QUARTERLY REVIEW C: IARCX | A: IARAX | R6: IARFX | Y: IARYX

Invesco Real Estate Fund

Q4 2025

Key takeaways

1 **The fund outperformed its benchmark.**
Outperformance was generated by a combination of stock selection and sector allocation but was led by stock selection among health care REITs.

2 **The fund's allocation reflects a preference for sectors we believe will experience structural growth such as data centers, health care and industrial.**
Within these sectors, we focus on companies with higher quality assets, well capitalized balance sheets and strong management teams.

3 **We have a cautiously constructive outlook for US listed real estate as monetary policy has largely remained accommodative.**
Fundamentals appear strongest in data centers, senior housing and industrial sectors.

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

Fund facts	
Fund AUM ($M)	652.71

Portfolio managers
Craig Leopold, Grant Jackson, PingYing Wang

Manager perspective and outlook

- Macroeconomic conditions during the quarter were characterized by monetary easing, though inflationary pressures persisted across major economies. The US Federal Reserve cut the federal funds rate in October and December in response to labor market weakness, though inflation remained above target. While macroeconomic conditions supported US real estate in some respects, the sector's performance was weaker due in part to reduced expectations for central bank easing against a backdrop of sticky inflation data. US real estate securities delivered a negative absolute return and underperformed broader US equities, which recorded positive returns for the quarter.
- Our outlook for US listed real estate remains cautiously constructive as monetary policy has remained accommodative. Valuations of US real estate currently reflect discounts relative to both broader equities and long-term net asset value averages. This suggests a potentially attractive entry point as historical gaps often narrow during periods of GDP growth and economic recovery. Fundamentals appear strongest in data centers, senior housing and industrial sectors, while the office segment may face ongoing structural headwinds.

Top issuers
(% of total market value)

	Fund	Index
Welltower Inc	8.53	9.48
Prologis Inc	7.66	8.80
American Tower Corp	7.05	6.10
Digital Realty Trust Inc	5.95	3.95
Equinix Inc	4.84	5.56
Crown Castle Inc	4.70	2.86
Extra Space Storage Inc	3.62	2.04
Simon Property Group Inc	3.53	4.46
First Industrial Realty Trust Inc	3.37	0.54
WP Carey Inc	3.04	1.04

As of 12/31/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

While the fund has remained broadly diversified, its allocation reflects a preference for sectors we believe will experience structural growth such as data centers, health care and industrial, while maintaining selective exposure to the specialty sector.

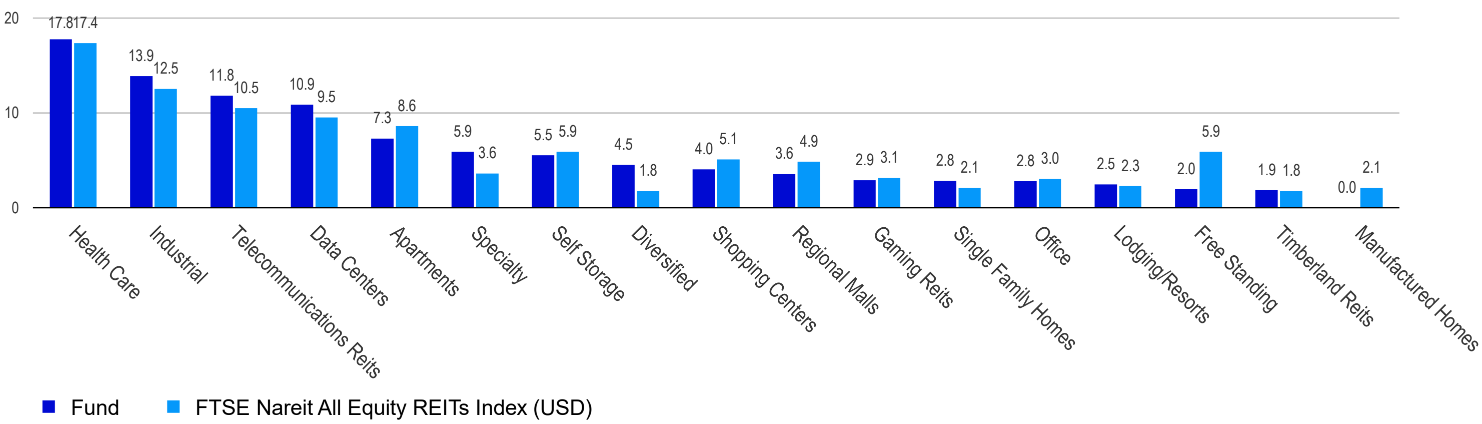
Underweights are concentrated in the retail, residential and office sectors, consistent with our cautious stance toward sectors facing weaker fundamentals or elevated supply risk. Both retail and residential REITs have been experiencing new supply in tandem with moderating rent growth. The office sector has continued to struggle amid structural challenges resulting from hybrid/remote work and efficiencies brought to employers by the adoption of new technology.

