

Invesco Global Real Estate Fund

Q2 2025

Key takeaways

1 The fund had a positive absolute return but underperformed its benchmark

Relative performance was mainly driven by negative country allocation.

2 The fund is positioned for stable growth with favorable long-term fundamentals and better tenant health

The fund aims to strike a balance between structural growth and cyclical property types trading at what we consider reasonable valuations. During the quarter, we added more defensive income exposures.

3 Attractive dividends, durable income profiles and favorable supply/demand conditions should in our view attract investors

With slowly falling interest rates, modest economic expansion and risk of over-supply that appears limited, we believe real estate companies can add value through increasingly active dealmaking.

Investment objective

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

Fund facts

Fund AUM (\$M)	134.78
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Portfolio managers

Grant Jackson, James Cowen,
PingYing Wang

Manager perspective and outlook

- Prospects for global economic growth have in our view grown less certain given the changing nature of global trade costs and conditions. US government policy outcomes, economic growth and inflation trends appear unclear, but we believe recent government changes outside the US offer scope for more expansionary domestic and regional policies.
- Global central banks retain the ability to counter trade-induced economic weakness with more accommodative interest rate policies. Capital markets seem to expect declining interest rates and modest economic growth, although government spending could cause capital market instability. The anticipated economic environment should in our estimation offer improving investment opportunities in real estate and increase demand for reliable income-producing investments.
- Real estate returns are more likely to be positive when supply of new real estate has been limited. This is the current situation for many property types where supply has been curtailed since the pre-COVID period. A wide range of outcomes are possible over the next 12-24 months, driven by macroeconomic and geopolitical factors. However, we believe conditions should be most positive in areas where private real estate markets have already experienced realistic valuation declines as interest rates rose and where tenant demand has provided a structural tailwind.



Top issuers

(% of total net assets)

	Fund	Index
Welltower Inc	6.53	5.56
Equinix Inc	5.03	4.29
Digital Realty Trust Inc	4.02	3.25
Prologis Inc	3.96	5.39
Equity Residential	3.23	1.41
Goodman Group	2.99	2.46
AvalonBay Communities Inc	2.84	1.60
Iron Mountain Inc	2.55	1.66
Mitsui Fudosan Co Ltd	2.40	1.39
Extra Space Storage Inc	2.34	1.72

As of 06/30/25. Holdings are subject to change and are not buy/sell recommendations.

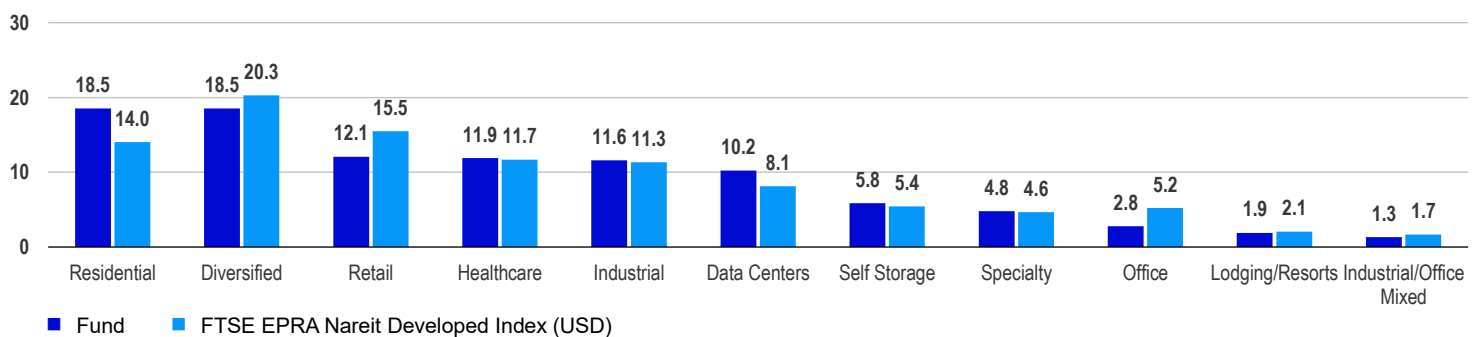
Portfolio positioning

We continue to work to strike a balance between select structural growth and cyclical property types trading at valuations we consider reasonable. Overall, the fund is positioned for stable growth with more favorable long-term fundamentals and better tenant health. Fund positioning reflects our view that the interest rate environment has likely become more of a tailwind in the medium term, but for the short term, real estate markets are vulnerable to volatile swings in investor sentiment amid changing inflation and economic growth expectations. We reduced the fund's active country and currency exposures in recent months because the global economic environment has in our view become less predictable. We are more focused on relative value among specific stocks and property types in order to generate returns.

