



## Invesco municipal bond funds

### Invesco High Yield Municipal Fund

A: ACTHX C: ACTFX  
Y: ACTDX R5: ACTNX  
**Morningstar rating:** ★★★★★  
**Morningstar category:**  
High Yield Muni  
Funds in category: 156

### Invesco Intermediate Term Municipal Income Fund

A: VKLMX C: VKLCX  
Y: VKLIX  
**Morningstar rating:** ★★★★★  
**Morningstar category:**  
Muni National Intermediate  
Funds in category: 259

### Invesco Limited Term Municipal Income Fund

A: ATFAX C: ATFCX  
Y: ATFYX R5: ATFIX  
**Morningstar rating:** ★★★★★★  
**Morningstar category:**  
Muni National Short  
Funds in category: 180

### Invesco Municipal Income Fund

A: VKMMX C: VMICX  
Y: VMIIIX  
**Morningstar rating:** ★★★★★★  
**Morningstar category:**  
Muni National Long  
Funds in category: 146

### Invesco Short Duration High Yield Municipal Fund

A: ISHAX C: ISHCX  
Y: ISHYX R5: ISHFX  
**Morningstar rating:** ★★★  
**Morningstar category:**  
High Yield Muni  
Funds in category: 156  
Class Y shares are available only to certain investors.  
Morningstar ratings are overall ratings and are as of Dec. 31, 2018.

## Rising interest rates can provide opportunities for investors

In December, the Federal Reserve raised rates for the ninth time since the Federal Open Market Committee began raising rates off their near-zero level in December 2015, reflecting rising confidence in the US economy. We expect the Fed to continue to raise rates, but at a more gradual pace dependent on whether economic growth and financial conditions remain intact.

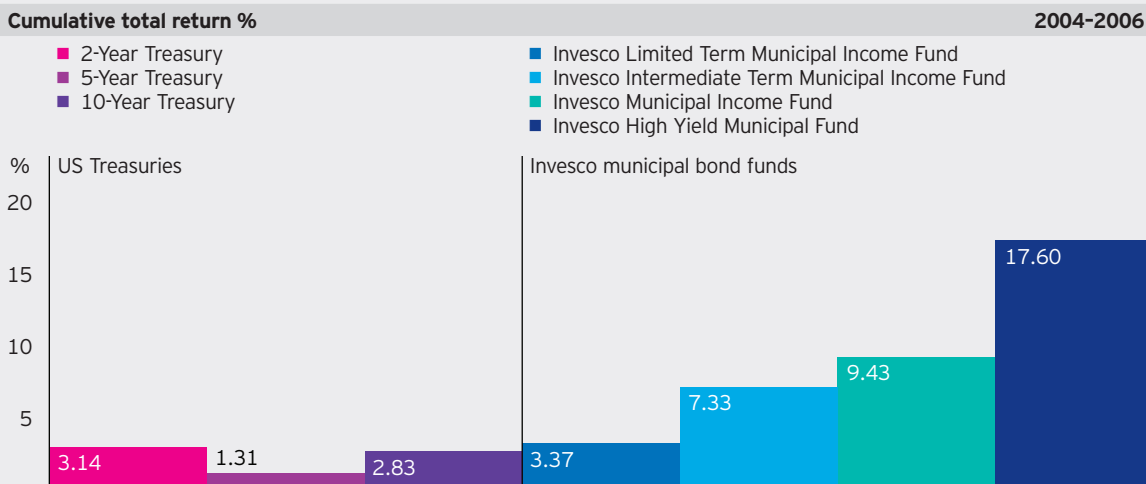
In addition to being exempt from federal income tax (and may be exempt from state and local income taxes) there are additional benefits that municipal bonds funds may offer in a rising rate environment, including:

