

Invesco Global Real Estate Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Sept. 30, 2019



Investment objective

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

Portfolio management

Joe V. Rodriguez, Jr., James Cowen, Paul S. Curbo, Grant Jackson, Ping-Ying Wang, Mark Blackburn, Darin Turner

Fund facts

Nasdaq	A: AGREX C: CGREX Y: ARGYX
Total Net Assets	\$799,838,238
Total Number of Holdings	186
Annual Turnover (as of 02/28/19)	47%
Distribution Accrual	Quarterly
Distribution Frequency	Quarterly

Top holdings % of total net assets

Ventas	3.11
Boston Properties	3.07
AvalonBay Communities	2.99
Prologis	2.96
Simon Property	1.96
Vonovia	1.90
Essex Property Trust	1.84
HCP	1.80
Mitsui Fudosan	1.61
Link REIT	1.55

Top contributors % of total net assets

1. CyrusOne	0.97
2. Prologis	2.96
3. Sun Communities	1.37
4. Ventas	3.11
5. AvalonBay Communities	2.99

Top detractors % of total net assets

1. Link REIT	1.55
2. New World Development	0.87
3. Goodman	0.49
4. CK Asset Holdings	0.78
5. Sun Hung Kai Properties	0.84

Market overview

- + The global growth outlook weakened during the quarter, with increasing contrast between weak manufacturing and healthier service activity. In response to slower growth, central banks in the US, Eurozone, Australia and China provided interest rate cuts or quantitative easing in September. The geopolitical environment remained volatile given increased potential for a US presidential impeachment, the UK's exit from the European Union being no closer to resolution, and continued upheaval in Hong Kong.
- + Listed real estate delivered positive returns in the third quarter. Toward quarter end, companies that were more deeply undervalued, with lower quality characteristics had the best performance. Companies with better fundamental prospects and higher earnings growth tended to underperform. This reflected a sharp change in the market's preferred investment characteristics and benefited retail REITs, which have weaker fundamentals. Global listed real estate ended the quarter trading at a small premium to underlying net asset value.

Positioning and outlook

- + In North America, fundamental trends across the commercial real estate sector have slowed but still offer some internally and externally generated growth prospects. Most US REITs have access to attractively priced debt and equity capital if growth opportunities present themselves. In Asia Pacific, most macro-economic data remains subdued, with limited expectations for significant near-term improvements. Other than a number of developer stocks trading at a discount to net asset value, Asian real estate equity valuations are close to or above long-term averages. European REITs are largely trading at a discount to underlying net asset value, and as such, equity issuance is relatively modest.
- + Listed real estate companies are generally maintaining financial discipline. At present, many companies have the opportunity to use attractively priced new equity and debt to complete acquisitions and enhance their growth rate. We continue to favor listed companies that are supplying new assets into markets where there is clear tenant demand. Though we recognize the need to maintain attractive yield characteristics in an income-starved world, we maintain a bias toward companies with higher quality assets, operating in supply-constrained real estate markets, with generally less leveraged balance sheets and, most importantly, above-average earnings and asset value growth.

Performance highlights

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

Contributors to performance

- + Within Europe, security selection in the UK and an underweight in Austria added to relative return. In emerging markets, an underweight in China's real estate market was advantageous. In the Asia Pacific region, stock selection in Hong Kong added to relative return, as did an overweight in Japan, which had a double-digit return for the quarter.
- + Data center REIT **CyrusOne** was the largest individual contributor to relative return. The company announced strong second quarter growth, with normalized funds from operations (FFO) per share up 11% year over year. Rumors that the company was an acquisition target also supported overall performance.

Detractors from performance

- + In North America, weak stock selection in the US detracted as the market shifted from rewarding favorable growth conditions to rewarding companies with deeper value characteristics.
- + In Europe, underweights in Belgium and France detracted, as did an overweight and stock selection in Germany. The Asia Pacific region delivered negative absolute return. Emerging markets detracted as they meaningfully underperformed developed markets, as concerns about trade, weakening economic growth and US dollar appreciation weighed on risk appetites. Hong Kong-listed REITs, including **Link REIT**, declined due to local political unrest.

Top countries	% of total net assets
United States	49.87
Japan	10.82
Hong Kong	5.92
China	5.36
Germany	4.80
United Kingdom	3.91
Australia	3.14
Canada	2.64
Singapore	2.08
Sweden	1.81

REIT sector breakdown	% of total net assets
Diversified	24.31
Residential	19.94
Retail	14.10
Office	11.35
Industrial	9.44
Health Care	7.66
Lodging/Resorts	3.29
Data Centers	2.55
Self Storage	1.85
Specialty	1.52
Ind/Off/Mixed	0.37

Investment results

Average annual total returns (%) as of Sept. 30, 2019

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 04/29/05	NAV	Inception: 04/29/05	NAV	Inception: 10/03/08	
	Max Load 5.50%		Max CDSC 1.00%			Custom Invesco Global Real Estate Index
Inception	5.51	5.92	5.38	5.38	7.00	-
10 Years	7.18	7.79	6.98	6.98	8.06	8.68
5 Years	4.78	5.97	5.16	5.16	6.22	6.76
3 Years	3.58	5.56	4.72	4.72	5.80	5.98
1 Year	6.36	12.58	10.74	11.74	12.87	12.64
Quarter	-2.83	2.82	1.63	2.63	2.89	3.23

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit 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. 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 applicable CDSC or front-end sales charges, which would have reduced the performance. Class Y 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	1.26	1.26	Dom Common Stock	49.87
Class C Shares	2.01	2.01	Intl Common Stock	48.12
Class Y Shares	1.01	1.01	Cash	1.74
Per the current prospectus			Other	0.27

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

Class Y shares are available only to certain 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.

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.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

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](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. Advisors, 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.