

Invesco Global Real Estate Fund

Quarterly Performance Commentary

Mutual Fund Retirement Share Classes Data as of March 31, 2023



Investment objective

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

Portfolio management

James Cowen, Grant Jackson, Chip McKinley, Darin Turner, Ping-Ying Wang

Fund facts

Nasdaq	A: AGREX R: RGREX	Y: ARGYX R6: FGREX R5: IGREX
Total Net Assets	\$192,600,613	
Total Number of Holdings	74	
Annual Turnover (as of 02/28/23)	69%	
Distribution Accrual	Quarterly	
Distribution Frequency	Quarterly	

Top holdings % of total net assets

Prologis	7.05
UDR	4.83
AvalonBay Communities	4.19
Welltower	3.53
VICI Properties	3.47
Sun Communities	3.43
Healthpeak Properties	3.35
Rexford Industrial Realty	3.03
Realty Income	2.96
Host Hotels & Resorts	2.38

Top contributors % of total net assets

1. Prologis	7.05
2. Life Storage	2.12
3. Rexford Industrial Realty	3.03
4. Equinix	1.74
5. CubeSmart	2.15

Top detractors % of total net assets

1. Healthpeak Properties	3.35
2. LEG Immobilien	0.90
3. Kilroy Realty	1.18
4. Link Real Estate Investment Trust	2.24
5. Aroundtown	0.19

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

Market overview

- + Most major asset classes reported positive returns for the first quarter of 2023. Equities advanced despite central banks' ongoing battles against inflation and a banking crisis involving multiple US regional banks and one of the world's oldest banks Credit Suisse, which required government intervention. This quarter's returns can be attributed to markets' perception that central bank appetites for continued monetary tightening were waning.
- + Global listed real estate ended the quarter trading at a double-digit discount to underlying average net asset value, which is a wider discount than the long-term historical average.
- + Global listed real estate reported positive absolute returns but underperformed broader global equities. Listed real estate's positive performance was led by the US industrial and self-storage sectors, while Japanese REITs, the German residential sector and the US office sector weighed on returns.
- + Global listed real estate reported positive absolute

Positioning and outlook

- + Overall, the fund has overweight exposure to US and Hong Kong real estate and underweight exposure in Europe, Canada and Japan. In terms of property types, the fund is overweight cell towers, residential and health care. Underweight property types include office and retail.
- + Consensus global economic forecasts suggest that growth is expected to moderate from current levels. Property values in many sectors or countries will likely fall in coming quarters as adjustments are made to future cost of capital. Listed real estate markets already reflect this change, as indicated by listed companies trading at discounts to underlying net asset values. Overall earnings from real estate companies are expected to rise in 2023, although companies may be more cautious in raising dividend levels. Certain property types with very long-term cashflow security and pricing power have become, in our view, more attractive.

Performance highlights

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

Contributors to performance

- + Within the US, an underweight allocation to the office sector along with stock selection in the self storage and multifamily sectors were responsible for the majority of relative outperformance.
- + In Europe, keen stock selection and an overall underweight in the region helped relative performance. Among the key contributors was an underweight exposure to Sweden, where REITs typically operate with high leverage and have felt the negative effect of higher interest rates. Along similar lines, the fund's exposure to REITs with stronger balance sheets and resilient cashflows, particularly cell towers, outperformed.
- + In Asia, holdings in Japan and Australia added to relative return; notable contributors included a storage REIT in Australia and a diversified REIT in Japan.

Detractors from performance

- + Stock selection within health care and data centers detracted from relative performance. A data center REIT in Singapore underperformed as higher interest rates increased its debt service costs and temporarily reduced its dividend per unit. A key holding in the health care sector detracted after management lowered its guidance for cash flow growth.
- + In Hong Kong, a key holding announced an unexpected pre-emptive rights issue that caused subsequent underperformance.
- + In Europe, having no holdings in Switzerland and an underweight in Belgium where REITs have defensive characteristics detracted from relative performance.

Top countries	% of total net assets
United States	67.00
Japan	10.00
Hong Kong	6.80
United Kingdom	4.20
Australia	2.70
Singapore	2.20
Germany	1.80
Spain	1.10
Canada	1.00
Belgium	1.00

REIT sector breakdown	% of total net assets
Diversified	20.40
Residential	19.60
Industrial	14.40
Healthcare	12.20
Retail	9.40
Self Storage	5.10
Specialty	4.60
Office	4.30
Data Centers	3.80
Lodging/Resorts	3.70
Industrial/Office/Mixed	1.80

Valuation statistics	fund	index
12-Month Forward P/E	17.30	21.89
12-Month Trailing P/E	19.18	22.02
Price/Book (Wtd. Har. Avg.)	1.34	1.24
1-Year ROE (Wtd. Avg.)	7.16	6.52
12-Month Fwd. Growth Rate (Wtd. Avg.) (%)	-1.40	-3.86
3-Year EPS Growth Rate (Wtd. Avg.) (%)	6.14	3.44
5-Year Dividend Growth Rate (Wtd. Avg.) (%)	3.72	3.40
Weighted Average Market Cap (\$MM)	15,275	23,006
Weighted Median Market Cap (\$MM)	8,662	11,478

Source: FactSet Research Systems Inc.

Investment results

Average annual total returns (%) as of March 31, 2023

	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	3.84	4.22	3.59	3.23	4.31	-
10 Years	1.80	2.05	1.55	2.31	2.24	2.41
5 Years	-0.39	-0.13	-0.62	0.07	0.01	0.09
3 Years	4.73	5.00	4.50	5.23	5.15	5.73
1 Year	-19.93	-19.74	-20.05	-19.56	-19.53	-21.40
Quarter	1.34	1.41	1.39	1.47	1.45	0.78

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 R6 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. 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	1.30	1.30	Dom Common Stock
Class Y Shares	1.05	1.05	Intl Common Stock
Class R Shares	1.55	1.55	Cash
Class R6 Shares	0.83	0.83	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 (Net) through June 30, 2014, the FTSE EPRA NAREIT Global Index (Net) from July 1, 2014 through June 30, 2021 and the FTSE EPRA NAREIT Developed Index (Net) from July 1, 2021 onward. 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.

An issuer may be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating.

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.

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.

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.

Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa.

Mortgage- and asset-backed securities are subject to prepayment or call risk, which is the risk that the borrower's payments may be received earlier or later than expected due to changes in prepayment rates on underlying loans. Securities may be prepaid at a price less than the original purchase value.

Preferred securities may include provisions that permit the issuer to defer or omit distributions for a certain period of time, and reporting the distribution for tax purposes may be required, even though the income may not have been received. Further, preferred securities may lose substantial value due to the omission or deferment of dividend payments.

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.

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.

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.