Invesco High Yield Fund

Q1 2026

Key takeaways

1 **Broad-based selloff**
Volatility increased in the first quarter as the conflict in Iran shook markets, causing a selloff in equities, bonds and precious metals, including non-US assets.

2 **Interest rates surged on rising inflation expectations tied to the oil price shock**
Markets have signaled less chance of interest rate cuts in the near term given the inflationary and geopolitical backdrop. Investors continued to exit positions, heightening near-term volatility.

3 **The high-yield supply/demand balance weakened on larger outflows and high net issuance**
High-yield mutual and exchange-traded funds saw outflows of $6.3 billion for the quarter. Loan outflow totaled $2.5 billion. First quarter high-yield issuance totaled $21 billion.[1]

Investment objective
The fund seeks total return through growth of capital and current income.

Fund facts

Fund AUM ($M)	1,080.42

Portfolio managers
Niklas Nordenfelt, Philip Susser, Rahim Shad

Manager perspective and outlook

- The first quarter of 2026 was marked by broad-based weakness in risk assets, driven by geopolitical tensions, most notably the Iran conflict, which drove oil prices, inflation expectations and interest rates higher. Inflation is expected to remain elevated in the near term due to higher energy and commodity prices. The US Federal Reserve (Fed) held rates steady, but bond prices now forecast no rate cuts for 2026. The Fed indicated in March that further easing will require either falling inflation or meaningful labor market weakness. Though US growth has remained resilient, prolonged energy disruptions pose downside risks as some economists debate lowering their 2026 GDP forecasts.
- Fundamentals have remained supportive. Corporate balance sheets appear in good shape, leverage levels appear to be improving and coverage ratios have continued to rise. Earnings growth has been solid overall, with BB issuers performing best. Defaults have remained low and are projected to stay below 2% in 2026, supported by strong credit profiles and limited exposure to vulnerable sectors such as software and speculative technology.
- We anticipate an environment of reaccelerating global growth in 2026. Lower US interest rates, combined with higher fiscal spending globally, should in our view support a stronger global growth trajectory – an encouraging backdrop for risk assets like high-yield.

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

Not a Deposit Not FDIC Insured Not Guaranteed by the Bank May Lose Value
Not Insured by any Federal Government Agency

Portfolio characteristics*

	Fund	Index
Effective duration (yrs)	3.29	3.13
Coupon (%)	6.76	6.61
30-day SEC yield (Class A shares)	5.72	-
30-day SEC unsubsidized yield (Class A shares)	5.30	-

Investment categories (%)

	Portfolio	Index
Corporate Bonds	**75.46**	**86.91**
US High Yield Bonds	73.90	86.17
US Investment Grade Bonds	0.91	0.74
Others	0.65	0.00
Non-US Debt	**19.78**	**13.09**
Non-US High Yield Bonds	13.50	12.35
Emerging Market Debt	3.60	0.62
Others	2.20	0.02
Non-US Investment Grade Bonds	0.48	0.10
Convertible Bonds	**0.13**	**0.00**
Cash & Cash Equivalent	**1.28**	**0.00**
Derivatives & FX	**0.19**	**0.00**
Others	**3.17**	**0.00**

Portfolio positioning

Most fixed income returns were negative across sectors. The Bloomberg US Corporate High Yield 2% Issuer Capped Index returned -0.50%. For 2026, defaults/distressed transactions totaled $15 billion in bonds and loans.[1] The 12-month trailing par-weighted US high-yield default rate, including distressed exchanges, was 1.70% at quarter end,[2] up from 1.20% at year end. High-yield funds had outflows of about $6.3 billion while first quarter high-yield issuance totaled $21 billion for the quarter.[1]

Though yield spreads between Treasuries and high-yield bonds have widened a bit, they have remained relatively tight compared to long-term history. However, elevated yields in our view offer attractive income and protection against price declines if rates rise further. We believe the high-yield sector offers compelling yield per unit-of-duration compared to other global fixed income and is competitive with equity earnings yields.