- **Price appreciation.** Invesco specializes in project and essential service revenue bonds, such as hospitals, universities, and electric power authorities. Rising interest rates may put downward pressure on the fund's share price, but cash flows to these revenue bonds typically increase due to an improving economy, which can result in price appreciation.
- **Market resilience.** Municipals are a pure play on the US economy and have held up well in the face of widespread capital markets events such as the oil spike of 2015, Brexit, credit spread widening, and other geopolitical macro events.<sup>1</sup> The nature of the issuances in the municipal bond market ties them to the performance of the US economy.
- **Portfolio diversifier.** Municipal bonds are not tied to the performance of the stock market, allowing investors a conduit to investing in the US economy with relatively low correlation to equity and Treasury markets.<sup>2</sup>

### Invesco municipal funds produced greater returns vs. Treasuries during the last Fed hike

From June 2004 to June 2006, the Federal Reserve raised the federal funds target rate at a measured pace of 17 times over 24 months from a starting level of 1.00% to 5.25%, moving 0.25% each time.

Rate change %	2004-2006
Federal funds rate change	4.25
2-Year Treasury yield	2.50
5-Year Treasury yield	1.38
10-Year Treasury yield	0.61



Sources: Barclays, Bloomberg L.P. for the period June 30, 2004, to June 29, 2006. Class A shares at NAV shown. Returns for Class A shares do not include sales charges. Past performance cannot guarantee future results. Treasuries are represented by the Bloomberg Barclays Bellwether Treasury 2-, 5- and 10-year indexes. An investment cannot be made in an index.

## Long-term performance as of Dec. 31, 2018

■ Top 25% ■ Top 50%

Class A shares	Lipper category	Symbol	1-Year		3-Year		5-Year		10-Year		Since inception	
			%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Invesco High Yield Municipal Fund	High Yield Municipal Debt Funds	ACTHX	54	97/180	30	45/152	15	18/126	21	17/81	34	2/5
Invesco Short Duration High Yield Municipal Fund	High Yield Municipal Debt Funds	ISHAX	34	61/180	23	35/152					31	47/151
Invesco Municipal Income Fund	General & Insured Municipal Debt Funds	VKMMX	75	196/261	41	95/233	36	72/203	22	34/157	74	30/40
Invesco Intermediate Term Municipal Income Fund	Intermediate Municipal Debt Funds	VKLMX	46	94/207	19	34/183	20	33/169	14	15/107	28	7/24
Invesco Limited Term Municipal Income Fund	Short-Intermediate Municipal Debt Funds	ATFAX	73	50/68	55	35/63	39	23/58	19	8/43	15	5/33

Source: Lipper Inc. Lipper rankings are based on total return, excluding sales charges and including fees and expenses. Had fees not been waived and/or expenses reimbursed currently or in the past, the ranking would have been lower. "Since inception" data reflects closest available month-end to fund inception date. Past performance is no guarantee of future results.

## Average annual total returns % as of Dec. 31, 2018

Class A shares	Inception date	Symbol	Max load	1-Year		3-Year		5-Year		10-Year		Since inception	
				NAV	Load	NAV	Load	NAV	Load	NAV	Load	NAV	Load
Invesco High Yield Municipal Fund	1/2/86	ACTHX	4.25	1.42	-2.89	3.89	2.39	6.78	5.86	8.52	8.05	5.97	5.83
Invesco Short Duration High Yield Municipal Fund	9/30/15	ISHAX	2.50	2.00	-0.55	4.05	3.18	-	-	-	-	4.36	3.54
Invesco Municipal Income Fund	8/1/90	VKMMX	4.25	0.23	-4.05	2.16	0.68	4.18	3.28	6.17	5.71	4.88	4.72
Invesco Intermediate Term Municipal Income Fund	5/28/93	VKLMX	2.50	0.88	-1.67	1.93	1.07	3.27	2.73	4.62	4.36	4.49	4.39
Invesco Limited Term Municipal Income Fund	10/31/02	ATFAX	2.50	0.88	-1.64	0.91	0.08	1.69	1.19	3.36	3.10	3.04	2.88

