

# Invesco Asia Pacific Equity Fund

## Q1 2026

## Key takeaways

**1 The fund outperformed its benchmark**

The fund had a positive return for the quarter and outperformed the MSCI AC Asia Pacific ex Japan Index. Stock selection in energy was the largest contributor to relative return.

**2 Asian equities opportunity**

We believe Asian equities offer attractive earnings growth potential, with reasonable valuation levels across much of the universe.

**3 Geopolitics appeared to dominate market sentiment**

Geopolitical uncertainty stemming from the war in Iran and related volatility in energy and broader commodity prices appeared to influence investor sentiment and equity returns across the Asia Pacific region. However, underlying corporate fundamentals appear to have remained broadly resilient.

### Investment objective

The fund seeks long-term growth of capital.

### Fund facts

Fund AUM (\$M)	437.30
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### Portfolio managers

Charles Bond, Matthew Pigott, William Lam

## Manager perspective and outlook

- We believe Asian equities offer attractive earnings growth potential, with reasonable valuation levels across much of the universe. The Asian region, in our view, remains fertile ground for active stock pickers, with significant valuation disparity across Asian markets and genuine improvements in shareholder return policies.
- Heightened tensions in the Middle East, including conflict in Iran, appeared to be an important swing factor for Asia Pacific equity markets. Fluctuations in geopolitical risk appeared to feed directly into oil price volatility, affecting the Asian region, particularly given its heavy reliance on energy imports passing through the Strait of Hormuz. Rising energy costs offered some support to regional energy producers, but more broadly were a headwind for Asia Pacific economies. Higher input costs threatened to pressure inflation, household demand and corporate profit margins.
- Though we remain mindful of geopolitical risks and uncertainty that may come with the US government's pursuit of protectionist policies, we also believe that Asian corporations generally have healthy balance sheets and competitive advantages, which could make them more resilient than what is currently implied in valuations. Moreover, if specific global trade channels are forced to reconfigure away from China, other Asian countries could benefit, which would likely foster further trade growth within the Asia region.



## Top issuers

(% of total market value)

	Fund	Index
Taiwan Semiconductor Manufacturing Co Ltd	9.97	13.22
Samsung Electronics Co Ltd	8.17	5.63
Tencent Holdings Ltd	5.11	3.84
Woodside Energy Group Ltd	3.40	0.44
Kasikornbank PCL	3.32	0.03
NetEase Inc	3.20	0.37
HDFC Bank Ltd	3.16	0.86
United Overseas Bank Ltd	3.06	0.35
AIA Group Ltd	2.91	1.11
H World Group Ltd	2.32	0.10

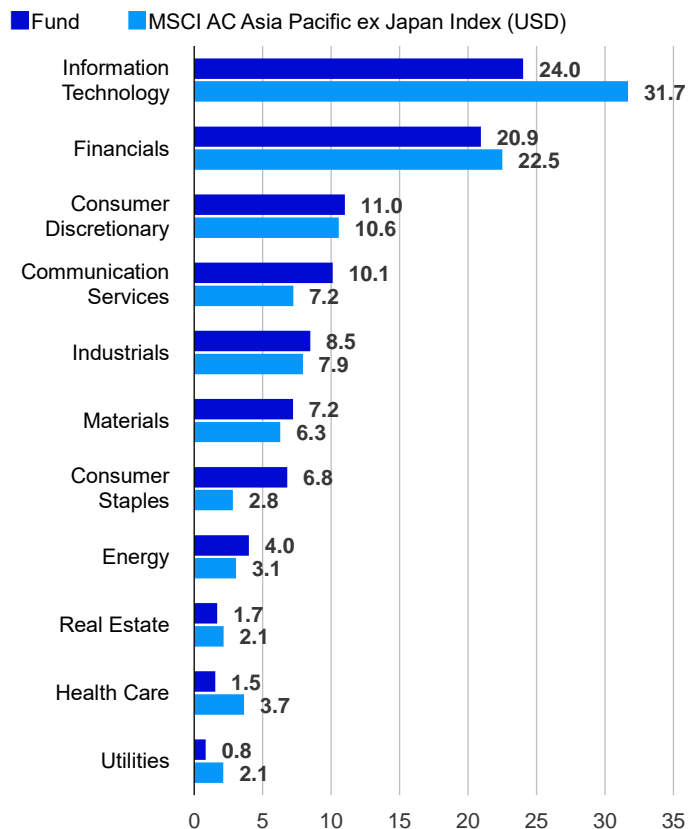
As of 03/31/26. Holdings are subject to change and are not buy/sell recommendations.

