

Invesco Senior Floating Rate Fund

Q4 2025

Key takeaways

- 1 High conviction investment style**

The fund employs a high conviction opportunistic investment style and seeks to yield more than its competitors over the long term.
- 2 Full cycle view**

We position the fund for the long term, a full market cycle. We augment our long-term perspective with an active management approach and the application of several proprietary models that are built to help us exploit shorter term relative value opportunities.
- 3 Potential risk mitigation**

Due to their senior secured status in the capital structure, loans have the highest priority to be repaid and lenders have first right to collateral in the event of a default. This has historically led to relatively higher recovery levels in the case of defaults.^{1,2}

Investment objective

The fund seeks income.

Fund facts

Fund AUM (\$M)	2,714.47
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Portfolio managers

David Lukkes, Philip Yarrow,
Thomas Ewald

Manager perspective and outlook

- The S&P UBS Leveraged Loan Index returned 1.19% in the fourth quarter.¹
- In contrast to the third quarter, which started strong as July set a new monthly loan issuance record, the fourth quarter began with a more muted tone amid secondary market softness and apparent concerns that credit securities might be vulnerable to artificial intelligence (AI) risk. However, the quarter ended on a more positive note. In December, secondary prices stabilized, the primary market strengthened and the US Federal Reserve (Fed) cut rates, helping loans post their largest gain in five months.
- Gross issuance for the quarter was \$171.3 billion, down 54% from the third quarter, not surprising given the lofty quarter-over-quarter comparison following July's record-setting issuance. Historically, issuance is seasonally slower in the fourth quarter. Notably, issuance in October, November and December of 2025 each exceeded the average monthly volume since 2010.³
- As in prior quarters, credit fundamentals held up, with the default rate remaining below the historical average, while issuer leverage, interest coverage and cash balances remained in our estimation healthy. During the fourth quarter, the par-weighted loan default rate fell to 1.23% (excluding distressed exchanges) from 1.39% in the third quarter, due to the default of First Brands during the third quarter, which ranked as one of the 10 largest defaults of all time.³



Investment categories (%)

Senior Secured Loans	83.9
Domestic Common Stock	6.9
Corporate Debt	6.2
Cash and Cash equivalents	0.8
Int'l Common Stock	0.7
Warrants	0.5
Preferred Securities	0.5
Structured Products	0.5

May not equal 100% due to rounding.

Portfolio positioning

The fund's core investment process is grounded in a fundamental bottom-up risk assessment of each investment, coupled with top-down risk positioning tied to broader macroeconomic trends.

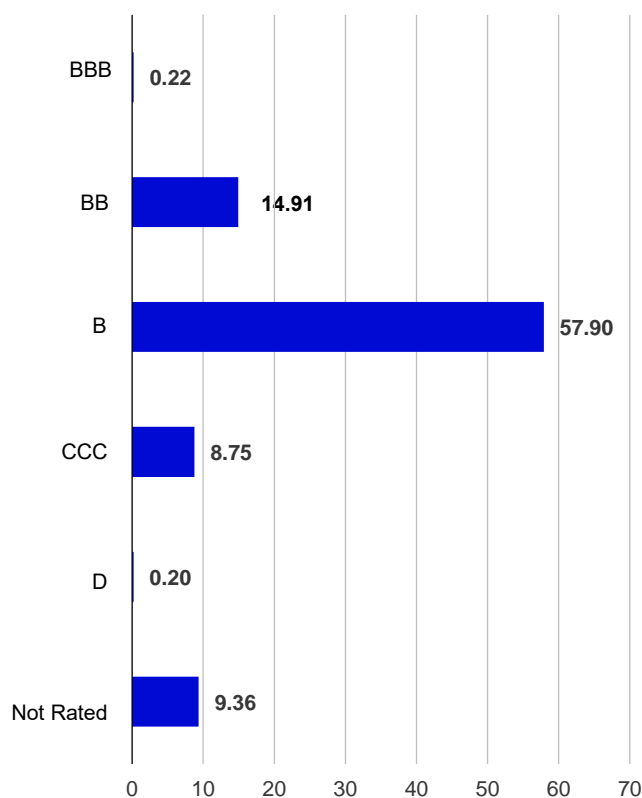
At quarter end, the largest overweights were in the services, cable and satellite and consumer products sectors and the largest underweights were in the technology, health care and diversified media sectors.

The services sector represents a wide array of providers that cater to various end markets, with limited end-market concentration among these issuers. Also, as service providers, these issuers should in our view face limited direct effects from tariff-related inflation/disruption. Furthermore, the services sector has in our observation enjoyed generally solid demand. The fund's overweight in the sector reflects what we view as strong relative value for individual issuers.

