Invesco Global Real Estate Fund

Q1 2025

Key takeaways

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

REITs outperformed broader equity markets during the quarter. The fund underperformed its benchmark, mainly due to stock selection.

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

The fund maintains a balance between select structural growth and cyclical property types at reasonable valuations, with some exposure to what we consider attractively priced REITs offering defensive income.

3 REITs with strong balance sheets are in our view better positioned to make transactions that add to earnings

Listed real estate companies with favorable cost of capital and strong operating platforms are in our view most likely to find attractive investment opportunities as a new real estate cycle begins.

Investment objective

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

Fund facts

Fund AUM ($M)	138.42

Portfolio managers

Grant Jackson, James Cowen, PingYing Wang

Manager perspective and outlook

- The outlook for economic growth has weakened, but we believe low levels of development in recent years support demand for high quality real estate and give landlords greater pricing power. REITs with strong balance sheets are in our view well positioned to execute transactions that can add to earnings.
- Global trade tensions may lead to economic and capital market instability and the possibility of rekindled inflation in the short term. While US government policies are unclear, recent government changes outside the US leave room for fiscal and monetary policies designed to boost economic growth. Should changing global trade costs depress global growth, central banks retain the scope to implement accommodative interest rate policies in response to materially negative demand and consumption.
- We believe listed real estate companies with favorable capital costs relative to their private real estate peers that also have strong operating platforms are most likely to find attractive investment opportunities as a new real estate cycle begins. There are a wide range of possible outcomes over the next 12-24 months, driven by macroeconomic and geopolitical factors, but conditions should in our view be most positive in areas where private markets have already experienced realistic valuation declines as interest rates rose and where tenant demand still provides a structural tailwind.

For more information, including prospectus and factsheet, please visit Invesco.com/AGREX

Top issuers
(% of total net assets)

	Fund	Index
Welltower Inc	6.98	5.41
Equinix Inc	6.38	4.50
Prologis Inc	5.18	5.92
Simon Property Group Inc	3.31	3.08
Digital Realty Trust Inc	3.13	2.72
Equity Residential	3.05	1.55
Equity LifeStyle Properties Inc	2.84	0.72
Gaming and Leisure Properties Inc	2.72	0.76
Mitsui Fudosan Co Ltd	2.69	1.40
Regency Centers Corp	2.60	0.76

As of 03/31/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

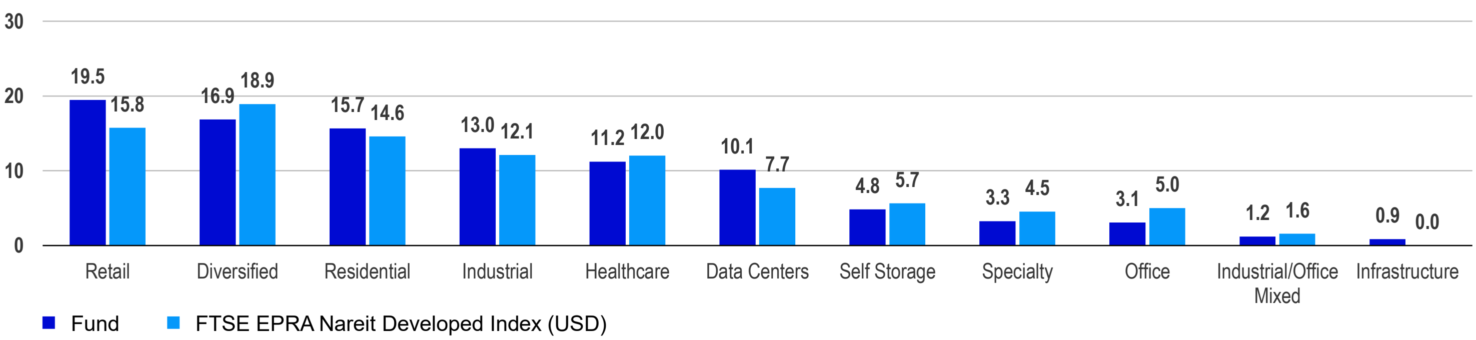
We continue to aim to strike a balance between select structural growth and cyclical property types at reasonable valuations. Overall, the fund is positioned for stable growth with more favorable long-term fundamentals and stronger tenant health. Fund positioning reflects our view that the interest rate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

We increased retail exposure to an overweight in most global regions. Supply of new retail real estate has been low for a prolonged period. Now, resilient consumer spending and positive re-leasing rates offer in our view a clearer growth path for retail landlords who have weathered several difficult years amid the e-commerce evolution.

