

# Invesco Rochester® Municipal Opportunities Fund

## Q4 2025

## Key takeaways

- 1 Fund performance**

Invesco Rochester® Municipal Opportunities Fund Class A shares at net asset value (NAV) underperformed its style-specific index, the Custom Invesco Rochester Municipal Opportunities Index.
- 2 Seeking attractive opportunities through collaborative management**

Invesco Municipal Bond team uses a collaborative management approach. Relying on our size and experience, we seek to identify the best opportunities to achieve potentially better outcomes for shareholders.
- 3 Analysis focused on creditworthiness**

Our team uses a bottom-up fundamental credit process focused on creditworthiness of individual issuers with an overlay of macroeconomic factors to capitalize on market inefficiencies. Our process has been time tested over full market cycles.

### Investment objective

The fund seeks tax-free income.

### Fund facts

Fund AUM (\$M) 8,577.46

### Portfolio managers

Amy Haklisch, Julius Williams, Mark Paris, Timothy O'Reilly



Class Y shares (ORNYX): Best among 38 High Yield Municipal Debt Funds for the 10-year period ending November 30, 2024, based on consistently strong risk-adjusted performance.

## Manager perspective and outlook

- In the fourth quarter, investment grade, high yield and taxable municipals delivered positive returns of 1.42%, 1.11% and 1.05%, with annual returns of 4.25%, 2.46% and 7.89%, respectively.<sup>1</sup> Despite a lengthy federal government shutdown, long-duration municipal bonds performed well during the quarter, bolstering market strength.<sup>1</sup>
- New municipal issuance reached \$143 billion for the quarter and a record \$584 billion for the year, surpassing last year's record \$509 billion. Shifting interest rate policies, higher costs and political uncertainty likely encouraged more issuers to come to market.<sup>1</sup>
- Net flows for municipal mutual funds and exchange-traded funds (ETFs) were strong, totaling approximately \$17.5 billion for the quarter and \$52.4 billion for the year.<sup>2</sup>
- The US Federal Reserve (Fed) cut the federal funds rate twice, by 0.25% in October and 0.25% in December. The Fed reiterated its commitment to balancing maximum employment and a 2% inflation target.<sup>3</sup>
- We believe state and local municipal budgets remain healthy. While credit rating upgrades have moderated, upgrades outpaced downgrades in 2025, demonstrating to us strong fundamentals.<sup>4</sup>
- Our experienced credit research team continues to seek out market dislocations, uncovering opportunities to add value for shareholders.
- Looking ahead, we see attractive opportunities in municipals. With prospects for more Fed interest rate cuts, steady issuance and ongoing demand for tax-exempt income, we believe high absolute yields and solid fundamentals make municipals a compelling choice.



For more information, including prospectus and factsheet, please visit [Invesco.com/ORNAX](https://www.invesco.com/ORNAX)

Not a Deposit Not FDIC Insured Not Guaranteed by the Bank May Lose Value  
Not Insured by any Federal Government Agency

## Top holdings

(% of total market value)

Buckeye Tobacco Settlement Financing Authority 5.00 06/01/2055	1.48
California County Tobacco Securitization Agency 0.00 06/01/2050	1.40
Children's Trust Fund 5.63 05/15/2043	1.30
District of Columbia Tobacco Settlement Financing Corp 0.00 06/15/2055	1.05
Patriots Energy Group Financing Agency 5.25 10/01/2054	0.82
Florida Development Finance Corp 5.25 07/01/2047	0.75
California Infrastructure & Economic Development Bank 12.00 01/01/2065	0.69
District of Columbia Tobacco Settlement Financing Corp 0.00 06/15/2055	0.58
Puerto Rico Sales Tax Financing Corp 0.00 07/01/2046	0.57
Tuscaloosa County Industrial Development Authority 5.25 05/01/2044	0.54

