Invesco Floating Rate Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Sept. 30, 2019

Investment objective

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

Portfolio management

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Fund facts	
Total Net Assets	$2,136,161,856
Weighted Average Price	96.71
Weighted Average Time to Reset (days)	38.30
Total Number of Holdings	754

Top holdings	**% of total assets**
CSC Holdings, LLC	1.92
Transdigm Inc.	1.88
Vistra Operations Company LLC	1.82
Numericable-SFR S.A.	1.67
Sprint Communications Inc.	1.65
Asurion, LLC (fka Asurion Corporation)	1.43
Calpine Corporation	1.41
Berry Global, Inc	1.41
Dell International LLC	1.29
Prime Security Services Borrower, LLC	1.10

Investment categories (%)	
Senior Secured Loans	84.56
Corporate Debt	9.17
Domestic Common Stock	1.55
Structured Products	0.63
Preferred Securities	0.04
Warrants	0.18
Senior Unsecured Loans	0.34
Int'l Common Stock	0.20
Cash and Cash equivalents	3.34

May not equal 100% due to rounding.

Market overview

+ During the third quarter, investors faced slowing economic momentum and rising trade tensions while re-setting expectations for central bank monetary policies. Loans gained 0.92% in the third quarter, bringing the year-to-date return to 6.39%.[1] Loan performance was split along quality lines, with high quality assets decisively outperforming lower quality and stressed assets.
+ Loans underperformed high-yield[2] and high-grade corporates[3] during the quarter. Interest rates declined as the Federal Reserve cut rates twice, and retail investors continued to pull capital from floating rate loans. Investors' fixation on interest rate expectations – rather than all considerations of credit investing – has propelled a reallocation of capital from senior secured risk toward unsecured risk, despite the absence of incremental yield for moving down in quality.
+ Technical conditions were relatively balanced in the quarter. Net issuance was $51.1 billion in the quarter and $153.9 billion year-to-date, 35% lower than the same year-to-date period last year.[4] Slower merger & acquisition activity and improved financing conditions in the bond market have suppressed 2019 loan issuance. Demand patterns resembled the first two quarters of 2019 as continued withdrawals from retail accounts were offset by issuance of collateralized loan obligations (CLO).
+ From a fundamentals standpoint, the backdrop for loans remained supportive. Despite concerns about the aging economic cycle, the earnings environment remained broadly favorable for loan issuers. The trailing 12-month default rate remained low at just 1.29%.[5] As US economic growth decelerated from the second quarter, the overall earnings environment moderated, but continued to support positive profit growth. Trade remains a key source of uncertainty as US negotiations with China and the European Union are ongoing. To the extent macroeconomic risk escalates, the Fed appears willing to provide further monetary stimulus, though its commitment to pre-empting economic softness with further policy action is less clear.

Positioning and outlook

+ The unpredictable ebb and flow of trade tensions in recent months has disrupted business investment and industrial production globally, prompting central banks – including the Fed – to pivot back toward an easing bias. The resulting preference for fixed over floating rates undervalues critical return drivers for long-term loan investors: i) the relatively high absolute coupon rates composed of LIBOR plus credit spread and ii) loans' advantageous position within the capital structure, which mitigates risk of credit loss. Both features have historically contributed to loans' lower price volatility relative to other credit risk assets. Even as interest rates decline, loans' overall coupons will remain relatively strong. Income provided by loans tends to be relatively stable when rates decline (typically during periods of macroeconomic weakness) as this often coincides with widening of yield spreads. This dynamic works to stabilize the level of coupon income regardless of the interest rate environment.

Performance highlights

+ The fund's Class A shares at net asset value returned 0.65% for the third quarter of 2019, underperforming the 0.70% return of the Lipper Loan Participation Funds Classification Average.

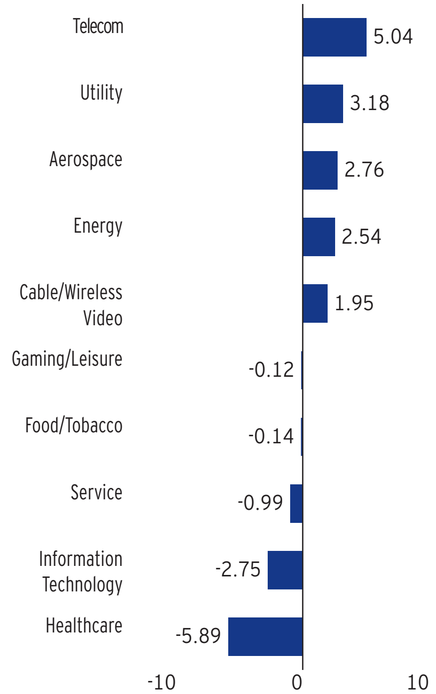
Contributors to performance

+ The largest contributor to relative performance was the fund's risk positioning.
+ The fund's bond holdings also added to relative return
+ From an issuer standpoint, the top three contributors to relative return were Vistra Operations, Ion Media Networks and Numericable (1.78%, 0.29% and 1.35% of total net assets, respectively.)