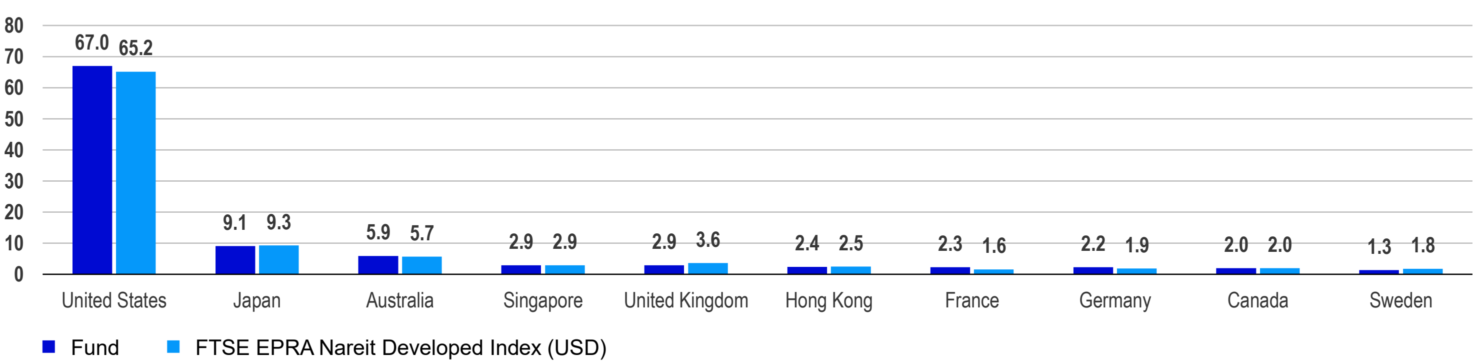
During the quarter, most fund activity took place among US REITs where frequently changing economic expectations have altered the investment environment. We added to shopping center and industrial sectors early in the quarter before reducing them later in the period. We reduced exposure to single family rental apartments throughout the quarter. We also reduced mall exposure and lodging, reflecting a less certain path for the US economy. Within the US, we added to health care, gaming and triple net lease focused companies. The general theme behind these property types is greater income visibility and longer lease terms.

Outside the US, we reduced exposure to more interest rate sensitive European REITs, which had delivered good performance, in favor of increased exposure in Australia, where the economy has shown good stability and relative predictability. Within Japan and Singapore, we made trades based on relative valuations; taking some profits where good relative performance had reduced return opportunities and reinvesting among development-focused companies with what we saw as more attractive return opportunities based on discounted valuations compared to historical trading ranges.

Sector breakdown (% of total net assets)



Top countries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
Welltower Inc.	22.07	1.36
Sumitomo Realty & Development Co., Ltd.	19.38	0.29
Mitsui Fudosan Co., Ltd.	10.80	0.24
Agree Realty Corporation	10.42	0.23
Prologis, Inc.	6.47	0.23

Top detractors (%)

Issuer	Return	Contrib. to return
Equinix, Inc.	-13.08	-0.98
Digital Realty Trust, Inc.	-18.66	-0.65
Goodman Group	-19.73	-0.55
Vornado Realty Trust	-12.34	-0.23
Kimco Realty Corporation	-8.50	-0.19

Performance highlights

The fund underperformed its benchmark, primarily due to stock selection, most notably selection in Japan, Sweden and Australia. Weaker performance from data centers and stronger performance from cyclically defensive property types affected the fund's relative performance.

Contributors to performance

Among US REIT exposures, the fund benefited from underweights in lodging, office and specialty focused REITs, which have been vulnerable to fear of slowing US economic growth. The fund also benefited from its holdings in the triple net lease, manufactured housing and single-family rental real estate sectors, as investor sentiment favored their more stable and predictable income streams.

Geographically, the fund benefited from stock selection in Canada and an underweight in expensive Israeli real estate.