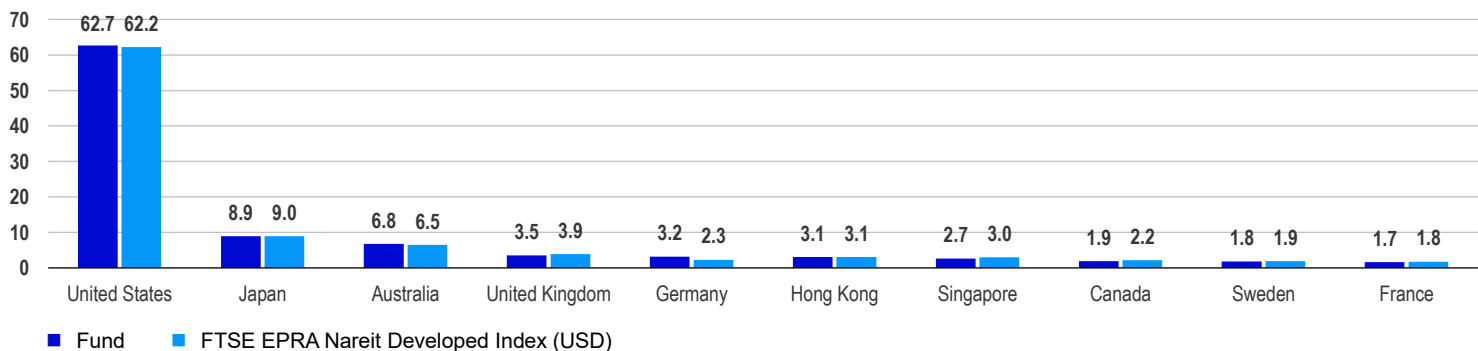
At quarter end, the fund had minor country overweights and underweights. In terms of property types, the fund was overweight in data centers, residential and health care, while underweight in diversified, retail and office. We believe relative valuations on residential real estate look attractive across much of the globe. Data center REITs are a key global theme across the fund as structural demand trends have remained intact, with a solid earnings growth outlook. The fund's health care exposure is tilted toward senior housing, where supply/demand conditions have remained favorable due to demographic trends and multiple companies have had solid platforms to capture growth opportunities.

We increased overall exposure to Europe by adding holdings in UK office and apartments, as well as office and student accommodations in Continental Europe. We also expanded exposure to Australian office and data centers, which was partially funded by reallocating investments from high-performing industrial and residential holdings. We reduced overall exposure to Japan and reallocated the corresponding weight to US REITs, where recent underperformance has increased return opportunities, in our view. Within US REITs, we reduced exposure to consumer-facing and cyclical real estate early in the period but later increased it after these assets seemed to be overly discounted due to recent volatility. We initially increased exposure to US lodging but subsequently reduced it following a period of strong performance.

Sector breakdown (% of total net assets)



Top countries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
Digital Realty Trust, Inc.	22.70	0.75
Goodman Group	27.07	0.74
Vonovia SE	35.63	0.41
American Healthcare REIT, Inc.	21.87	0.29
Iron Mountain, Inc.	15.13	0.28

Top detractors (%)

Issuer	Return	Contrib. to return
Prologis, Inc.	-5.15	-0.36
Healthpeak Properties, Inc.	-11.82	-0.29
First Industrial Realty Trust, Inc.	-9.98	-0.25
Gaming and Leisure Properties, Inc.	-6.71	-0.21
Equity LifeStyle Properties, Inc.	-6.81	-0.18

Performance highlights

Global listed real estate had a positive absolute return for the quarter. However, the fund underperformed its benchmark, mainly due to unfavorable country allocations.

Contributors to performance

The fund benefited from stock selection in the US and Australia, as well as an overweight in Spain.

In the US, health care REITs were the largest contributor to relative return, driven by an overweight in **American Healthcare REIT** and an underweight in **Alexandria Real Estate Equities**. The fund also benefited from exposure to lodging real estate companies. Though many lodging REITs performed poorly, the fund's underweight and stock selection added to relative return. Stock selection in self-storage REITs was also beneficial.

Outside the US, the fund benefited from an overweight in central European logistics, stock selection among Australian REITs and an overweight in Spain. In Australia, the fund benefited from an overweight in the industrial and data center developer **Goodman Group**.

Detractors from performance

A combination of small underweights in

European countries detracted from relative return as Europe performed well. Stock selection within Europe also detracted. In Belgium, the fund was overweight in the country's largest health care company, **Aedifica**, which put forth a merger offer that negatively affected its stock price. The fund was underweight in Switzerland where a combination of good local stock performance and Swiss Franc appreciation led to strong results. The fund had no exposure to real estate stocks in Israel, which performed well despite ongoing geopolitical risks. Holdings in France negatively affected fund results. We sold the fund's position in European and US mall owner **Unibail-Rodamco-Westfield** following concerns that tariff announcements and potential cross-border tax impositions would lower earnings. As this risk faded and the company's capital market day provided clarity on its future growth path, we repurchased the stock, which has high quality malls and a low valuation. An underweight in the Nordic region and the Netherlands also negatively affected relative return.