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](http://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 so that you may have a gain or a loss when you sell shares. Performance shown at NAV does not include applicable front-end sales charges, which would have reduced the performance. Class A share performance reflects any applicable fee waivers or expense reimbursements. Had fees not been waived and/or expenses reimbursed in the past, returns would have been lower. Returns less than one year are cumulative, all others are annualized. The gross expense ratio on Class A shares for **Invesco High Yield Municipal Fund** is 1.06%, **Invesco Short Duration High Yield Municipal Fund** is 1.16%, **Invesco Municipal Income Fund** is 1.10%, **Invesco Intermediate Term Municipal Income Fund** is 0.91% and **Invesco Limited Term Municipal Income Fund** is 0.62%. Expenses are as of the fund's fiscal year-end as outlined in the fund's current prospectus.

## Why Invesco?

- **Hands-on team approach.** Finding exceptional investment opportunities requires exceptional research. To that end, the Municipal Fixed Income team performs its own hands-on credit analysis, reviewing and rating each and every credit owned.
- **Specialists.** Our team's dedicated municipal bond professionals have more than 20 years average industry experience.
- **Market leaders.** As of Dec. 31, 2018, the Municipal Fixed Income team managed \$25.8 billion on behalf of our clients and is ranked among the Top 10 municipal bond managers by assets.<sup>3</sup>
- **Active investing.** Our investment experts make informed decisions by combining experience-based knowledge with market trends to discover and exploit relative value opportunities.

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## Important information

Fixed income products are subject to risk, including, but not limited to, the effects of changing interest rates. There is no assurance that any investment or strategy will achieve its investment objective.

Fund distributions are primarily exempt from regular federal income tax. A portion of these distributions, however, may be subject to the federal alternative minimum tax and state and local taxes. The funds may also make distributions that are taxable as ordinary income or capital gains.

The opinions expressed are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals.

Invesco does not provide tax advice. The tax information contained herein is general and is not exhaustive by nature. It is not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding tax penalties that may be imposed on the taxpayer under US federal tax laws. Federal and state tax laws are complex and constantly changing. Investors should always consult their own legal or tax advisor for information concerning their individual situation.

A basis point is a unit that is equal to one one-hundredth of a percent.

Correlation indicates the degree to which two investments have historically moved in the same direction and magnitude.

Bloomberg Barclays High Yield Municipal Bond Index is generally representative of bonds that are noninvestment grade, unrated or rated below Ba1.

Bloomberg Barclays Municipal Bond Index is an unmanaged index considered representative of the tax-exempt bond market.

Bloomberg Barclays US Treasury Index measures US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury.

S&P 500 Index is an unmanaged index considered representative of the US stock market.

US Treasury Bellwether indexes are used as a proxy for a risk-free dollar-denominated asset. The indices reset at the beginning of each month (consistent with existing Barclays Index Methodology), the index tracks the return of the current on-the-run treasury bond of a given maturity until it is reset again in the following month.

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## 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.

There is a risk that the Federal Reserve Board (FRB) and central banks may raise the federal funds and equivalent foreign rates. This risk is heightened due to the potential "tapering" of the FRB's quantitative easing program and other similar foreign central bank actions, which may expose fixed income investments to heightened volatility and reduced liquidity, particularly those with longer maturities.

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

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.

Securities which are in the medium- and lower grade categories generally offer higher yields than are offered by higher-grade securities of similar maturity, but they also generally involve more volatility and greater risks, such as greater credit risk, market risk, liquidity risk, management risk, and regulatory risk.

The funds may invest in municipal securities issued by entities having similar characteristics, which may make the fund more susceptible to fluctuation.

Municipal securities have the risk that legislative or economic conditions could affect an issuer's ability to make principal and/or interest payments.

The funds are subject to certain other risks. Please see the prospectus for more information regarding the risks associated with an investment in the fund.

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# Why Invesco for fixed income?

## Working with the right fixed income partner

### By the numbers (as of Dec. 31, 2018)

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Fixed income assets under management

**\$300.6 billion**

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Average years of fixed income experience

**>18**

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Fixed income investment professionals

**169**

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Countries serving fixed income clients

**10**

Because bonds form the foundation of so many investor's portfolios, it is critical to work with the right fixed income partner. One who understands the implications of a changing world economy, yet also understands the details of thousands of individual bond issuers.