Detractors from performance

+ Overall, the fund's credit selection detracted from relative performance.
+ McDermott, Seadrill and 4L Technologies were the largest relative detractors (0.41%, 0.57% and 0.05% of total net assets, respectively).
+ Equity positions also detracted from relative performance.

The fund's positioning versus the Credit Suisse Leveraged Loan Index
(% underweight/overweight)



Portfolio composition	% of total assets [1]
AA	0.17
A	0.16
BBB	9.04
BB	33.29
B	43.30
CCC	4.74
CC	0.02
C	0.01
Not Rated	7.22

Investment results

Average annual total returns (%) as of Sept. 30, 2019

	Class A Shares		Class C Shares		Class Y Shares	
	Inception: 05/01/97		Inception: 03/31/00		Inception: 10/03/08	Style-Specific Index
Period	**Max Load 2.50%**	**NAV**	**Max CDSC 1.00%**	**NAV**	**NAV**	**Credit Suisse Leveraged Loan Index**
Inception	3.97	4.09	3.60	3.60	5.29	-
10 Years	4.64	4.91	4.39	4.39	5.17	5.38
5 Years	2.84	3.35	2.84	2.84	3.61	4.11
3 Years	3.23	4.09	3.62	3.62	4.35	4.68
1 Year	-0.49	2.00	0.51	1.48	2.25	3.11
Quarter	-1.86	0.65	-0.47	0.52	0.71	0.92

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. No contingent deferred sales charge (CDSC) will be imposed on redemptions of Class C shares following one year from the date shares were purchased. Performance shown at NAV does not include applicable CDSC or front-end sales charges, which would have reduced the performance. Class Y shares have no sales charge; therefore, performance is at NAV. On April 13, 2006, the fund reorganized from a closed-end fund to an open-end fund. Class A and C share returns prior to that date are the historical performance of the closed-end fund's Class B and C shares, respectively, and include the management and 12b-1 fees applicable to B and C 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.
Index source: Bloomberg L.P.

30-day SEC yields	
Class A Shares	4.37
Class C Shares	3.98
Class Y Shares	4.73

Had fees not been waived and/or expenses reimbursed, the SEC yields would have been 4.36% for Class A shares, 3.97% for Class C shares and 4.72% for Class Y shares.

Expense ratios	% net	% total
Class A Shares	1.08	1.09
Class C Shares	1.58	1.59
Class Y Shares	0.83	0.84

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 June 30, 2020. See current prospectus for more information.

For more information you can visit us at www.invesco.com/us

1 Ratings source: Standard & Poor's. 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 Standard and Poor's rating methodology, please visit www.standardandpoors.com and select 'Understanding Ratings' under Rating Resources on the homepage.
2 Credit Suisse Leveraged Loan Index, total returns in USD, as of June. 30, 2018.
3 BAML High Grade Corporate Index, total returns in USD, as of June 30, 2019.
4 BAML High Yields Bond Index, total returns in USD, as of June 30, 2019.
5 JP Morgan, as of June 30, 2019.
6 S&P/LTSA as of June 30, 2019. Class Y shares are available only to certain investors. See the prospectus for more information.
The fund may invest all its assets in securities that are determined to be below investment grade quality.
Duration is a measure of the sensitivity of the price (the value of principal) of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years. As interest rates rise, the price of bonds fall, conversely as interest rates fall bond prices rise.
Correlation indicates the degree to which two investments have historically moved in the same direction and magnitude.
The Credit Suisse Leveraged Loan Index represents tradable, senior-secured, U.S.-dollar-denominated non-investment-grade loans. An investment cannot be made directly in an index.
Weighted average time to reset is the amount of time required for the base interest rate (usually LIBOR) of all loans in the portfolio to reset or adjust to a new base interest rate. **Weighted average price** is the average of prices of all loan and bond holdings in the portfolio weighted by par value.

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.

There is a risk that the value of the collateral required on investments in senior secured floating rate loans and debt securities may not be sufficient to cover the amount owed, may be found invalid, may be used to pay other outstanding obligations of the borrower or may be difficult to liquidate.

The risks of investing in securities of foreign issuers can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

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.

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

Leverage created from borrowing or certain types of transactions or instruments may impair the fund's liquidity, cause it to liquidate positions at an unfavorable time or lose more than it invested, increase volatility or otherwise not achieve its intended objective.

An issuer's ability to prepay principal on a loan or debt security prior to maturity can limit the fund's potential gains. Prepayments may require the fund to replace the loan or debt security with a lower yielding security, adversely affecting the fund's yield.

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.