

Invesco Floating Rate Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of June 30, 2020



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	\$1,608,759,567
Weighted Average Price	83.90
Weighted Average Time to Reset (days)	47.73
Total Number of Holdings	710

Top holdings

% of total net assets

Dell International LLC	2.14
McDermott Technology (Americas), Inc.	1.65
Calpine Corporation	1.64
Berry Global, Inc	1.63
Transdigm Inc.	1.61
Delta Air Lines, Inc.	1.34
New Red Finance, Inc.	1.25
Virgin Media Bristol LLC	1.18
Crown Finance US, Inc.	1.17
Nexstar Broadcasting, Inc.	1.16

Investment categories (%)

Senior Secured Loans	81.94
Corporate Debt	10.82
Domestic Common Stock	0.93
Preferred Securities	0.31
Warrants	0.37
Senior Unsecured Loans	0.44
Int'l Common Stock	0.18
Cash and Cash equivalents	5.01

May not equal 100% due to rounding.

Market overview

- + Loans staged a remarkable recovery in the second quarter, along with other risk assets, as investors were increasingly willing to look beyond short-term disruptions for companies they believe will survive the pandemic-induced demand shock. Loans, as represented by the Credit Suisse Leveraged Loan Index, gained 9.71% during the quarter, recovering a large portion of their first quarter loss and bringing the year-to-date return to -4.76%.¹
- + The theme of performance dispersion among sectors continued in the second quarter as investors walked back their pessimism to varying degrees. Energy, which had the largest decline in the first quarter, was the top performing sector in the second quarter as oil prices rebounded from April's lows. However, aerospace was again one of the worst performing sectors as air travel has been slow to regain a semblance of normalcy. Overall, the variation in sector returns remained abnormally large as investors grappled with the effect of the new operating environment on different business models. In terms of quality, lower quality outperformed during the quarter as BB-rated bonds (7.2%) lagged B-rated (11.1%) and CCC-rated bonds (14.1%).¹ Despite their second quarter outperformance, CCC-rated bonds are the clear laggard year-to-date (-11.2%).¹
- + The technical environment (balance of supply and demand) improved throughout the quarter as collateralized loan obligations (CLO) and other institutional accounts increased their appetite for leveraged credit, while supply was comparatively light. Institutional demand was partially offset by retail outflows from the asset class, as retail flows tend to correlate to expectations for higher interest rates, which have greatly diminished in the wake of COVID-19.
- + Thus far, full-throated central bank policy support has been well received by investors. The Federal Reserve has slashed interest rates, dramatically expanded its balance sheet and intervened in credit markets through purchases of fixed income credit ETFs and corporate bonds. Perhaps more importantly, the Fed has signaled an open-ended commitment to provide liquidity and to support economic recovery with further measures if necessary. Meanwhile, to-date, Congress has appropriated fiscal stimulus amounting to 13.4% of US GDP. Ongoing discussions for additional relief center on a potential infrastructure spending bill and an extension of enhanced unemployment benefits, among other measures.

Positioning and outlook

- + Investors' continued confidence in monetary and fiscal policy support will remain a critical factor in the functioning of credit markets as the COVID-19 headwind remains and defaults continue to accrue in the second half of 2020. In this delicate environment, senior secured loans continue to offer investors a compelling combination of potentially robust yield, price upside and structural downside mitigation due to loans' senior ranking in companies' capital structures.

Performance highlights

- + The fund's Class A shares at net asset value returned 7.04% for the second quarter of 2020, underperforming the 8.08% return of the Lipper Loan Participation Funds Classification Average.

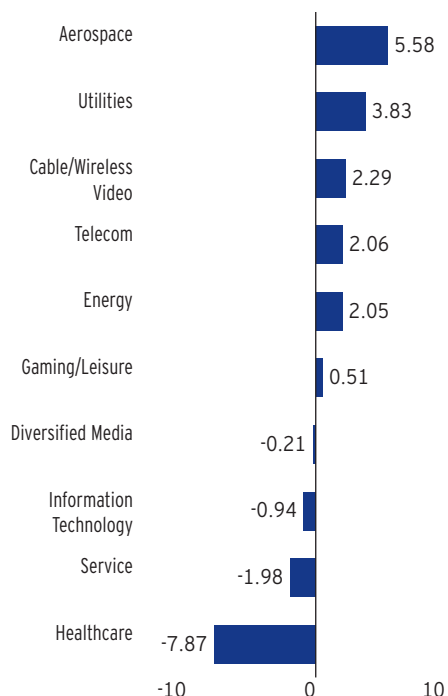
Contributors to performance

- + The fund's allocation to the transportation and information technology sectors added to the fund's results.
- + From an issuer standpoint, the top three contributors, relative to the benchmark, were **Dell International**, **McDermott Technology (Americas)** and **Monitronics International** (1.93%, 1.11% and 0.94% of total net assets, respectively.)

Detractors from performance

- + The fund's cash position detracted from relative performance.
- + The fund's allocation to bonds and equities also detracted from relative performance during the quarter.
- + The fund's allocation to the utilities sector detracted from absolute performance.
- + From an issuer standpoint, holdings in **Samson Investment**, **Forgital** and **Envision Healthcare** (0.16%, 0.43% and 0.00% of total net assets, respectively) detracted from performance relative to the benchmark.

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



Portfolio composition	% of total net assets ¹
BBB	12.66
BB	29.25
B	41.75
CCC	7.22
CC	0.08
D	0.13
Not Rated	7.03
Equity	1.89

Investment results

Average annual total returns (%) as of June 30, 2020

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 05/01/97	Inception: 03/31/00	Inception: 03/31/00	Inception: 10/03/08	Inception: 10/03/08	
	Max Load 2.50%	NAV	Max CDSC 1.00%	NAV	NAV	Credit Suisse Leveraged Loan Index
Inception	3.62	3.74	3.22	3.22	4.53	-
10 Years	3.54	3.80	3.29	3.29	4.07	4.34
5 Years	1.53	2.05	1.56	1.56	2.30	2.94
3 Years	0.16	1.00	0.48	0.48	1.24	2.13
1 Year	-6.50	-4.11	-5.53	-4.62	-3.88	-2.27
Quarter	4.42	7.04	5.93	6.93	7.11	9.71

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	3.49
Class C Shares	3.08
Class Y Shares	3.83

Had fees not been waived and/or expenses reimbursed, the SEC yields would have been 4.20% for Class A shares, 3.82% for Class C shares and 4.56% for Class Y shares.

Expense ratios

	% net	% total
Class A Shares	1.09	1.09
Class C Shares	1.59	1.59
Class Y Shares	0.84	0.84

Per the current prospectus

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.

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](https://www.invesco.com/fundprospectus).

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.

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. Holdings are subject to change and are not buy/sell recommendations.

All data provided by Invesco unless otherwise noted.