

## Portfolio Manager

Justin Leverenz

Since 05/07

## Portfolio Inception

November 18, 1996

## Fund Assets

\$21.8 billion

## Investment Philosophy

We believe long-term outperformance can be achieved by focusing on exceptional companies with durable tailwinds that can drive sustainable growth. We look to build and manage a diversified portfolio of stocks that we want to own for the long term. We believe that entry price is a key component of returns when investing in these companies.

For additional information, please visit our website at [invesco.com](https://www.invesco.com)

## Market overview

For the YTD period, Emerging Market (EM) equities delivered positive performance. In April and for the YTD period, Chinese equities also delivered positive performance. While we remain unconvinced with the viability of more pronounced economic recovery in China, the structural retreat in economic growth in China is generating positive change in corporate strategy across China's private sector, including more rational competitive discipline and better capital allocation. In contrast, most non-China EM markets have entered a period where economic growth post COVID has been substantial or expected to accelerate with the potential of interest rates cuts. We believe EM equities remain attractive to investors as they are mispriced with valuation discounts relative to US and global equities hovering at nearly 40% and 30%.<sup>1</sup>

## Monthly performance

Invesco Developing Markets Fund Class A shares (without sales charge) returned -1.67% during the month of April, compared to the MSCI Emerging Markets (EM) Index which returned 0.45%.

### Top Sectors Contributing to Relative Performance

- Energy - stock selection
- Materials - stock selection
- Health Care - stock selection

### Top Countries Contributing to Relative Performance

- Portugal - overweight allocation
- Taiwan - underweight allocation
- United Kingdom - overweight allocation

### Bottom Sectors Detracting from Relative Performance

- Consumer Discretionary - stock selection
- Consumer Staples - stock selection
- Financials - stock selection

### Bottom Countries Detracting from Relative Performance

- China - stock selection/underweight allocation
- India - stock selection
- Brazil - stock selection

## Year-to-Date performance

Invesco Developing Markets Fund Class A shares (without sales charge) returned 0.33% for the year-to-date period, compared to the MSCI EM Index which returned 2.83%.

### Top Sectors Contributing to Relative Performance

- Information Technology - stock selection
- Materials - stock selection
- Energy - stock selection

### Top Countries Contributing to Relative Performance

- Taiwan - stock selection
- Portugal - overweight allocation
- Italy - overweight allocation

### Bottom Sectors Detracting from Relative Performance

- Financials - stock selection
- Consumer Staples - stock selection/overweight allocation
- Health Care - overweight allocation/stock selection

### Bottom Countries Detracting from Relative Performance

- India - stock selection
- China - stock selection/underweight allocation
- France - overweight allocation

Not a Deposit Not FDIC Insured  
Not Guaranteed by the Bank May Lose Value  
Not Insured by any Federal Government  
Agency



For more information, including prospectus and factsheet, please visit [Invesco.com/ODMAX](https://www.invesco.com/ODMAX)

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Top absolute contributors to the year-to-date performance included: **Taiwan Semiconductor Manufacturing Co. (TSMC)**, **Tencent** and **Galp Energia**

**Taiwan Semiconductor Manufacturing Co. (TSMC)** is one of the world's leading semiconductor foundries and the key enabler of the new computing revolution, with multiple architectures, chip platforms and design teams competing to push computing and AI innovation. TSMC should be well positioned, as they continue migrating to next generation processing nodes led by inventory restocking, strong AI demand and rapid expansion.

**Tencent**, a long-term holding of the fund, is a Chinese internet and technology company that has developed a robust suite of digital offerings for its user base. Tencent provides communication and social tools, PC and mobile games, and a plethora of digital content including news and literature. Additionally, Tencent provides enterprise services, such as cloud computing and access to FinTech platforms for its clients. Tencent shares staged their biggest rally since December after China's biggest internet firm nailed down an earlier-than-anticipated debut of one of the year's most eagerly awaited mobile games.

**Galp Energia**, based in Portugal, operates an integrated energy company with a focus on oil and gas. The company provides exposure to Brazil's pre-salt reserves, which contain significant oil and natural gas reserves. Galp also holds assets in Spain, Angola and Mozambique. Positive news about Galp's oil exploration in Namibia, adding to discoveries drilled off the southwest in Africa, were met with excitement among investors and positively impacted the stock price in April.

Top absolute detractors to the year-to-date performance included: **Kotak Mahindra Bank**, **HDFC Bank** and **Pernod Ricard**

**Kotak Mahindra Bank** is the fourth largest private bank in India with operations in banking, asset management, life insurance, and capital markets. The Indian financial sector has three structural trends which underpin its strong growth and returns on investment, including market share gains by private sector banks, continuing penetration of formal banking services and widespread digital adoption, allowing the more innovative private banks to disrupt the status quo. However, Kotak Mahindra's shares fell sharply in the second half of April after India's central bank barred it from taking on new clients through online channels and issuing new credit cards, citing concerns about the commercial bank's IT infrastructure.

