



Invesco Annual Capital Gains

Frequently Asked Questions (FAQs)

Fund distributions: What does that mean for me?

Q: What is a capital gain?

A: A capital gain is the profit that results when a mutual fund sells a security at a price higher than the purchase price. In contrast, a capital loss results when a mutual fund sells a security at a price lower than the purchase price. For tax purposes, capital gains are offset by any capital losses. If a fund's capital gains exceed its capital losses, it will distribute the net capital gains to shareholders.

Q: What is the difference between an unrealized capital gain and a realized capital gain?

A: When the value of a fund holding increases, the fund has an unrealized gain until the security is sold. Once this security is sold, the fund realizes the gain and must pay a distribution unless the gain is offset by capital losses.

Q: Why do mutual funds pay capital gains?

A: Mutual funds are required under federal tax law to distribute realized capital gains to shareholders in the taxable year the gains are realized, or under specified circumstances, within 12 months after the close of the taxable year.

Q: What is contributing to a capital gain?

A: There can be several factors that contribute to a capital gain. One factor could be general market performance has been higher overall. Another factor is a holding that has appreciated in value is subsequently sold out of the fund. Sometimes a fund may need to sell a holding to provide liquidity in order to meet fund redemptions. Additionally, the portfolio managers want to replace a holding with another holding that may provide greater future returns or help to minimize risk.

Q: Why did my mutual fund not pay a capital gain?

A: The fund has realized capital losses in the current or prior year which offset all of its realized capital gains. A capital loss results when a mutual fund sells a security at a price lower than the purchase price. Mutual funds may or may not pay a capital gain distribution in any given year.

Q: Can a fund pay a capital gain if its total return was negative?

A: Yes. Even if a fund's total return was negative, a fund may have realized net capital gains (its capital gains exceeded its capital losses) as a result of selling securities. As a result, the fund will distribute the net capital gains to shareholders.

Q: How does a fund distribution affect the fund's net asset value?

A: On the date of the distribution, the distribution is taken out of the fund's per-share net asset value, so the per-share net asset value decreases by the amount of the distribution, net of any market fluctuations.

Q: How will I know my actual amount of the capital gain?

A: A fund's NAV will drop on the distribution ex-date to reflect the portfolio's NAV after distribution; this drop would be in addition to any effect the market's performance had on the securities within the fund's portfolio. Communications regarding final distributions will be at the share class level with CUSIPs and tickers throughout December. Actual distributions will appear on shareholders' 1099-DIV forms, which will be mailed in January 2026 subject to the exception regarding certain real estate and MLP funds stated on the last page of the actual distribution detail.

Q: Will the capital gain impact my taxes in my retirement account?

A: The distributions should not impose a tax burden on shareholders holding shares through a retirement account. Please check with your tax advisor for additional information.

Q: What if my fund is not listed in the Estimated Invesco Fund Capital Gains table?

A: If a fund is not listed in the below Capital Gains table, it is not expected to pay a capital gain.

NOT A DEPOSIT | NOT FDIC INSURED | NOT GUARANTEED BY THE BANK | MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY



About risk

There is no assurance that any investment or strategy will achieve its investment objective. Funds are subject to market risk, which is the possibility that the market values of securities owned by these funds will decline and that the value of fund shares may therefore be less than what you paid for them. Accordingly, you can lose money investing in these funds. Please be aware that these funds may be subject to certain additional risks. For complete details about the risks associated with these Funds, see the Funds' [prospectuses](#).

Before investing, investors should carefully read the prospectus/summary prospectus and carefully consider the investment objectives, risks, charges and expenses. For this and more complete information about the fund, investors should ask their financial professional(s) for a prospectus or download one at [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus).

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