

Invesco Global Real Estate Fund

Quarterly Performance Commentary

Mutual Fund Retirement Share Classes
Data as of Dec. 31, 2020



Investment objective

The fund seeks total return through growth of capital and current income.

Portfolio management

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Fund facts

Nasdaq A: AGREX Y: ARGYX
R: RGREX R6: FGREX
R5: IGREX

Total Net Assets	\$565,169,975
Total Number of Holdings	120
Annual Turnover (as of 02/29/20)	60%
Distribution Accrual	Quarterly
Distribution Frequency	Quarterly

Top holdings % of total net assets

Vonovia	4.70
UDR	3.11
AvalonBay Communities	2.89
Prologis	2.82
Invitation Homes	2.35
CyrusOne	1.85
Boston Properties	1.83
Welltower	1.75
Rexford Industrial Realty	1.69
Mitsui Fudosan	1.69

Top contributors % of total net assets

1. Digital Realty Trust	0.76
2. Prologis	2.82
3. Ayala Land	1.11
4. Land Securities	1.29
5. Apple Hospitality REIT	0.93

Top detractors % of total net assets

1. Shimao	1.08
2. Unibail-Rodamco-Westfield	0.01
3. Simon Property	0.00
4. SBA Communications	1.41
5. American Tower	1.37

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

Market overview

+ The year 2020 ended with positive investor sentiment gripping capital markets and the prospect of widespread economic recovery in 2021. Surprisingly positive announcements about therapeutic treatments for COVID-19 and vaccine efficacy ushered in a persistent equity rally and a swift reversal in the characteristics driving relative performance among sectors and individual stocks. As a result of the substantial change in outlook, equity markets experienced one of their most pronounced short-term shifts from structural growth into value-oriented stocks. Global listed real estate is poised to benefit from both improved

economic prospects and enhanced capital market conditions, which helped the sector deliver very strong returns during the final quarter of the year. Companies with growth, quality and momentum characteristics had led investment performance for much of the past year as economic conditions bottomed. However, November saw a sharp pivot toward economic recovery as companies with value, high beta and high operating leverage characteristics delivered strong performance. Global listed real estate ended the year trading, on average, at a small discount to underlying net asset value.

Positioning and outlook

+ Our overall desire is to maintain a portfolio with a bias toward companies with higher quality assets, operating in supply-constrained real estate markets, with generally less leveraged balance sheets and better governance characteristics. We may also seek opportunities among companies that have been overly punished by the sharp decline in REIT share prices in the short term. Occasionally, this may cause the fund to have a smaller-than-normal earnings growth premium relative to the index but a more attractive valuation ratio. The unpredictable macroeconomic and geopolitical environments suggest caution in taking

active factor, country and currency exposures. As such, we are still most likely to allocate risk to specific stock opportunities where we believe there is attractive relative value. Compared to the broader investment universe, cash flow security, discounted valuations relative to underlying assets and the tangible nature of the real estate asset class make it relatively attractive to diversified investors. On this basis, we view listed real estate as offering fair to attractive relative return opportunities at present, as part of a wider investment portfolio allocation.

Performance highlights

+ The fund's Class A shares at net asset value (NAV) underperformed the benchmark for the quarter. (Please see the investment results table on page 2 for fund and index performance.)

Contributors to performance

+ In the Asia Pacific region, the portfolio benefited from stock selection in Japan, which added to relative return. Underweight exposure in Japan also benefited results. In Europe, having no holdings in Switzerland added to relative return, as did stock selection in the UK. In emerging markets, overweights in the Philippines and Indonesia added to relative performance.

Detractors from performance

+ In North America, stock selection in the US and Canada detracted from relative performance. In Europe, an underweight exposure in France and overweight exposure in Germany detracted from relative return. In emerging markets, underweight exposures in China and Mexico also detracted.

Top countries	% of total net assets
United States	47.82
Japan	10.67
Germany	6.58
China	6.25
Hong Kong	5.99
United Kingdom	4.21
Australia	3.12
Canada	2.82
Singapore	2.81
Sweden	1.63

REIT sector breakdown	% of total net assets
Diversified	22.75
Residential	19.93
Industrial	14.55
Office	11.71
Retail	7.12
Lodging/Resorts	6.95
Health Care	5.48
Data Centers	3.85
Infrastructure	3.27
Self Storage	2.12
Specialty	0.59

Valuation statistics	fund	index
12-Month Forward P/E	27.32	25.64
12-Month Trailing P/E	20.55	23.49
Price/Book (Wtd. Har. Avg.)	1.43	1.35
1-Year ROE (Wtd. Avg.)	6.61	4.85
12-Month Fwd. Growth Rate (Wtd. Avg.) (%)	2.96	0.72
3-Year EPS Growth Rate (Wtd. Avg.) (%)	11.81	6.71
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	6.53	4.50
Weighted Average Market Cap (\$MM)	15,799	15,634
Weighted Median Market Cap (\$MM)	8,809	9,639

Source: FactSet Research Systems Inc.

