Invesco Developing Markets Fund

May 2025

Portfolio Manager
Justin Leverenz
Since 05/07

Portfolio Inception
November 18, 1996

Fund Assets
$14.4 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**

Market overview

Emerging Market (EM) equities delivered positive performance in May but lagged developed market stocks, US and global equities. China, the largest EM economy, posted positive performance in May. Indian equities also delivered positive performance after a few challenging months at the onset of the year. Among other EM regions, EM Eastern Europe and Latin America posted positive performance in May. While we anticipate continued market volatility in the next few months due to uncertainty around measures and actions of the US administration, we believe EM equities remain attractive to investors as they are mispriced with valuation discounts relative to US and global equities currently at more than 40% and 30%, respectively. [1]

Monthly performance

Invesco Developing Markets Fund Class A shares (without sales charge) returned 3.45% during the month of May, compared to the MSCI Emerging Markets (EM) Index which returned 4.27%.

Top Sectors Contributing to Relative Performance

- Materials - stock selection
- Consumer Discretionary - stock selection
- Communication Services – stock selection

Top Countries Contributing to Relative Performance

- China - stock selection
- Saudi Arabia - underweight allocation
- Hong Kong - overweight allocation

Bottom Sectors Detracting from Relative Performance

- Industrials - stock selection
- Financials - stock selection
- Information Technology - stock selection/underweight allocation

Bottom Countries Detracting from Relative Performance

- Taiwan - stock selection/underweight allocation
- India - stock selection
- South Korea - underweight allocation/stock selection

Year-to-date performance

Invesco Developing Markets Fund Class A shares (without sales charge) returned 6.01% for the year-to-date period, compared to the MSCI EM Index which returned 8.73%.

Top Sectors Contributing to Relative Performance

- Financials - stock selection
- Health Care - stock selection
- Consumer Staples – stock selection

Top Countries Contributing to Relative Performance

- Saudi Arabia - underweight allocation
- Mexico - overweight allocation
- Brazil - stock selection/overweight exposure

Bottom Sectors Detracting from Relative Performance

- Consumer Discretionary - stock selection
- Industrials - stock selection
- Real Estate - stock selection

Bottom Countries Detracting from Relative Performance

- China - stock selection/underweight allocation
- South Korea - underweight allocation/stock selection
- India - stock selection

Top absolute contributors to the trailing year-to-date performance included: **Tencent, Kotak Mahindra Bank** and **Fomento Economico Mexicano (FEMSA).**

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. Shares of Tencent slid in the first half of January 2025 after the US Defense Department said the firm was added to Chinese Military blacklist (designation as China Military Company). Subsequently, share price recovered strongly as investors saw likely limited impact on Tencent business and US stock ownership and possibly a removal from the list with the new administration. Additionally, it is expected that technology investment will be at the center of new policy initiatives at China's upcoming National People's Congress given the backdrop of rising geopolitical tensions and the need to develop new drivers of economic growth.

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. Kotak shares were trading higher in recent months on the back of good operational performance during the most recent quarter during which the company delivered steady net income margin (NIM) and overall healthy growth across several business segments.

Fomento Economico Mexicano (FEMSA) operates the leading convenience store chain and beverage company in Latin America. FEMSA is undergoing a phase of restructuring they have coined FemsaForward, which aims to simplify its business structure. Thus far, this has included selling a stake in Heineken, the proceeds of which can be used to fund long term growth opportunities, and divestment from its minority stake in Jetro Restaurant Depot. FEMSA shares reacted positively to recent results and the company's redistribution plans with management's proposal to return capital to shareholders, which includes dividends and share buybacks, accounting for at least 17% of current market capitalization in 2025 and 2026 combined. This would imply more than 10% dividend yield, which is significantly higher than slightly above 3% currently.

Top absolute detractors to the year-to-date performance included: **Swiggy, Meituan** and **Oberoi Realty.**

Swiggy Ltd operates a food and grocery delivery business in India. It has a duopoly position alongside competitor Zomato across the grocery and food delivery markets. The company has pulled back this year on customer incentives and has been improving unit economics. Swiggy had its IPO in November 2024. However, in its most recent earnings Swiggy reported a wider-than-expected headline net loss dragged by Instamart (grocery delivery and pick-up). Management highlighted macro headwinds in some segments but reiterated that medium-term growth expectation of 20% remains unchanged due to a combination of growing supply, growth in user base and success of new initiatives.

Meituan operates the leading service-based e-commerce platform in China focusing on mass-market, essential and high-frequency service categories to connect consumers and merchants. Meituan mainly generates revenue from its food delivery business, in-store hotel & travel business and new initiatives. It operates mobile apps including Meituan, Dianping, Meituan Waimai and Mobike to provide services for merchants and consumers. It is currently the world's largest on-demand food delivery service provider and China's largest e-commerce platform for in-store dining services.

