

Invesco EQV Emerging Markets All Cap Fund

Q4 2023

Key takeaways

1 The fund underperformed its benchmark
Class A shares underperformed the MSCI Emerging Markets Index. Stock selection in consumer staples, consumer discretionary, health care and industrials were among the largest detractors from relative performance for the quarter.

2 Bottom-up stock selection focused on EQV (Earnings, Quality, Valuation) characteristics
During the quarter, we initiated one new position and sold six stocks 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)	1,639.44
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Portfolio managers

Brent Bates, Borge Endresen,
Mark Jason, Steven Rivoir

Manager perspective and outlook

- In a reversal from the third quarter, global equities rebounded in the fourth quarter. Previous concerns about interest rates staying "higher for longer" abated, and investors focused on possible interest rate cuts during 2024. In this environment, most major asset classes and sectors performed well, with US stocks outperforming international stocks and growth stocks outperforming value stocks. The energy sector was an exception, ending the quarter in negative territory, hampered by falling oil prices. Developed global equities outperformed emerging market equities. Within emerging markets, Chinese equities extended their decline from last quarter, but positive performance in other emerging regions, particularly Latin America, offset those results.
- Despite a general increase in investor confidence, we believe it is important to acknowledge that monetary policy remains uncertain and a soft economic landing is not guaranteed. Additional potential risks in 2024 include ongoing geopolitical tensions and elections around the globe. Following robust returns from global equities in 2023, these potential risks may cause market headwinds and may increase volatility as investors look for confirmation of a positive market transition. We believe equity investors may focus on the type of high quality and traditional investment fundamentals that are central to the fund's balanced EQV investment philosophy.



Top issuers

(% of total net assets)

	Fund	Index
Taiwan Semiconductor Manufacturing Co Ltd	5.43	6.74
Richter Gedeon Nyrt	4.35	0.05
HDFC Bank Ltd	4.22	0.82
Samsung Electronics Co Ltd	4.09	4.68
BDO Unibank Inc	3.43	0.08
Multiplan Empreendimentos Imobiliarios SA	3.11	0.00
Arcos Dorados Holdings Inc	2.96	0.00
Bank Central Asia Tbk PT	2.83	0.48
Wal-Mart de Mexico SAB de CV	2.79	0.31
Yum China Holdings Inc	2.72	0.25

As of 12/31/23. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

During the quarter, we initiated the following position:

Central Pattana is a property company in Thailand that owns and manages premium shopping centers (Thailand's largest mall owner) among other assets. We took advantage of a more attractive valuation to add the stock to the fund.

We added to the fund's existing position in **SBI Life Insurance** based on an attractive valuation.

The company's effective execution, focus on higher profit margin products, and new agent additions have led to robust growth. In addition, we added to **Walmart de Mexico**. Company fundamentals have remained solid and valuation has been favorable. The company has been gaining share in Mexico's grocery segment and its private label penetration has continued to improve. We also believe there may be double-digit growth potential in the company's ecommerce despite heightened competition in the channel.

We sold the following stocks:

Grupo Aeroportuario del Centro Norte is a Mexican airport company. We sold due to regulatory concerns after the government increased interventionist actions on a variety of regulated businesses.

GMexico Transportes is a large Mexican railroad company. We sold this stock also due to regulatory concerns after the government's increased interventionist actions.

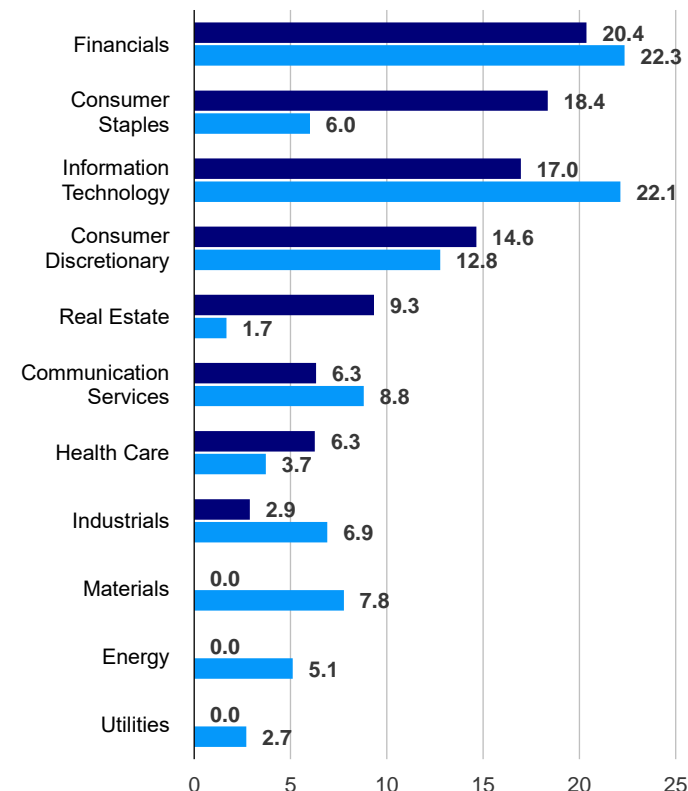
Douzone Bizon is a South Korean enterprise resource planning (ERP) company. After trimming the position to a minimum level, we sold the remaining holdings due to corporate governance and capital allocation concerns.

