Invesco

QUARTERLY REVIEW

A: GTDDX | R6: GTDFX | Y: GTDYX

Invesco Emerging Markets ex-China Fund

Q2 2026

Key takeaways

1. **The fund outperformed its benchmark**

   The fund had a positive return for the quarter and outperformed the MSCI EM ex China Index. Stock selection in information technology (IT) was the largest contributor to relative return.

2. **Emerging markets ex China opportunity**

   We believe emerging market equities (excluding China) offer strong 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)	1,403.61

Portfolio managers

Charles Bond, James McDermottroe, Matthew Pigott

Manager perspective and outlook

- Stocks in the Emerging Markets ex-China region 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 the market has labeled "AI losers" or "AI uncertain." As investors appear to 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/GTDDX

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	16.92	15.08
Samsung Electronics Co Ltd	13.15	9.05
Yageo Corp	6.11	0.45
MediaTek Inc	4.03	1.56
Samsung Electro-Mechanics Co Ltd	2.73	0.64
Kasikornbank PCL	2.72	0.03
HDFC Bank Ltd	2.71	0.78
Vale SA	2.24	0.43
Hon Hai Precision Industry Co Ltd	2.18	0.78
Largan Precision Co Ltd	2.16	0.10

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

Portfolio positioning

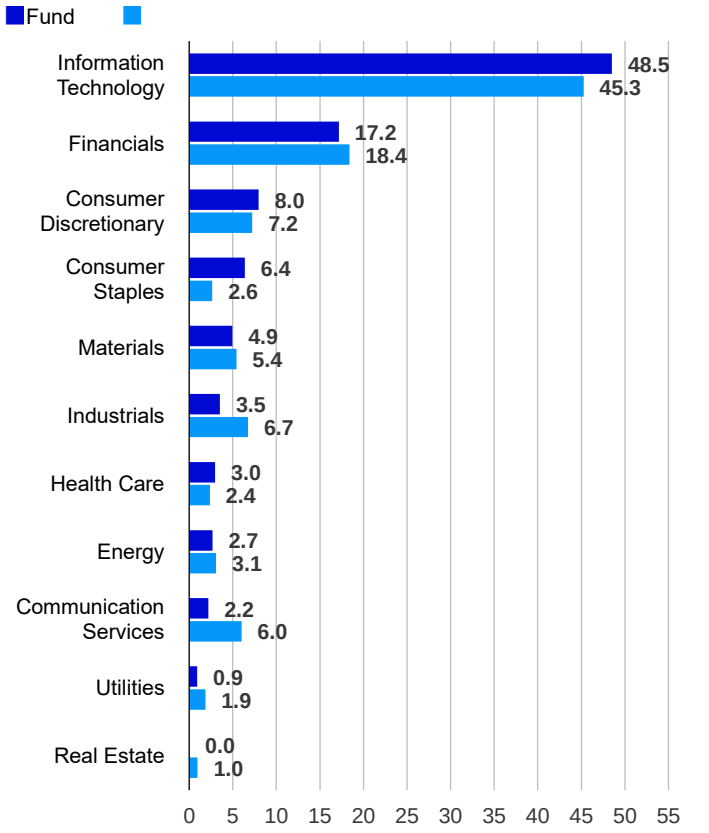
Portfolio activity during the quarter reflected the team's bottom-up, valuation-driven approach, which reallocated capital toward areas where long-term upside appeared underappreciated. We made portfolio additions selectively across Asian technology hardware and manufacturing, Latin American consumer staples, South Korean financials, South African internet and media, and Brazilian materials. In our view, fundamentals and valuation in these areas appeared attractive relative to our assessment of fair value. We funded these additions in part by trimming positions across North Asian technology and electronics exposure, including South Korean and Taiwanese semiconductor, component and consumer electronics businesses. Given recent share-price strength and changes to expected return profiles, we decided the current position sizes should be reduced.

We added to **Hon Hai Precision Industry, Arca Continental, Samsung Fire & Marine Insurance, Naspers** and **Vale.** We trimmed **Samsung Electro-Mechanics, Yageo, Samsung Electronics, LG Electronics** and **MediaTek.**