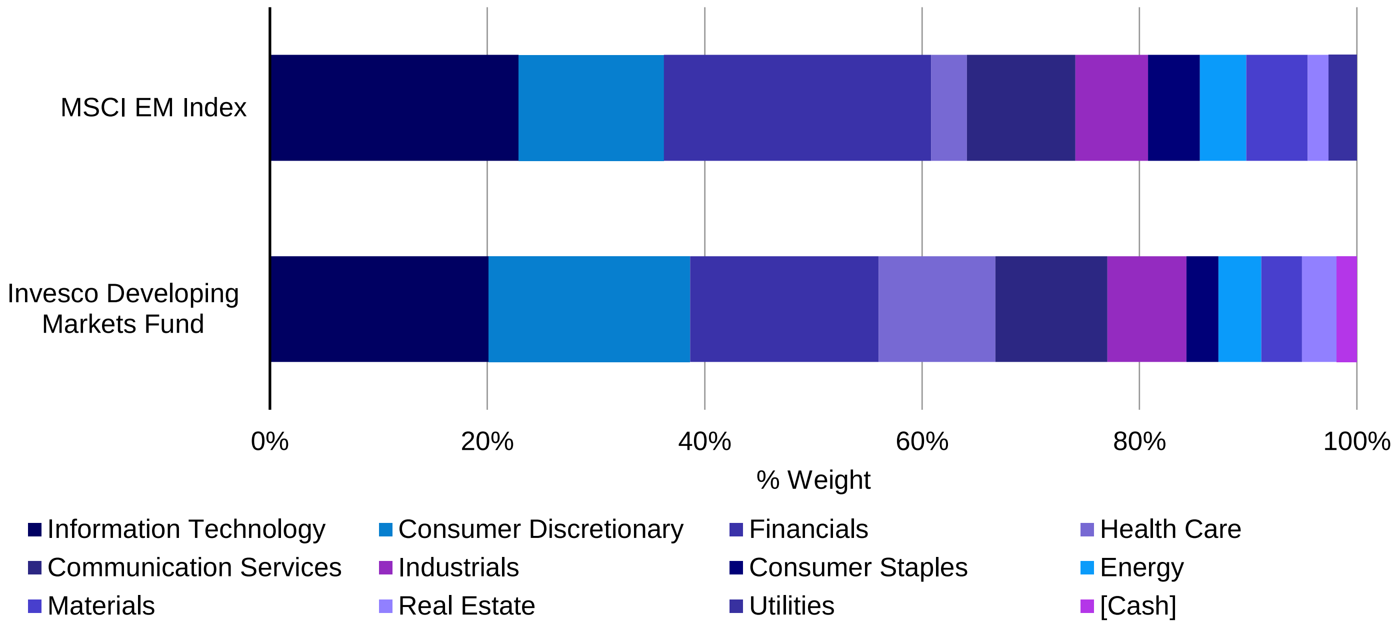
Oberoi Realty is a real estate development company operating in Mumbai and focused on premium developments. The company's focus is residential projects, but they also have a diversified portfolio of projects covering segments of the real estate market, which target the upper end of the market segment. Oberoi has completed its planning at various projects and expects multiple projects to be launched in the next 12 months. However, 3-6 month delay in launches has negatively impacted earnings estimates and stock price in recent months.