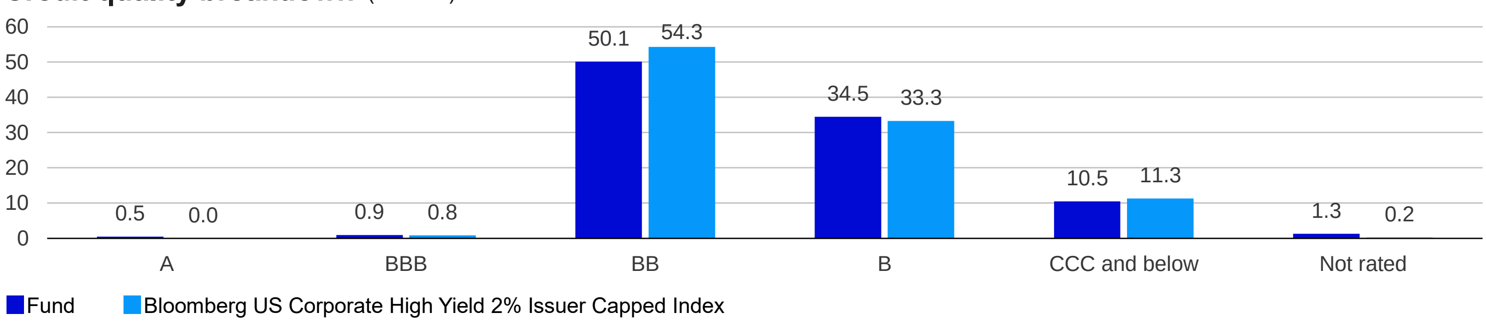
Today's high-yield market has been higher quality, shorter duration and more diversified than in prior cycles. BB-rated issuers have been representing a larger share of the index, secured debt has been more prevalent and concentration risk has declined. High-yield historically has limited exposure to software and other sectors vulnerable to AI disruption, potentially reducing late-cycle downside risk.

The fund has an underweight in lower-quality credit, while maintaining a longer duration profile, reflecting our constructive outlook for market risk. Positioning is driven by our positive view of broad-based fundamentals and conviction in our specific security selection. Although yield spreads have been relatively tight compared to past levels, yields have in our view remained attractive and fundamentals appear solid for most high-yield issuers. Consequently, we are focused on adding value through careful security selection rather than increasing exposure to lower-quality credit.

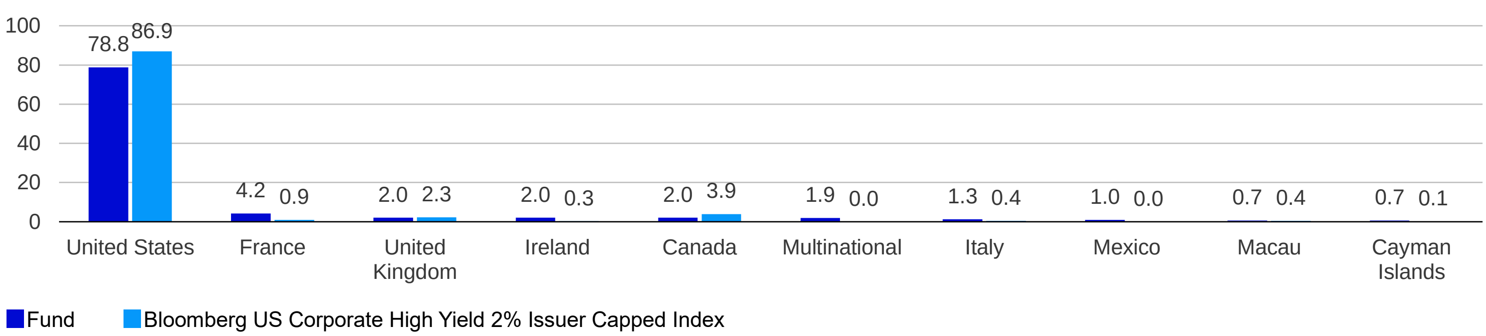
We see reason for caution in consumer cyclicals given an economy where some sectors and consumers have been doing well while others have not. The fund has selective exposure to AI infrastructure beneficiaries such as power generation and data centers and an overweight in communications, driven by mergers and acquisitions.

We believe near-term performance will be influenced by geopolitics and energy markets. Still, we believe attractive yields, solid fundamentals and limited default risk support a constructive medium-term outlook for high-yield. The fund favors disciplined risk exposure, sector differentiation and active security selection over increased exposure to lower-quality credits.