JD.com is a Chinese ecommerce company. Competition has become more intense, particularly in general merchandise. Chinese consumers have seemingly become more focused on products offering greater value for the money, a trend that is in our view likely less beneficial for JD than for some of its competitors.

Grupo Aeroportuario del Pacifico is another Mexican airport company. We exited due to a less attractive valuation, regulatory concerns and to control the fund's overall Mexico exposure. We also sold a small position in **Meituan** that the fund received as a distribution from **Tencent**. We trimmed the fund's position in **Arcos Dorados**, a large McDonald's master franchisee operating in the underpenetrated Latin America and Caribbean region. We trimmed the fund's holdings to control position size and overall Brazil exposure.

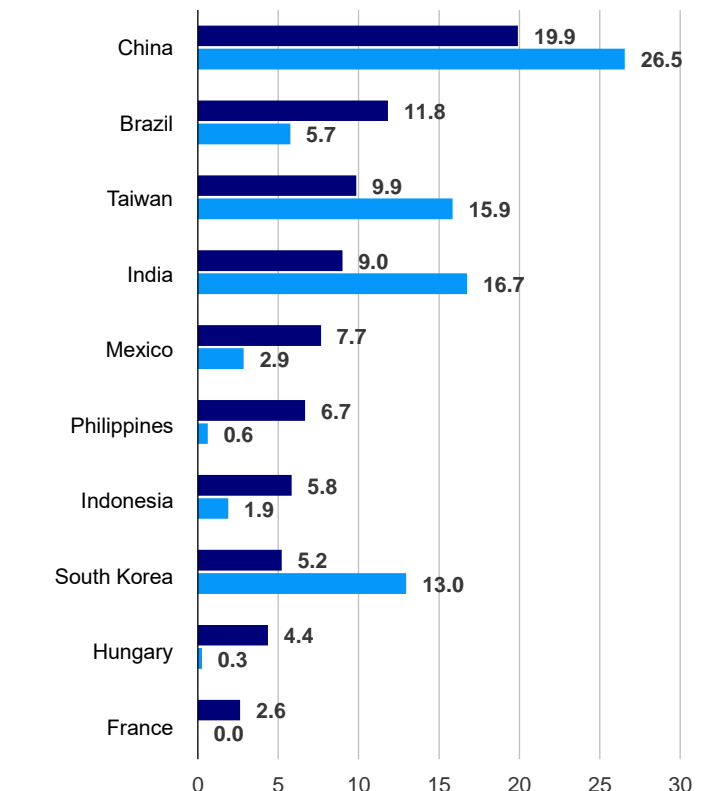
Sector breakdown (% of total net assets)

■ Fund ■ MSCI Emerging Markets Index



Top countries (% of total net assets)

■ Fund ■ MSCI Emerging Markets Index



Top contributors (%)

Issuer	Return	Contrib. to return
Arcos Dorados Holdings Inc.	34.31	1.12
Taiwan Semiconductor Manufacturing Company Limited	19.80	0.94
Samsung Electronics Co., Ltd.	20.80	0.74
Multiplan Empreendimentos Imobiliarios S.A	20.75	0.73
MediaTek Inc.	45.23	0.64

Top detractors (%)

Issuer	Return	Contrib. to return
Yum China Holdings, Inc.	-23.64	-1.55
China Mengniu Dairy Co., Ltd.	-19.57	-0.57
Tongcheng Travel Holdings Limited.	-15.83	-0.52
China Resources Beer (Holdings) Co. Ltd.	-19.94	-0.52
Grupo Aeroportuario del Centro Norte, S.A.B. de C.V	-32.48	-0.48

Performance highlights

Stock selection in communication services, real estate and information technology contributed to relative performance. An underweight in communication services also added to relative return. Geographically, stock selection and an overweight in Brazil was the largest contributor to relative results. An overweight in Egypt and exposure in France also added to relative performance. Conversely, stock selection in consumer staples, consumer discretionary, health care and industrials were the largest detractors from relative results. Overweights in consumer staples and consumer discretionary also hampered relative return. Geographically, stock selection in China, Mexico and the Philippines had the largest negative effect on relative performance. An underweight in India and an overweight in the Philippines detracted from relative return as well.

Contributors to performance

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

Arcos Dorados has in our view executed well and has outperformed the industry. As previously mentioned, we trimmed the fund's position during the quarter.

Taiwan Semiconductor Manufacturing has performed well as the semiconductor cycle has become more supportive with better inventory levels and higher prices for semiconductor chips. We added to the fund's position during the quarter.

Multiplan Empreendimentos Imobiliarios owns and operates malls in Brazil. Continued strong operating performance, combined with falling interest rates, has improved the stock's performance. We trimmed to the fund's holdings to control position size and overall Brazil exposure.

