

Invesco Global Real Estate Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Sept. 30, 2022



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 C: CGREX
Y: ARGYX

Total Net Assets \$208,296,858

Total Number of Holdings 89

Annual Turnover (as of 02/28/22) 88%

Distribution Accrual Quarterly

Distribution Frequency Quarterly

Top holdings % of total net assets

Prologis	5.70
AvalonBay Communities	4.20
UDR	4.12
Invitation Homes	3.92
VICI Properties	3.88
Equinix	3.26
Digital Realty Trust	3.02
Sun Communities	2.80
Kimco Realty	2.66
Realty Income	2.62

Top contributors % of total net assets

1. PSP Swiss Property	0.00
2. Life Storage	2.16
3. VICI Properties	3.88
4. Simon Property	0.00
5. SBA Communications	0.00

Top detractors % of total net assets

1. Prologis	5.70
2. Digital Realty Trust	3.02
3. Equinix	3.26
4. Sun Communities	2.80
5. Welltower	1.82

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

Market overview

- + The macroeconomic and geopolitical environment deteriorated during the quarter. Global central banks in key economies have raised interest rates as inflation remains elevated. However, easier monetary conditions still prevail in Japan and China. The US Federal Reserve maintains its bias toward tighter monetary policy and US dollar strength is having significant negative repercussions globally. Some post-COVID supply chain challenges have diminished; however, disruptions to global energy markets from Russia's invasion of Ukraine are significant. Yield curves rose during the quarter and yield spreads between Treasury and non-Treasury sectors widened.
- + Global equities delivered weak returns, as investors anticipated corporate earnings downgrades and applied a higher risk-free rate in evaluating stocks and other assets. Prices of listed real estate underperformed global equities, with declines led by European REITs that had either high leverage or low investment capitalization rates. Global listed real estate ended the quarter trading at a discount to underlying average net asset value that was wider than the long-term average.

Positioning and outlook

- + The fund is overweight in Asia, where monetary policy appears more supportive for real estate and post-pandemic reopening is still ongoing. The fund is also overweight in North America where long-term growth prospects remain more favorable. The fund is underweight in Europe. In terms of property types, the fund is overweight in industrial, cell towers and health care. Underweight property exposures include office and retail.
- + Consensus global economic forecasts expect growth to moderate from current levels. High demand combined with supply chain challenges has caused inflationary pressures that remain well above average and key central banks have begun a significant tightening process to control inflation.
- + For real estate, it is still unclear how much impact rising risk-free rates and higher financing costs will have on asset valuations. In many countries, REIT stock prices already appear to reflect this change, with significant discounts to underlying net asset value. As such, certain property types with very long-term cashflow security have become more attractive in our view.

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

- + In Asia, an overweight allocation and stock selection in Japan added to relative return. Results benefited from exposure to mid-size Japanese developers as their stocks responded favorably to upward revisions in earnings guidance. In Hong Kong, exposure to Macau's gaming real estate positively affected performance as the lifting of local COVID-related restrictions boosted travel to the region.
- + The fund's underweight exposure to Europe added to relative return, led by a significant underweight in the UK.
- + North America exposure also added to relative results, driven primarily by positive stock selection in the US where holdings in the gaming and single-family rental REITs sectors led performance. Underweight exposure to office REITs also contributed to relative return.

Detractors from performance

- + Notable detractors from the fund's relative performance included stock selection in Germany and overweight exposure in Belgium. Inflation and the resulting interest rate uncertainty negatively affected both the lowest yielding sectors and those that function as bond proxies - including German residential, industrials and health care - despite their stronger real estate fundamentals and structural tailwinds.
- + In Asia, an underweight exposure to Hong Kong retailers with luxury retail exposure and an overweight exposure to Australian data centers detracted from relative return.
- + In North America, stock selection within self-storage and health care REITs detracted from relative results.

Top countries	% of total net assets
United States	64.34
Japan	12.36
Hong Kong	5.53
Australia	2.69
United Kingdom	2.63
Singapore	2.57
Canada	2.28
Germany	2.08
Belgium	1.64
Sweden	1.09

REIT sector breakdown	% of total net assets
Residential	21.76
Diversified	17.31
Industrial	13.74
Retail	9.39
Health Care	9.19
Data Centers	7.49
Office	6.79
Specialty	5.42
Self Storage	4.46
Infrastructure	1.59
Lodging/Resorts	1.46
Ind/Off/Mixed	1.41

Investment results

Average annual total returns (%) as of Sept. 30, 2022

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	3.22	3.56	3.20	3.20	3.86	-
10 Years	1.66	2.24	1.62	1.62	2.49	2.82
5 Years	-2.63	-1.53	-2.27	-2.27	-1.29	-1.41
3 Years	-8.85	-7.10	-7.79	-7.79	-6.86	-6.77
1 Year	-26.12	-21.81	-23.14	-22.38	-21.62	-22.77
Quarter	-16.38	-11.49	-12.53	-11.65	-11.45	-11.58

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. 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	1.30	1.30	Dom Common Stock	63.98
Class C Shares	2.05	2.05	Intl Common Stock	33.83
Class Y Shares	1.05	1.05	Other	1.16
Per the current prospectus			Cash	1.03

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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 (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.

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.

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 deferral 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.