Invesco Fixed Income is built to be that partner:

- We're global, yet interconnected – our local insights make a difference across our platform.
- Our disciplined process seeks the best ideas, and our collaborative culture shares them.
- We seek competitive performance and bond yields across the bond markets.
- We offer a wide variety of strategies to help investors create a fixed income portfolio to suit their needs.

- 1 Source: Bloomberg L.P. Oil spike of 2015: for the period July 22, 2015 through Aug. 21, 2015 investment grade municipals returned 0.73%, high yield municipals returned -0.27%, and US equities returned -6.48%. Brexit: for the period June 24, 2016 through June 27, 2016 investment grade municipals returned 0.91%, high yield municipals returned 0.33%, and US equities returned -5.40%. Credit spread widening: for the period March 31, 2010 through Jan. 1, 2012 investment grade municipals returned 13.52%, high yield municipals returned 17.23%, and US equities returned 8.68%. Investment grade municipals represented by Bloomberg Barclays Municipal Bond Index, high yield municipals represented by Bloomberg Barclays High Yield Municipal Bond Index, and US equities represented by S&P 500. Returns shown are cumulative. Past performance cannot guarantee future results. An investment cannot be made in an index.
- 2 Source: StyleADVISOR. Based on 10-year correlations ending Dec. 31, 2018. Municipals represented by Bloomberg Barclay's Municipal Bond Index, equities represented by the S&P 500 Index and Treasuries represented by Bloomberg Barclays US Treasury Index. An investment cannot be made in an index.
- 3 Source: SIMFUND, based on assets under management, as of Dec. 31, 2018.

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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](http://invesco.com/fundprospectus).***

Note: Not all products, materials or services available at all firms. Advisors, please contact your home office.

**The Invesco High Yield Municipal Income Fund is currently limiting public sales of its shares to certain investors. For more information please refer to the fund's prospectus.**

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.

**Invesco High Yield Municipal Fund** Class A shares received 4 stars for the overall, 4 stars for the three years, 5 stars for the five years and 4 stars for the 10 years. The fund was rated among 156, 156, 129 and 82 funds within the Morningstar High Yield Muni Category for the overall period, three, five and 10 years, respectively. **Invesco Intermediate Term Municipal Income Fund** Class A shares received 4 stars for the overall, 4 stars for the three years, 4 stars for the five years and 4 stars for the 10 years. The fund was rated among 259, 259, 228 and 151 funds within the Morningstar Muni National Intermediate Category for the overall period, three, five and 10 years, respectively. **Invesco Limited Term Municipal Income Fund** Class A shares received 5 stars for the overall, 4 stars for the three years, 4 stars for the five years and 5 stars for the 10 years. The fund was rated among 180, 180, 162 and 108 funds within the Morningstar Muni National Short Category for the overall period, three, five and 10 years, respectively. **Invesco Municipal Income Fund** Class A shares received 4 stars for the overall, 4 stars for the three years, 4 stars for the five years and 4 stars for the 10 years. The fund was rated among 146, 146, 130 and 107 funds within the Morningstar Muni National Long Category for the overall period, three, five and 10 years, respectively. **Invesco Short Duration High Yield Municipal Fund** Class A shares received 3 stars for the overall and 3 stars for the three years. The fund was rated among 156 and 156 funds within the Morningstar High Yield Muni Category for the overall period and three years, respectively.

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Morningstar ratings are based on a risk-adjusted return measure that accounts for variation in a fund's monthly performance, placing more emphasis on downward variations and rewarding consistent performance. Open-end mutual funds and exchange-traded funds are considered a single population for comparison purposes. Ratings are calculated for funds with at least a three-year history. The overall rating is derived from a weighted average of three-, five- and 10-year rating metrics, as applicable, excluding sales charges and including fees and expenses. Had fees not been waived and/or expenses reimbursed currently or in the past, the Morningstar rating would have been lower.