The technology underweight reflects our concern about excessive valuations that led to elevated leverage levels and constrained free cash flow, which we believe became particularly problematic amid higher interest rates. Even after several rate cuts, this remains an issue, in our view. Many of these businesses have struggled with the transition to cloud-based solutions and subscription-based revenue models, which further hamper cash flows. We are closely managing the fund's technology positions in an effort to be sure risk-adjusted return profiles remain attractive.

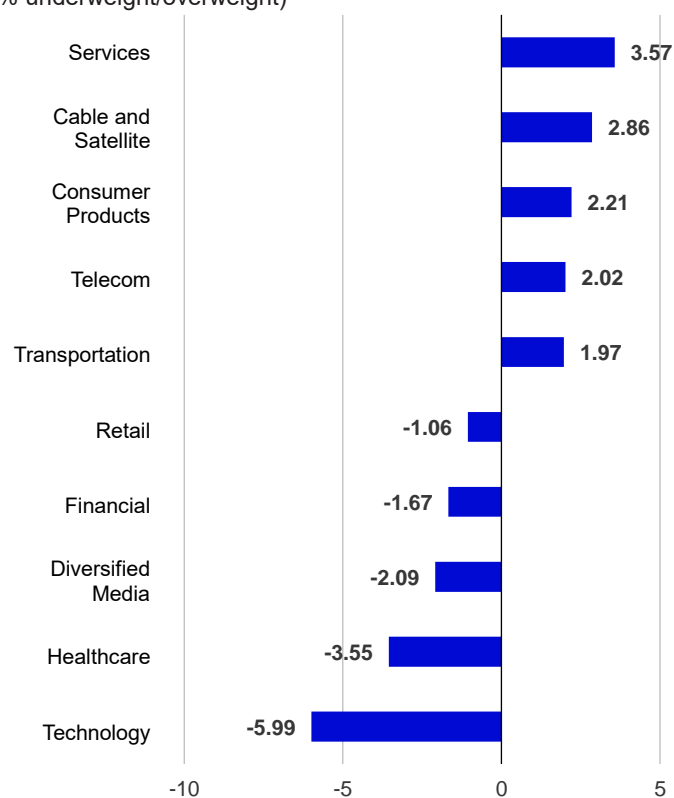
The persistent health care underweight reflects our concerns about reimbursement rates, wage-related cost pressures and a highly politicized nature. Health care providers have benefited from a better labor mix as labor headwinds have eased and providers have returned to a more normalized mix of full-time employees and contract labor. Earnings and profit margin profiles have remained mixed depending on an underlying provider's payor mix, acuity of patients and ability to receive better rates and/or subsidies from payors. As such, we closely manage health care exposure but have increased the position over the last few years, favoring issuers that have a leading market share position, benefit from favorable demand for their services and have adequate liquidity to withstand near-term profit margin pressure.

Quality breakdown (% total)



The fund's positioning versus Index

(% underweight/overweight)



Portfolio characteristics*

	Fund	Index
Weighted average price	94.06	96.55
Average maturity (years)	4.47	4.60
Weighted average coupon (%)	7.22	7.04
30 day SEC yield (%)	6.55	-
No. of holdings	513	1,364

Performance highlights

Invesco Senior Floating Rate Fund Y Class shares returned 0.56% for the fourth quarter of 2025, underperforming its benchmark, the JP Morgan Leveraged Loan Index, which returned 1.33%, and the Lipper Loan Participations Funds Classification Average, which returned 1.04%.

The largest detractor from relative return was individual security selection, with over- and underweights in specific issuers negatively affecting results. Overweights and underweights in specific quality rating segments and individual sectors also negatively affected results. These were partially offset by contributions from non-loan assets.

The industries contributing the most to relative return, including loan and non-loan holdings, were energy, metals and mining, and telecommunications. Selection in the chemical, technology and financial industries detracted the most from relative return.

Contributors to performance

The following issuers were the largest individual contributors to relative return:

Tribune Resources is an exploration and production company with a focus on oil & gas reserves in the Marcellus Shale in northern West Virginia.

Florida Food Products formulates and produces natural ingredients. Its portfolio

consists of vegetable-based cures, fruit and juice concentrates, tea, herbal and coffee extracts, and rice bran extracts. Its ingredients are incorporated into meat and meat alternatives, beverages, savory foods, sauces and dressings, pet care, baked goods and sport nutrition products.

ACNR is a thermal coal company with 13 active mines in the US and South America.

