Invesco Oppenheimer Capital Income Fund

Quarterly Performance Commentary

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

Invesco

Investment objective

The fund seeks capital appreciation.

Portfolio management

Mark Ahnrud, John Burrello, Chris Devine, Scott Hixon, Christian Ulrich, Scott Wolle

Fund facts

Total Net Assets	$2,177,183,024
Total Number of Holdings	844

Fund characteristics

Distribution Frequency	Quarterly

Investment categories (%)

High Yield	13.35
Asset Backed Securities	2.76
Bank Loans	12.48
Emerging Market Debt	19.92
Preferreds	20.88
US Treasuries	6.14
US REITs	10.45
US MLPs	9.55
Tactical Stocks	23.06
Tactical Bonds	11.65
Cash	1.26

May not equal 100% due to rounding.

Market overview

+ The third quarter saw modest stock market performance, following a strong first half of 2019. While global stocks had a slight gain for the quarter, emerging market stocks declined. Fixed-income asset classes posted solid returns. Sovereign debt performed especially well amid the uncertainty as investors sought assets perceived to be safe havens. The global economy continued to show signs of weakness during the third quarter, as the US-China trade war weighed on economic growth. Manufacturing data, in particular, showed signs of further deterioration. The 10-Year US Treasury yield fell from above 2% to below 1.5% before ending the quarter at 1.68% on concerns about global economic slowing and the impact of the US-China trade conflict.

Positioning and outlook

+ The current landscape includes a number of catalysts for potential market volatility, including the upcoming deadline for the UK's exit from the European Union, geopolitical tensions in the Middle East, Hong Kong turmoil and lack of resolution to the US/China trade dispute. Meanwhile, the recent shift toward easier monetary policy will inevitably lead to expansion in the total amount of central bank assets. The question that arises is whether these actions will achieve the intended effect of stimulating inflation, and, if not, will fiscal stimulus be deployed.
+ The fund starts the final quarter of 2019 with marginal shifts in its exposure, which favors high-yield bonds over preferred equities and emerging market debt. Tactically, compared to September, we slightly reduced duration through a defensive posture across sovereign debt futures. Meanwhile, long positions across the equity market futures increased the portfolio's beta relative to the S&P 500 Index.

Performance highlights

+ The fund's Class A shares at net asset value (NAV) underperformed its custom benchmark for the third quarter. (Please see the investment results table on page 2 for fund and index performance.)
+ Strategically, the largest contribution to results came from US Treasury exposure, followed by US large-cap preferred equities and US equity REITs. These asset classes benefited from the Federal Reserve's September rate cut. Strategic exposure to master limited partnerships (MLPs) was the largest detractor due to their sensitivity to oil prices, which fell more than 10% amid concerns about slowing global growth and higher inventories. A September missile attack on a Saudi Arabian oil refinery caused only a short-term spike in prices. Emerging market government bonds posted positive returns due to a weakened US dollar and demand for income. However, returns were dampened by unexpected results in Argentina's primary election.
+ The tactical allocation detracted from overall results. Tactical positioning in equities detracted, primarily due to the fund's exposure to Hong Kong's Hang Seng Index and US small-cap stocks. The Hang Seng Index was down in response to regional political turmoil, while US small-caps were affected by market volatility and the US/China trade war. The fund's positioning within sovereign bonds also detracted as the defensive posture in US Treasuries proved detrimental when the Fed announced its additional rate cut in September.

Expense ratios	% net	% total
Class A Shares	0.95	0.99
Class C Shares	1.70	1.74
Class Y Shares	0.70	0.74

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 May 28, 2021. See current prospectus for more information.

Investment results

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

	Class A Shares		Class C Shares		Class Y Shares	
	Inception: 12/01/70		Inception: 11/01/95		Inception: 01/28/11	Style-Specific Index
Period	**Max Load 5.50%**	**NAV**	**Max CDSC 1.00%**	**NAV**	**NAV**	**Custom Invesco Oppenheimer Capital Income Index**
Inception	10.05	10.18	5.23	5.23	5.52	-
10 Years	5.65	6.25	5.41	5.41	-	7.27
5 Years	2.55	3.71	2.92	2.92	3.96	6.07
3 Years	2.34	4.28	3.52	3.52	4.53	6.53
1 Year	-2.83	2.86	1.15	2.15	3.09	8.06
Quarter	-4.79	0.79	-0.30	0.70	0.85	1.97

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. 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. 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 sources: Invesco, RIMES Technologies Corp.

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

Class Y shares are available only to certain investors. See the prospectus for more information.
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.
The Custom Invesco Oppenheimer Capital Income Index is composed of 65% Bloomberg Barclays U.S. Aggregate Bond Index /35% Russell 3000 Index. The Bloomberg Barclays U.S. Aggregate Bond Index is considered representative of the US investment-grade, fixed-rate bond market. The Russell 3000 is considered representative of the US stock market. The Russell 3000 Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. An investment cannot be made directly in an index.

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.

In general, stock values fluctuate, sometimes widely, in response to activities specific to the company as well as general market, economic and political conditions.

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.

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.

Stocks of small and mid-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to resale.

Because the Subsidiary is not registered under the Investment Company Act of 1940, as amended (1940 Act), the Fund, as the sole investor in the Subsidiary, will not have the protections offered to investors in U.S. registered investment companies.

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.