Invesco International Bond Fund

Q1 2025

Key takeaways

1. **The fund outperformed for the quarter**
The fund outperformed its benchmark for the quarter. The fund's interest rate positioning added to relative return, while credit and foreign currency exposures detracted from relative return.

2. **Opportunity to maximize diversification with non-US exposure**
Pure international exposure with actively managed currency exposure may serve as an effective complement to US fixed income, by offering additional diversification, income and total return potential.

3. **Macroeconomic conditions align for global fixed income**
Global fixed income may benefit from improving global growth differentials and normalizing financial conditions across the world. We believe economic and policy divergences across regions and countries create exciting opportunities for active managers.

Investment objective
The fund seeks total return.

Fund facts

Fund AUM ($M)	1,049.61

Portfolio managers
Arin Kornchankul, Hemant Baijal, Kristina Campmany, Michael Block

Manager perspective and outlook

- Market expectations appeared upended in the first quarter. US policy uncertainty appeared to erode sentiment and raised recession concerns as investors seemed to analyze how shifts in global trade policy would affect growth and inflation.
- Countering prevailing pessimism in Europe, German elections appeared to fuel optimism for a pro-growth agenda, further boosted by plans to loosen fiscal rules and the prospect of the European Union issuing joint debt to finance defense spending.
- The US Federal Reserve ("Fed") held interest rates steady, awaiting signs of inflation impacts or economic weakening, while signaling readiness to act if needed.
- In contrast, the European Central Bank, Bank of England, Swiss National Bank and Bank of Canada continued easing monetary policy, while the Reserve Bank of Australia began to ease. Most signaled further reductions in 2025. Bank of Japan, an outlier, hiked rates again, albeit from a low level.
- Emerging market central banks proceeded cautiously. Mexico, South Africa and India cut rates, while outlier Brazil hiked rates and signaled more tightening if inflation persists.
- The US dollar headed into 2025 strong but drifted downward during the first quarter on prospects for slowing US growth.
- We expect economic and policy divergences across regions and countries to persist. We believe this environment offers compelling excess return opportunities for active managers such as ourselves.

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

Portfolio characteristics*

Effective duration (years)	4.81
Weighted avg. effective maturity (years)	6.92
30-day SEC yield (Class A shares)	5.22
30-day SEC unsubsidized yield (Class A shares)	5.06

Quality breakdown (% total)

AAA	6.2
AA	16.4
A	8.0
BBB	13.8
BB	23.2
B	5.9
CCC and below	3.1
Not rated	7.1
Cash and Cash equivalent	8.6
Derivatives & FX	7.7

Investment categories (% total)

Non-US Debt	**32.0**
Non-US Government	17.5
Non-US Investment Grade	2.9
Non-US High Yield	5.6
Emerging Market Debt	**34.0**
Emerging Market Sovereign Bonds	25.9
Emerging Market Corporate Bonds	8.1
Securitized	**8.5**
CMBS	0.3
Mortgage TBAs/Other	8.2
Cash & Cash Equivalent	**8.6**
Derivatives & FX	**7.7**
Other	**15.2**

Portfolio positioning

During the quarter, we increased the fund's foreign currency exposure by increasing exposure to both developed and emerging market currencies. We expect the main beneficiaries of a weaker US dollar to be countries with current account surpluses, which are mainly found in developed markets. We increased duration exposure, primarily by adding to developed market duration. Credit exposure increased, mainly due to an increase in emerging market sovereigns.

