

# Invesco International Core 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

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### Fund facts

Nasdaq	A: IBVAX C: IBVCX Investor: IIBCX Y: IBVYX
Total Net Assets	\$59,077,770
Total Number of Holdings	55

Top holdings	% of total net assets
Roche NES	4.07
Novartis ADR	3.09
TotalEnergies	2.93
BP	2.92
adidas	2.86
Thales	2.80
AstraZeneca	2.67
Toyota Motor	2.66
Hitachi	2.64
CAE	2.54

Top contributors	% of total net assets
1. Deutsche Telekom	1.63
2. Alibaba	2.23
3. Verallia	0.00
4. Thales	2.80
5. TotalEnergies	2.93

Top detractors	% of total net assets
1. Qt	0.75
2. Infineon Technologies	1.89
3. Veolia Environnement	2.38
4. SSAB	1.10
5. Australia and New Zealand Banking	2.22

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

### Market overview

- + Global equity markets declined in the second quarter as record inflation, rising interest rates and recession fears led to generally weaker consumer sentiment around the globe.
- + To tame inflation, central banks in the US and the UK raised interest rates, while the European Central Bank is poised to do so in July.
- + In contrast, the Bank of Japan made no change to its monetary policy despite the yen weakening sharply versus the US dollar.
- + In Europe, reduction of gas supplies from Russia due to the war in the Ukraine has driven prices higher, with mounting fear of gas shortages and rationing.
- + Emerging market equities also declined, but China was an outlier and posted a positive return for the quarter due to positive economic indicators and the easing of COVID lockdowns.
- + Against this backdrop, emerging market equities outperformed developed equity markets for the quarter.

### Positioning and outlook

- + Overall, our team's valuation discipline and positioning helped insulate the fund from the worst of the quarter's equity market selloff.
- + The portfolio remains well balanced, diversified between cyclical and defensive stocks.
- + We remain focused on individual companies with strongly durable business models and opportunities, where we have conviction in a thesis that differs from the market consensus and where the risk/return profile is asymmetrically in the fund's favor. This is especially true now when we see fewer clear opportunities to take macroeconomic, style or other broad factor type risks in the near term.
- + This approach means that the majority of risk in the portfolio occurs at a stock specific level, in line with our focus on exploiting idiosyncratic opportunities.

### Performance highlights

- + International Core Equity Fund Class A shares at net asset value (NAV) outperformed the MSCI EAFE Index for the quarter. (Please see the investment results table on page 2 for fund and index performance.)
- + Stock selections within the industrials, communication services and materials sectors were responsible for the fund's strong relative performance.
- + The fund underperformed its index the most in the health care, consumer staples and information technology sectors.

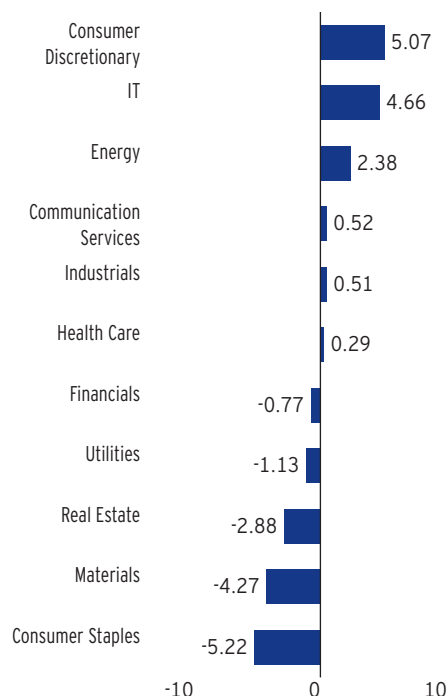
### Contributors to performance

- + The fund's top individual contributor to relative return was German telecommunications firm **Deutsche Telekom**, which operates in the US under the T-Mobile brand. The company is in the advanced stage of selling its telecommunications towers, which will help reduce debt and could lead to additional share repurchases.
- + Another notable contributor to relative results was **Alibaba**, a Chinese ecommerce company that we purchased during the pandemic-induced selloff in early 2020. The stock had traded down in previous quarters due to concerns about governance and regulatory interventions but rose this quarter mainly due to improvement in the economic climate for Chinese companies.

### Detractors from performance

- + The fund's largest detractor from relative return was **Qt**, a Finland-based software company that provides development tools to users around the world. The stock came under pressure, along with the broader technology sector, as higher interest rates and negative sentiment reduced valuations on many of these types of companies.
- + Another large detractor was **Infineon Technologies**, a German technology company the fund has held since mid-2021. The company has significant exposure to the automotive sector, providing many different types of semiconductors used in automobile manufacturing. The stock traded lower as recession fears affected sentiment toward this notoriously cyclical industry.

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



**Investment results**

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

	Class A Shares		Class C Shares		Investor Class Shares	Class Y Shares	Style-Specific Index
	Inception: 03/28/02		Inception: 02/14/00		Inception: 10/28/98	Inception: 10/03/08	
Period	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	NAV	MSCI EAFE Index
Inception	3.53	3.82	2.24	2.24	3.35	3.43	-
10 Years	3.96	4.55	3.94	3.94	4.55	4.81	5.40
5 Years	1.03	2.18	1.44	1.44	2.20	2.46	2.20
3 Years	1.38	3.31	2.56	2.56	3.31	3.61	1.07
1 Year	-24.81	-20.44	-21.80	-21.03	-20.41	-20.22	-17.77
Quarter	-16.82	-12.00	-13.01	-12.14	-12.01	-11.93	-14.51

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. The Investor Class shares have no sales charge; therefore, performance is at NAV. 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	1.12	1.52	Dom Common Stock	4.07
Class C Shares	1.87	2.27	Intl Common Stock	95.05
Investor Class Shares	1.12	1.52	Cash	0.58
Class Y Shares	0.87	1.27	Other	0.30

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 and Investor Class 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.

The MSCI EAFE® Index is an unmanaged index considered representative of stocks of Europe, Australasia and the Far East. An investment cannot be made directly in an index.

The S&P 500® Index is an unmanaged index considered representative of the US stock market. An investment cannot be made directly in an index.

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#### 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.

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.

Many countries in the European Union are susceptible to high economic risks associated with high levels of debt, notably due to investments in sovereign debts of European countries such as Greece, Italy and Spain.

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.

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](http://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.