

Invesco Developing Markets Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of June 30, 2022



Limited Offering

Investment objective

The fund seeks capital appreciation.

Portfolio management

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Fund facts

Nasdaq	A: ODMAX	C: ODVCX Y: ODVYX
Total Net Assets	\$29,864,897,380	
Total Number of Holdings	70	

Top issuers % of total net assets

Housing Development Finance Corp Ltd	6.57
Taiwan Semiconductor Manufacturing Co Ltd	6.56
Kotak Mahindra Bank Ltd	4.92
Yum China Holdings Inc	4.89
Tata Consultancy Services Ltd	4.30
AIA Group Ltd	4.09
Grupo Mexico SAB de CV	3.93
NetEase Inc	3.61
H World (formerly Huazhu)	3.55
Pernod Ricard SA	3.32

Top contributors % of total net assets

1. Yum China Holdings Inc	4.89
2. H World (formerly Huazhu)	3.55
3. Meituan	2.46
4. Wuxi Biologics Cayman Inc	2.32
5. ZTO Express Cayman Inc	3.31

Top detractors % of total net assets

1. Taiwan Semiconductor Manufacturing Co Ltd	6.56
2. Grupo Mexico SAB de CV	3.93
3. Tata Consultancy Services Ltd	4.30
4. Americanas SA	0.47
5. Housing Development Finance Corp Ltd	6.57

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

Market overview

+ Emerging markets are positioned differently during this global downturn compared to downturns in the past. Balance sheets at the government and corporate levels are far healthier than in previous crises. Emerging market central banks are ahead of the curve in dealing with inflation, having begun their tightening cycles earlier than their developed market peers. And, in a world with elevated energy prices, resource rich countries (Brazil and Chile) are benefiting, while net importers of commodities (China and India)

are securing long-term supply contracts at discounted prices funded in their own currencies. Yet, emerging market valuations are at steeper discounts to the developed world than they have been in the past decade. Emerging markets are evolving from being a beta play on global growth to a source of alpha generation in a rapidly changing and uncertain world. The net result is a spectacular opportunity to own undervalued, high quality stocks with potential for long-term structural growth.

Positioning and outlook

+ The largest position we added during the quarter was **Sunny Optical**, a Chinese integrated optical components producer (0.56% of total net assets). The company's valuation has become more attractive after a recent price contraction. We also initiated a position in **Silergy**, Taiwan's largest fabless producer, which stands to benefit from the expanding IoT (Internet of Things).

+ The largest position exited during this quarter was **HDFC Bank** (0.00% of total net assets), a subsidiary of **Housing Development Finance** (HDFC), which announced it will merge with **HDFC**

Bank.

+ During this period of crisis and uncertainty, we remain focused on understanding the macroeconomic pressures that are idiosyncratic to emerging markets. However, we are unwavering in our approach as bottom-up investors who focus on the long-term investment horizon and avoid tactical decisions. We will continue to seek high quality companies that have durable long-term growth potential supported by strong competitive positions, balance sheets and cash flows that will allow them to thrive in the post-COVID world.

Performance highlights

+ Invesco Developing Markets Fund Class A shares at net asset value (NAV) outperformed its benchmark index for the quarter. (Please see the investment results table on page 2 for fund and index performance.)

Contributors to performance

+ Stock selection in the financials, communication services and industrials sectors contributed to relative performance.

+ Geographically, an underweight allocation and stock selection in South Korean equities was the largest contributor to relative performance. An overweight in Hong Kong and an underweight in South Africa also added to relative return.

+ The largest individual contributor to absolute performance was **Yum China**, which operates a portfolio of QSR (quick serve restaurants) in the underpenetrated Chinese market. **Yum** has continued operation and expansion initiatives for brands such as KFC and Pizza Hut, which we believe should benefit the company as China begins to relax COVID-19 lockdowns in several key markets.

