

# Invesco Emerging Markets Select Equity Fund

## Quarterly Performance Commentary

Mutual Fund Retail Share Classes  
Data as of Dec. 31, 2022



### Investment objective

The fund seeks long-term growth of capital.

### Portfolio management

Justin Leverenz

### Fund facts

Nasdaq	A: IEMAX	C: IEMCX Y: IEMYX
Total Net Assets	\$39,763,697	
Total Number of Holdings	57	

### Top holdings

% of total net assets

Taiwan Semiconductor	6.82
Housing Development Finance	5.90
Yum China HK	5.33
China Isotope & Radiation	4.51
Tata Consultancy Services	4.39
H World	4.02
Kotak Mahindra Bank	3.94
Pernod Ricard	3.78
Grupo Mexico 'B'	3.59
ZTO Express Cayman	3.51

### Top contributors

% of total net assets

1. Pinduoduo	1.12
2. Samsung Electronics	3.06
3. InPost	0.00
4. Medliva Technology	0.00
5. Yum China	5.33

### Top detractors

% of total net assets

1. China Isotope & Radiation	4.51
2. KE Holdings	0.00
3. Kweichow Moutai	0.00
4. Grupo Mexico	3.59
5. Inner Mongolia Yili Industrial	0.84

Not a deposit; Not FDIC insured; Not guaranteed by the bank; May lose value; Not insured by any federal agency

### Market overview

+ 2022 was marred by Russia's incursion into Ukraine. As effects of the COVID-19 pandemic lingered and the Ukraine war dragged on growth and pushed prices higher, particularly for food and energy, global GDP stagnated in 2022, raising prospects of a global recession. Yet, emerging markets equities were not disproportionately hammered in 2022 as they have been during past crises. The large emerging market economies of

Asia and Latin America have become resilient, albeit slower growing economies. The majority of emerging market economies no longer have external trade imbalances and are relatively healthy compared to the developed world. Credit growth has been subdued for much of the past decade, and banks are well-capitalized and liquid. These circumstances suggest a favorable backdrop for investing in emerging market equities.

### Positioning and outlook

+ Effective November 28, 2022, Justin Leverenz, CIO of Developing Markets Equities, assumed portfolio management responsibilities for this fund. The portfolio is currently being re-aligned with the investment philosophy and process of the Emerging Markets Equity Team, which uses a bottom-up approach to identify extraordinary companies with structural growth drivers, durable competitive advantages and a host of options that will manifest over time.

+ Looking ahead, we believe many emerging market companies are embarking on a new era - cutting

back on oversized ambitions and focusing on opportunities that are profitable and cash generating. In our view, this should improve earnings and returns as these businesses become more rational and disciplined. We have focused on finding investment opportunities where, we believe, the visible risks are well understood, have been deeply digested and have led to price discounts. Conversely, we are wary of circumstances where risks have not yet been widely perceived. The net result is an opportunity to own undervalued, high-quality stocks with potential for long-term structural growth.

### Performance highlights

+ The fund's Class A shares at net asset value (NAV) underperformed its benchmark, the MSCI Emerging Markets Index, for the fourth quarter. (Please see the investment results table on page 2 for fund and index performance.)

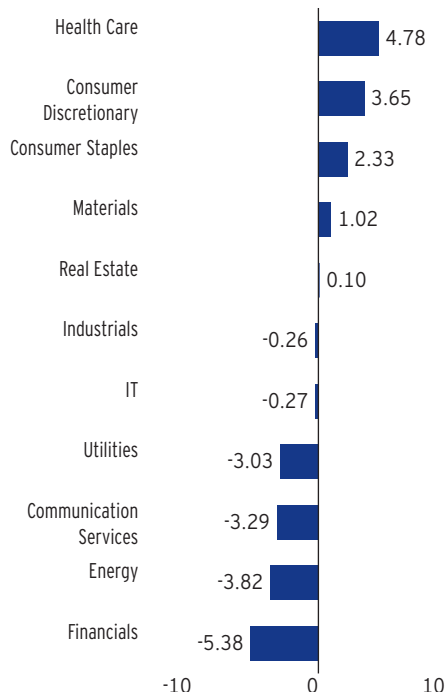
### Contributors to performance

- + The fund's relative performance benefited from stock selection in the industrials sector. An underweight allocation to the energy sector and stock selection in the communication services sector also added to relative return.
- + Geographically, an underweight allocation to Saudi Arabia was the largest contributor to relative performance. We realized the value of some of the portfolio's Russian equities, which also contributed to relative performance. An overweight allocation to the Netherlands was another contributor to relative return.
- + The top individual contributors to absolute return included **Pinduoduo**, a leading social ecommerce platform in China, **Samsung Electronics**, a South Korean multinational electronics company, and **InPost**, Poland's largest logistics and package delivery company with a growing international presence.

### Detractors from performance

- + Stock selection and an overweight in the consumer staples sector detracted from relative performance, as did stock selection and underweights in the information technology and materials sectors.
- + Geographically, stock selection and an underweight in China detracted most from relative return. An overweight and stock selection in Brazil detracted from relative results, as did an underweight and stock selection in South Korea.
- + The largest individual detractors from absolute performance during the quarter included **China Isotope & Radiation**, a leading company in the isotopes and irradiation technology application industry, **KE Holdings**, China's largest online and offline housing transaction and services platform, and **Kweichow Moutai**, known for its most revered Chinese liquors.

**The fund's positioning versus the MSCI Emerging Markets Index (% underweight/overweight)**



**Investment results**

Average annual total returns (%) as of Dec. 31, 2022

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 05/31/11	NAV	Inception: 05/31/11	NAV	Inception: 05/31/11	
	<b>Max Load 5.50%</b>		<b>Max CDSC 1.00%</b>			<b>MSCI Emerging Markets Index</b>
Inception	-3.06	-2.59	-3.08	-3.08	-2.34	-
10 Years	-1.64	-1.08	-1.68	-1.68	-0.82	1.44
5 Years	-7.33	-6.28	-6.99	-6.99	-6.03	-1.40
3 Years	-13.64	-12.00	-12.63	-12.63	-11.73	-2.69
1 Year	-32.76	-28.81	-30.00	-29.30	-28.55	-20.09
Quarter	-3.11	2.56	1.26	2.26	2.61	9.70

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](https://www.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. 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	1.33	1.67	Intl Common Stock	95.76
Class C Shares	2.08	2.42	Cash	4.32
Class Y Shares	1.08	1.42	Other	-0.08
			Dom Common Stock	0.00

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 February 28, 2023. See current prospectus for more information.

A negative in Cash or Other, as of the date shown, is normally due to fund activity that has accrued or is pending settlement.

For more information you can visit us at [www.invesco.com/us](https://www.invesco.com/us)

Class Y shares are available only to certain investors. See the prospectus for more information.

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

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.

There is no guarantee any outlooks mentioned will come to pass.

**Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained.**

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.

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**About risk**

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 funds.

Preferred securities may include provisions that permit the issuer to defer or omit distributions for a certain period of time, and reporting the distribution for tax purposes may be required, even though the income may not have been received. Further, preferred securities may lose substantial value due to the omission or deferment of dividend payments.

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.

A value style of investing is subject to the risk that the valuations never improve or that the returns will trail other styles of investing or the overall stock markets.

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.

***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 financial professionals 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. Financial professionals, 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.