Positioning and Outlook

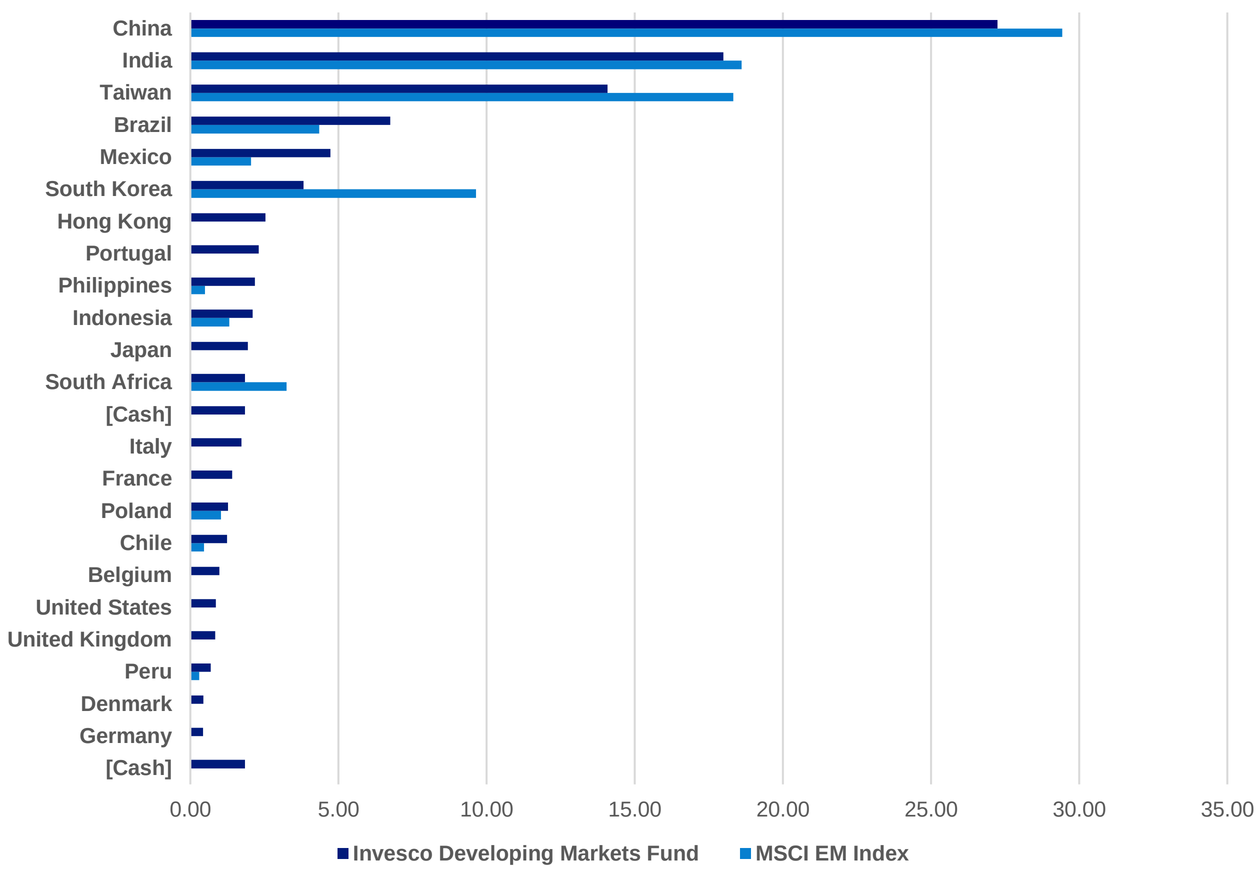
As of the end of May, relative to the benchmark, the fund was overweight in the Health Care, Consumer Discretionary, Real Estate, Industrials and Communication Services sectors. The fund was underweight the benchmark in Financials, Information Technology, Utilities, Materials, Consumer Staples and Energy 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 05/31/2025. The portfolio does not have exposure to the following MSCI EM Index country constituents: Colombia, Russia, 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	10.98	9.63
Tencent Holdings Ltd.	Communication Services	8.55	4.97
H World Group Ltd.	Consumer Discretionary	4.78	0.09
Kotak Mahindra Bank Ltd.	Financials	4.28	0.32
Meituan	Consumer Discretionary	3.05	1.05
HDFC Bank Ltd.	Financials	2.92	1.56
Grupo Mexico SAB de CV	Materials	2.84	0.21
Galp Energia SGPS SA	Energy	2.31	0.00
Tata Consultancy Services Ltd.	Information Technology	2.22	0.44
Bank Central Asia TBK	Financials	2.09	0.39
TOTAL		**44.02**	**18.66**

Invesco Developing Markets Fund Holdings as of 05/31/2025. Holdings are subject to change and are not buy/sell recommendations.

Standardized performance (%) as of March 31, 2025

	Q1 2025	1 year	3 years	5 years	10 years	Inception
Invesco Developing Markets Fund (Class A Shares w/o Sales Charge)	2.37	-1.07	-0.10	3.38	2.21	9.06
Invesco Developing Markets Fund **(Class A Shares w/ max sales load (5.50%))**	-3.26	-6.51	-1.97	2.22	1.64	8.84
Invesco Developing Markets Fund (Class Y Shares)	2.50	-0.64	0.30	3.79	2.64	3.72
Invesco Developing Markets Fund (Class R6 Shares)	2.44	-0.81	0.15	3.64	2.47	6.03
MSCI Emerging Markets Index[2]	2.93	8.09	1.44	7.94	3.71	-

- 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: 1.28%.
- Class Y shares: Gross: 1.03%.
- 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 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 05/31/2025. Global equity markets are represented by the MSCI ACWI index. The MSCI ACWI index captures large and mid cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. 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.

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 05/31/2025 unless otherwise stated.

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 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.

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.

The MSCI Emerging Markets Index is a free-float-adjusted, market-capitalization index designed to measure equity-market performance in the world's emerging markets. It is composed of 24 emerging-country indices.

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