

Invesco Core Plus Bond Fund

Q1 2026

Key takeaways

- 1 Potential to lock in yields**

Bond yields, though down from their highs, are still at attractive levels compared to the last 10 years, in our view. Investors can lock in these yields for years to come by investing in high-grade bonds before interest rates come down further.
- 2 Cautious positioning amid volatility**

Rising market and macroeconomic volatility has led us to reduce the fund's risk positioning as we choose to be more cautious as uncertainty unfolds.
- 3 More opportunities for investors**

Earnings growth, stable credit fundamentals, record issuance and improved valuations due to wider yield spreads among US investment grade bonds could create more attractive buying opportunities, potentially benefiting tactical and sophisticated credit investors.

Investment objective

The fund seeks total return, comprised of current income and capital appreciation.

Fund facts

Fund AUM (\$M)	5,119.92
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Portfolio managers

Michael Hyman, Chuck Burge,
Matthew Brill, Todd Schomberg

Manager perspective and outlook

- Market sentiment appeared mixed during the quarter: the period began with a positive outlook for global economic growth but escalating geopolitical conflict in the Middle East seemingly led investors to lower their risk appetites. Disruption of oil and energy supplies from the closure of the Strait of Hormuz has pressured markets, raising inflation risks globally and steering central banks toward more cautious paths. Prolonged energy supply disruptions could weigh on growth.
- Current geopolitical tensions, sticky inflation and mixed labor data led the US Federal Reserve (Fed) to hold the federal funds rate steady during the quarter, with a target range of 3.50-3.75%. However, amid elevated uncertainty, the market's probability of a Fed rate increase by the end of 2026 has risen to over 50%. Credit spreads – the yield difference between Treasuries and US investment grade bonds – widened toward the end of the period amid this volatility.
- Our bond outlook remains constructive despite persisting uncertainty. Market-implied recession probabilities have risen as the Middle East conflict has continued, but our baseline view is that the conflict's economic impact should be limited, absent a material escalation. In our view, earnings strength, balance sheet stability and record bond issuance still provide core support for US investment grade bonds as higher yields and wider spreads have improved valuations for the asset class.



Portfolio characteristics*

	Fund	Index
Effective duration (yrs)	5.97	5.63
Coupon (%)	4.81	3.73
30-day SEC yield (Class A shares)	4.13	-
30-day SEC unsubsidized yield (Class A shares)	4.10	-

Investment categories (%)

	Portfolio	Index
Securitized	60.94	25.92
MBS	35.77	24.06
ABS	16.98	0.43
CMBS	8.19	1.43
Corporate Bonds	33.00	20.65
US Investment Grade Bonds	24.38	20.60
US High Yield Bonds	8.63	0.05
Non-US Debt	16.39	6.31
Non-US Investment Grade Bonds	7.52	3.00
Emerging Market Debt	5.59	1.18
Sovereign Debt	1.68	2.12
Non-US High Yield Bonds	1.60	0.00
Government Bonds	8.42	45.90
US Treasuries	8.42	45.90
Convertible Bonds	1.04	0.00
Municipal Bonds	0.01	0.66
Derivatives & FX	0.02	0.00
Others	1.99	0.56

Portfolio positioning

With the Fed's rate cutting cycle currently on pause, we have shifted to a neutral position on US interest rates. Looking ahead, we believe the balance of risks could be symmetric: an end to the Middle East conflict or an economic shock could push rates lower, while conversely, continued inflation pressure, especially if energy prices rise further, could drive rates higher. Rising volatility warrants caution and we have consequently decreased duration exposure, anchoring the portfolio toward the shorter end of the credit yield curve.

We maintain a positive outlook for investment grade credit and maintain the fund's overweight in the sector. Yield spreads between Treasuries and investment grade bonds have remained tight compared to past levels, but have widened, improving valuations. Meanwhile, elevated yields appear to have continued to attract buyers. Additionally, supply in the asset class has been robust, with record levels of issuance projected for 2026. We are selectively investing in new issue opportunities while waiting for more constructive near-term technical/market catalysts before shifting the broader risk posturing.