Within the industrial sector, holdings include REITs we believe will benefit from resilient e-commerce and supply chain trends as market rents start rising following a period of excess supply. Allocations in the specialty sector combine stable operations with data center growth, while data centers have been supported by strong demand for cloud and artificial intelligence (AI) infrastructure. Health care provides defensive cash flows and has benefited from demographic tailwinds, in our view.

During the quarter, we increased exposure to the data center, health care and industrial sectors. The fund has remained overweight **Iron Mountain,** which has an above-average growth profile at what we see as an attractive valuation. Iron Mountain's document storage business has been resilient, with mid single-digit organic growth, while the company's other growth businesses have added to sustainable high single-digit earnings growth.

Following strong performance, we reduced the fund's positions in lodging and telecommunication REITs.

Sector breakdown (% of total market value)



Top contributors (%)

Issuer	Return	Contrib. to return
Prologis, Inc.	12.20	0.70
First Industrial Realty Trust, Inc.	12.12	0.36
Welltower Inc.	4.59	0.35
OUTFRONT Media Inc.	32.95	0.22
American Healthcare REIT, Inc.	12.93	0.20

Top detractors (%)

Issuer	Return	Contrib. to return
Iron Mountain Incorporated	-17.65	-0.92
American Tower Corporation	-7.83	-0.59
Digital Realty Trust, Inc.	-9.60	-0.50
Crown Castle Inc.	-6.80	-0.34
Extra Space Storage Inc.	-6.52	-0.31

Performance highlights

During the quarter, the fund outperformed its index due to favorable stock selection and sector allocation. Relative outperformance was led by stock selection in health care REITs. Stock selection among telecommunication and specialty REITs were the largest detractors.

Contributors to performance

The largest contributor to relative return came from stock selection among health care REITs. The fund was overweight in senior housing REIT **American Healthcare REIT,** which raised earnings guidance and announced the completion of almost $1 billion in acquisitions in 2025. The fund also benefited from an underweight in **Alexandria Real Estate Equities,** which faced challenges, including worse-than-expected earnings, a reduction in its quarterly dividend payment and deteriorating fundamentals.

Additional contributors to relative return included an overweight in industrial REIT **First Industrial Realty Trust,** whose portfolio has, in our view, a more favorable geographic mix compared to peers given lower exposure to markets with elevated supply. We believe this lower exposure also primes it to benefit from higher new lease pricing.

The fund's underweights in retail and gaming REITs were also beneficial as consumer spending fluctuations appeared to weigh on returns during the quarter.

Detractors from performance

The specialty sector was one of the largest detractors from relative return during the quarter. An overweight in specialty REIT **Iron Mountain** detracted. Its core document storage business has performed well, but the leasing of data center development projects fell short of expectations during the quarter. We have seen that this key source of future growth can be volatile on a quarterly basis. We maintained the fund's overweight due to the company's strong growth profile and what we see as its attractive relative valuation. Iron Mountain has been successful in raising prices within its core document storage business, which has allowed it to expand into high growth businesses like data centers.

