Invesco Income Fund

Q2 2025

Key takeaways

1. **US bond yields were mixed amid ongoing economic and policy uncertainty**
While short and medium-term yields (1 to 5 years) edged lower, longer term yields (10 to 30 years) crept higher, driven by broader economic uncertainty. As a result, the longer maturity segment of the yield curve steepened.

2. **Inflation concerns resurfaced**
With inflation lingering and new pressures such as tariffs threatening to undo progress in reducing the inflation rate, the US Federal Reserve (Fed) may be forced to hold interest rates steady.

3. **Bond market maintained expectations for 2025 rate cuts**
At quarter end, interest rate futures forecast a total of three Fed rate cuts of 0.25% each for the remainder of 2025.

Investment objective
The fund's investment objective is current income, and secondarily, capital appreciation.

Fund facts

Fund AUM ($M)	268.42

Portfolio managers
Brian P. Norris, Clint W. Dudley, David Lyle, Kevin Collins, Philip Armstrong

Manager perspective and outlook

- Structured credit and investment grade corporate markets outperformed Treasuries during the second quarter.
- Agency mortgage-backed securities remain attractive to us based on favorable valuations, expectations for lower volatility, a steeper yield curve and improving technical (supply/demand) conditions.

For more information, including prospectus and factsheet, please visit Invesco.com/AGOVX

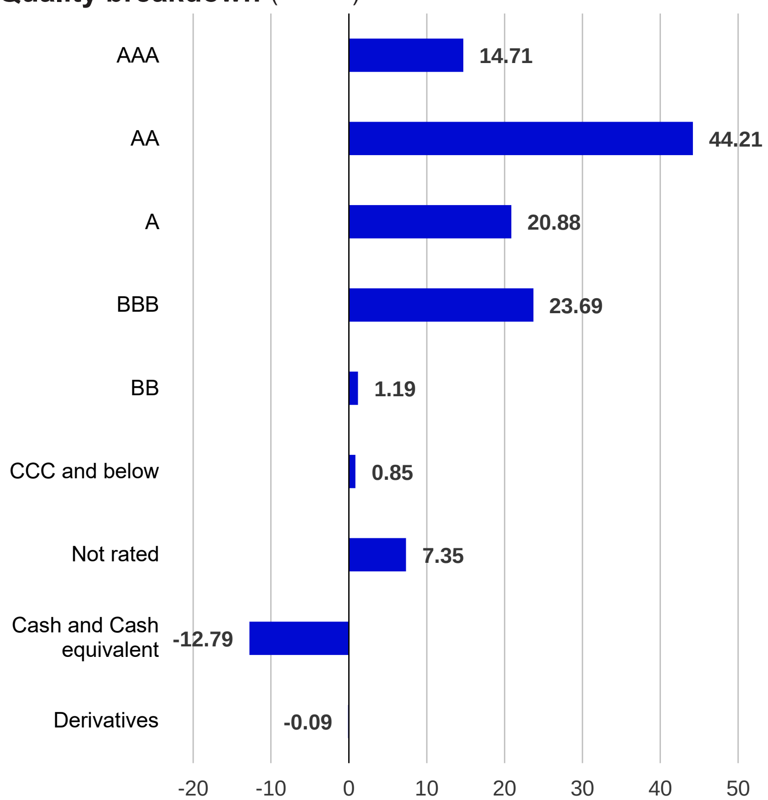
Portfolio characteristics*

Average duration (years)	3.20
Weighted average life (years)	5.69
Average weighted coupon (%)	4.18
30-day SEC yield (Class A shares)	4.34
30-day SEC unsubsidized yield (Class A shares)	4.33

Portfolio positioning

We increased the fund's holdings in asset-backed securities (ABS) during the quarter, funded mostly by reductions in Treasuries, non-Agency residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS). We shortened portfolio duration by approximately 0.4 years between the end of the first quarter and the end of the second quarter.