**HDFC Bank** is India's largest private sector bank. In 2023, HDFC Bank merged with its parent, HDFC Corp, a long-term holding of the fund. We believe that the combined entity should be able to achieve lower cost of funds for mortgage products along with better cross-selling opportunities through HDFC Bank's vast branch network due to increased synergies. Mortgage penetration and consumer finance remain embryonic in India. The bank's weaker than expected quarterly results along with concerns about tight liquidity conditions for Indian banks negatively impacted its share prices in 2024.

**Pernod Ricard**, headquartered in Paris, France, is a global leader in wines and spirits selling premium brands in over 160 countries. Pernod's strong distribution network expansion has allowed it to penetrate China and India, two high-potential markets. Pernod has not been immune to global macro headwinds in their key markets and, as a result, consensus earnings estimates have come down. We believe that valuations are attractive and don't fully reflect the structural growth opportunities the company has in the emerging markets.

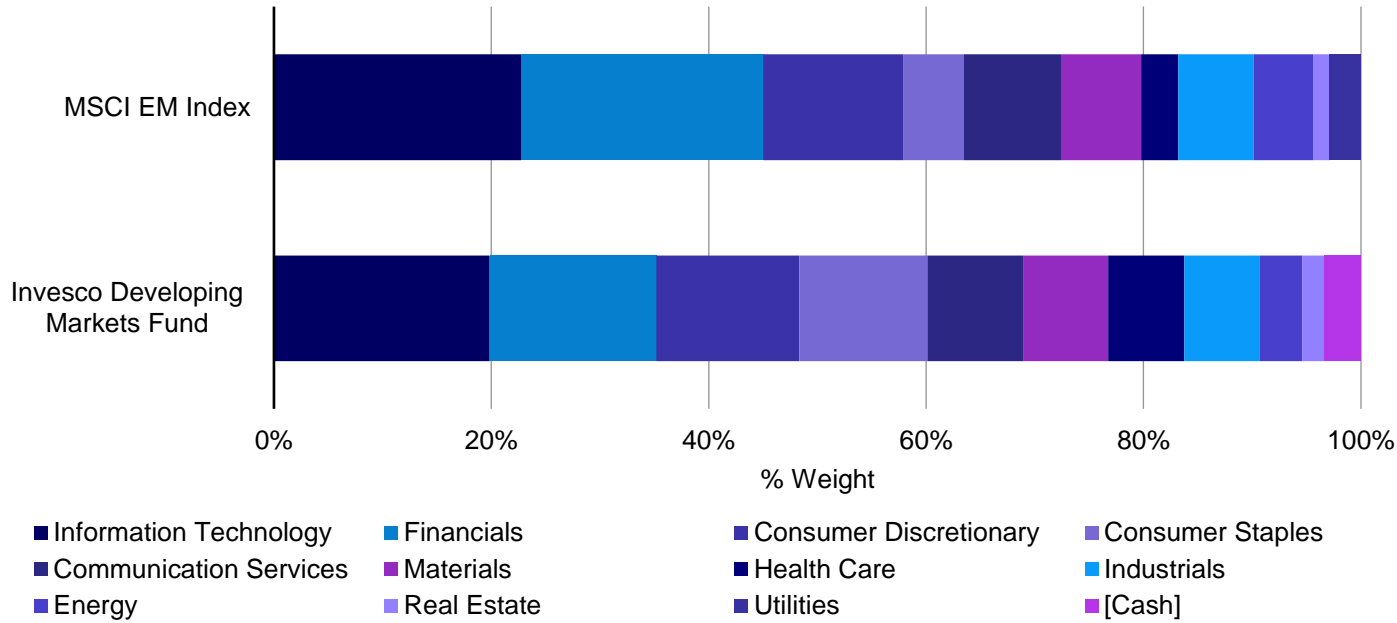
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## Positioning and Outlook