## Portfolio positioning

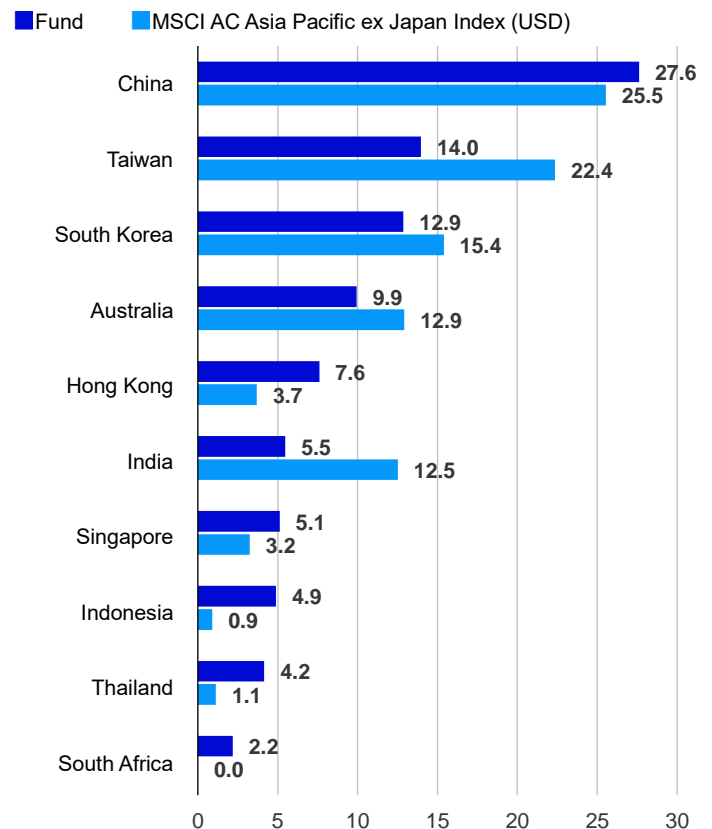
At quarter end, the fund's largest absolute sector weights were in information technology (IT), financials, consumer discretionary and communication services. The largest country exposures were China, Taiwan, South Korea and Australia.

Relative to the MSCI AC Asia Pacific ex Japan Index, the fund's largest overweights were in the consumer staples, communication services, consumer discretionary and energy sectors. The most significant underweights were IT, health care and financials. On a geographic basis relative to the benchmark, the fund's largest overweights were in Indonesia, Hong Kong and the UK. The largest underweights were in Taiwan, India and Australia.

## Sector breakdown (% of total market value)



## Top countries (% of total market value)



## Top contributors (%)

Issuer	Return	Contrib. to return
Samsung Electronics Co., Ltd.	28.37	1.80
Taiwan Semiconductor Manufacturing Company Limited	11.95	1.10
Woodside Energy Group Ltd	56.79	1.06
Hyundai Motor Company	62.96	0.34
Samsung E&A Co., Ltd.	39.61	0.21

## Top detractors (%)

Issuer	Return	Contrib. to return
HDFC Bank Limited	-31.71	-1.22
Tencent Holdings Limited	-19.78	-1.06
NetEase, Inc.	-19.59	-0.57
EPAM Systems, Inc.	-33.91	-0.48
Full Truck Alliance Co., Ltd.	-22.65	-0.34

## Performance highlights

Stock selection in energy added the most to relative return. Stock selection in consumer discretionary and real estate also added to relative return. Geographically, an underweight in India added the most to relative results. An underweight and stock selection in South Korea, along with stock selection in Australia, also added to relative return.

Stock selection in financials negatively affected relative return, as did an overweight in communication services and stock selection in industrials. Geographically, an overweight in the US detracted the most from relative return. An underweight in Taiwan and stock selection in Thailand also detracted from relative return.

### Contributors to performance

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

**Samsung Electronics** is a leading consumer and industrial electronic equipment manufacturer whose primary businesses include smartphones, consumer electronics, display and semiconductors. Earnings estimates for Samsung rose on the belief that ongoing demand for artificial intelligence (AI) infrastructure would drive prices for its memory chips. We have always liked Samsung's strong balance sheet and robust free cash flow, particularly because shareholder return appears near the top of the company's agenda.

**Taiwan Semiconductor Manufacturing** is one of the world's leading semiconductor

foundries and a key enabler of the new computing revolution. It is known for advanced technology, high-volume production and a robust customer base, including technology companies like Apple, Qualcomm and NVIDIA (not fund holdings).

**Woodside Energy** is a global energy company focused on the exploration, production and marketing of liquefied natural gas, oil and other energy products, with a primarily Australian asset base.

### Detractors from performance

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

**HDFC Bank** is India's largest private-sector bank, with a dominant retail franchise, strong deposit base and broad lending exposure across consumer, commercial and corporate segments.

**Tencent** is one of China's leading internet companies, has strong positions in gaming, social media, digital content and cloud services, and has invested heavily in AI infrastructure integrated across its platforms. In the first quarter, the stock benefited from solid execution across its core businesses, particularly stable gaming performance and improving advertising monetization.

Continued cost discipline and progress in deploying AI to enhance product functionality and operating efficiency appeared to support investor confidence during the quarter.