Overall, based on the segment's health, we believe investment grade corporates remain attractive on a risk-adjusted basis. In our view, corporate fundamentals remain firm, the yield backdrop appears attractive and lower average dollar prices for bonds across the index present discounted buying opportunities, potentially enhancing downside risk mitigation for bondholders.

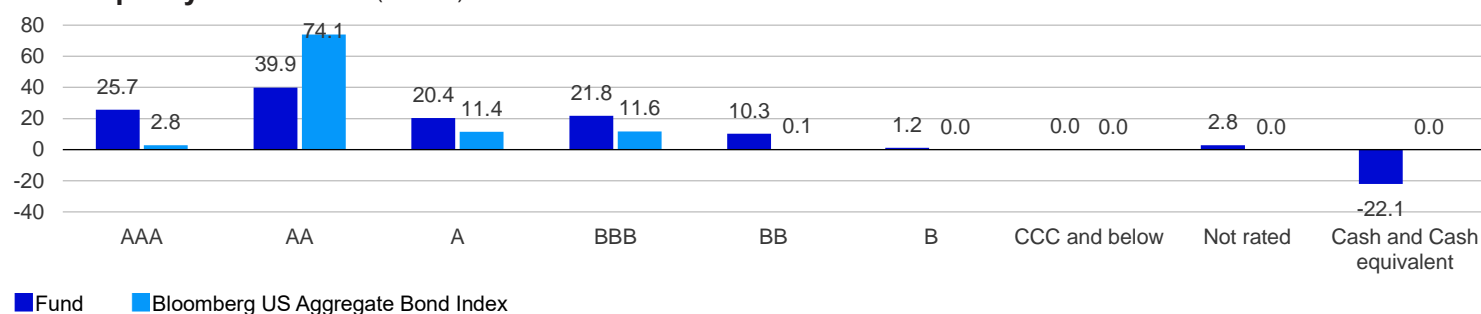
Within the investment grade corporate segment, we maintain an overweight in financials, particularly in the banking sector. While valuations in the sector have narrowed toward long-term median levels, we believe the strength of corporate fundamentals still supports a positive outlook.

During the quarter, we decreased the fund's overweights in high-yield corporates (which are not in the benchmark) and emerging market debt in order to reduce credit risk. Yields and income appear attractive; however, diligence is in our view critical given potential for heightened volatility.

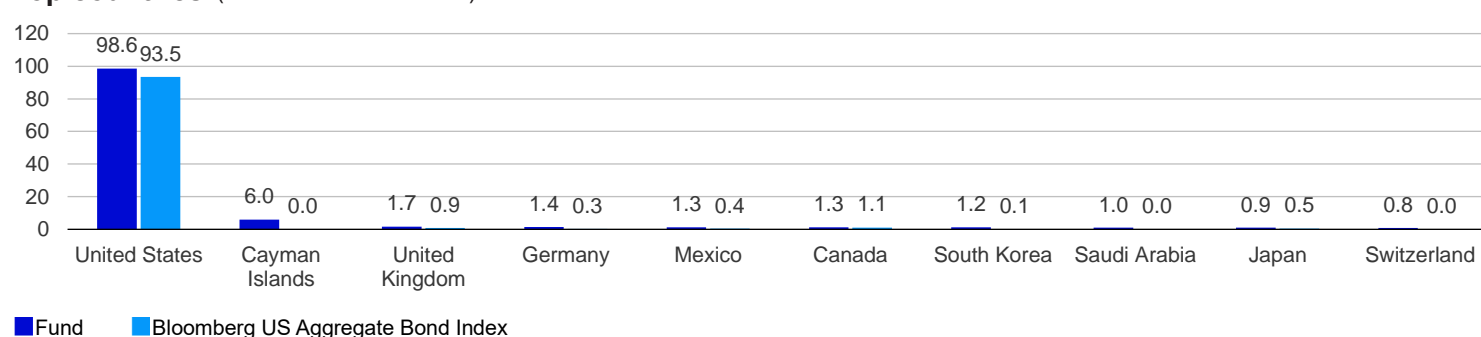
Within structured credit, we moved from an underweight in Agency mortgages to an overweight, while also increasing overweights in non-Agency mortgages, asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) as we take a more cautious risk approach.