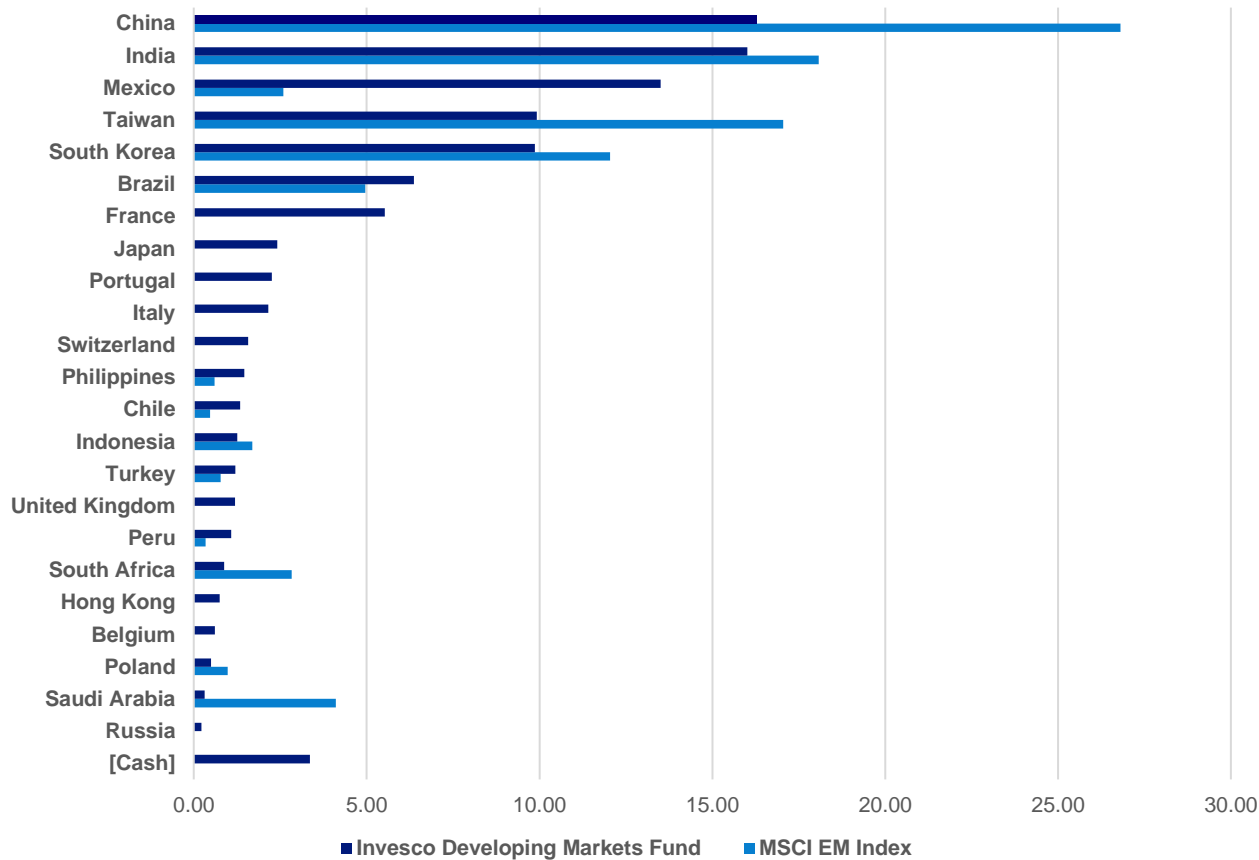
As of the end of April, relative to the benchmark, the fund was overweight in the Consumer Staples, Health Care, Real Estate, Materials and Consumer Discretionary sectors. The fund was underweight the benchmark in the Financials, Information Technology, Utilities, Energy, Communication Services and Industrials sectors. Effective February 28, 2023, we updated the current good faith fair value price of zero for Russian equities that are USD denominated and tradeable under current sanctions. We have seen enough market activity such that we will price the securities in accordance with the most recent observed transaction, making appropriate adjustments in light of additional market color.

As long-term investors, company fundamentals are especially crucial to us. Our investment approach has always been rooted in the unwavering focus of unearthing high-quality compounders- innovative companies with structural tailwinds, durable competitive advantages and a host of options that should manifest over time. We believe that this environment favors those with an idiosyncratic approach and rewards genuine imagination and creativity in unearthing the rare breed of extraordinary companies.

Sector Weights (%)



Country Weights (%)



Source: Invesco. Data as of 4/30/2024. The portfolio does not have exposure to the following MSCI EM Index country constituents: Colombia, Czech Republic, Egypt, Greece, Hungary, Kuwait, Malaysia, Qatar, Thailand, and United Arab Emirates. Subject to change.

## Top 10 Holdings (%)

Issuer	Sector	Invesco Developing Markets Fund	MSCI EM Index
Taiwan Semiconductor Manufacturing Co Ltd	Information Technology	9.42	8.28
Samsung Electronics Co Ltd	Information Technology	5.86	4.25
Grupo Mexico SAB de CV	Materials	5.75	0.27
Tencent Holdings Ltd	Communication Services	5.18	4.07
Kotak Mahindra Bank Ltd	Financials	4.70	0.29
H World Group Ltd	Consumer Discretionary	4.48	0.11
HDFC Bank Ltd	Financials	3.34	0.71
Pernod Ricard SA	Consumer Staples	3.34	0.00
Tata Consultancy Services Ltd	Information Technology	3.08	0.57
Fomento Economico Mexicano SAB de CV	Consumer Staples	2.82	0.32
<b>TOTAL</b>		<b>47.97</b>	<b>18.87</b>

Invesco Developing Markets Fund Holdings as of 04/30/2024. Holdings are subject to change and are not buy/sell recommendations.