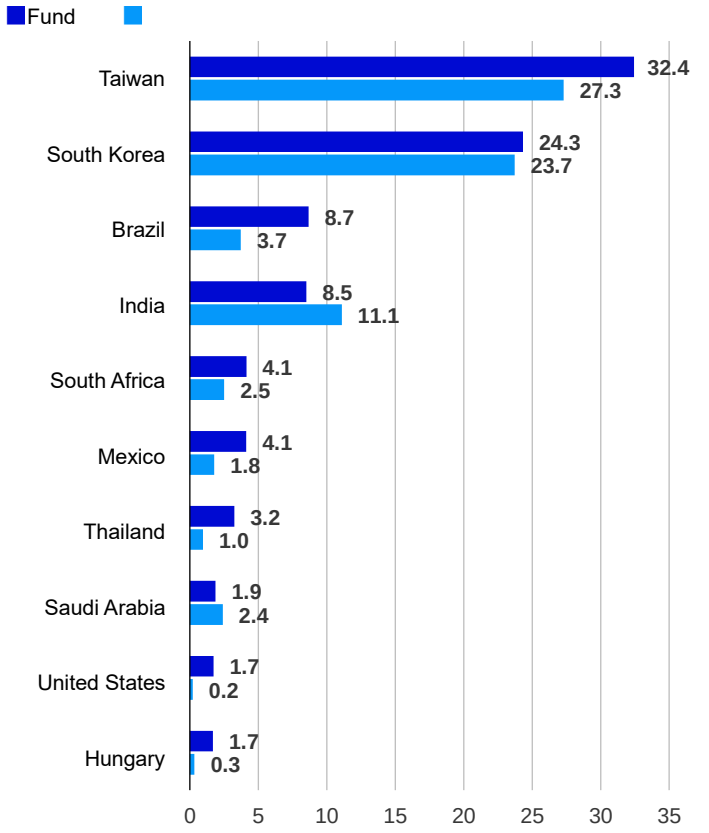
We added several new positions to the fund:
Cyrela Brazil Realty is a leading Brazilian real estate developer, focused on construction, development and sale of residential properties, that operates across three segments: high-end real estate for affluent families, housing for middle and low-income families and land subdivision/real estate services.
Krafton is a South Korean video game holding company and publisher, best known as creator of the globally popular PUBG: BATTLEGROUNDS.
Valterra Platinum (formerly Anglo American Platinum) is one of the world's leading integrated producers of platinum group metals. Headquartered in Johannesburg, South Africa, the company operates a world-class portfolio of mining and processing operations in South Africa and Zimbabwe.

We sold several positions during the quarter:
Ero Copper is a Canadian mining company focused on copper and gold production in Brazil.
Gujarat Pipavav Port operates India's first private sector port, which handles diverse cargo. The company provides comprehensive port services including marine, berth hire, wharfage, stevedoring and warehousing.
InPost is a European out-of-home delivery company, specializing in automated parcel lockers and logistics services for e-commerce. Its network of over 25,000 parcel lockers across Europe enables 24/7 self-service package collection and delivery.

Sector breakdown (% of total market value)



Top countries (% of total market value)



Top contributors (%)

Issuer	Return	Contrib. to return
Samsung Electronics Co., Ltd.	86.89	8.69
Yageo Corporation	362.83	6.77
Taiwan Semiconductor Manufacturing Company Limited	36.73	5.94
Samsung Electro-Mechanics Co., Ltd	399.91	5.06
MediaTek Inc.	184.48	3.62

Top detractors (%)

Issuer	Return	Contrib. to return
EPAM Systems, Inc.	-41.40	-0.48
Petroleo Brasileiro S.A.	-20.01	-0.46
PT Semen Indonesia (Persero) Tbk	-44.52	-0.24
Telefonica Brasil S.A.	-13.73	-0.20
Infosys Limited	-20.89	-0.20

Performance highlights

Stock selection in IT led the fund's outperformance of its benchmark. Underweights in utilities, real estate and industrials also benefited relative return. Geographically, stock selection in Taiwan and underweights in India, Malaysia and South Africa added to relative results.

An overweight in consumer staples detracted most from relative results. Overweights in consumer discretionary and health care and stock selection in energy also detracted from relative return. Geographically, an overweight in Brazil, stock selection and an underweight in South Korea, and an overweight in the US detracted from relative results.

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.
Yageo is a Taiwan-based global manufacturer of passive electronic components, including transformers, relays, antennas, wireless components and circuit-protection devices. Yageo serves a broad range of end markets, including automotive, industrial, telecommunications/5G, medical, Internet of Things, power management, green energy, computer peripherals and consumer electronics.
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.

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

EPAM Systems is a US-based global technology services company specializing in digital platform engineering, custom software development, product design and technology consulting. The company helps clients modernize platforms, build cloud-native systems, deploy data and AI capabilities, improve customer experiences and manage complex digital transformation initiatives.
Petrobras is Brazil's leading integrated energy company, with dominant positions in offshore oil production, refining and fuel distribution. The stock underperformed, giving back some of its recent gains as oil prices fell after the Middle East ceasefire announcement.
PT Semen Indonesia, also known as SIG, is Indonesia's leading building materials and cement company, with the largest share of the domestic cement market and an extensive production and distribution network across Indonesia and regional export markets.