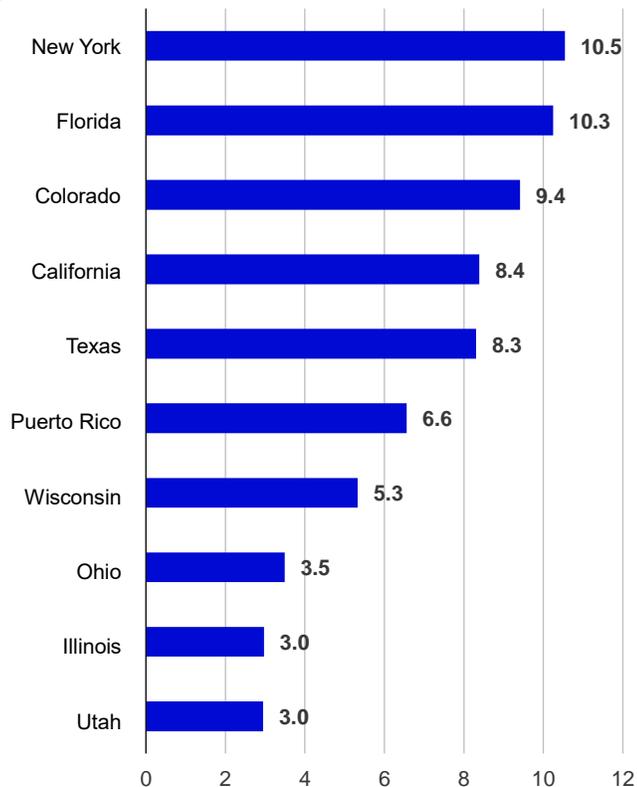
## Portfolio positioning

**Yield Curve and Duration Positioning:** Overall, we maintain a constructive outlook on duration and see attractive opportunities to increase duration following the steepening of the municipal yield curve in 2025. We plan to selectively add longer duration securities to the fund when appropriate, having found particular value in the long end of the yield curve, specifically maturities of 15 to 20 years.

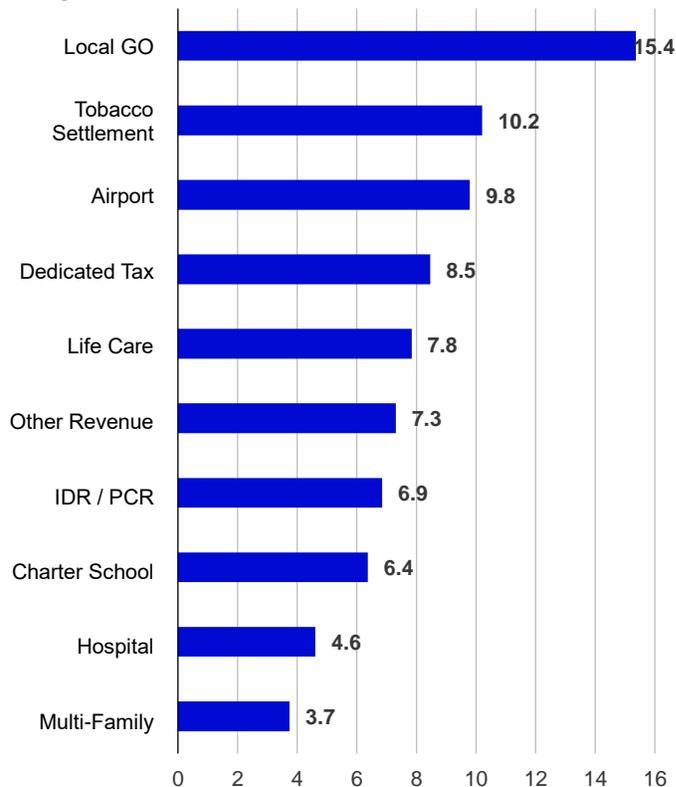
**Sector Allocations:** We maintain an overweight position in revenue bonds relative to state and local general obligation bonds, though we note that pension risks historically associated with general obligation bonds have generally been mitigated over the past several years. Within the revenue bond segment, the fund's largest exposures are in the dedicated tax, tobacco and airport sectors.

**Credit Conditions:** We maintain a positive view on fundamentals in the municipal market, as credit rating upgrades have continued to outpace downgrades. While various sectors have come under pressure due to reduced federal support, inflation-driven cost pressures and negative political headlines, we continue to rely on our extensive bottom-up research capabilities to identify strong credits with attractive yields.