Standardized performance (%) as of June 30, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 04/29/05	NAV	3.90	5.49	8.65	1.67	3.10	2.01	3.95
	Max. Load 5.5%	-1.79	-0.34	2.64	-0.24	1.95	1.43	3.65
Class R6 shares inception: 09/24/12	NAV	4.17	5.78	9.23	2.17	3.60	2.49	3.59
Class Y shares inception: 10/03/08	NAV	4.09	5.63	8.94	1.93	3.37	2.26	4.33
Custom Global Real Estate Index		4.41	6.07	11.18	3.52	4.61	3.05	-
Total return ranking vs. Morningstar Global Real Estate category (Class A shares at NAV)		-	-	86% (124 of 151)	90% (123 of 148)	86% (124 of 144)	90% (110 of 118)	-

Expense ratios per the current prospectus: Class A: Net: 1.44%, Total: 1.44%; Class R6: Net: 0.95%, Total: 0.95%; Class Y: Net: 1.19%, Total: 1.19%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com](https://www.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. On March 12, 2007, the fund reorganized from a closed-end fund to an open-end fund. Class A share returns prior to that date are those of the closed-end fund's Common shares and include the fees applicable to Common shares. Fund performance was positively affected by a temporary 2% fee on redemptions that was in effect from March 12, 2007, to March 12, 2008. Without income from this temporary fee, returns would have been lower. Index sources: Invesco, 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.

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.

Performance highlights (cont'd)

Calendar year total returns (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Class A shares at NAV	-1.61	1.57	12.66	-6.16	22.47	-12.44	25.26	-25.23	8.60	-1.78
Class R6 shares at NAV	-0.96	2.20	13.04	-5.85	23.12	-12.06	25.77	-24.86	9.17	-1.33
Class Y shares at NAV	-1.36	1.82	13.02	-6.07	22.79	-12.21	25.50	-24.99	8.90	-1.54
Custom Global Real Estate Index	-1.19	3.75	13.99	-6.37	22.50	-9.95	24.22	-25.09	9.67	0.94

Portfolio characteristics*

	Fund	Index
No. of holdings	83	358
Wtd. avg. mkt. cap (\$M)	30,920	30,387
Top 10 issuers (% of AUM)	35.89	32.85
Earnings multiple	18.00	17.50
Expected earnings growth (%)	4.89	3.73
Multiple to growth ratio	3.68	4.71
Leverage (%)	30.96	32.10

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-1.40	0.00
Beta	0.95	1.00
Sharpe ratio	0.02	0.10
Information ratio	-0.53	0.00
Standard dev. (%)	17.26	17.95
Tracking error (%)	2.82	0.00
Up capture (%)	91.18	100.00
Down capture (%)	100.15	100.00
Max. drawdown (%)	32.13	32.15

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Data Centers	0.06	-0.10	-0.03
Diversified	-0.21	0.19	-0.02
Healthcare	-0.02	0.49	0.46
Industrial	-0.02	-0.18	-0.20
Industrial/Office Mixed	-0.03	0.06	0.03
Infrastructure	-0.02	0.00	-0.02
Lodging/Resorts	0.05	0.10	0.15
Office	-0.13	0.07	-0.06
Residential	-0.14	0.04	-0.10
Retail	-0.02	-0.32	-0.34
Self Storage	0.01	0.06	0.07
Specialty	0.02	-0.28	-0.26
Cash	-0.15	0.00	-0.15
Total	-0.60	0.13	-0.46

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.**

Performance attribution (cont'd)

Performance analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
United States	0.19	62.93	-0.93
Australia	0.09	6.55	20.88
Czech Republic	0.08	0.62	18.40
Spain	0.07	1.11	20.25
Hong Kong	0.05	2.52	22.11

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
Belgium / Luxembourg	-0.22	1.00	3.08
Switzerland	-0.17	0.57	16.24
Israel	-0.12	0.00	0.00
France	-0.08	1.59	13.46
United Kingdom	-0.05	3.96	15.01

Unless otherwise specified, all information is as of 06/30/25. Unless stated otherwise, Index refers to Custom Global Real Estate Index.

Asset allocation/diversification does not guarantee a profit or eliminate the risk of loss.

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 in 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.

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.

Environmental, Social and Governance (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. Developing markets may especially be volatile.

The performance of an investment concentrated in issuers of a certain region or country is expected to be closely tied to conditions within that region and to be more volatile than more geographically diversified investments.

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.

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.

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 medium-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.

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.

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

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