Standardized performance (%) as of June 30, 2026

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 01/11/94	NAV	35.22	45.47	68.96	22.91	8.56	9.75	6.43
	Max. Load 5.5%	27.78	37.45	59.68	20.61	7.34	9.13	6.25
Class R6 shares inception: 09/24/12	NAV	35.37	45.75	69.57	23.38	8.97	10.18	7.00
Class Y shares inception: 10/03/08	NAV	35.31	45.66	69.38	23.22	8.83	10.03	8.67
MSCI Emerging Markets ex China Index (USD)		34.53	38.78	63.11	28.34	13.19	12.43	-
Total return ranking vs. Morningstar Diversified Emerging Mkts category (Class A shares at NAV)		-	-	6% (34 of 724)	44% (312 of 688)	30% (155 of 626)	47% (225 of 464)	-

Expense ratios per the current prospectus: Class A: Net: 1.40%, Total: 1.40%; Class R6: Net: 1.00%, Total: 1.00%; Class Y: Net: 1.15%, Total: 1.15%.

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. 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. Index source: RIMES Technologies Corp. 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	19.75	30.34	-18.75	29.97	17.14	-6.98	-17.70	8.81	-0.65	29.85
Class R6 shares at NAV	20.22	30.86	-18.40	30.52	17.58	-6.61	-17.41	9.23	-0.29	30.33
Class Y shares at NAV	20.05	30.65	-18.53	30.32	17.41	-6.75	-17.47	9.07	-0.42	30.16
MSCI Emerging Markets ex China Index (USD)	15.02	31.25	-12.43	16.23	12.55	10.03	-19.26	20.03	3.56	34.61

Portfolio characteristics*

	Fund	Index
No. of holdings	55	1,178
Top 10 issuers (% of AUM)	52.81	40.23
Wtd. avg. mkt. cap ($M)	523,878	546,961
Price/earnings	18.12	18.19
Price to book	2.45	2.64
Est. 3 – 5 year EPS growth (%)	19.86	19.19
ROE (%)	17.35	21.33
Long-term debt to capital (%)	17.29	18.19
Operating margin (%)	24.00	26.05

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-2.49	0.00
Beta	0.82	1.00
Sharpe ratio	0.26	0.48
Information ratio	-0.47	0.00
Standard dev. (%)	19.01	20.13
Tracking error (%)	9.90	0.00
Up capture (%)	64.73	100.00
Down capture (%)	92.31	100.00
Max. drawdown (%)	34.89	26.97

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.37	-0.47	-0.10
Consumer Discretionary	-1.54	0.81	-0.73
Consumer Staples	-1.31	0.35	-0.96
Energy	0.15	-0.42	-0.27
Financials	0.37	-0.44	-0.08
Health Care	-0.45	-0.11	-0.56
Industrials	0.60	-0.46	0.14
Information Technology	-0.90	4.47	3.57
Materials	0.15	-0.09	0.07
Other	0.00	0.00	0.00
Real Estate	0.24	0.00	0.24
Utilities	0.41	-0.08	0.33
Cash	-0.43	0.00	-0.43
Total	**-2.34**	**3.56**	**1.22**

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	**-2.75**	**0.00**	**-2.75**
Emerging	**0.00**	**4.40**	**4.40**
Cash	**-0.43**	**0.00**	**-0.43**
Total	**-3.18**	**4.40**	**1.22**

Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
Taiwan	6.67	28.68	77.76
India	0.97	9.21	5.41
Malaysia	0.59	0.00	0.00
South Africa	0.44	2.83	-5.08
United Arab Emirates	0.44	0.00	0.00

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
Brazil	-2.33	10.47	-7.04
South Korea	-1.49	24.31	80.31
United States	-1.38	2.03	-16.62
Indonesia	-0.74	1.79	-25.46
Portugal	-0.56	1.02	-9.81

Unless otherwise specified, all information is as of 06/30/26. Unless stated otherwise, Index refers to MSCI Emerging Markets ex China Index (USD).

The MSCI Emerging Markets ex China Index captures large and mid-cap representation across 23 of the 24 Emerging Markets (EM) countries, excluding China. An investment cannot be made directly in an index.

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

• Effective August 22, 2025, the Invesco EQV Emerging Markets All Cap Fund was renamed Invesco Emerging Markets ex-China Fund.

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 economies of the countries in the Asia Pacific region are largely intertwined, if an economic recession is experienced by any of these countries, it will like adversely impact the economic performance of other countries in the region.

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

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.

Following Russia's invasion of Ukraine in February 2022, various countries, including the U.S., NATO and the European Union, issued broad-ranging economic sanctions against Russia and Belarus. As a result, responses to military actions (and further potential sanctions related to continued military activity), the potential for military escalation and other corresponding events, have had, and could continue to have, severe negative effects on regional and global economic and financial markets, including increased volatility, reduced liquidity, and overall uncertainty. Russia may take additional counter measures or retaliatory actions (including cyberattacks), which could exacerbate negative consequences on global financial markets. The duration of ongoing hostilities, corresponding sanctions and related events cannot be predicted. As a result, the value of an investment in the Fund and its performance may be negatively impacted, particularly as it relates to Russia exposure.

Stocks of small and medium-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.

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 for a prospectus/summary prospectus containing this information. Read it carefully before investing.