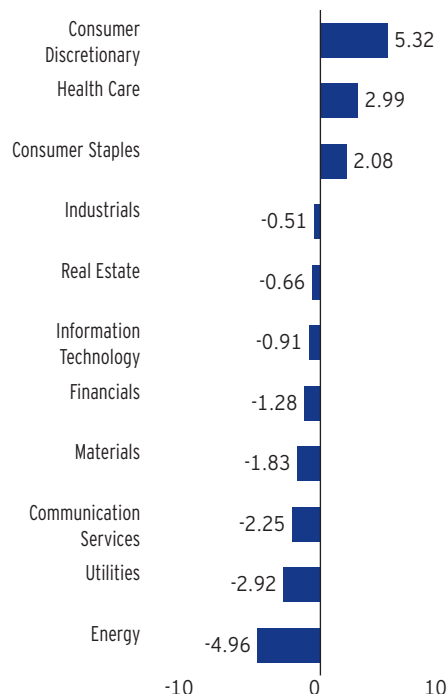
Detractors from performance

+ Stock selection in the consumer staples, consumer discretionary and real estate sectors detracted from relative performance.

+ Geographically, stock selection and overweights in Mexican and Brazilian equities negatively affected relative performance. An overweight allocation to France, where the benchmark has no allocation, had a negative effect on relative return.

+ **Taiwan Semiconductor Manufacturing** (TSMC) is the world's largest semiconductor foundry. Investors have raised concerns about near-to-medium term growth for this sector, particularly as handset demand stagnates and raw material costs rise. **TSMC** has strong customer order commitment in other segments and plans to raise wafer prices.

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



Investment results

Average annual total returns (%) as of June 30, 2022

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 11/18/96	Inception: 11/18/96	Inception: 11/18/96	Inception: 11/18/96	Inception: 09/07/05	
	Max Load	NAV	Max CDSC	NAV	NAV	MSCI Emerging Markets Index
Inception	5.50%	9.33	1.00%	9.31	6.26	-
10 Years	1.76	2.33	1.73	1.73	2.60	3.06
5 Years	-1.10	0.03	-0.72	-0.72	0.28	2.18
3 Years	-6.34	-4.57	-5.27	-5.27	-4.33	0.57
1 Year	-38.68	-35.11	-36.21	-35.60	-34.95	-25.28
Quarter	-16.28	-11.42	-12.48	-11.60	-11.38	-11.45

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. As the result of a reorganization on May 24, 2019, the returns of the fund for periods on or prior to May 24, 2019 reflect performance of the Oppenheimer predecessor fund. Share class returns will differ from the predecessor fund due to a change in expenses and sales charges.

Index source: RIMES Technologies Corp.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	1.20	1.20	Dom Common Stock	0.18
Class C Shares	1.95	1.95	Intl Common Stock	94.64
Class Y Shares	0.95	0.95	Cash	5.18

Per the current prospectus

For more information you can visit us at www.invesco.com/us

Effective as of the close of business on May 24, 2019, the fund closed to new investors. For more information on who may invest in the fund, please see the prospectus.

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

In general, stock and other equity securities values fluctuate, sometimes widely, in response to activities specific to the company as well as general market, economic and political conditions.

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.

ESG considerations may vary across investments and issuers, and not every ESG factor may be identified or evaluated for investment. The Fund will not be solely based on ESG considerations; therefore, issuers may not be considered ESG-focused companies. ESG factors may affect the Fund's exposure to certain companies or industries and may not work as intended. The Fund may underperform other funds that do not assess ESG factors or that use a different methodology to identify and/or incorporate ESG factors. ESG is not a uniformly defined characteristic and as a result, information used by the Fund to evaluate such factors may not be readily available, complete or accurate, and may vary across providers and issuers. There is no guarantee that ESG considerations will enhance Fund performance.

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.

In late February 2022, Russian military forces invaded Ukraine, significantly amplifying already existing geopolitical tensions among Russia, Ukraine, Europe, NATO and the West. Russia's invasion, the responses of countries and political bodies to Russia's actions, and the potential for wider conflict may increase financial market volatility and could have severe adverse effects on regional and global economic markets, including the markets for certain securities and commodities such as oil and natural gas. Following Russia's actions, various countries, including the U.S., Canada, the United Kingdom, Germany, and France, as well as the European Union, issued broad-ranging economic sanctions against Russia. While diplomatic efforts have been ongoing, the conflict between Russia and Ukraine is currently unpredictable and has the potential to result in broadened military actions. The duration of ongoing hostilities and corresponding sanctions and related events cannot be predicted and may result in a negative impact on performance and the value of Funds investments, particularly as it relates to Russia exposure.

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.