

Invesco Developing 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

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Fund facts

Nasdaq	A: GTDDX	C: GTDCX
		Y: GTDYX
Total Net Assets	\$2,145,086,823	
Total Number of Holdings	54	

Top holdings	% of total net assets
Sberbank of Russia Pfd	3.93
Taiwan Semiconductor	3.40
Samsung Electronics	3.34
Ambev	3.21
Telkom Indonesia	3.12
Bank Central Asia	3.08
Sunny Optical Technology	2.90
Bank Mandiri Persero	2.83
Yum China	2.80
Yandex	2.75

Top contributors	% of total net assets
1. Sunny Optical Technology	2.90
2. Taiwan Semiconductor	3.40
3. Tupras-Turkiye Petrol Rafinerileri	1.88
4. Fleury	2.67
5. B3	2.46

Top detractors	% of total net assets
1. Banco Bradesco	2.47
2. Bank Mandiri Persero	2.83
3. Kasikornbank	1.37
4. Yandex	2.75
5. Richter Gedeon	1.38

Market overview

- + Weakening global economic data and ongoing US-China trade conflict contributed to higher market volatility in the third quarter.
- + 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, with developed markets outperforming emerging markets.

Positioning and outlook

- + We added two new China-based holdings during the quarter, online provider of consumer services **Meituan-Dianping** and e-commerce company **Alibaba** (1.11% and 0.69% of total net assets, respectively). We exited the fund's position in communication services company **China Mobile** (0.00% of total net assets).
- + Since mid-June 2018, investors have generally shifted their focus away from richly valued momentum growth names toward fundamentals,

valuation and risk. This shift in investor sentiment has been beneficial to relative performance given our team's quality growth with a valuation bias approach.

- + Regardless of the macroeconomic environment, we remain focused on applying our well-established, long-term, bottom-up Earnings, Quality, Valuation (EQV) investment process that seeks to identify attractively valued, high-quality growth companies.

Performance highlights

- + Invesco Developing Markets Fund Class A shares at net asset value (NAV) posted a positive return in a weak emerging markets environment and outperformed its benchmark index during the quarter. (Please see the investment results table on page 2 for fund and index performance.)

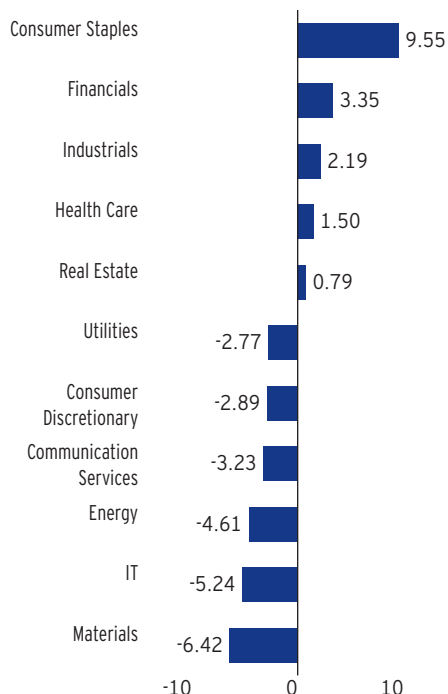
Contributors to performance

- + Stock selection in the financials sector was the largest driver of relative outperformance. The portfolio's diversified financial holdings, including Brazil-based **B3** and Turkey-based **Haci Omer Sabanci** (2.29% of total net assets), were notable contributors to both absolute and relative returns.
- + Stock selection and a meaningful overweight in the consumer staples sector were beneficial as well. Chinese spirits maker **Wuliangye Yibin** was a key contributor within the sector (2.67% of total net assets).
- + Geographically, stock selection in China and Brazil added to relative outperformance. An overweight in the strong-performing Turkey market was advantageous as well.
- + China-based information technology company **Sunny Optical Technology** was the fund's leading individual contributor for the quarter. The company benefited as sales of handset camera lenses continue to exceed expectations. The company's relationship with key customer Samsung Electronics (3.35% of total net assets) is growing. Also, the US is taking a more accommodative approach to **Sunny's** number one customer, Huawei (not a fund holding), in the trade war with China.

Detractors from performance

- + Lack of exposure to the utilities sector slightly detracted from relative return.
- + Geographically, stock selection in Russia and Thailand hampered relative return. The fund's holdings in Taiwan outperformed those of the benchmark index, but an underweight in the positive-performing market was a drag on relative results.
- + **Banco Bradesco** was the fund's largest individual detractor for the quarter. The Brazilian financial services company fell amid increased concerns about greater competition from other financial technology companies. Despite weakness in the stock price, we believe the company's asset quality remains strong and that loan growth should improve as the economy strengthens. We see pension reform in Brazil as a potential growth catalyst for the company.

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 Inception: 01/11/94 Max Load 5.50%		Class C Shares Inception: 03/01/99 Max CDSC 1.00%		Class Y Shares Inception: 10/03/08	Style-Specific Index MSCI Emerging Markets Index
	NAV	NAV	NAV	NAV		
Inception	5.05	5.28	8.91	8.91	7.14	-
10 Years	4.17	4.76	3.98	3.98	5.02	3.37
5 Years	1.58	2.73	1.97	1.97	2.99	2.33
3 Years	4.28	6.27	5.48	5.48	6.54	5.97
1 Year	6.04	12.21	10.36	11.36	12.51	-2.02
Quarter	-5.40	0.11	-1.09	-0.09	0.20	-4.25

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit 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. On Oct. 31, 1997, the fund reorganized from a closed-end fund to an open-end fund. Returns through that date are the closed-end fund's historical performance. Returns since that date are those of the open-end fund. Fees and expenses of the open-end fund differ from those of the closed-end fund. 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	1.41	1.42	Intl Common Stock	92.27
Class C Shares	2.16	2.17	Cash	7.72
Class Y Shares	1.16	1.17	Other	0.01

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, 2020. See current prospectus for more information.

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Class Y 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 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.

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.

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. 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.