

# Invesco Emerging Markets Select Equity Fund

## Quarterly Performance Commentary

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



### Investment objective

The fund seeks long-term growth of capital.

### Portfolio management

Jeff Feng

### Fund facts

Nasdaq	A: IEMAX	C: IEMCX Y: IEMYX
Total Net Assets	\$49,548,216	
Total Number of Holdings	45	

### Top holdings

% of total net assets

Gree Electric Appliances Inc of Zhuhai 'A'	6.75
Taiwan Semiconductor	6.43
China Isotope & Radiation	6.19
Kweichow Moutai 'A'	5.32
Tencent	4.86
KE Holdings	4.46
Ping An Insurance Group Co of China 'H'	4.33
Samsung Electronics	3.81
East Money Information 'A'	3.68
Housing Development Finance	3.34

### Top contributors

% of total net assets

1. KE Holdings	4.46
2. Kweichow Moutai 'A'	5.32
3. Helens International	2.24
4. Yum China	1.41
5. East Money Information 'A'	3.68

### Top detractors

% of total net assets

1. Taiwan Semiconductor	6.43
2. MercadoLibre	1.29
3. Samsung Electronics	3.81
4. China National Building Material	0.38
5. Virscend Education	0.90

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

### Market overview

+ The second quarter proved difficult for global markets due to a challenging economic environment. Emerging market equities broadly delivered negative returns, as inflation and supply chain issues remained problematic given the ongoing war in Ukraine, which drove high energy and food prices that have depressed real incomes.

Many economies showed signs of slowing as central banks took steps to manage inflation. China's economy was a notable exception among emerging markets. Chinese equities ended in positive territory for the quarter as the government continues to provide economic stimulus to support growth going forward.

### Positioning and outlook

+ We have continued to invest in companies with strong fundamentals, in growing industries and with robust competitive advantages. We believe it is best to ignore short-term market noise and focus on the long-term fundamentals of businesses.

+ At quarter end, the fund's largest overweight positions compared to the index were in the consumer discretionary and consumer staples sectors and, from a country perspective, in China

and Thailand. Conversely, the largest underweight positions were in financials and materials, and in South Korea and Taiwan.

+ As always, the portfolio's country and sector allocations are the result of the team's bottom-up, fundamental stock selection process and are not based on the characteristics of the index. We continue to seek high-quality companies worldwide.

### Performance highlights

+ The fund's Class A shares at net asset value (NAV) outperformed its benchmark, the MSCI Emerging Markets Index, for the second 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 and an underweight in the financials sector, an underperforming sector within the benchmark during the quarter. Stock selection within the real estate sector also added to relative return.

+ From a country perspective, the fund's relative performance benefited from stock selection and an overweight in China, a country that posted a positive return within the benchmark during a difficult quarter for emerging market equities.

+ The top individual contributors to absolute return included **KE Holdings**, an integrated online and offline platform for housing transactions and services in China, and **Kweichow Moutai**, a China-based beverage company recognized as the world's largest spirit brand.

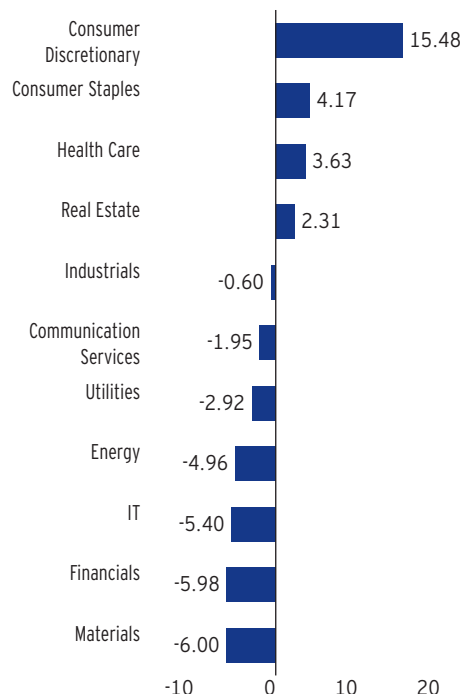
### Detractors from performance

+ Stock selection in the consumer discretionary and communication services sectors detracted from relative performance for the quarter.

+ From a country perspective, stock selection and a moderate overweight in Brazil, an underperforming country within the benchmark, detracted from relative return, as did stock selection in Poland.

+ The largest individual detractors from absolute performance during the quarter included **Taiwan Semiconductor Manufacturing**, a leading semiconductor design and manufacturing company based in Taiwan, and **MercadoLibre**, a leading online commerce and payment company in Latin America.

**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: 05/31/11	Inception: 05/31/11	Inception: 05/31/11	Inception: 05/31/11	Inception: 05/31/11	
	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	MSCI Emerging Markets Index
Inception	-2.46	-1.96	-	-	-1.72	-
10 Years	0.09	0.65	-	-	0.91	3.06
5 Years	-1.91	-0.79	-1.51	-1.51	-0.53	2.18
3 Years	-6.72	-4.93	-5.65	-5.65	-4.68	0.57
1 Year	-42.77	-39.46	-40.44	-39.85	-39.20	-25.28
Quarter	-13.60	-8.53	-9.55	-8.63	-8.37	-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. Index source: FactSet Research Systems Inc.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	1.33	1.67	Intl Common Stock	97.93
Class C Shares	2.08	2.42	Cash	2.07
Class Y Shares	1.08	1.42		

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.

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.