**NetEase** is a leading Chinese internet company with core businesses spanning online and mobile gaming, digital content and related online services.

## Standardized performance (%) as of March 31, 2026

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 11/03/97	NAV	0.36	0.36	27.95	9.56	2.54	7.46	8.32
	<b>Max. Load 5.5%</b>	-5.15	-5.15	20.93	7.51	1.39	6.85	8.11
Class R6 shares inception: 04/04/17	NAV	0.43	0.43	28.47	10.00	2.95	7.86	-
Class Y shares inception: 10/03/08	NAV	0.43	0.43	28.29	9.83	2.80	7.73	9.47
MSCI AC Asia Pacific ex Japan Index (USD)		-0.62	-0.62	27.33	13.52	3.50	8.20	-
Total return ranking vs. Morningstar Pacific/Asia ex-Japan Stk category (Class A shares at NAV)		-	-	58% (23 of 41)	87% (30 of 39)	62% (18 of 38)	65% (22 of 32)	-

Expense ratios per the current prospectus: Class A: Net: 1.42%, Total: 1.42%; Class R6: Net: 1.00%, Total: 1.00%; Class Y: Net: 1.17%, Total: 1.17%.

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. Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained. 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 (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	7.48	29.06	-11.42	18.99	25.72	-6.06	-10.83	0.86	9.58	24.33
Class R6 shares at NAV	-	29.44	-11.01	19.49	26.31	-5.71	-10.51	1.30	10.01	24.87
Class Y shares at NAV	7.82	29.35	-11.20	19.27	26.06	-5.84	-10.60	1.14	9.80	24.66
MSCI AC Asia Pacific ex Japan Index (USD)	6.75	36.99	-13.92	19.16	22.44	-2.90	-17.48	7.36	10.15	29.56

### Portfolio characteristics\*

	Fund	Index
No. of holdings	64	1,072
Top 10 issuers (% of AUM)	41.00	34.05
Wtd. avg. mkt. cap (\$M)	243,457	298,447
Price/earnings	15.40	17.53
Price to book	1.57	2.18
Est. 3 – 5 year EPS growth (%)	13.02	16.11
ROE (%)	15.07	18.72
Long-term debt to capital (%)	18.08	20.83
Operating margin (%)	22.91	24.71

### Risk statistics (5 year)\*

	Fund	Index
Alpha (%)	-1.03	0.00
Beta	0.84	1.00
Sharpe ratio	-0.05	0.01
Information ratio	-0.17	0.00
Standard dev. (%)	15.72	17.74
Tracking error (%)	5.52	0.00
Up capture (%)	71.77	100.00
Down capture (%)	89.82	100.00
Max. drawdown (%)	30.49	36.10

## Quarterly performance attribution

### Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	-0.37	-0.26	-0.62
Consumer Discretionary	-0.15	1.05	0.89
Consumer Staples	0.00	-0.02	-0.02
Energy	0.12	1.14	1.26
Financials	0.04	-1.37	-1.33
Health Care	0.16	-0.14	0.02
Industrials	-0.01	-0.28	-0.28
Information Technology	-0.50	-0.39	-0.89
Materials	0.08	-0.29	-0.21
Other	0.01	0.00	0.01
Real Estate	0.03	0.26	0.29
Utilities	-0.04	-0.11	-0.14
Cash	0.09	0.00	0.09
<b>Total</b>	<b>-0.55</b>	<b>-0.38</b>	<b>-0.93</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>0.30</b>	<b>-0.06</b>	<b>0.24</b>
<b>Emerging</b>	<b>0.10</b>	<b>-1.36</b>	<b>-1.26</b>
<b>Cash</b>	<b>0.09</b>	<b>0.00</b>	<b>0.09</b>
<b>Total</b>	<b>0.49</b>	<b>-1.42</b>	<b>-0.93</b>

## Performance attribution (cont'd)

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

	Total effect	Avg. weight	Total return
India	0.95	6.09	-24.86
Australia	0.62	7.69	13.46
Hong Kong	0.36	7.04	7.78
United Kingdom	0.24	3.35	6.17
South Korea	0.08	14.35	17.31

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

	Total effect	Avg. weight	Total return
Taiwan	-1.04	14.74	4.42
United States	-0.66	2.35	-24.24
Indonesia	-0.42	5.15	-11.85
Thailand	-0.42	4.12	-6.31
China	-0.41	27.37	-10.00

Unless otherwise specified, all information is as of 03/31/26. Unless stated otherwise, Index refers to MSCI AC Asia Pacific ex Japan Index (USD).

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

**Effective August 22, 2025, the Invesco EQV Asia Pacific Equity Fund was renamed Invesco Asia Pacific Equity Fund.**

The MSCI All Country (AC) Asia Pacific ex-Japan Index is an unmanaged index considered representative of Asia Pacific region stock markets, excluding Japan. An investment cannot be made directly in an index.

#### About Risk

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.

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.

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.

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.

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

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.**