## Top states (% of total market value)



## Top sectors (% of total market value)



## Portfolio characteristics\*

	Fund	BM
Option adjusted duration (years)	10.56	7.12
Weighted average maturity (years)	22.43	-
30-day SEC yield (Class A shares)	4.88	-
Tax equivalent 30-day SEC yield (Class A shares)	8.24	-
30-day SEC unsubsidized yields (Class A shares)	N/A	-
Number of positions	1,530	-
Alternative min. tax exposure (%)	21.10	-

## Quality breakdown (% total)

Net cash & equiv.	0.2
Prere/ETM	0.0
AAA	2.0
AA	16.5
A	7.3
BBB	10.0
BB	6.0
B	1.8
Below B	0.1
Not Rated	56.1

## Performance highlights

The fourth quarter began on a strong note despite record levels of new issuance and the longest federal government shutdown in history. Economic signals were mixed, with solid Gross Domestic Product (GDP) growth alongside persistent inflation and a weakening employment outlook. The Fed cut the federal funds target rate by 0.25% in both October and December, for a total of three rate cuts in 2025. Municipals rallied in October and delivered steady, positive returns through the end of the quarter. Yields on the longer end of the municipal yield curve declined, with 10- and 30-year bond yields falling by 0.19% and 0.11%, respectively.<sup>5</sup> Overall, higher quality municipal credits generally outperformed during the quarter.

### Contributors to performance

Contributors to relative return this quarter included the following:

Securities in the industrial development revenue/pollution control revenue (IDR/PCR)

sector were the largest contributor to relative performance, driven both by security selection and an overweight. The fund's holdings of non-rated bonds also added to relative return. From a duration perspective, securities with durations between one and two years and between five and six years contributed to relative performance. Additionally, duration exposure from tender option bond structures added to relative return during the quarter.

### Detractors from performance

Detractors from relative return this quarter included the following:

Select securities in the transportation sector detracted from relative return during the quarter. From a duration perspective, securities with durations less than one year and between 10 and 15 years also detracted from relative performance.

## Standardized performance (%) as of December 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 10/01/93	NAV	1.35	1.83	1.83	4.83	1.08	4.54	4.45
	<b>Max. Load 4.25%</b>	-2.92	-2.45	-2.45	3.31	0.22	4.08	4.30
Class R6 shares inception: 05/24/19	NAV	1.43	2.15	2.15	5.11	1.40	4.75	-
Class Y shares inception: 11/29/10	NAV	1.42	2.08	2.08	5.04	1.33	4.79	5.80
Custom Invesco Rochester Municipal Opportunities Index		1.52	3.50	3.50	5.75	1.97	3.90	-
Total return ranking vs. Morningstar High Yield Muni category (Class A shares at NAV)		-	-	84% (152 of 188)	60% (101 of 175)	53% (89 of 171)	3% (4 of 127)	-

Expense ratios per the current prospectus: Class A: Net: 1.17%, Total: 1.17%; Class R6: Net: 0.86%, Total: 0.86%; Class Y: Net: 0.92%, Total: 0.92%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com](https://www.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. Performance shown prior to the inception date of Class R6 shares is that of Class A shares and includes the 12b-1 fees applicable to Class A shares. 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 source: FactSet Research Systems Inc. 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	5.00	6.85	9.14	13.93	5.84	6.72	-14.17	8.53	4.24	1.83
Class R6 shares at NAV	5.00	6.85	9.14	14.07	6.22	7.09	-13.76	8.70	4.57	2.15
Class Y shares at NAV	5.16	7.09	9.57	14.07	6.13	6.99	-13.84	8.64	4.50	2.08
Custom Invesco Rochester Municipal Opportunities Index	4.02	5.20	4.40	10.01	5.78	5.72	-11.80	8.13	5.67	3.50

Unless otherwise specified, all information is as of 12/31/25. Unless stated otherwise, Index refers to Custom Invesco Rochester Municipal Opportunities Index.

