Invesco Oppenheimer Total Return Bond Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Sept. 30, 2019

Investment objective
The fund seeks total return.

Portfolio management
Peter Strzalkowski, Michael Hyman

Fund facts

Total Net Assets	$2,159,779,959
Total Number of Holdings	737

Fund characteristics

Effective Duration	5.48
Distribution Frequency	Monthly

Credit quality breakdown (% total)[1]

Cash	6.80
AAA	28.21
AA	4.87
A	14.43
BBB	41.48
BB and below	4.01
Not Rated	0.21

Market overview

+ Market volatility persisted over the third quarter amid global economic and geopolitical concerns. Trade tensions between the US and China escalated, and the process for the UK's exit from the European Union remains unresolved, while global growth appears to be slowing.
+ Business investment slowed and confidence weakened in this environment of heightened uncertainty, downside growth risks and low inflation, leading global central banks to assume a more accommodative monetary stance. The US Federal Reserve ended its balance sheet normalization ahead of schedule and at the end of July announced its first interest rate cut since 2008. The Fed subsequently cut the federal funds target rate again in September, both times by 0.25%. The target range was 1.75% - 2.00% at quarter end.

Positioning and outlook

+ On a sector level, the allocation to Agency MBS significantly decreased as a result of valuations, moving from an overweight position to an underweight. The team maintains the fund's strategic underweight in US Treasuries and an overweight in commercial mortgage-backed securities (CMBS), while remaining more senior in the structure. Though the fund remains overweight in investment grade corporate credit, we are monitoring valuations and are less likely to meaningfully increase the fund's overall credit risk unless we identify specific relative value opportunities.
+ Interest rate expectations have downshifted as the Fed has communicated its commitment to a supportive policy stance in the face of low inflation, global growth deceleration and trade policy uncertainty. With inflation below target and likely to remain so until 2020, we think there could potentially be additional Fed rate cuts next year.
+ Though the recent yield curve inversion was disconcerting, we note that such temporary distortions are not typically what cause recessions. Lower funding costs are a positive for risk assets overall, and once the current market turbulence recedes, we largely expect a steady state to prevail. Our positive outlook for bank lending is unchanged, and we anticipate that will continue. We expect consumer spending to remain resilient in response to a solid job market, wage gains, low household debt and continued confidence. That said, we acknowledge that the US economy and markets are vulnerable to slowing global growth, and we are on the lookout for potential spillover effects from trade tensions, particularly because we still believe this is the fourth quarter of the overall credit cycle.

Performance highlights

+ Against this backdrop, the fund's Class A shares at net asset value (NAV) returned 2.15% for the quarter, underperforming the 2.27% return of the Bloomberg Barclays U.S. Aggregate Bond Index. (Please see the investment results table on page 2 for fund and index performance.)
+ During the quarter, the fund's allocation to high-yield credit was the primary contributor to performance relative to the index. The primary detractor from relative performance was security selection in Agency mortgage-backed securities (MBS).

Expense ratios	% net	% total
Class A Shares	0.75	0.84
Class C Shares	1.55	1.59
Class Y Shares	0.45	0.59

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 May 28, 2021. See current prospectus for more information.

Investment categories (%)	
ABS	17.64
CMBS	5.86
Agency MBS	18.64
Non-Agency MBS	5.19
Investment Grade Credit	42.65
High Yield Credit	3.21
Cash	6.80

May not equal 100% due to rounding.

Investment results

Average annual total returns (%) as of Sept. 30, 2019

	Class A Shares		Class C Shares		Class Y Shares	
	Inception: 04/15/88		Inception: 07/11/95		Inception: 04/27/98	Style-Specific Index
Period	**Max Load 4.25%**	**NAV**	**Max CDSC 1.00%**	**NAV**	**NAV**	**Bloomberg Barclays U.S. Aggregate Bond Index**
Inception	4.33	4.47	2.92	2.92	3.07	-
10 Years	4.70	5.16	4.34	4.34	5.42	3.75
5 Years	2.48	3.39	2.56	2.56	3.68	3.38
3 Years	1.56	3.04	2.21	2.21	3.34	2.92
1 Year	5.13	9.75	8.04	9.04	10.12	10.30
Quarter	-2.23	2.15	1.09	2.09	2.38	2.27

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. 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 Barclays 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.

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.

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.

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.