

Invesco EQV Emerging Markets All Cap Fund

Q1 2025

Key takeaways

- 1 The fund underperformed its benchmark**

Class A shares underperformed the MSCI Emerging Markets Index. Stock selection in consumer discretionary, health care and financials detracted from relative results, as did an overweight in health care and underweights in financials and materials.
- 2 Bottom-up stock selection focused on EQV (Earnings, Quality, Valuation) characteristics**

During the quarter, we initiated four new positions and sold one position based on our EQV fundamentals. Our actively managed, bottom-up stock selection drives the fund's sector and country allocations.
- 3 We remain focused on a long-term investment horizon**

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

Investment objective

The fund seeks long-term growth of capital.

Fund facts

| | |
|----------------|----------|
| Fund AUM (\$M) | 1,247.63 |
|----------------|----------|

Portfolio managers

Borge Endresen, Borge Endresen, Brently Bates, Mark Jason, Steven Rivoir

Manager perspective and outlook

- The first quarter of 2025 was marked by volatility and shifts in market leadership. Developed markets in Europe as well as emerging markets outperformed US equities. In Europe, German equities had robust gains, driven by increased deficit spending aimed at supporting economic growth and defense. This also supported an improved outlook for emerging European markets. Among emerging markets, China was one of the best performers as the country's stocks benefited from stimulus measures, including wage increases and expanded trade-in programs for consumer goods. Brazil was another notable performer as the Brazilian real was stronger against the US dollar.
- Conversely, US equities declined, affected by uncertainty about US trade policy and the rise of Chinese artificial intelligence (AI) company DeepSeek. Equities in India, Indonesia and Thailand declined due to growth concerns. In Taiwan, equities were dragged down by uncertainty about US trade tariffs.
- Our team remains focused on applying our long-term, bottom-up EQV investment process that seeks to identify attractively valued, high quality growth companies. We expect geopolitical and macroeconomic concerns to remain elevated, which has historically favored our traditional fundamental approach. We remain optimistic that our conservative quality growth style is well-positioned for the current environment.



Top issuers

(% of total net assets)

| | Fund | Index |
|---|------|-------|
| Taiwan Semiconductor Manufacturing Co Ltd | 8.01 | 8.60 |
| Tencent Holdings Ltd | 5.62 | 5.25 |
| HDFC Bank Ltd | 4.49 | 1.54 |
| Emaar Properties PJSC | 3.81 | 0.31 |
| MediaTek Inc | 3.54 | 0.81 |
| Tongcheng Travel Holdings Ltd | 3.11 | 0.04 |
| Richter Gedeon Nyrt | 2.97 | 0.05 |
| Airtac International Group | 2.68 | 0.04 |
| Shenzhen Inovance Technology Co Ltd | 2.66 | 0.01 |
| BDO Unibank Inc | 2.63 | 0.08 |

As of 03/31/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

During the quarter, we initiated the following positions:

Meituan is a market leader in China's food delivery and growing on-demand retail sector. The company in our view also excels in online sales of services, including hotel bookings, dining reservations and services booked online but enjoyed in-store. In our view, a strengthening competitive position and favorable growth outlook are key positives as are the company's attractive return on equity, net cash balance sheet and asset-light business model.

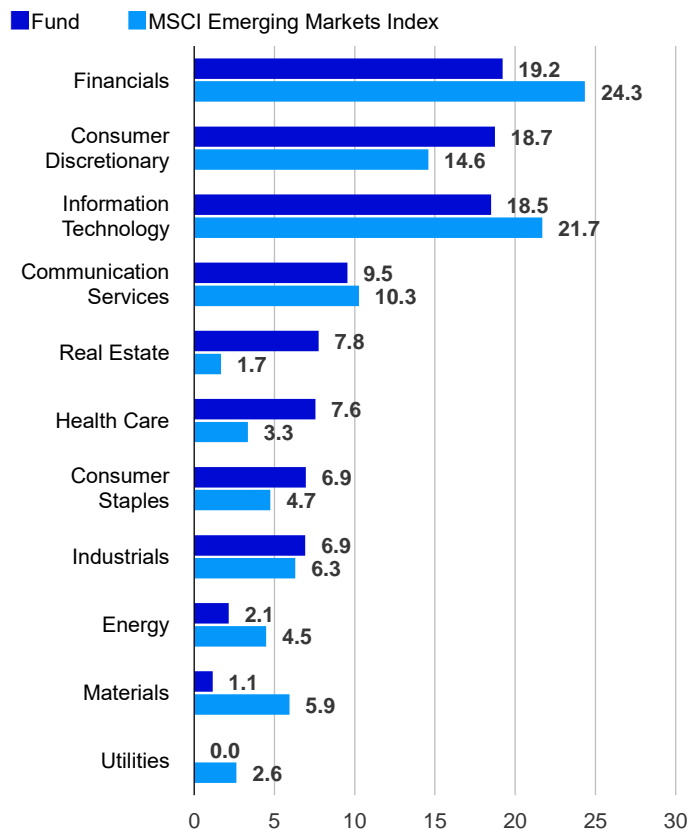
Kanzhun is a large online recruiting platform in China. With its disruptive business model, Kanzhun has gained market share and improved profitability through operating leverage. The stock has declined due to weak macroeconomic conditions in China in recent years. However, given early signs of stabilizing economic and employment trends, we initiated a position in the stock.