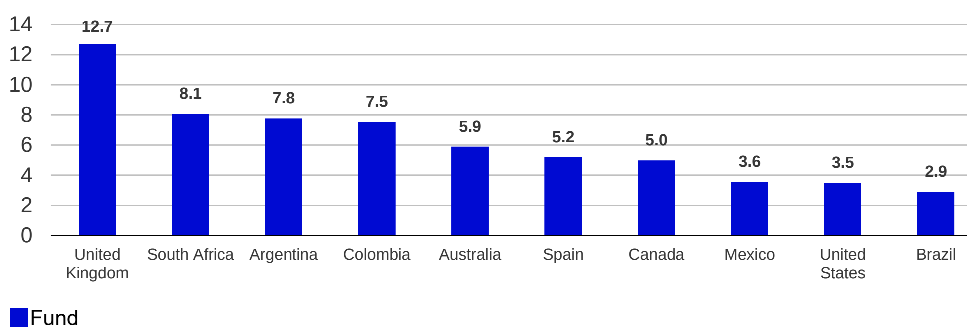
Though the Fed held rates steady during the quarter, it downgraded its economic outlook for 2025, reflecting an uncertain policy environment that has been clouding the outlook for the US economy. Risks of both weaker growth and higher inflation present a complicated path for the Fed to navigate. While on hold for now as it assesses effects of the new administration's policies on the economy, we expect the Fed's path is probably toward lower rates if domestic demand falls.

In contrast, most other developed market central banks have shifted decisively into easing mode, and we expect this to continue, with the Bank of Japan remaining an outlier. The shift from a global consensus of cautious rate cuts toward more independent monetary policy decisions reflects diverging economic paths. As each central bank's pace and destination will vary, this landscape presents, in our view, an array of opportunities for active interest rate exposures based on relative value.

Emerging markets in our estimation face a complex landscape with mixed signals for inflation and the global economy. As long as the Fed remains on hold, emerging market central banks have relatively less room to maneuver. We believe most central banks will continue to reduce rates to the extent they can, given country-specific growth and inflation dynamics. As the Fed eventually lowers rates, we expect more Asian central banks to follow suit.

We believe an actively managed approach is particularly valuable in an environment of greater economic and policy dispersion. Incorporating pure international exposure enhances diversification, which may be especially timely in periods of heightened uncertainty. We remain excited about the compelling opportunities for generating excess return in international fixed income markets.

Top countries (% of total net assets)



Performance highlights

The fund's Class A shares at net asset value (NAV) outperformed its benchmark for the quarter. The fund's interest rate positioning added to relative return, while credit and foreign currency exposures detracted from relative return. The top contributors to relative return were overall yield curve positioning, positioning in the Brazilian Real, and interest rate positioning in Mexico. The largest detractors were positioning in the Euro, Turkish Lira, and interest rate positioning in South Africa.

Contributors to performance

- Overall yield curve positioning
- Positioning in the Brazilian Real
- Interest rate positioning in Mexico

Detractors from performance

- Positioning in the Euro
- Positioning in the Turkish Lira
- Interest rate positioning in South Africa

Standardized performance (%) as of March 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 06/15/95	NAV	3.33	3.33	6.93	1.69	3.01	1.11	5.58
	Max. Load 4.25%	-1.03	-1.03	2.44	0.24	2.14	0.68	5.43
Class R6 shares inception: 01/27/12	NAV	3.40	3.40	7.25	2.00	3.32	1.49	1.56
Class Y shares inception: 09/27/04	NAV	3.39	3.39	7.20	1.94	3.27	1.37	3.93
Custom Invesco International Bond Fund Benchmark		2.91	2.91	2.73	-0.96	-0.60	0.66	-
Total return ranking vs. Morningstar Global Bond category (Class A shares at NAV)		-	-	3% (8 of 159)	32% (45 of 158)	18% (25 of 151)	32% (38 of 126)	-

Expense ratios per the current prospectus: Class A**: Net: 1.04%, Total: 1.16%; Class R6**: Net: 0.76%, Total: 0.76%; Class Y**: Net: 0.79%, Total: 0.92%.

