

# Invesco Emerging Markets Innovators Fund

## Quarterly Performance Commentary

Mutual Fund Retail Share Classes  
Data as of Sept. 30, 2022



### Investment objective

The fund seeks capital appreciation.

### Portfolio management

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### Fund facts

Nasdaq	A: EMIA	C: EMVCX
	Y: EMIX	
Total Net Assets	\$135,134,237	
Total Number of Holdings	58	

### Top issuers % of total net assets

Le Travenues Technology Ltd	6.23
Yum China Holdings Inc	5.73
H World Group Ltd	5.61
Samsung Biologics Co Ltd	4.60
Arezzo Industria e Comercio SA	4.38
Voltronic Power Technology Corp	3.13
ZTO Express Cayman Inc	2.93
LG Chem Ltd	2.76
Oberoi Realty Ltd	2.70
Coca-Cola Femsa SAB de CV	2.69

### Top contributors % of total net assets

1. Arezzo Industria e Comercio SA	4.38
2. BIM Birlisik Magazalar AS	2.32
3. Havells India Ltd	2.42
4. Oberoi Realty Ltd	2.70
5. Pagseguro Digital Ltd	1.62

### Top detractors % of total net assets

1. Silergy Corp	2.55
2. Sunny Optical Technology	1.75
3. Wuxi Biologics Cayman Inc	2.37
4. Zhongsheng Group Holdings Ltd	1.13
5. H World Group Ltd	5.61

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

### Market overview

Global markets have been enshrouded by geopolitical shock waves stemming from Russia's invasion of Ukraine, rising inflation levels, recessionary fears, etc. Much of this has dampened sentiment toward emerging market equities. However, after two years of interconnected, unlikely and extreme events, we are encouraged by three important factors in emerging markets:

- + valuations are cheap relative to US equities,
- + central banks in most emerging market countries stayed ahead of inflationary pressures by raising interest rates, and
- + China seems poised for recovery from its debilitating zero-COVID policy, which would provide investment opportunities.

### Positioning and outlook

- + The largest position we added during the quarter was Brazilian digital bank **Nu** (0.65% of total net assets), which we believe should have room to increase its penetration in Brazil where the population is under-served by banks.
- + The largest position trimmed during this quarter was **Yum China** (5.73% of total net assets). We will continue to monitor how **Yum** operates under China's zero-COVID policy.
- + 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 the visible risks are well understood, have been 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

- + Invesco Emerging Markets Innovators 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.)

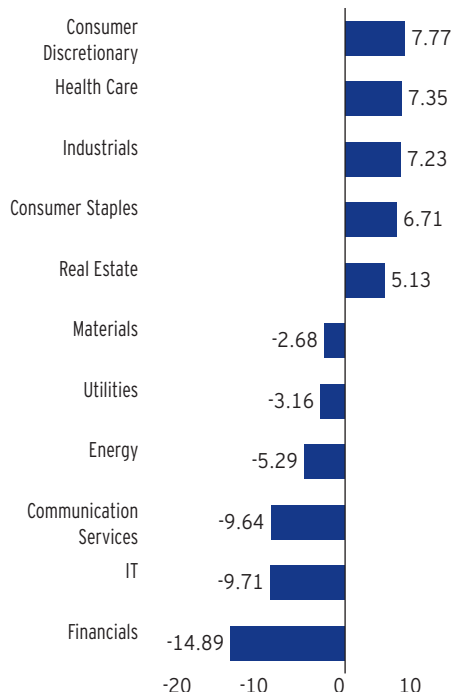
### Contributors to performance

- + Stock selection in the consumer discretionary sector was the largest contributor to relative performance. Stock selection and an overweight allocation in the consumer staples sector, along with stock selection in the real estate sector, also added to relative performance.
- + Geographically, stock selection and an overweight allocation in Brazil had the largest positive effect on relative performance. Stock selection in South Korea added to relative returns as did an overweight allocation and stock selection in Mexico.
- + The largest individual contributor to absolute performance was **Arezzo Industria e Comercio**, a Brazilian retailer that offers consumers an omnichannel shopping approach. Further consolidation in Brazil's fragmented retail market and ongoing investments in digital platforms should, in our view, support **Arezzo's** growth profile.

### Detractors from performance

- + Stock selection and an overweight allocation in the health care sector was the largest detractor from relative performance. An underweight in the financials sector also detracted from relative return, as did stock selection in the information technology sector.
- + Geographically, the fund had no exposure to Saudi Arabian equities, which had a negative effect on relative returns. Stock selection in both the Philippines and India had a negative effect on relative performance as well.
- + The largest individual detractor from absolute performance was **Silergy**, one of China's largest fabless semiconductor producers and a global leader in PMIC (power management integrated circuits).

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



**Investment results**

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

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 06/30/14	NAV	Inception: 06/30/14	NAV	Inception: 06/30/14	
	<b>Max Load 5.50%</b>		<b>Max CDSC 1.00%</b>			<b>MSCI Emerging Markets Index</b>
Inception	-3.58	-2.91	-3.63	-3.63	-2.67	-
5 Years	-7.17	-6.12	-6.82	-6.82	-5.91	-1.81
3 Years	-9.43	-7.70	-8.38	-8.38	-7.49	-2.07
1 Year	-43.39	-40.07	-41.00	-40.48	-39.95	-28.11
Quarter	-12.78	-7.72	-8.74	-7.82	-7.70	-11.57

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	1.50	1.64	Intl Common Stock 95.76
Class C Shares	2.25	2.40	Cash 4.24
Class Y Shares	1.25	1.40	

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.

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

The MSCI Emerging Markets Mid Cap Index includes mid-cap representation across 26 emerging markets countries. An investment cannot be made directly in an index.

Effective October 29, 2021, Invesco Emerging Markets Innovators Fund will change its benchmark to the MSCI Emerging Markets 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.

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

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.

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.