Credit quality breakdown (% total)



Top countries (% of total market value)



Top contributors (bps)

Issuer	Return	Contrib. to return
VENTURE GLOBAL PARTNERS II LLC	995.13	14.13
COREWEAVE INC	1680.44	4.96
VG ENTERPRISE HOLDINGS LLC	588.33	3.70
CALUMET INC	989.71	3.15
OAK EAGLE ACQUIRECO INC	439.97	3.01

Top detractors (bps)

Issuer	Return	Contrib. to return
VANECK VECTORS JP MORGAN EM LOCAL CURRENCY BD ETF	-357.05	-7.81
CLARIVATE PLC	-803.98	-6.03
CDX	-1431.02	-4.73
Futures	0.00	-4.53
NAVIENT CORP	-1167.27	-4.50

Performance highlights

Invesco High Yield Fund Class A shares had a negative return for the quarter and underperformed its benchmark.

Contributors to performance
During the quarter, the primary contributors to relative performance included:

Security selection within the technology and midstream segments.

An overweight in building materials.

Detractors from performance
During the quarter, the primary detractors from relative performance included:

Security selection within emerging market corporates and US high-yield retailers.

An underweight in independent energy.

Standardized performance (%) as of March 31, 2026

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 07/11/78	NAV	-0.64	-0.64	6.10	7.18	3.36	4.52	6.91
	Max. Load 4.25%	-4.90	-4.90	1.47	5.67	2.45	4.08	6.81
Class R6 shares inception: 09/24/12	NAV	-0.57	-0.57	6.46	7.67	3.75	4.93	4.49
Class Y shares inception: 10/03/08	NAV	-0.57	-0.57	6.36	7.54	3.63	4.79	6.53
Bloomberg US Corporate High Yield 2% Issuer Capped Index		-0.50	-0.50	7.01	8.60	4.22	6.12	-
Total return ranking vs. Morningstar High Yield Bond category (Class A shares at NAV)		-	-	69% (414 of 612)	82% (469 of 586)	77% (396 of 544)	82% (364 of 441)	-

Expense ratios per the current prospectus: Class A: Net: 1.01%, Total: 1.02%; Class R6: Net: 0.62%, Total: 0.63%; Class Y: Net: 0.76%, 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. 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 (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	11.28	6.32	-3.30	12.68	3.62	4.15	-9.83	9.89	7.74	7.30
Class R6 shares at NAV	11.74	6.52	-2.93	13.44	4.04	4.29	-9.26	9.99	8.15	8.00
Class Y shares at NAV	11.52	6.33	-3.04	12.94	3.88	4.41	-9.56	9.84	8.01	7.86
Bloomberg US Corporate High Yield 2% Issuer Capped Index	17.13	7.50	-2.08	14.32	7.05	5.26	-11.18	13.44	8.19	8.62

Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least August 31, 2026.

Unless otherwise specified, all information is as of 03/31/26. Unless stated otherwise, Index refers to Bloomberg US Corporate High Yield 2% Issuer Capped Index.

The Bloomberg US Corporate High Yield 2% Issuer Cap Index is an unmanaged index that covers U.S. corporate, fixed-rate, non-investment grade debt with at least one year to maturity and $150 million in par outstanding. Index weights for each issuer are capped at 2%. 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.

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.

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 have the risk that legislative or economic conditions could affect an issuer's ability to make principal and/or interest payments.

Preferred securities may include provisions that permit the issuer to defer or omit distributions for a certain period of time, and reporting the distribution for tax purposes may be required, even though the income may not have been received. Further, preferred securities may lose substantial value due to the omission or deferment of dividend payments.

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, Moody's or Fitch, as applicable. 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 rating methodologies, please visit the following NRSRO websites: www.standardandpoors.com and select 'Understanding Credit Ratings' under Rating Resources 'About Ratings' on the homepage; https://ratings.moodys.io/ratings and select 'Understanding 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.
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. **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. **Contribution to Return** measures the performance impact from portfolio holdings over a defined time period. It takes into account both weight and performance of the portfolio holdings. Contribution to Return is calculated at security level.

1. Source: High Yield Bond and Leveraged Loan Market Monitor – Research – J.P. Morgan Markets.
2. Source: High Yield Market Outlook.

Morningstar

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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.