Invesco

QUARTERLY REVIEW

A: ASIAX | R6: ASISX | Y: ASIYX

Invesco Asia Pacific Equity Fund

Q2 2026

Key takeaways

1. **The fund had a positive return but underperformed its benchmark**

   The fund had a positive return for the quarter but underperformed the MSCI AC Asia Pacific ex Japan Index. Stock selection and an underweight in information technology (IT) detracted the most from relative results.

2. **Asian equities opportunity**

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

3. **Contrarian, valuation-driven process remains central to positioning**

   The fund's strategy remains grounded in the team's active, bottom-up investing, focused on buying companies for less than their fair value.

Investment objective

The fund seeks long-term growth of capital.

Fund facts

Fund AUM ($M)	477.58

Portfolio managers

Charles Bond, Matthew Pigott, William Lam

Manager perspective and outlook

- Asia Pacific ex-Japan markets delivered strong returns for the quarter. South Korea and Taiwan led performance as investor enthusiasm around accelerating artificial intelligence (AI) capital expenditures appeared to continue to build.
- The rally has created what we see as significant valuation dispersion across markets. Companies and sectors tied to the AI supply chain have been trading at higher valuations than many other sectors and regions. While the AI investment cycle has remained powerful, we believe markets have increasingly priced in highly optimistic profit expectations, raising questions about earnings sustainability and valuation risk.
- In our view, there is still compelling value in less favored market segments. We believe some of today's most attractive opportunities may be found among companies that markets have labeled "AI losers" or "AI uncertain." As investors crowd into the stock of perceived AI winners, many businesses outside that theme are seemingly being indiscriminately sold. History suggests to us periods of narrow leadership are temporary, and we remain confident that a disciplined, valuation-driven approach will position the fund well as market leadership broadens over time.

For more information, including prospectus and factsheet, please visit Invesco.com/ASIAX

Not a Deposit Not FDIC Insured Not Guaranteed by the Bank May Lose Value
Not Insured by any Federal Government Agency

Top issuers
(% of total market value)

	Fund	Index
Taiwan Semiconductor Manufacturing Co Ltd	13.96	14.88
Samsung Electronics Co Ltd	11.91	8.93
Tencent Holdings Ltd	4.10	2.70
NetEase Inc	3.75	0.36
Kasikornbank PCL	3.35	0.03
MediaTek Inc	3.33	1.54
HDFC Bank Ltd	3.21	0.77
Largan Precision Co Ltd	2.94	0.10
United Overseas Bank Ltd	2.77	0.30
Woodside Energy Group Ltd	2.59	0.30

As of 06/30/26. Holdings are subject to change and are not buy/sell recommendations.

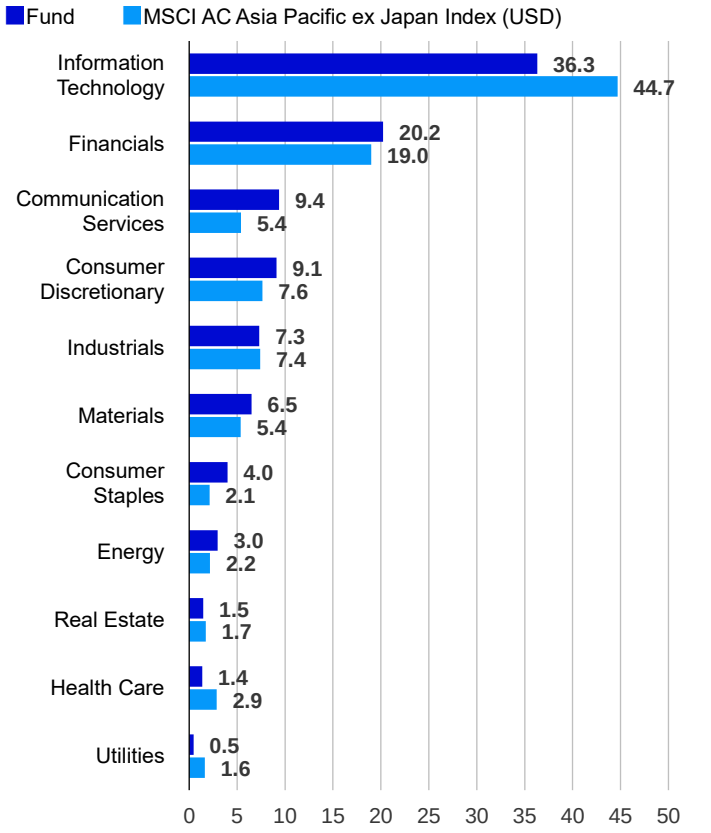
Portfolio positioning

Portfolio activity during the quarter reflected our bottom-up, valuation-driven approach, which reallocated capital to areas where long-term upside appeared underappreciated. We made additions across Taiwanese and Chinese technology hardware and manufacturing, South Korean financials and insurance, Chinese internet and communication services, and Indonesian and Indian banking. In our view, fundamentals and valuation in these areas appeared attractive relative to our assessment of fair value. We also found opportunities in Australian health care and Hong Kong industrials. We funded these additions in part by trimming positions across North Asian technology and electronics exposure. Given recent share-price strength and changes to expected return profiles, we decided the current position sizes should be reduced. We also reduced exposure to Hong Kong conglomerates and real estate, Singaporean banking and select Chinese consumer discretionary stocks.
The largest additions to existing holdings included **Taiwan Semiconductor Manufacturing, Hon Hai Precision Industry, Tencent Music Entertainment, Samsung Fire & Marine Insurance** and **KB Financial.** The largest reductions were to **Samsung Electronics, Largan Precision, MediaTek, United Overseas Bank** and **Jardine Matheson.**

