

Invesco Core Bond Fund

Quarterly Performance Commentary

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



Investment objective

The fund seeks total return.

Portfolio management

Matthew Brill, Michael Hyman, Todd Schomberg

Fund facts

Total Net Assets	\$1,806,648,407
Total Number of Holdings	731

Fund characteristics

Effective Duration	6.45
WAM (years)	9.70

Credit quality breakdown (% total)¹

AAA	44.45
AA	9.38
A	15.29
BBB	13.18
BB	0.56
CCC and below	0.11
Not Rated	0.05
Cash and Cash Equivalent	16.99

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

Market overview

- + US bonds, as measured by the Bloomberg US Aggregate Bond Index, had a positive return for the first quarter.
- + Changes in US interest rates and inflation risk affected fixed income valuations during the quarter. Yields on 2-year and 10-year Treasuries remained elevated, though they declined from 4.40% to 4.06% and 3.79% to 3.48%, respectively. The yield curve, as measured by the yield differential between 2- and 10-year Treasuries, remained inverted during the quarter as short-term rates were higher than long-term rates.
- + Agency residential mortgage-backed securities (RMBS), asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) sectors all underperformed duration-matched Treasuries for the quarter.

Positioning and outlook

Our short-term outlook for bond markets is cautiously optimistic:

- + Turmoil in the global banking sector could lead to slower growth, lower inflation and lower interest rates - potential tailwinds for fixed income. Though we have not yet seen a problem with bank asset quality, it is likely that banks will naturally pull back on their risk-taking and that government regulators will impose more stringent rules to prevent future banking sector stress. As a result, lending standards across the economy are likely to tighten, causing a weaker "credit impulse" and potentially weaker growth. With a reduction in credit availability, we believe escaping a recession altogether is less likely, though corporate balance sheets are well-positioned for an economic downturn.
- + We believe the Federal Reserve is near the end or

finished its hiking cycle, accelerated by recent stresses in the banking system. Even with two 0.25% hikes in the federal funds rate during the quarter, the Fed's projected terminal rate is unchanged at a target range of 5%-5.25%. Overall, we believe Fed policy going forward will be very data-dependent and will likely be on hold for the near future, with potential rate cuts later this year as growth and inflation slow.

In terms of positioning, the fund remains overweight in investment grade issues because market and economic uncertainty warrant a greater focus on high-quality assets. We recently moved the fund from market weight to an overweight in Agency mortgages due to an increase in rate volatility. Additionally, we ended the quarter with duration longer than that of the index in anticipation of the Fed ending its rate hiking cycle.

Performance highlights

- + Invesco Core Bond Fund Class A shares at net asset value (NAV) had a positive return for the quarter but underperformed its benchmark, the Bloomberg US Aggregate Bond Index. (Please see the investment results table on page 2 for fund and index performance).

Contributors to performance

- + The fund benefited from security selection in the energy and transportation sub-sectors.
- + Overweights in the electric and communications sub-sectors added to relative performance.

Detractors from performance

- + Security selection in the banking and insurance sub-sectors detracted from relative performance.
- + Overweights in the brokerage/asset managers/exchanges and technology sub-sectors detracted from relative performance.

Expense ratios	% net	% total
Class A Shares	0.71	0.80
Class C Shares	1.46	1.55
Class Y Shares	0.46	0.55

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 February 29, 2024 and contractual management fee waivers in effect through at least June 30, 2024. See current prospectus for more information.

Investment categories (%)

Government Bonds

US Treasuries	12.70
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Corporate Bonds

US Investment Grade Bonds	23.50
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US High Yield Bonds	0.50
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Securitized

US Residential Mortgages	28.60
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US Asset-Backed Securities	7.50
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US CMBS	5.10
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Municipal Bonds	0.50
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Non-US Debt

Non-US Investment Grade Bonds	4.30
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Sovereign Debt	0.20
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Emerging Market Debt	0.00
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Municipal Bonds	0.50
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Cash & Cash Equivalent	17.00
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May not equal 100% due to rounding.

Investment results

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

Period	Class A Shares		Class C Shares		Class Y Shares	Style-Specific Index
	Inception: 04/15/88	NAV	Inception: 07/11/95	NAV	Inception: 04/27/98	
	Max Load 4.25%		Max CDSC 1.00%			Bloomberg U.S. Aggregate Bond Index
Inception	3.73	3.86	2.40	2.40	2.45	-
10 Years	1.13	1.57	0.94	0.94	1.79	1.36
5 Years	0.02	0.90	0.08	0.08	1.18	0.91
3 Years	-3.56	-2.16	-2.92	-2.92	-1.91	-2.77
1 Year	-10.13	-6.17	-7.80	-6.89	-5.99	-4.78
Quarter	-1.77	2.56	1.37	2.37	2.64	2.96

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

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

1 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. If securities are rated differently by the rating agencies, the higher rating is applied. 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 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.

Class Y 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

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.

Fixed-income investments are subject to credit risk of the issuer and the effects of changing interest rates.

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.

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.

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](https://www.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.