Investment results

Average annual total returns (%) as of Dec. 31, 2020

	Class A Shares	Class Y Shares	Class R Shares	Class R6 Shares	Class R5 Shares	Style-Specific Index
Inception:	Inception:	Inception:	Inception:	Inception:	Inception:	
	04/29/05	10/03/08	04/29/05	09/24/12	04/29/05	
						Custom Invesco Global Real Estate Index
Period	NAV	NAV	NAV	NAV	NAV	NAV
Inception	4.75	5.41	4.49	-	5.23	-
10 Years	4.62	4.88	4.35	5.07	5.11	5.54
5 Years	2.86	3.11	2.60	3.33	3.24	4.08
3 Years	0.21	0.42	-0.08	0.64	0.53	1.08
1 Year	-12.44	-12.21	-12.68	-12.06	-12.14	-9.95
Quarter	7.58	7.65	7.51	7.74	7.72	12.61

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. Class A shares at NAV are available only to certain investors and have no sales charge; therefore, performance is at NAV. Class Y shares have no sales charge; therefore, performance is at NAV. Class R shares have no sales charge; therefore, performance is at NAV. Class R5 shares have no sales charge; therefore, performance is at NAV. Returns less than one year are cumulative; all others are annualized. Performance shown prior to the inception date of Class R6 shares is that of Class A shares and includes the 12b-1 fees applicable to Class A shares. Class R6 shares have no sales charge; therefore, performance is at NAV. 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.

Index sources: Invesco, FactSet Research Systems Inc.

Expense ratios	% net	% total	Asset mix (%)
Class A Shares	1.27	1.27	Dom Common Stock
Class Y Shares	1.02	1.02	Intl Common Stock
Class R Shares	1.52	1.52	Cash
Class R6 Shares	0.82	0.82	Other
Class R5 Shares	0.91	0.91	

Per the current prospectus

For more information you can visit us at www.invesco.com/us

Class A shares at NAV and Class Y shares are available only to certain investors. Class R shares are generally available only to employee benefit plans. Class R6 shares and Class R5 shares are primarily intended for retirement plans that meet certain standards and for institutional 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.

The Custom Invesco Global Real Estate Index is a custom index composed of the FTSE EPRA/NAREIT Developed Index (Gross) index from the inception of the fund through 2/17/2005, the FTSE EPRA/NAREIT Developed Index (Net) index from 2/18/2005 through 6/30/2014, then the FTSE EPRA/NAREIT Global (Net) index from 7/1/2014 going forward. An investment cannot be made directly into an index.

12-month forward and trailing P/E are calculated using weighted harmonic averaging, which helps avoid extreme results that may occur due to small relative numbers in the denominator. It doesn't exclude extreme values; instead, it reduces the effect of outliers on the aggregate calculation. The **price/book ratio** is the market price of a stock divided by the book value per share. **Return on equity (ROE)** is net income divided by net worth. The **median 12-Month Fwd. Growth Rate** is the percent change between the next twelve months' mean EPS estimate and the previous twelve months' actuals. The **three-year EPS growth rate** is a weighted average of each stock's growth rate in earnings per share (EPS). EPS is total earnings divided by the number of shares outstanding. The **five-year dividend growth rate** is the weighted average of each stock's annualized percentage rate of growth in dividend yield over five years. The three-year EPS and five-year dividend growth rates are not forecasts of fund performance.

About risk

Convertible securities may be affected by market interest rates, the risk of issuer default, the value of the underlying stock or the issuer's right to buy back the convertible securities.

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 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.

Junk bonds have greater risk of default or price changes due to changes in the issuer's credit quality. Junk bond values fluctuate more than high quality bonds and can decline significantly over a short time.

Investments in real estate related instruments may be affected by economic, legal, or environmental factors that affect property values, rents or occupancies of real estate. Real estate companies, including REITs or similar structures, tend to be small- and mid-cap companies, and their shares may be more volatile and less liquid.

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 advisors for a prospectus/summary prospectus or visit 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.