Detractors from performance

Negative stock selection effects were most notable in Japan, Sweden and Australia. Residential focused **Fastighets AB Balder** in Sweden performed poorly, showing sensitivity to rising interest rate expectations in Europe. In Japan, the fund's selection among JREITs detracted from relative return, particularly overweights in residential and hotel focused REITs. These JREITs underperformed despite favorable fundamental trends because JREIT investors preferred smaller cap shares trading at deeper discounts to historical valuations as multiple private firms launched tender offers for JREIT shares and several REIT management teams commenced share buyback programs. In Australia, industrial and data center developer **Goodman Group** performed poorly after announcing it would raise equity to finance its large pipeline of data center developments. Additionally, the fund had underweights in a few diversified REITs in Australia, whose share prices rose after year-end earnings reports surpassed low expectations. These REITs principally own Australian office and retail assets that have low fundamental momentum. Geographically, having no exposure to Switzerland was disadvantageous as the country, which is perceived as a safe haven, had strong positive performance. An underweight in Belgium also detracted.

Within US REIT holdings, the fund's overweight in data centers detracted from relative return. Although near-term earnings and development outlooks remain very positive, forecasts for longer term data center capacity requirements and spending have become more cautious. An overweight in shopping centers and an underweight in gaming REITs also detracted. Despite earnings profiles that have relatively less economic sensitivity, shopping centers were negatively affected by general risk aversion.

Standardized performance (%) as of March 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 04/29/05	NAV	1.53	1.53	0.60	-5.06	4.18	1.01	3.80
	Max. Load 5.5%	-4.08	-4.08	-4.94	-6.84	3.02	0.43	3.50
Class R6 shares inception: 09/24/12	NAV	1.54	1.54	0.97	-4.64	4.67	1.47	3.33
Class Y shares inception: 10/03/08	NAV	1.48	1.48	0.74	-4.86	4.43	1.24	4.14
Custom Global Real Estate Index		1.59	1.59	3.90	-4.28	5.69	1.98	-
Total return ranking vs. Morningstar Global Real Estate category (Class A shares at NAV)		-	-	78% (132 of 168)	71% (120 of 165)	83% (138 of 161)	81% (107 of 123)	-

Expense ratios per the current prospectus: Class A: Net: 1.42%, Total: 1.42%; Class R6: Net: 0.95%, Total: 0.95%; Class Y: Net: 1.17%, Total: 1.17%.

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. 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.

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	70	361
Wtd. avg. mkt. cap ($M)	32,336	30,390
Top 10 issuers (% of AUM)	38.89	33.01
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 (%)	-1.32	0.00
Beta	0.95	1.00
Sharpe ratio	0.09	0.17
Information ratio	-0.51	0.00
Standard dev. (%)	17.41	18.19
Tracking error (%)	2.99	0.00
Up capture (%)	89.79	100.00
Down capture (%)	99.56	100.00
Max. drawdown (%)	32.13	32.15

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Data Centers	-0.40	0.07	-0.33
Diversified	-0.05	-0.43	-0.48
Healthcare	-0.12	0.16	0.03
Industrial	-0.02	-0.02	-0.03
Industrial/Office Mixed	-0.01	0.06	0.05
Infrastructure	0.11	0.00	0.11
Lodging/Resorts	0.20	0.17	0.37
Office	0.10	-0.13	-0.02
Residential	-0.07	-0.15	-0.22
Retail	-0.03	0.09	0.05
Self Storage	0.01	-0.03	-0.01
Specialty	0.11	-0.05	0.06
Cash	0.01	0.00	0.01
Total	**-0.15**	**-0.26**	**-0.41**

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 analysis by country — top 5 (%)

	Total effect	Avg. weight	Total return
Czech Republic	0.13	0.98	16.14
Canada	0.08	1.87	7.01
Israel	0.06	0.00	0.00
France	0.06	2.36	11.20
United Kingdom	0.01	3.53	6.04

Performance analysis by country — bottom 5 (%)

	Total effect	Avg. weight	Total return
Japan	-0.20	8.76	9.26
Australia	-0.14	6.18	-8.97
Switzerland	-0.13	0.00	0.00
Belgium / Luxembourg	-0.09	0.00	0.00
United States	-0.09	66.11	0.89

Unless otherwise specified, all information is as of 03/31/25. 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

 Past performance is no guarantee of future results. Open-end mutual funds and exchange-traded funds are considered a single population for comparison purposes. Had fees not been waived and/or expenses reimbursed currently or in the past, the ranking would have been lower. Rankings for other share classes may differ due to different performance characteristics.

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.