An underweight in industrial REIT **Prologis** detracted from relative return after earnings guidance indicated improving fundamentals. Prologis beat earnings expectations and raised its 2025 guidance during the quarter, and commentary suggested thawing tenant decision making and shrinking new deliveries could improve supply absorption resulting in stronger landlord pricing power.

An underweight in **Ventas,** a senior housing REIT, detracted as the sector benefited from ongoing recovery in senior housing fundamentals since COVID. We prefer to source the fund's senior housing exposure from an overweight in **American Healthcare REIT,** which we believe is superior given the company's external growth that may boost earnings.

Standardized performance (%) as of December 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class C shares inception: 05/01/95	NAV	-2.05	-0.92	-0.92	2.60	2.44	3.13	8.47
Class A shares inception: 12/31/96	NAV	-1.85	-0.20	-0.20	3.36	3.20	3.75	7.66
	Max. Load 5.5%	-7.23	-5.69	-5.69	1.42	2.05	3.16	7.45
Class R6 shares inception: 09/24/12	NAV	-1.73	0.25	0.25	3.81	3.65	4.22	5.57
Class Y shares inception: 10/03/08	NAV	-1.85	-0.01	-0.01	3.60	3.45	4.00	6.36
FTSE Nareit All Equity REITs Index (USD)		-2.15	2.27	2.27	6.12	4.85	5.77	-
Total return ranking vs. Morningstar Real Estate category (Class C shares at NAV)		-	-	80% (182 of 215)	98% (202 of 205)	93% (188 of 196)	95% (147 of 153)	-

Expense ratios per the current prospectus: Class C: Net: 2.13%, Total: 2.13%; Class A: Net: 1.38%, Total: 1.38%; Class R6: Net: 0.95%, Total: 0.95%; Class Y: Net: 1.13%, Total: 1.13%.

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. Returns less than one year are cumulative; all others are annualized. Index source: RIMES Technologies Corp. 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.

No contingent deferred sales charge (CDSC) will be imposed on redemptions of Class C shares following one year from the date shares were purchased. Performance shown at NAV does not include sales charges, which would have reduced the performance. Class Y and R6 shares have no sales charge; therefore, performance is at NAV. Class Y shares are available only to certain investors. Class R6 shares are closed to most investors. Please see the prospectus for more details.

Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class C shares at NAV	5.03	7.61	-6.35	26.76	-11.43	39.90	-25.34	7.89	1.03	-0.92
Class A shares at NAV	5.80	8.43	-5.66	27.78	-10.77	40.99	-24.80	8.75	1.74	-0.20
Class R6 shares at NAV	6.28	8.96	-5.20	28.32	-10.32	41.60	-24.49	9.21	2.20	0.25
Class Y shares at NAV	6.06	8.66	-5.38	28.11	-10.58	41.38	-24.63	9.04	1.99	-0.01
FTSE Nareit All Equity REITs Index (USD)	8.63	8.67	-4.04	28.66	-5.12	41.30	-24.95	11.36	4.92	2.27

Portfolio characteristics*

	Fund	Index
No. of holdings	34	139
Wtd. avg. mkt. cap ($M)	44,973	48,667
Top 10 issuers (% of AUM)	52.29	50.79
Earnings multiple	18.07	17.52
Expected earnings growth (%)	6.65	5.58
Multiple to growth ratio	2.72	3.14
Leverage (%)	28.23	28.99

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-2.30	0.00
Beta	0.97	1.00
Sharpe ratio	-0.04	0.09
Information ratio	-1.21	0.00
Standard dev. (%)	18.05	18.58
Tracking error (%)	1.99	0.00
Up capture (%)	86.95	100.00
Down capture (%)	100.47	100.00
Max. drawdown (%)	32.85	31.37