Alibaba is a Chinese technology company that we believe is poised to benefit from surging demand for AI applications driven by proliferation of large language models. AliCloud is China's largest public cloud service provider and Qwen (aka Tongyi) is the country's leading open-source foundation model. Alibaba's extensive AI cloud applications have been driving accelerated, margin-enhancing revenue growth. We have also observed narrowing losses in key growth areas, such as international business and local services, as the company focuses on monetization and scale. Additionally, capital allocation has improved as Alibaba sells off weaker businesses.

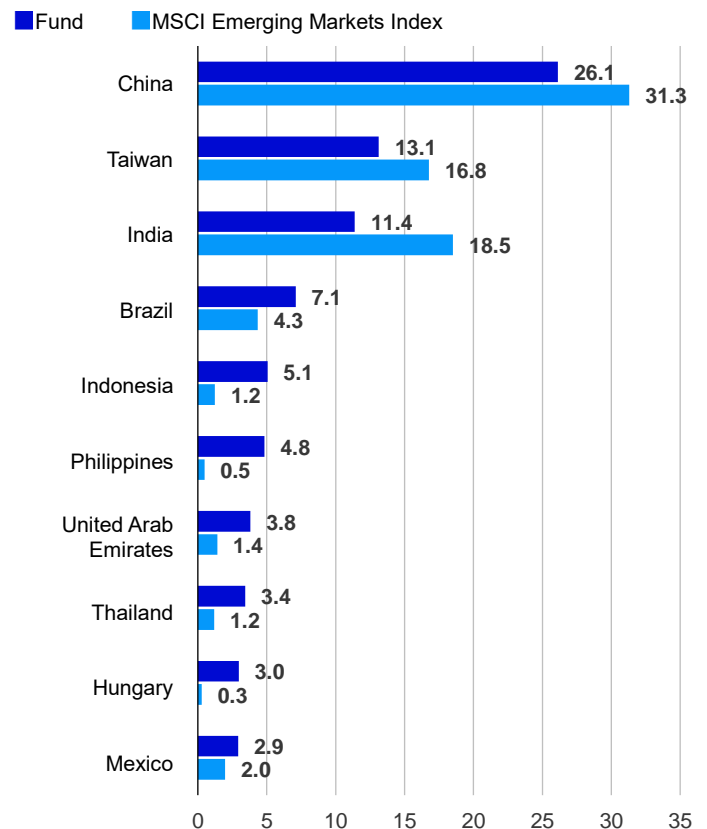
Koç is a Turkish conglomerate with a diversified portfolio across energy, automotive, consumer durables and finance. It boasts what we see as an attractive track record in the Middle East and is managed by the founding family with a long investment horizon. We believe its strength lies in its focus on export-oriented businesses, with half of total revenues being international and foreign-exchange linked. The share price discount relative to underlying net asset value (NAV) has widened compared to the long-term average, which we find attractive given improving geopolitical tensions in the region and international investors' growing interest in Turkish equities.

We sold **New Oriental Education & Technology** due to increasing competition in China's after-school tutoring segment and weakness in high-end overseas test prep programs as consumers appear to have traded down to lesser programs.

