Invesco Conservative Income Fund
Quarterly Performance Commentary

Investment objective
The fund seeks to provide capital preservation and current income while maintaining liquidity. The fund seeks to achieve its investment objective by investing in a diversified portfolio of short duration, investment grade money market and fixed income securities.

Portfolio management
Laurie F. Brignac, Joseph Madrid, Marques Mercier

Fund facts
Total Net Assets $2,215,190,075
Total Number of Holdings 193
Nasdaq R6: ICIRX A: ICIVX Y: IGYX Inst: ICIFX

Fund characteristics
Effective Duration 0.66
Spread Duration (years) 0.88
Weighted average life (WAL) (years) 1.02

Credit quality breakdown (% total)¹
A-1 or A-1 15.96
A-2 or A-3 15.75
AAA 18.32
AA 16.63
A 24.69
BBB 8.64

Market overview
+ The Federal Open Market Committee (FOMC) held the federal funds rate steady at its September meeting after hiking the rate by 0.25% in July. The target range for the federal funds rate ended the quarter at 5.25% to 5.50%. The US Federal Reserve’s (Fed) actions remained data dependent as it provided conditional guidance that interest rates will likely remain “higher for longer” so long as inflation persists above its 2% target. Indeed, inflation remained elevated for the quarter, while the labor market remained resilient and economic activity expanded.
+ Treasury yields rose across the entire maturity spectrum, most notably in the long end of the yield curve. This decreased the curve’s inversion, but short-term rates remained higher than long rates. The yield on the 3-month US Treasury bill rose from 5.28% to 5.45% in the third quarter, while the 10-year Treasury yield rose from 3.84% to 4.57%. Economic data showed strong housing and labor markets with healthy consumer spending, despite continued monetary tightening. In the short maturity segment, the yield spread between Treasuries and non-Treasury securities ended the quarter flat to wider.
+ During the quarter, the fund’s allocation to asset-backed securities (ABS) was relatively unchanged, ending at 14.2% compared to 13.9% at the beginning of the quarter. The allocation to investment grade corporates decreased from 54.4% to 51.6% and holdings of money market securities increased from 29.5% to 31.7%. Financial institutions made up 35.8% of the investment grade corporate allocation. The ABS allocation was predominantly auto related at 8.8%, followed by equipment deals at 3.1%. The fund also held 2.5% in US Treasury securities. We maintained the fund’s bias toward high quality credits as the allocation to AAA-rated securities was 18.3%. The fund’s duration decreased from 0.70 years to 0.66 years.

Positioning and outlook
+ Inflation could continue to moderate through the final quarter of the year, although we believe it will likely remain higher than the Fed’s 2% target. We will be closely monitoring US economic data releases, examining them for any weakness or unexpected strength that could push the Fed to act beyond the near-term policy rate expectations currently priced into the market. Given the US economy’s strength, we expect interest rate volatility to persist as markets establish expectations for a terminal level for the federal funds rate. We do not believe the end of the Fed’s rate hiking cycle means the immediate beginning of an easing cycle as the Fed will likely hold rates steady to ensure data are consistently leading toward its 2% inflationary target.

Performance highlights
+ Invesco Conservative Income Fund Institutional shares at net asset value (NAV) returned 1.35% for the third quarter, outperforming its benchmark, the ICE BofAML US Treasury Bill Index.

Contributors to performance
+ Overall, sector and security selection added to performance relative to the benchmark during the quarter.
+ In terms of sector allocation, holdings of money market securities had the largest positive effect on relative return.
+ In terms of security selection, holdings of investment grade financial institutions had the largest positive effect on relative return, followed by cash securities with maturities greater than 150 days.

Detractors from performance
+ The largest detractor from relative return in the third quarter was the fund’s duration and yield curve positioning, particularly in the investment grade credit sector.
+ The fund’s holdings in the technology/media/telecommunications and consumer non-cyclical sectors also detracted from relative return.
Effective duration is a modified duration calculation which incorporates the expected duration-shortening effect of an issuer's embedded call provision. Spread duration measures the sensitivity of a security's price to a 100 basis point change in its OAS (Option Adjusted Spread is a methodology using option pricing techniques to value the imbedded options risk component of a bond's total spread. Imbedded options are call, put or sink features of bonds.). Often used to quantify the sensitivity of a portfolio to changes in spreads. The spread duration of a portfolio is the market weighted average of the spread duration of all of its securities. Weighted average life (WAL) calculates a fund's average time to maturity for all of the securities held in the portfolio, weighted to their percentage of assets in the fund. In contrast to WAM, the WAL calculation takes into account the final maturity date for each security held in the portfolio. This is a way to measure a fund's potential sensitivity to credit spread changes.