## Standardized performance (%) as of March 31, 2024

	Q1 2024	1 year	3 years	5 years	10 years	Inception
Invesco Developing Markets Fund (Class A Shares w/o Sales Charge)	2.03	1.94	-7.98	0.32	1.87	9.45
Invesco Developing Markets Fund (Class A Shares w/ max sales load (5.50%))	-3.58	-3.66	-9.69	-0.81	1.29	9.22
Invesco Developing Markets Fund (Class Y Shares)	2.12	2.19	-7.74	0.57	2.12	6.42
Invesco Developing Markets Fund (Class R6 Shares)	2.15	2.34	-7.62	0.72	2.29	4.09
MSCI Emerging Markets Index <sup>2</sup>	2.37	8.15	-5.05	2.22	2.95	-

- Returns for periods of less than one year are cumulative and not annualized.
- Class A share inception date is 11/18/1996
- Class Y share inception date is 9/7/2005
- Class R6 share inception date is 12/29/2011

### Annual Expense Ratios:

- Class A shares: Gross: 1.26%.
- Class Y shares: Gross: 1.01%.
- Class R6 shares: Gross: 0.88%.

**Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com](https://www.invesco.com) 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 so that you may have a gain or a loss when you sell shares. Had fees not been waived and/or expenses reimbursed in the past, returns would have been lower. Performance shown at NAV does not include the applicable front-end sales charge, which would have reduced the performance. Class Y shares have no sales charge; therefore, performance is at NAV. Class I shares were reorganized into Class R6 shares. R6 shares are primarily intended for retirement plans that meet certain standards and for institutional investors. Index source: RIMES Technologies Corp.**

**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.**

1. Source: Morningstar as of 4/30/2024. Global equity markets are represented by the MSCI ACWI index. EM equity markets are represented by the MSCI EM Index. U.S. markets are represented by the S&P 500. **Past performance does not guarantee future results.** An investment cannot be made directly into an index.
2. The MSCI Emerging Markets Index is designed to measure equity market performance of emerging markets. The index is unmanaged, includes the reinvestment of dividends and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of the Fund. **Past performance does not guarantee future results.** An investor cannot invest directly in an index.

The holdings are organized according to the Global Industry Classification Standard, which was developed by and is the exclusive property and a service mark of Morgan Stanley Capital International Inc. and Standard & Poor's. All data sourced as of 4/30/2024 unless otherwise stated.

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**Special Risks:**

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

The risks of investing in securities of foreign issuers, including emerging market issuers, can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

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 Fund may hold illiquid securities that it may be unable to sell at the preferred time or price and could lose its entire investment in such securities.

The performance of an investment concentrated in issuers of a certain region or country, such as Asia Pacific, is expected to be closely tied to conditions within that region and to be more volatile than more geographically diversified investments.

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.

Growth stocks tend to be more sensitive to changes in their earnings and can be more volatile.

Investing in securities of Chinese companies involves additional risks, including, but not limited to: the economy of China differs, often unfavorably, from the U.S. economy in such respects as structure, general development, government involvement, wealth distribution, rate of inflation, growth rate, allocation of resources and capital reinvestment, among others; the central government has historically exercised substantial control over virtually every sector of the Chinese economy through administrative regulation and/or state ownership; and actions of the Chinese central and local government authorities continue to have a substantial effect on economic conditions in China.

Environmental, Social and Governance (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.

Following Russia's invasion of Ukraine in February 2022, various countries, including the U.S., NATO and the European Union, issued broad-ranging economic sanctions against Russia and Belarus. As a result, responses to military actions (and further potential sanctions related to continued military activity), the potential for military escalation and other corresponding events, have had, and could continue to have, severe negative effects on regional and global economic and financial markets, including increased volatility, reduced liquidity, and overall uncertainty. Russia may take additional counter measures or retaliatory actions (including cyberattacks), which could exacerbate negative consequences on global financial markets. The duration of ongoing hostilities, corresponding sanctions and related events cannot be predicted. As a result, the value of an investment in the Fund and its performance may be negatively impacted, 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.

The MSCI All Country World Index is a market-capitalization-weighted index designed to provide a broad measure of equity-market performance throughout the world. The index comprises stocks from both developed and emerging markets.

Diversification does not guarantee a profit or eliminate the risk of loss.

The investment techniques and risk analysis used by the portfolio managers may not produce the desired results.

The opinions expressed are those of the Portfolio Manager of the Invesco Developing Markets Fund and are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals.

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.

**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](https://www.invesco.com).**

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