Sector breakdown (% of total net assets)



Top countries (% of total net assets)



Top contributors (%)

| Issuer | Return | Contrib. to return |
|---------------------------------------|--------|--------------------|
| Tencent Holdings Limited | 19.00 | 0.79 |
| TOTVS S.A. | 35.05 | 0.69 |
| Shenzhen Inovance Technology Co., Ltd | 17.03 | 0.43 |
| Tongcheng Travel Holdings Limited. | 14.87 | 0.41 |
| EFG Holding S.A.E. | 33.51 | 0.36 |

Top detractors (%)

| Issuer | Return | Contrib. to return |
|--|--------|--------------------|
| Taiwan Semiconductor Manufacturing Company Limited | -15.97 | -1.39 |
| Visual Photonics Epitaxy Co., Ltd. | -32.64 | -0.44 |
| PT Kalbe Farma Tbk | -18.87 | -0.36 |
| PT Bank Central Asia Tbk | -12.21 | -0.35 |
| Cyient Limited | -31.03 | -0.34 |

Performance highlights

Stock selection in information technology (IT) and industrials added to relative performance. An underweight in IT also added to relative return. Geographically, fund holdings in India and Brazil outperformed those of the benchmark, adding to relative return. Underweights in India and Taiwan and an overweight in Brazil were beneficial as well. Stock selection in consumer discretionary, health care and financials detracted from relative results. An overweight in health care and underweights in financials and materials also hampered relative return. Geographically, stock selection in China detracted from relative results, as did an underweight in China and an overweight in Indonesia.

Contributors to performance

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

Tencent's financial results have exceeded expectations on strong game sales and online ad growth momentum, and profit margins continued to strengthen on positive product mix shifts and cost controls. Tencent has been enhancing its use of AI to strengthen its ecosystem and growth prospects.

TOTVS is a leading middle-market provider of enterprise resource planning software, based in Brazil. The company has exhibited strong top-line growth, with new ventures contributing more meaningfully, while its profit margin profile has been improving.

Shenzhen Inovance Technology, an electrical equipment company, benefited from China's improving automation cycle, evidenced by an order uptick in early 2025. The company's electric vehicle components business has maintained strong momentum as well.

Detractors from performance

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

Taiwan Semiconductor Manufacturing is a semiconductor and electronic components manufacturer. Concerns about data center overexpansion associated with potentially weaker-than-expected AI spending caused the share price decline. We believe the longer term growth outlook for AI remains strong, with this company being the key semiconductor supplier for AI data centers.

Kalbe Farma, an Indonesian pharmaceutical and consumer health company, faced challenges due to a weak macroeconomic environment, poorer consumer sentiment and political noise, which appeared to spark an overall decline in Indonesia's stock market. We remain optimistic about Kalbe's long-term prospects.

Bank Central Asia is an Indonesian bank. Economic slowing, tighter system liquidity and political uncertainty led to a pullback in Indonesian bank stocks. Bank Central Asia maintains a leading deposit franchise and has in our view been relatively resilient against near-term industry headwinds.

Standardized performance (%) as of March 31, 2025

| | | Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
|---|----------------|---------|-------|---------------------|---------------------|---------------------|---------------------|-----------------|
| Class A shares inception: 01/11/94 | NAV | 1.56 | 1.56 | 1.26 | 1.88 | 5.72 | 3.17 | 4.60 |
| | Max. Load 5.5% | -4.04 | -4.04 | -4.30 | -0.02 | 4.54 | 2.58 | 4.41 |
| Class R6 shares inception: 09/24/12 | NAV | 1.66 | 1.66 | 1.64 | 2.27 | 6.13 | 3.58 | 2.47 |
| Class Y shares inception: 10/03/08 | NAV | 1.62 | 1.62 | 1.50 | 2.13 | 5.99 | 3.42 | 5.30 |
| MSCI Emerging Markets Index | | 2.93 | 2.93 | 8.09 | 1.44 | 7.94 | 3.71 | - |
| Total return ranking vs. Morningstar Diversified Emerging Mkts category (Class A shares at NAV) | | - | - | 76% (585 of 777) | 47% (307 of 714) | 86% (511 of 636) | 64% (268 of 435) | - |

Expense ratios per the current prospectus: Class A: Net: 1.39%, Total: 1.39%; Class R6: Net: 1.01%, Total: 1.01%; Class Y: Net: 1.14%, Total: 1.14%.

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. 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.

Performance highlights (cont'd)

Calendar year total returns (%)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-----------------------------|--------|-------|-------|--------|-------|-------|-------|--------|------|-------|
| Class A shares at NAV | -18.69 | 19.75 | 30.34 | -18.75 | 29.97 | 17.14 | -6.98 | -17.70 | 8.81 | -0.65 |
| Class R6 shares at NAV | -18.34 | 20.22 | 30.86 | -18.40 | 30.52 | 17.58 | -6.61 | -17.41 | 9.23 | -0.29 |
| Class Y shares at NAV | -18.50 | 20.05 | 30.65 | -18.53 | 30.32 | 17.41 | -6.75 | -17.47 | 9.07 | -0.42 |
| MSCI Emerging Markets Index | -14.92 | 11.19 | 37.28 | -14.57 | 18.42 | 18.31 | -2.54 | -20.09 | 9.83 | 7.50 |

