

# Invesco Emerging Markets Innovators Fund

## Quarterly Performance Commentary

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



### Investment objective

The fund seeks capital appreciation.

### Portfolio management

Justin Leverenz

### Fund facts

Nasdaq	A: EMIAX	C: EMVCX Y: EMIYX
Total Net Assets	\$124,787,536	
Total Number of Holdings	54	

### Top issuers % of total net assets

H World Group Ltd	6.37
Yum China Holdings Inc	5.94
Le Travenues Technology Ltd	5.74
Samsung Biologics Co Ltd	4.97
LG Chem Ltd	3.30
Voltronic Power Technology Corp	3.21
Arezzo Industria e Comercio SA	3.20
ZTO Express Cayman Inc	2.94
BeiGene Ltd	2.82
Coca-Cola Femsa SAB de CV	2.80

### Top contributors % of total net assets

1. Yandex	0.00
2. H World Group Ltd	6.37
3. BeiGene Ltd	2.82
4. Polyus	0.00
5. Tencent Music Entertainment Group	2.03

### Top detractors % of total net assets

1. Le Travenues Technology Ltd	5.74
2. Arezzo Industria e Comercio SA	3.20
3. Pagueuro Digital Ltd	0.96
4. Havells India Ltd	1.75
5. Ace Hardware Indonesia Tbk PT	1.02

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

- + We initiated no new positions during the quarter.
- + The largest position exited during this quarter was **Yandex**, a Russian internet company with businesses in several categories including search, food delivery and e-commerce. We sold the position due to ongoing concerns about Russia's deteriorating investment landscape.
- + 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

- + 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.)

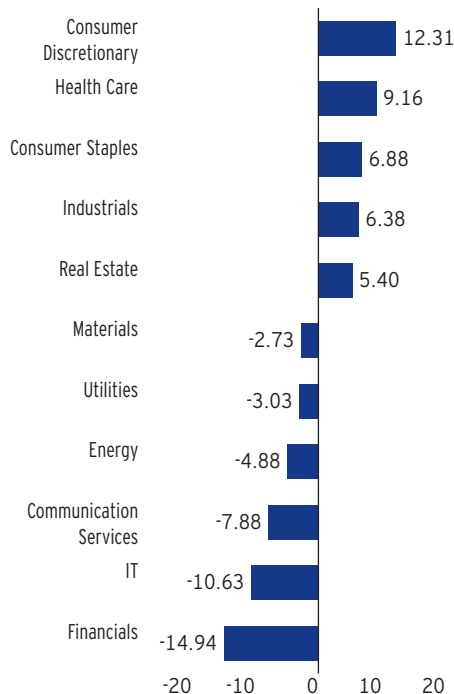
### Contributors to performance

- + Stock selection in the communication services sector was the largest contributor to relative performance. Stock selection and an overweight allocation to the health care sector contributed to relative return, as did stock selection in the materials sector.
- + Geographically, stock selection and an underweight in China, as well as an underweight in Saudi Arabia, contributed to relative performance. Additionally, we realized the value of some of the portfolio's Russian equities, which added to relative return.
- + The largest individual contributor to absolute return came from the sale of a Russian holding, internet company **Yandex**, that was previously priced at zero valuation. Due to ongoing market closures, lack of trading partners, low liquidity, settlement concerns and future uncertainty, Invesco had priced all Russian equity holdings at zero as of March 2, 2022.

### Detractors from performance

- + The largest detractor from relative performance was stock selection in the consumer discretionary sector. Stock selection and an underweight in the information technology sector detracted from relative performance, as did stock selection in the industrials sector.
- + Geographically, stock selection in India was the largest detractor from relative performance. Stock selection and an overweight in Brazil detracted from relative return, as did an overweight and stock selection in Indonesia.
- + The largest individual detractor from absolute return was **Le Travenues Technology**, a private Indian platform known as ixigo that delivers online travel solutions. The company struggled with COVID-related disruptions, which, we believe, should abate now that travel restrictions have eased.

**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	MSCI Emerging Markets Index
	Inception: 06/30/14	NAV	Inception: 06/30/14	NAV	Inception: 06/30/14		
Inception	-2.18	-1.53	-2.23	-2.23	-1.29	-	-
5 Years	-6.47	-5.41	-6.13	-6.13	-5.17	-1.40	-1.40
3 Years	-9.31	-7.60	-8.32	-8.32	-7.36	-2.69	-2.69
1 Year	-30.84	-26.78	-28.20	-27.47	-26.65	-20.09	-20.09
Quarter	5.79	11.96	10.52	11.52	12.01	9.70	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. 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	96.03
Class C Shares	2.25	2.40	Cash	3.97
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.

---

## 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.