Quality breakdown (% total)



Investment categories (%)

	Portfolio	Index
Securitized	**106.90**	**26.55**
Non-Agency MBS	32.84	0.00
ABS	27.86	0.44
Agency MBS	23.11	24.61
CMBS	23.09	1.50
Treasuries	**4.35**	**45.01**
Equity	**1.18**	**0.00**
Municipal	**0.44**	**0.66**
Local Authorities	0.44	0.66
Non-US Govt/Agency	**0.00**	**2.98**
Local Authorities	0.00	0.04
Non-US Agencies	0.00	0.62
Sovereign	0.00	1.01
Supranational	0.00	1.30
Agencies	**0.00**	**0.64**
Corporate	**0.00**	**24.15**
Financials	0.00	8.14
Industrial	0.00	13.69
Utility	0.00	2.32
Cash & Cash Equivalent	**-12.79**	**0.00**
Derivatives & FX	**-0.09**	**0.00**

Performance highlights

Invesco Income Fund Class A shares at net asset value (NAV) had a positive absolute return for the quarter and outperformed its benchmark.

The benchmark does not reflect the fund's positioning from either an asset allocation or duration perspective, and thus performance will often differ, particularly over short periods of time.

Contributors to performance

The fund's holdings of non-Agency mortgages and ABS performed well this quarter compared to the benchmark.

Detractors from performance

The fund's holdings of CMBS detracted from performance relative to the benchmark.

Standardized performance (%) as of June 30, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 04/28/87	NAV	1.73	3.93	8.31	4.58	3.80	1.28	4.31
	Max. Load 4.25%	-2.58	-0.51	3.77	3.07	2.91	0.84	4.20
Class R6 shares inception: 04/04/17	NAV	1.69	4.15	8.92	5.06	4.26	1.61	-
Class Y shares inception: 10/03/08	NAV	1.65	3.91	8.42	4.79	4.00	1.51	2.31
Bloomberg US Aggregate Bond Index		1.21	4.02	6.08	2.55	-0.73	1.76	-
Total return ranking vs. Morningstar Nontraditional Bond category (Class A shares at NAV)		-	-	23% (74 of 260)	70% (180 of 252)	42% (94 of 228)	95% (146 of 160)	-

Expense ratios per the current prospectus: Class A: Net: 1.02%, Total: 1.02%; Class R6: Net: 0.60%, Total: 0.60%; Class Y: Net: 0.77%, Total: 0.77%.

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. 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. 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.

Calendar year total returns (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Class A shares at NAV	0.18	1.39	1.67	-2.87	10.02	-6.67	3.89	-10.06	5.57	7.49
Class R6 shares at NAV	0.18	1.39	1.99	-2.62	10.26	-6.19	4.21	-9.70	6.15	7.93
Class Y shares at NAV	0.32	1.64	1.93	-2.62	10.29	-6.30	4.01	-9.82	5.83	7.76
Bloomberg US Aggregate Bond Index	0.55	2.65	3.54	0.01	8.72	7.51	-1.54	-13.01	5.53	1.25

Unless otherwise specified, all information is as of 06/30/25. 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

To the extent an investment focuses on securities issued or guaranteed by companies in a particular industry, the investment's performance will depend on the overall condition of those industries, which may be affected by the following factors: the supply of short-term financing, changes in government regulation and interest rates, and overall economy.

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.

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. Developing markets may especially be volatile.

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.

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.

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.

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 Rating Services (S&P), Moody's Investor Services (Moody's), Fitch Ratings (Fitch), Kroll Bond Rating Agency, Inc (Kroll), DBRS Limited (DBRS) or Morningstar Credit Ratings LLC (Morningstar), as applicable. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSR) 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 notices. Ratings are initially measured by taking the middle of three or lower of two ratings from Moody's, S&P, or Fitch at a security level where applicable. Securities not rated by Moody's, S&P or Fitch are measured by taking the middle of three or lower of two ratings from Kroll, DBRS, or Morningstar. Not Rated indicates that the debtor was not rated and should not be interpreted as indicating low quality. For more information on rating methodologies, please visit www.standardandpoors.com and select 'Understanding Credit Ratings' under Rating Resources 'About Ratings' on the homepage; www.ratings.moodys.com and select 'Rating Methodologies' under Research and 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; www.krollbondratings.com and select 'Methodologies' under Understanding Ratings on the homepage; www.dbrs.com and select 'Understanding Ratings' on the homepage; ratingagency.morningstar.com and select 'Methodologies and Guidelines' under Ratings/Surveillance on the homepage.

*** 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. **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.

Morningstar

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.