**Investment results**

Average annual total returns (%) as of Sept. 30, 2023

<table>
<thead>
<tr>
<th>Period</th>
<th>Class A Shares</th>
<th>Class Y Shares</th>
<th>Class Institutional Shares</th>
<th>Class R6 Shares</th>
<th>Style-Specific Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inception</td>
<td>04/02/18</td>
<td>12/10/19</td>
<td>07/01/14</td>
<td>05/15/20</td>
<td>ICE BofA U.S. Treasury Bill Index</td>
</tr>
<tr>
<td>Inception</td>
<td>NAV 1.36</td>
<td>NAV 1.47</td>
<td>NAV 1.48</td>
<td>NAV 1.48</td>
<td>NAV 1.73</td>
</tr>
<tr>
<td>5 Years</td>
<td>1.68</td>
<td>1.80</td>
<td>1.81</td>
<td>1.82</td>
<td>1.67</td>
</tr>
<tr>
<td>3 Years</td>
<td>1.20</td>
<td>1.31</td>
<td>1.33</td>
<td>1.31</td>
<td>1.67</td>
</tr>
<tr>
<td>1 Year</td>
<td>4.51</td>
<td>4.62</td>
<td>4.65</td>
<td>4.52</td>
<td>4.52</td>
</tr>
<tr>
<td>Quarter</td>
<td>1.32</td>
<td>1.35</td>
<td>1.35</td>
<td>1.35</td>
<td>1.32</td>
</tr>
</tbody>
</table>

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit 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. 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. Class A shares, Class Y shares, and Institutional Class shares have no sales charges; therefore, performance is at NAV. Invesco Conservative Income Fund Class A incepted on 04/02/18 and Class Y incepted on 12/10/19. Performance shown prior to that date is that of Invesco Conservative Income Fund Institutional Class, restated to reflect the higher 12b-1 fees applicable to Invesco Conservative Income Fund Class A.

**Expense ratios**

<table>
<thead>
<tr>
<th>Expense Ratios</th>
<th>% net</th>
<th>% total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A Shares</td>
<td>0.40</td>
<td>0.44</td>
</tr>
<tr>
<td>Class Y Shares</td>
<td>0.30</td>
<td>0.34</td>
</tr>
<tr>
<td>Class Institutional Shares</td>
<td>0.27</td>
<td>0.27</td>
</tr>
<tr>
<td>Class R6 Shares</td>
<td>0.29</td>
<td>0.29</td>
</tr>
</tbody>
</table>

Per the current prospectus

Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least Dec. 31, 2023. See current prospectus for more information.

**Investment categories (%)**

<table>
<thead>
<tr>
<th>Investment Categories</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Bonds</td>
<td>51.59</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>27.34</td>
</tr>
<tr>
<td>Asset-Backed Securities</td>
<td>14.18</td>
</tr>
<tr>
<td>Certified Deposits</td>
<td>3.65</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>2.52</td>
</tr>
<tr>
<td>Government Bonds</td>
<td>1.36</td>
</tr>
<tr>
<td>Cash</td>
<td>-0.63</td>
</tr>
</tbody>
</table>

May not equal 100% due to rounding. Cash, including a negative cash position, may be reflective of pending trades.

For more information you can visit us at [www.invesco.com/us](http://www.invesco.com/us)

1 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. If securities are rated differently by the rating agencies, the higher rating is applied. 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 the rating methodology, please visit [www.standardandpoors.com](http://www.standardandpoors.com) and select 'Understanding Ratings' under Rating Resources on the homepage; [www.moodys.com](http://www.moodys.com) and select 'Rating Methodologies' under Research and Ratings on the homepage; [www.fitchratings.com](http://www.fitchratings.com) and select 'Ratings Definitions' on the homepage.

**Effective duration** is a modified duration calculation which incorporates the expected duration-shortening effect of an issuer's embedded call provision. **Spread duration** measures the sensitivity of a security's price to a 100 basis point change in its OAS (Option Adjusted Spread is a methodology using option pricing techniques to value the imbedded options risk component of a bond's total spread. Imbedded options are call, put or sink features of bonds.). Often used to quantify the sensitivity of a portfolio to changes in spreads. The spread duration of a portfolio is the market weighted average of the spread duration of all of its securities. **Weighted average life (WAL)** calculates a fund's average time to maturity for all of the securities held in the portfolio, weighted to their percentage of assets in the fund. In contrast to WAM, the WAL calculation takes into account the final maturity date for each security held in the portfolio. This is a way to measure a fund's potential sensitivity to credit spread changes.
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 profitability of businesses in the financial services sector depends on the availability and cost of money and may fluctuate significantly in response to changes in government regulation, interest rates and general economic conditions. These businesses often operate with substantial financial leverage.

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

The fund invests in financial instruments that use the London Interbank Offered Rate (“LIBOR”) as a reference or benchmark rate for variable interest rate calculations. LIBOR will be phased out by the end of 2021, and it’s anticipated that LIBOR will cease to be published after that time. To assist with the transition, US dollar LIBOR rates will continue to be published until June 2023. There is uncertainty on the effects of the LIBOR transition process, therefore any impact of the LIBOR transition on the fund or its investments cannot yet be determined. There is no assurance an alternative rate will be similar to, produce the same value or economic equivalence or instruments using the rate will have the same volume or liquidity as LIBOR. Any effects of LIBOR transition and the adoption of alternative rates could result in losses to the fund.

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.