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

The Custom Invesco Rochester Municipal Opportunities Index is composed of 80% S&P Municipal Bond High Yield Index and 20% S&P Municipal Bond Investment Grade Index. The S&P Municipal Bond High Yield Index is an unmanaged index considered representative of municipal bonds that are not rated or are rated below investment grade. The S&P Municipal Bond Investment Grade Index consists of bonds in the S&P Municipal Bond Index that are rated investment grade by Standard & Poor's, Moody's and/or Fitch. An investment cannot be made directly in an index.

The Global Industry Classification Standard was developed by and is the exclusive property and service mark of MSCI, Inc. and Standard & Poor's.

#### About Risk

All or a portion of the Fund's otherwise tax-exempt income may be subject to the federal alternative minimum tax.

The Fund may use leverage to seek to enhance income, which creates the likelihood of greater volatility of the Fund's shares and may also impair the ability to maintain its qualification for federal income tax purposes as a regulated investment company.

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.

Certain of the municipalities in which the Fund invests, including Puerto Rico, currently experience significant financial difficulties. Puerto Rico's economic problems increase the risk of investing in Puerto Rican municipal obligations, including the risk of potential issuer default, heightens the risk that the prices of Puerto Rican municipal obligations, and the Fund's net asset value, will experience greater volatility. See the prospectus for more information.

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

Inverse floating rate obligations may be subject to greater price volatility than a fixed income security with similar qualities. When short-term interest rates rise, they may decrease in value and produce less or no income and are subject to risks similar to derivatives.

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.

Leverage created from borrowing or certain types of transactions or instruments may impair liquidity, cause positions to be liquidated at an unfavorable time, lose more than the amount invested, or increase volatility.

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

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

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

The value, interest rates, and liquidity of non-cash paying instruments, such as zero coupon and pay-in-kind securities, are subject to greater fluctuation than other types of securities.

There is no guarantee that the Fund's income will be exempt from federal and state income taxes.

Based on a Master Settlement Agreement ("MSA") with 46 states and six other US jurisdictions, large US tobacco manufacturers have agreed to make annual payments to government entities in exchange for the release of all litigation claims. Several states have sold bonds backed by those future payments, including (i) bonds that make payments only from a state's interest in the MSA and (ii) bonds that make payments from both the MSA revenue and from an "appropriation pledge" by the state which requires the state to pass a specific periodic appropriation to make the payments and is generally not an unconditional guarantee of payment by a state. Settlement payments are based on factors, including, but not limited to, annual domestic cigarette shipments, cigarette consumption, inflation and the financial capability of participating tobacco companies. Payments could be reduced if consumption decreases, if market share is lost to non-MSA manufacturers, or if there is a negative outcome in litigation regarding the MSA, including challenges by participating tobacco manufacturers regarding the amount of annual payments owed under the MSA.

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 (NR) 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. Pre-Refunded/Escrowed to Maturity (Prerefunded/ETM) bonds are issues backed by an escrow account, invested in US Treasuries, which is used to pay bondholders. Other includes bonds rated below single B and bonds currently not paying a coupon. For more information on rating methodologies, please visit the following NRSRO websites: [www.standardandpoors.com](http://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](http://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.

\* **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. **Option adjusted duration** is a measure, as estimated by the fund's portfolio managers, of a bond fund's price sensitivity to changes in interest rates. It takes into account mortgage prepayments, puts, adjustable coupons and potential call dates. **Tax equivalent 30-day SEC yield** quoted above is based on the 2025 top federal tax rate of 40.8%, including the 3.8% tax on earned income under the Patient Protection and Affordable Care Act, as applicable. Had fees not been waived and/or expenses reimbursed, the yield would have been lower. **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.

1. Source: Bloomberg L.P., as of December 31, 2025.
2. Source: Lipper, as of January 5, 2026.
3. Source: US Federal Reserve, as of December 10, 2025.
4. Source: Standard and Poor's, September 30, 2025, latest data available.
5. Source: Thomson Reuters, as of December 31, 2025.

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#### Morningstar

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**Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus) for a prospectus/summary prospectus containing this information. Read it carefully before investing.**