These issuers represented 0.90%, 0.89% and 1.00% of total net assets, respectively, at quarter end.

Detractors from performance

The following issuers were the largest individual detractors from relative return:

Trinseo Materials is a leading producer of emulsion polymers (synthetic rubber, latex) and plastics (styrene, polystyrene).

Garfunkelux is a leading provider of credit management services in Europe.

Ascend Performance Materials Operations

is a leading producer of high-performance engineering polymers.

These issuers represented 0.01%, 0.00% and 0.05% of total net assets, respectively, at quarter end. We note that the fund had no exposure to Garfunkelux by the end of the quarter.

Standardized performance (%) as of December 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 09/08/99	NAV	0.50	5.04	5.04	8.31	6.56	4.53	4.51
	Max. Load 3.25%	-2.78	1.66	1.66	7.11	5.86	4.18	4.38
Class R6 shares inception: 10/26/12	NAV	0.59	5.40	5.40	8.67	6.95	4.89	4.22
Class Y shares inception: 11/28/05	NAV	0.56	5.30	5.30	8.58	6.86	4.80	4.43
J.P. Morgan Leveraged Loan Index (USD)		1.33	5.99	5.99	9.46	6.71	6.02	-
Total return ranking vs. Morningstar Bank Loan category (Class A shares at NAV)		-	-	61% (110 of 215)	68% (124 of 212)	6% (10 of 201)	67% (112 of 173)	-

Expense ratios per the current prospectus: Class A: Net: 1.12%, Total: 1.12%; Class R6: Net: 0.78%, Total: 0.78%; Class Y: Net: 0.87%, Total: 0.87%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com](https://www.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. 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 source: Bloomberg L.P. 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.

Performance highlights (cont'd)

Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	12.72	3.77	-0.89	2.33	-4.47	8.63	-0.43	11.49	8.48	5.04
Class R6 shares at NAV	13.10	4.23	-0.67	2.69	-4.14	9.16	-0.11	11.86	8.84	5.40
Class Y shares at NAV	13.02	4.16	-0.78	2.58	-4.26	9.08	-0.21	11.78	8.75	5.30
J.P. Morgan Leveraged Loan Index (USD)	9.78	4.25	1.08	8.64	3.19	5.46	0.06	13.17	9.33	5.99

Unless otherwise specified, all information is as of 12/31/25. Unless stated otherwise, Index refers to J.P. Morgan Leveraged Loan Index (USD).

The fund may invest all its assets in securities that are determined to be below investment grade quality.

The JP Morgan Leveraged Loan Index tracks the performance of U.S. dollar-denominated senior floating rate bank loans.

About Risk

The Fund may use leverage to seek to enhance income, which creates the likelihood of greater volatility of the Fund's shares and may also impair the ability to maintain its qualification for federal income tax purposes as a regulated investment company.

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

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.

Environmental, Social and Governance (ESG) considerations may vary across investments and issuers, and not every ESG factor may be identified or evaluated for investment. The Fund will not be solely based on ESG considerations; therefore, issuers may not be considered ESG-focused companies. ESG factors may affect the Fund's exposure to certain companies or industries and may not work as intended. The Fund may underperform other funds that do not assess ESG factors or that use a different methodology to identify and/or incorporate ESG factors. ESG is not a uniformly defined characteristic and as a result, information used by the Fund to evaluate such factors may not be readily available, complete or accurate, and may vary across providers and issuers. There is no guarantee that ESG considerations will enhance Fund performance.

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

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.

The Fund may hold illiquid securities that it may be unable to sell at the preferred time or price and could lose its entire investment in such securities.

Investments focused in a particular sector, such as financial services, are subject to greater risk, and are more greatly impacted by market volatility, than more diversified investments.

Most senior loans are made to corporations with below investment-grade credit ratings and are subject to significant credit, valuation, and liquidity risk. The value of the collateral securing a loan may not be sufficient to cover the amount owed, may be found invalid or may be used to pay other outstanding obligations of the borrower under applicable law. There is also the risk that the collateral may be difficult to liquidate, or that a majority of the collateral may be illiquid.

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. **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 Credit Ratings' under 'About Ratings' on the homepage.

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.

* **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. **Weighted Average Price** is the sum of each holding's price multiplied by its weight.

1. Source: S&P UBS Leveraged Loan Index (Formally known as the Credit Suisse Leveraged Loan Index), total returns in USD, as of December 31, 2025.

2. Source: JP Morgan Research as of December 31, 2025.

3. Source: Pitchbook Data Inc. as of December 31, 2025.

Morningstar

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Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus) for a prospectus/summary prospectus containing this information. Read it carefully before investing.