on page 2 for fund and index performance.)
- + From a factor perspective, the portfolio benefited marginally as strength in Momentum and Quality factors was offset by a detraction from Value factors. The portfolio's exposure to smaller sized companies weighed on performance.
- + The most significant detractor from relative return was the fund's large underweight and stock selection in the information technology (IT) sector. In addition, stock selection in the energy, communication services and consumer discretionary sectors detracted, while the fund's overweight in materials also dragged on relative performance.
- + Stock selection in the industrials and consumer staples sectors added to relative return. The fund's underweight in financials was another key contributor.
- + Geographically, stock selection in Brazil and India boosted relative return. Stock selection in Hong Kong, Indonesia, South Korea and Taiwan detracted.

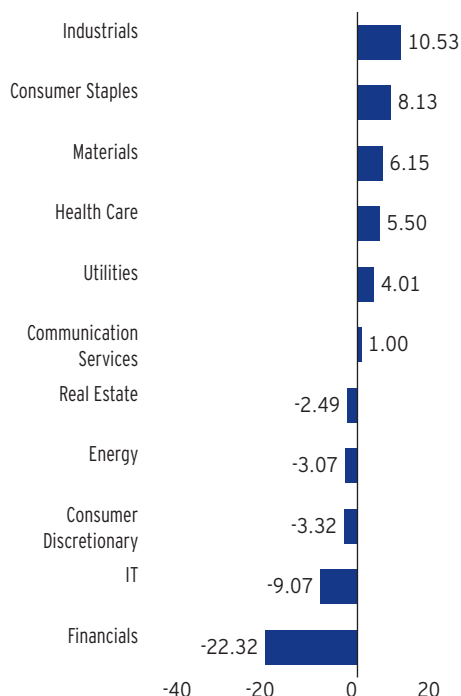
### Contributors to performance

- + The fund's top contributor for the quarter was Brazilian meatpacker, **JBS**. The company, which operates on four continents, reported strong second quarter results, driven by demand in Asia, a recovery of profit margins at its processed foods business in Brazil, and the strength of its US chicken and pork operations.
- + **InterGlobe Aviation**, an Indian airline, benefited from a strong earnings report during the quarter.

### Detractors from performance

- + Mining companies were key detractors from relative return during the quarter.
- + Indonesian mining company **United Tractors** was a key detractor, falling more than 27%.
- + **Kumba Iron Ore**, a South African mining company, also detracted as the company experienced operation challenges, largely due to unscheduled maintenance.
- + **NMDC**, an India-based company engaged in iron ore mining, declined due to a sharp drop in year-over-year sales.

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



**Investment results**

Average annual total returns (%) as of Sept. 30, 2019

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 12/17/13	NAV	Inception: 12/17/13	NAV	Inception: 12/17/13	
	<b>Max Load 5.50%</b>		<b>Max CDSC 1.00%</b>			<b>MSCI Emerging Markets Index</b>
Inception	-2.28	-1.33	-2.08	-2.08	-1.07	-
5 Years	-3.32	-2.23	-2.98	-2.98	-1.97	2.33
3 Years	-1.46	0.42	-0.37	-0.37	0.67	5.97
1 Year	-12.47	-7.32	-8.82	-8.03	-6.96	-2.02
Quarter	-11.09	-5.95	-7.04	-6.10	-5.81	-4.25

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. 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	1.33	2.25	Dom Common Stock	1.47
Class C Shares	2.08	3.00	Intl Common Stock	94.87
Class Y Shares	1.08	2.00	Cash	3.82
			Other	-0.16

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 Feb. 29, 2020. See current prospectus for more information.

A negative in Cash or Other, as of the date shown, is normally due to fund activity that has accrued or is pending settlement.

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

Class Y shares are available only to certain investors. See the prospectus for more information.

Asset allocation/diversification does not guarantee a profit or eliminate the risk of loss.

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.

Market Sentiment, Earnings Expectations and Value concepts are part of Invesco's stock selection process. Market Sentiment evaluates the price momentum of the stock. Earnings Expectations evaluates earnings momentum and earnings revisions. The Value concept evaluates how attractive valuations are in terms of cash flow yield and gross profit yield.

The MSCI Emerging Markets Index (ND) is an unmanaged index considered representative of stocks of developing countries. The index is computed using the net return, which withholds applicable taxes for non-residents investors. 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 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. Advisors, 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.