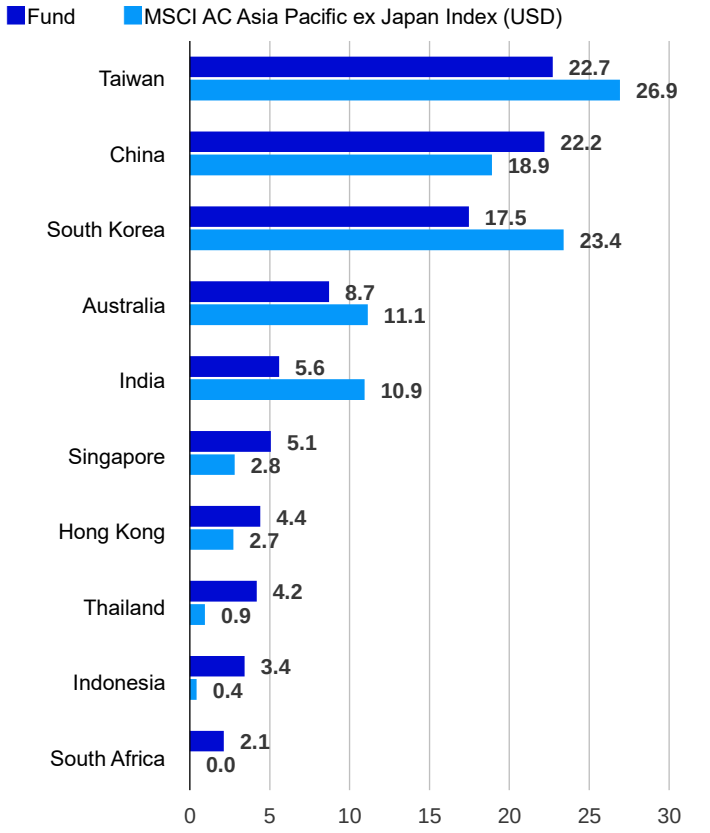
We added several new positions to the fund:
AAC Technologies is a leading China-based provider of miniaturized technology components, serving major global clients such as Apple and Huawei (not fund holdings).
Worley is an Australia-headquartered global engineering and professional services company providing consulting, project delivery and asset management solutions across the energy, chemicals and resources sectors.

We sold several positions during the quarter:
Autohome is China's leading online provider of automotive content, vehicle listings and transaction services.
Sany Heavy Industry is China's largest and the world's third-largest engineering and construction machinery manufacturer, producing excavators, concrete pumps, cranes and other heavy equipment.
Vietnam Dairy Products is one of the top 40 global dairy producers, offering a wide range of products across more than 40 countries.
Westpac Banking is Australia's oldest bank and one of its four major banking organizations, providing consumer, business, institutional banking and wealth management services across Australia, New Zealand and internationally.
Wuliangye Yibin is one of China's leading premium baijiu (Chinese liquor) producers.

Sector breakdown (% of total market value)



Top countries (% of total market value)



Top contributors (%)

Issuer	Return	Contrib. to return
Samsung Electronics Co., Ltd.	85.04	6.76
Taiwan Semiconductor Manufacturing Company Limited	36.76	3.49
MediaTek Inc.	184.09	2.55
LARGAN Precision Co., Ltd.	97.49	1.62
KASIKORNBANK Public Company Limited	20.72	0.63

Top detractors (%)

Issuer	Return	Contrib. to return
Tencent Holdings Limited	-11.49	-0.54
Woodside Energy Group Ltd	-17.88	-0.54
PT Astra International Tbk	-28.10	-0.48
EPAM Systems, Inc.	-41.40	-0.43
AIA Group Limited	-16.16	-0.39

Performance highlights

Stock selection and an underweight in financials added the most to relative return. Underweights in health care and utilities also added to relative return. Geographically, underweights in India, Malaysia and Philippines added to relative results.

Stock selection and an underweight in information technology (IT) drove underperformance for the quarter. Stock selection in industrials, along with an overweight and stock selection in consumer staples, further detracted from relative return. Geographically, an underweight and stock selection in South Korea detracted from relative return, as did an overweight and stock selection in China and an overweight in Indonesia.