We kept the fund's duration fairly neutral compared to the benchmark, shortening it as a hedge to credit risk.

Credit quality breakdown (% total)



Top countries (% of total market value)



Top contributors (bps)

Issuer	Return	Contrib. to return
X CORP	409.75	4.12
RAISING CANES RESTAURANTS LLC	423.23	2.90
AP GRANGE HOLDINGS LLC	202.38	1.36
SALESFORCE INC	53.04	1.35
GRAND RIVER FUNDING TRUST I	331.99	0.84

Top detractors (bps)

Issuer	Return	Contrib. to return
ORACLE CORPORATION	-127.14	-3.65
RAIZEN FUELS FINANCE SA	-2538.43	-2.65
NEBIUS GROUP NV	-740.00	-1.28
WELLS FARGO & COMPANY	-212.34	-1.16
TMS ISSUER SARL	-319.44	-1.00

Performance highlights

Invesco Core Plus Bond Fund Class A shares at net asset value (NAV) had a negative return for the quarter and underperformed its benchmark, the Bloomberg US Aggregate Bond Index.

Contributors to performance

Investment grade corporates: Security selection in investment grade corporates, particularly within the consumer non-cyclical and technology sub-sectors, positively affected relative performance.

Structured credit: Within non-Agency mortgages and ABS, overweights in holdings not in the benchmark positively affected relative performance.

Detractors from performance

Mortgage-backed securities: An underweight in Agency mortgage-backed securities negatively affected relative performance.

Emerging markets: Sector allocation in emerging market corporates negatively affected relative performance.

Standardized performance (%) as of March 31, 2026

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 06/03/09	NAV	-0.23	-0.23	4.50	4.64	0.31	2.39	3.51
	Max. Load 4.25%	-4.42	-4.42	0.05	3.13	-0.55	1.95	3.25
Class R6 shares inception: 09/24/12	NAV	-0.15	-0.15	4.93	4.98	0.63	2.71	2.84
Class Y shares inception: 06/03/09	NAV	-0.16	-0.16	4.87	4.94	0.57	2.66	3.78
Bloomberg US Aggregate Bond Index		-0.05	-0.05	4.35	3.63	0.31	1.70	-
Total return ranking vs. Morningstar Intermediate Core-Plus Bond category (Class A shares at NAV)		-	-	52% (251 of 539)	30% (126 of 500)	73% (296 of 459)	41% (132 of 359)	-

Expense ratios per the current prospectus: Class A**: Net: 0.79%, Total: 0.82%; Class R6: Net: 0.44%, Total: 0.47%; Class Y**: Net: 0.54%, Total: 0.57%.

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. Index source: 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 (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	5.02	5.01	-2.71	11.27	9.57	-0.59	-14.68	6.07	3.25	7.11
Class R6 shares at NAV	5.40	5.33	-2.32	11.50	10.01	-0.36	-14.44	6.39	3.54	7.54
Class Y shares at NAV	5.28	5.37	-2.46	11.54	9.84	-0.34	-14.44	6.34	3.51	7.37
Bloomberg US Aggregate Bond Index	2.65	3.54	0.01	8.72	7.51	-1.54	-13.01	5.53	1.25	7.30

** Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least Dec 31, 2026 and contractual management fee waivers in effect through at least Aug 31, 2027.

Unless otherwise specified, all information is as of 03/31/26. Unless stated otherwise, Index refers to Bloomberg US Aggregate Bond Index.

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

The Bloomberg U.S. Aggregate Bond Index is an unmanaged index considered representative of the US investment grade, fixed-rate bond market. An investment cannot be made directly in an index.

About Risk

Active trading results in added expenses and may result in a lower return and increased tax liability.

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.

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.

The investment techniques and risk analysis used by the portfolio managers may not produce the desired results.

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.

Obligations issued by US Government agencies and instrumentalities may receive varying levels of support from the government, which could affect the fund's ability to recover should they default.

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.moody's.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.

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.

* **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. **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 for a prospectus/summary prospectus containing this information. Read it carefully before investing.