Invesco Income Fund
Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of March 31, 2023

Investment objective

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

Portfolio management

Philip Armstrong, Mario Clemente, Kevin Collins, Clint W. Dudley, David Lyle, Brian Norris

Fund facts

Total Net Assets	$369,076,633
Total Number of Holdings	223

Fund characteristics

Effective Duration	2.67
WAM (years)	8.37

Credit quality breakdown (% total)[1]

Cash	4.67
AAA	22.23
AA	1.18
A	21.36
BBB	30.93
BB	4.83
B	3.06
CCC	0.11
Not Rated	11.62

Not a deposit; Not FDIC insured; Not guaranteed by the bank; May lose value; Not insured by any federal agency

Market overview

+ US bonds posted a positive return for the first quarter of 2023, but the path to lower rates was anything but straight. Market price movements seemed to be driven by different themes each month – January was recession fears, February was concerns about overheated economic growth and inflation fears, and March was a fixation on global banking fears.
+ Despite the market volatility, the Federal Open Market Committee (FOMC) raised the federal funds rates twice during the quarter, 0.25% in February and another 0.25% in March, a slower pace than in 2022, which took the target range to 4.75%-5.00%. Inflation and employment data remained stronger than market expectations, leading to the Fed's sustained response.
+ Yield spreads between US Treasuries and residential mortgage-backed securities (RMBS), corporate bonds and asset-backed securities (ABS) generally tightened during the quarter, while spreads between Treasuries and commercial mortgage-backed securities (CMBS) widened.

Positioning and outlook

+ The fund is focused on US structured securities and holds secondary allocations in REIT preferred and common equity.
+ Regarding RMBS, housing fundamentals have deteriorated as the dramatic rise in mortgage rates has led to historically low affordability levels. Despite the abrupt decline in affordability, we expect loan losses to be contained given careful underwriting and high levels of borrower equity. Additionally, we expect transaction volume of existing homes to decline. Valuations across the RMBS sector have tightened from ultra-cheap levels in the fourth quarter and now appear fair to cheap.
+ Regarding CMBS, lending standards are tightening, while loan demand is declining. Property valuations are declining as higher refinancing costs in excess of capitalization rates take hold.
+ With regard to ABS, we expect weaker fundamentals for several more ABS asset classes heading into the rest of 2023. On the positive side, valuations have remained attractive relative to generic corporate bonds, despite recent tightening of yield spreads relative to Treasuries. Benchmark ABS and selected non-benchmark ABS look most attractive to us.

Performance highlights

+ Invesco Income Fund Class A shares at net asset value (NAV) underperformed its broad-based benchmark for the quarter. (Please see the investment results table on page 2 for fund and index performance.)

Contributors to performance

+ Holdings of non-Agency RMBS, ABS and REIT preferreds, that are not included in the index, added to relative return.

Detractors from performance

+ The fund was positioned with a shorter duration than its benchmark, which detracted from relative return as five and 10-year Treasury yields declined during the quarter.

Expense ratios	% net	% total
Class A Shares	0.91	0.91
Class C Shares	1.66	1.66
Investor Class Shares	0.83	0.83
Class Y Shares	0.66	0.66

Per the current prospectus

Investment categories (%)	
Non-Agency MBS	42.44
CMBS	22.37
ABS	17.18
US Agency MBS	7.98
Derivatives	-0.18
REITs	5.53
Cash	4.67

Data shown as a % of net assets. Total may not equal 100% due to notional value of credit derivatives and/or rounding. *Cash and cash equivalents refer to the value of assets that are cash or can be converted into cash immediately. These include bank accounts, certificates of deposit with a maturity date of one year or less, commercial paper, marketable securities, money market mutual funds, Treasury bills and short-term government bonds with a maturity date of three months or less.

Investment results

Average annual total returns (%) as of March 31, 2023

	Class A Shares Inception: 04/28/87		Class C Shares Inception: 08/04/97		Investor Class Shares Inception: 09/30/03	Class Y Shares Inception: 10/03/08	Broad-Based Index
Period	**Max Load 4.25%**	**NAV**	**Max CDSC 1.00%**	**NAV**	**NAV**	**NAV**	**Bloomberg U.S. Aggregate Bond Index**
Inception	4.06	4.19	2.67	2.67	2.02	1.67	-
10 Years	-0.43	0.00	-0.57	-0.57	0.05	0.26	1.36
5 Years	-1.55	-0.68	-1.37	-1.37	-0.61	-0.42	0.91
3 Years	4.52	6.06	5.31	5.31	6.13	6.32	-2.77
1 Year	-8.72	-4.62	-6.13	-5.21	-4.53	-4.37	-4.78
Quarter	-1.55	2.76	1.71	2.71	2.77	2.82	2.96

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. The Investor Class shares have no sales charge; therefore, performance is at NAV. 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.
Index source: FactSet Research Systems Inc.

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

1 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. Rating 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 the rating methodology, please visit www.standardandpoors.com and select 'Understanding Ratings' under Rating Resources on the homepage; www.moodys.com and select 'Rating Methodologies' under Research and Ratings on the homepage; www.fitchratings.com and select 'Ratings Definitions' on the homepage; 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.
Class Y shares and Investor Class shares are available only to certain investors. See the prospectus for more information.
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.
Effective duration is a modified duration calculation which incorporates the expected duration-shortening effect of an issuer's embedded call provision. **Weighted average effective maturity (WAM)** 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.

About risk

To the extent the fund invests a greater amount in any one sector or industry, there is increased risk to the fund if conditions adversely affect that sector or industry.

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.

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.

The fund invests in financial instruments that use the London Interbank Offered Rate ("LIBOR") as a reference or benchmark rate for variable interest rate calculations. LIBOR will be phased out by the end of 2021, and it's anticipated that LIBOR will cease to be published after that time. To assist with the transition, US dollar LIBOR rates will continue to be published until June 2023. There is uncertainty on the effects of the LIBOR transition process, therefore any impact of the LIBOR transition on the fund or its investments cannot yet be determined. There is no assurance an alternative rate will be similar to, produce the same value or economic equivalence or instruments using the rate will have the same volume or liquidity as LIBOR. Any effects of LIBOR transition and the adoption of alternative rates could result in losses to the fund.

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.

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 financial professionals for a prospectus/summary prospectus or visit 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.