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. As the result of a reorganization on May 24, 2019, the returns of the fund for periods on or prior to May 24, 2019 reflect performance of the Oppenheimer predecessor fund. Share class returns will differ from the predecessor fund due to a change in expenses and sales charges. Index sources: Invesco, FactSet Research Systems Inc., 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	-3.72	6.13	10.85	-5.88	9.42	8.23	-10.24	-12.96	8.25	1.93
Class R6 shares at NAV	-3.31	6.79	11.13	-5.53	10.06	8.47	-9.90	-12.49	8.34	2.23
Class Y shares at NAV	-3.32	6.40	11.12	-5.65	9.69	8.49	-10.00	-12.73	8.27	2.42
Custom Invesco International Bond Fund Benchmark	-7.04	6.00	11.83	-3.58	9.68	7.39	-7.83	-18.10	8.96	-2.13

**Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least Feb 28, 2026.

Unless otherwise specified, all information is as of 03/31/25. Unless stated otherwise, Index refers to Custom Invesco International Bond Fund Benchmark.

The Custom Invesco International Bond Index is composed of 50% FTSE Non-U.S. Dollar World Government Bond Index, 30% JP Morgan Government Bond Index - Emerging Markets Global Diversified and 20% JP Morgan Emerging Markets Bond Index Global Diversified. From Jan. 1, 2003, through Dec. 31, 2011, the underlying index weights were 70% FTSE Non-U.S. Dollar World Government Bond Index, 20% JP Morgan Government Bond Index - Emerging Markets Global Diversified and 10% JP Morgan Emerging Markets Bond Index Global Diversified. The FTSE Non-U.S. Dollar World Government Bond Index is a broad benchmark providing exposure to the global sovereign fixed income market, excluding the US. The JP Morgan Government Bond Index - Emerging Markets Global Diversified is composed of regularly traded, liquid fixed-rate, domestic currency government bonds. The JP Morgan Emerging Markets Bond Index Global Diversified tracks the traded market for US dollar-denominated Brady bonds, Eurobonds, traded loans and local market debt instruments issued by sovereign and quasi-sovereign entities. An investment cannot be made directly in an index.

About Risk

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.

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.

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

Many countries in the European Union are susceptible to high economic risks associated with high levels of debt, notably due to investments in sovereign debts of European countries such as Greece, Italy, and Spain.

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.

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

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.

Issuers of sovereign debt or the governmental authorities that control repayment may be unable or unwilling to repay principal or interest when due, and the Fund may have limited recourse in the event of default. Without debt holder approval, some governmental debtors may be able to reschedule or restructure their debt payments or declare moratoria on payments.

Because the Subsidiary is not registered under the Investment Company Act of 1940, as amended (1940 Act), the Fund, as the sole investor in the Subsidiary, will not have the protections offered to investors in U.S. registered investment companies.

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.
Ratings source: Standard & Poor's, Moody's or Fitch, as applicable. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations, including specific securities, money market instruments or other debts. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. Not Rated indicates the debtor was not rated and should not be interpreted as indicating low quality. A negative in Cash indicates fund activity that has accrued or is pending settlement. For more information on rating methodologies, please visit the following NRSRO websites: www.standardandpoors.com and select 'Understanding Credit Ratings' under Rating Resources 'About Ratings' on the homepage; https://ratings.moodys.io/ratings and select 'Understanding Ratings' on the homepage; www.fitchratings.com and select 'Ratings Definitions Criteria' under 'Resources' on the homepage. Then select 'Rating Definitions' under 'Resources' on the 'Contents' menu.

*** 30-day SEC yield** is based on a 30-day period and is computed by dividing the net investment income per share earned during the period by the maximum offering price per share on the last day of the period. **30-day SEC unsubsidized yield** reflects the 30-day yield if the investment adviser were not waiving all or part of its fee or reimbursing the fund for part of its expenses. Total return would have also been lower in the absence of these temporary reimbursements or waivers. **Effective duration** is the managers' estimate of a bond fund's price sensitivity to changes in interest rates. This measure takes into account mortgage prepayments, puts, adjustable coupons and potential call dates. **Weighted average maturity** is a measure, as estimated by the fund's portfolio managers, of the length of time the average security in a bond fund will mature or be redeemed by its issuer. It takes into account mortgage prepayments, puts, adjustable coupons and potential call dates.

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.