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Apartments	-0.04	-0.09	-0.13
Data Centers	0.07	-0.12	-0.05
Diversified	-0.06	0.00	-0.05
Free Standing	0.07	0.10	0.17
Gaming Reits	0.05	0.20	0.25
Health Care	-0.01	0.58	0.58
Industrial	0.11	0.01	0.13
Lodging/Resorts	0.01	0.10	0.11
Manufactured Homes	-0.02	0.00	-0.02
Office	0.07	0.00	0.07
Regional Malls	-0.02	-0.01	-0.03
Self Storage	0.02	0.04	0.06
Shopping Centers	-0.01	-0.08	-0.09
Single Family Homes	-0.05	-0.03	-0.08
Specialty	-0.29	0.12	-0.17
Telecommunications Reits	-0.06	-0.14	-0.20
Timberland Reits	-0.02	0.02	0.00
Cash	0.04	0.00	0.04
Total	**-0.13**	**0.72**	**0.59**

Holdings are subject to change and are not buy/sell recommendations. Attribution methodology notes: The attribution provides analysis of the effects of several portfolio management decisions, including allocation and security selection. Securities classified as “Other” may include non-equity securities, derivatives, and securities for which a sector classification may not be appropriate. The portfolio is actively managed and portfolio holdings are subject to change. The percentage weights represented for the portfolio are dollar weighted based on market value. **Market allocation effect** shows the excess contribution due to sector/market allocation. A positive allocation effect implies that the choice of sector weights in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Selection effect** shows the excess contribution due to security selection. A positive selection effect implies that the choice of stocks in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Total effect** is the difference in contribution between the benchmark and portfolio. **Past performance does not guarantee future results.**

Unless otherwise specified, all information is as of 12/31/25. Unless stated otherwise, Index refers to FTSE Nareit All Equity REITs Index (USD).

The FTSE NAREIT All Equity REITs Index is an unmanaged index considered representative of U.S. REITs. An investment cannot be made directly in an index.

About Risk

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.

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.

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

The Fund's value may be affected by changes in the stock markets. Stock markets may experience significant short-term volatility and may fall or rise sharply at times. Adverse events in any part of the equity or fixed-income markets may have unexpected negative effects on other market segments. Different stock markets may behave differently from each other and U.S. stock markets may move in the opposite direction from one or more foreign stock markets.

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

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.

The Fund is considered non-diversified and may experience greater volatility than a more diversified investment.

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.

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 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.

The Fund will incur a loss on a short position, which can be unlimited, if the price of the asset sold short increases from the short sale price. In a rising market, short positions will cause the Fund to underperform the overall market and its peers that do not engage in shorting. If the Fund holds both long and short positions, and they decline simultaneously, the short positions will not provide any buffer from declines in value for the long positions. Some short positions involve leverage, which may exaggerate any losses, potentially more than the actual cost of the investment, and increase the volatility of the Fund’s returns.

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 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.

*** Alpha** (cash adjusted) is a measure of performance on a risk-adjusted basis. **Beta** (cash adjusted) is a measure of relative risk and the slope of regression. **Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio indicates better risk-adjusted performance. **Information Ratio** is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns. **Standard deviation** measures a fund's range of total returns and identifies the spread of a fund's short-term fluctuations. **Tracking Error** is defined as the expected standard deviation of a portfolio's excess return over the benchmark index return. The **up and down capture** measures how well a manager was able to replicate or improve on periods of positive benchmark returns and how severely the manager was affected by periods of negative benchmark returns. **Maximum Drawdown** is the maximum observed loss from a high to a low of a portfolio, before a new high is attained. Maximum drawdown is an indicator of downside risk over a specified time period. **Weighted Average Market Cap** is a measure of the average size of company held in a portfolio. The percentage of the portfolio invested each company, or its weight, is multiplied by its size (market capitalization). An average of the weighted size of all companies held is then calculated. **Earnings multiple –** Security price/expected earnings of the next 12 months. Earnings are defined as adjusted funds from operations (AFFO), funds from operations (FFO), or equivalent. **Multiple to growth ratio—**Earnings multiple/expected earnings growth over the next 12 months. Earnings are defined as adjusted funds from operations (AFFO), funds from operations (FFO), or equivalent. **Contribution to Return** measures the performance impact from portfolio holdings over a defined time period. It takes into account both weight and performance of the portfolio holdings. Contribution to Return is calculated at security level.

Morningstar

Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit invesco.com/fundprospectus for a prospectus/summary prospectus containing this information. Read it carefully before investing.