Detractors from performance

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

Yum China is the exclusive operator of KFC, Pizza Hut and Taco Bell brands in China, Taiwan and Macau. The company has been experiencing slower growth primarily due to greater competition, consumers trading down to cheaper products, and a lower mix of high-ticket delivery following COVID. The company has continued to exhibit good capital allocation and has delivered favorable economics from new, smaller format store openings. We trimmed the fund's position during the quarter.

China Mengniu Dairy stock declined as the company indicated slower-than-expected demand growth due to a weak market backdrop in the fourth quarter. On a positive note, Mengniu has been gaining market share in fresh milk and profit margins have been expanding in line with expectations. **Tongcheng Travel** is an online travel agency operator in China. The stock has been weak due to investors' apparent negative sentiment toward China. We still have confidence in China's travel industry outlook and the company's long-term fundamentals.

Standardized performance (%) as of December 31, 2023

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
Class A shares inception: 01/11/94	NAV	4.99	8.81	8.81	-5.91	4.87	2.38	4.77
	Max. Load 5.5%	-0.79	2.83	2.83	-7.67	3.69	1.80	4.57
Class R6 shares inception: 09/24/12	NAV	5.12	9.23	9.23	-5.55	5.27	2.79	2.62
Class Y shares inception: 10/03/08	NAV	5.08	9.07	9.07	-5.67	5.13	2.64	5.66
MSCI Emerging Markets Index		7.86	9.83	9.83	-5.08	3.68	2.66	-
Total return ranking vs. Morningstar Diversified Emerging Mkts category (Class A shares at NAV)		-	-	73% (563 of 812)	65% (391 of 717)	38% (210 of 656)	54% (211 of 403)	-

Expense ratios per the current prospectus: Class A: Net: 1.40%, Total: 1.40%; Class R6: Net: 1.01%, Total: 1.01%; 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](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 (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Class A shares at NAV	-3.26	-18.69	19.75	30.34	-18.75	29.97	17.14	-6.98	-17.70	8.81
Class R6 shares at NAV	-2.83	-18.34	20.22	30.86	-18.40	30.52	17.58	-6.61	-17.41	9.23
Class Y shares at NAV	-3.03	-18.50	20.05	30.65	-18.53	30.32	17.41	-6.75	-17.47	9.07
MSCI Emerging Markets Index	-2.19	-14.92	11.19	37.28	-14.57	18.42	18.31	-2.54	-20.09	9.83

Portfolio characteristics*

	Fund	Index
No. of holdings	50	1,441
Top 10 issuers (% of AUM)	35.94	22.62
Wtd. avg. mkt. cap (\$M)	76,775	102,002
Price/earnings	17.94	13.91
Price to book	2.44	1.71
Est. 3 – 5 year EPS growth (%)	13.56	11.28
ROE (%)	18.51	17.67
Long-term debt to capital (%)	20.49	21.50
Operating margin (%)	23.83	21.14

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	1.34	0.00
Beta	0.95	1.00
Sharpe ratio	0.16	0.09
Information ratio	0.19	0.00
Standard dev. (%)	19.23	19.16
Tracking error (%)	6.12	0.00
Up capture (%)	93.15	100.00
Down capture (%)	94.94	100.00
Max. drawdown (%)	34.98	35.98

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.24	0.33	0.57
Consumer Discretionary	-0.23	-0.68	-0.90
Consumer Staples	-0.21	-1.21	-1.42
Energy	0.06	0.00	0.06
Financials	-0.01	-0.17	-0.18
Health Care	0.01	-0.49	-0.48
Industrials	0.02	-0.48	-0.46
Information Technology	-0.54	0.81	0.27
Materials	0.06	0.00	0.06
Other	0.04	0.00	0.04
Real Estate	-0.54	1.06	0.51
Utilities	-0.12	0.00	-0.12
Cash	-0.31	0.00	-0.31
Total	-1.55	-0.83	-2.37

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	0.09	0.00	0.09
Asia/Pacific Ex Japan	-0.03	0.00	-0.03
Europe	0.12	0.00	0.12
Emerging	0.00	-2.19	-2.19
Africa/Mideast	0.04	0.06	0.10
Asia/Pacific Ex Japan	0.22	-3.01	-2.79
Europe	0.10	-0.39	-0.29
Latin America	0.83	-0.05	0.78
Other	0.04	0.00	0.04
Cash	-0.31	0.00	-0.31
Total	-0.18	-2.19	-2.37

Performance attribution (cont'd)

Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
Brazil	1.29	12.38	23.06
Egypt	0.22	2.07	20.82
France	0.18	2.42	15.93
Turkey	0.15	0.00	0.00
Thailand	0.13	0.51	13.20

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
China	-1.40	22.84	-12.18
Mexico	-0.47	6.89	7.51
Philippines	-0.43	6.57	1.31
India	-0.37	8.02	11.40
Indonesia	-0.25	5.69	1.56

Unless otherwise specified, all information is as of 12/31/23. 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.

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.