Portfolio characteristics*

| | Fund | Index |
|--------------------------------|---------|---------|
| No. of holdings | 57 | 1,206 |
| Top 10 issuers (% of AUM) | 39.53 | 27.05 |
| Wtd. avg. mkt. cap (\$M) | 127,472 | 151,374 |
| Price/earnings | 18.17 | 14.85 |
| Price to book | 2.38 | 1.82 |
| Est. 3 – 5 year EPS growth (%) | 12.46 | 13.32 |
| ROE (%) | 19.35 | 17.41 |
| Long-term debt to capital (%) | 17.92 | 21.11 |
| Operating margin (%) | 25.10 | 21.91 |

Risk statistics (5 year)*

| | Fund | Index |
|--------------------|-------|--------|
| Alpha (%) | -1.56 | 0.00 |
| Beta | 0.90 | 1.00 |
| Sharpe ratio | 0.19 | 0.32 |
| Information ratio | -0.38 | 0.00 |
| Standard dev. (%) | 16.05 | 16.70 |
| Tracking error (%) | 5.78 | 0.00 |
| Up capture (%) | 79.56 | 100.00 |
| Down capture (%) | 96.07 | 100.00 |
| Max. drawdown (%) | 34.98 | 35.98 |

Quarterly performance attribution

Sector performance analysis (%)

| Sector | Allocation effect | Selection effect | Total effect |
|------------------------|-------------------|------------------|--------------|
| Communication Services | -0.20 | 0.00 | -0.20 |
| Consumer Discretionary | 0.28 | -1.38 | -1.09 |
| Consumer Staples | -0.07 | -0.05 | -0.11 |
| Energy | -0.01 | 0.03 | 0.02 |
| Financials | -0.15 | -0.29 | -0.44 |
| Health Care | -0.12 | -0.35 | -0.47 |
| Industrials | 0.02 | 0.23 | 0.25 |
| Information Technology | 0.53 | 0.21 | 0.74 |
| Materials | -0.29 | -0.12 | -0.41 |
| Other | 0.01 | 0.00 | 0.01 |
| Real Estate | -0.18 | 0.03 | -0.15 |
| Utilities | 0.05 | 0.00 | 0.05 |
| Cash | 0.12 | 0.00 | 0.12 |
| Total | 0.00 | -1.68 | -1.68 |

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 | -0.02 | 0.00 | -0.02 |
| Asia/Pacific Ex Japan | 0.02 | 0.00 | 0.02 |
| Europe | -0.03 | 0.00 | -0.03 |
| Emerging | 0.00 | -1.78 | -1.78 |
| Africa/Mideast | -0.05 | 0.34 | 0.28 |
| Asia/Pacific Ex Japan | 0.22 | -2.55 | -2.33 |
| Europe | 0.28 | -0.38 | -0.10 |
| Latin America | 0.37 | 0.00 | 0.37 |
| Cash | 0.12 | 0.00 | 0.12 |
| Total | 0.10 | -1.78 | -1.68 |

Performance attribution (cont'd)

Performance analysis by country — top 5 (%)

| | Total effect | Avg. weight | Total return |
|----------|--------------|-------------|--------------|
| India | 0.70 | 10.75 | -0.56 |
| Taiwan | 0.60 | 14.64 | -13.85 |
| Brazil | 0.55 | 7.55 | 16.38 |
| Egypt | 0.43 | 2.18 | 24.43 |
| Malaysia | 0.22 | 1.05 | 10.51 |

Performance analysis by country — bottom 5 (%)

| | Total effect | Avg. weight | Total return |
|--------------|--------------|-------------|--------------|
| China | -2.54 | 22.35 | 6.40 |
| Indonesia | -0.74 | 5.33 | -12.65 |
| Thailand | -0.30 | 3.67 | -11.01 |
| France | -0.22 | 2.59 | -5.21 |
| South Africa | -0.20 | 1.43 | 11.13 |

Unless otherwise specified, all information is as of 03/31/25. Unless stated otherwise, Index refers to MSCI Emerging Markets Index.

• **Effective February 28, 2022, the Invesco Emerging Markets All Cap Fund was renamed Invesco EQV Emerging Markets All Cap Fund. Please see prospectus for more information.**

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. Developing markets may especially be volatile.

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

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](https://www.invesco.com/fundprospectus) for a prospectus/summary prospectus containing this information. Read it carefully before investing.