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

Samsung Electronics is a global technology leader spanning semiconductors, memory chips, smartphones, consumer electronics and foundry services. Shares performed well as investors appeared to increasingly focus on Samsung's exposure to the AI infrastructure buildout, particularly through high-bandwidth memory, enterprise storage and improving semiconductor profitability. Rising memory prices and accelerating demand from AI data centers supported earnings expectations.
Taiwan Semiconductor Manufacturing is one of the world's leading semiconductor foundries and a key enabler of advanced computing, AI accelerators and high-performance chips. The company continued to benefit from demand for leading-edge semiconductor manufacturing capacity tied to AI and high-performance computing.
MediaTek is a leading fabless semiconductor company that designs chips for smartphones, connectivity, automotive and increasingly AI-related applications. The stock outperformed as investors seemed to recognize MediaTek's growing role in the AI ecosystem, including custom AI accelerator (ASIC) opportunities and expanding partnerships with major hyperscale customers.

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

Tencent is one of China's leading internet and technology companies, with businesses spanning online gaming, social media, digital content, advertising, financial technology, cloud services and artificial intelligence. Its core platforms include WeChat/Weixin, one of China's most widely used digital ecosystems.
Woodside Energy is an Australia-headquartered global energy company focused on exploration, production and marketing of liquefied natural gas, oil and other energy products, with operations across Australia and international markets.
PT Astra International is one of Indonesia's largest diversified conglomerates, with businesses across automotive distribution, financial services, heavy equipment, mining, construction, energy, agribusiness, infrastructure, logistics, IT and property.

Standardized performance (%) as of June 30, 2026

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 11/03/97	NAV	12.40	12.80	31.72	14.59	5.09	8.34	8.69
	Max. Load 5.5%	6.21	6.61	24.46	12.45	3.91	7.73	8.48
Class R6 shares inception: 04/04/17	NAV	12.53	13.01	32.30	15.07	5.51	8.76	-
Class Y shares inception: 10/03/08	NAV	12.48	12.96	32.09	14.88	5.36	8.61	10.06
MSCI AC Asia Pacific ex Japan Index (USD)		24.70	23.93	40.75	22.61	7.33	10.56	-
Total return ranking vs. Morningstar Pacific/Asia ex-Japan Stk category (Class A shares at NAV)		-	-	61% (25 of 38)	79% (28 of 36)	69% (23 of 35)	73% (24 of 30)	-

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 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.

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	60	1,048
Top 10 issuers (% of AUM)	48.12	41.31
Wtd. avg. mkt. cap ($M)	435,096	542,454
Price/earnings	16.08	20.11
Price to book	1.74	2.68
Est. 3 – 5 year EPS growth (%)	15.02	18.07
ROE (%)	15.92	20.35
Long-term debt to capital (%)	16.17	18.72
Operating margin (%)	23.42	25.74

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-1.55	0.00
Beta	0.80	1.00
Sharpe ratio	0.09	0.19
Information ratio	-0.34	0.00
Standard dev. (%)	16.27	19.36
Tracking error (%)	6.51	0.00
Up capture (%)	67.60	100.00
Down capture (%)	89.95	100.00
Max. drawdown (%)	30.08	35.91

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	-1.00	0.24	-0.77
Consumer Discretionary	-0.76	-0.04	-0.81
Consumer Staples	-0.84	-0.74	-1.58
Energy	-0.35	-0.40	-0.76
Financials	0.30	0.29	0.59
Health Care	0.52	-0.32	0.20
Industrials	0.05	-1.70	-1.64
Information Technology	-2.98	-2.77	-5.75
Materials	-0.22	-0.03	-0.25
Other	0.00	0.00	0.00
Real Estate	0.06	-0.06	-0.01
Utilities	0.35	-0.27	0.08
Cash	-0.79	0.00	-0.79
Total	**-5.66**	**-5.81**	**-11.47**

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	**-1.21**	**-2.25**	**-3.46**
Emerging	**-0.41**	**-6.82**	**-7.23**
Cash	**-0.79**	**0.00**	**-0.79**
Total	**-2.41**	**-9.07**	**-11.47**

Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
India	0.90	5.30	9.32
Malaysia	0.31	0.00	0.00
Philippines	0.07	0.00	0.00
New Zealand	0.05	0.00	0.00
Macau	0.03	0.00	0.00

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
South Korea	-4.22	16.15	64.45
China	-2.29	24.86	-10.35
Indonesia	-1.92	4.14	-22.39
United States	-1.29	1.52	-39.52
Hong Kong	-1.20	6.97	-5.80

Unless otherwise specified, all information is as of 06/30/26. 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

Source: ©2026 Morningstar Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers. It may not be copied or distributed and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Open-end mutual funds and exchange-traded funds are considered a single population for comparison purposes. Had fees not been waived and/or expenses reimbursed currently or in the past, the ranking would have been lower. Rankings for other share classes may differ due to different performance characteristics.

Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit invesco.com/fundprospectus for a prospectus/summary prospectus containing this information. Read it carefully before investing.