

Municipal Bond Investing in California

Municipal bonds are attractive to investors because of the tax-exempt income at the federal level. This becomes more attractive when investors can earn tax-exempt income at the state level too. The Invesco Municipal Bond team manages two California funds: Invesco California Municipal Bond Fund (OPCAX) and Invesco Limited Term California Municipal Bond Fund (OLCAX).

Invesco Municipal Bond team

The Invesco Municipal Bond team uses a collaborative approach to manage funds. By combining our size and experience, we focus on delivering potentially better outcomes and identifying the best opportunities for our clients.



\$59.9 billion

in AUM



5th largest

municipal bond manager in the industry, based on AUM

2nd largest

high yield municipal bond manager in the industry, based on AUM



25

experienced credit analysts who thoroughly vet each bond before purchase

Sources: Invesco and Simfund, as of September 30, 2022.

Fund Facts

OPCAX

>75%

Allocation to Investment Grade Bonds* is greater than 75%

*Securities rated BBB or higher are considered investment grade securities.

OLCAX

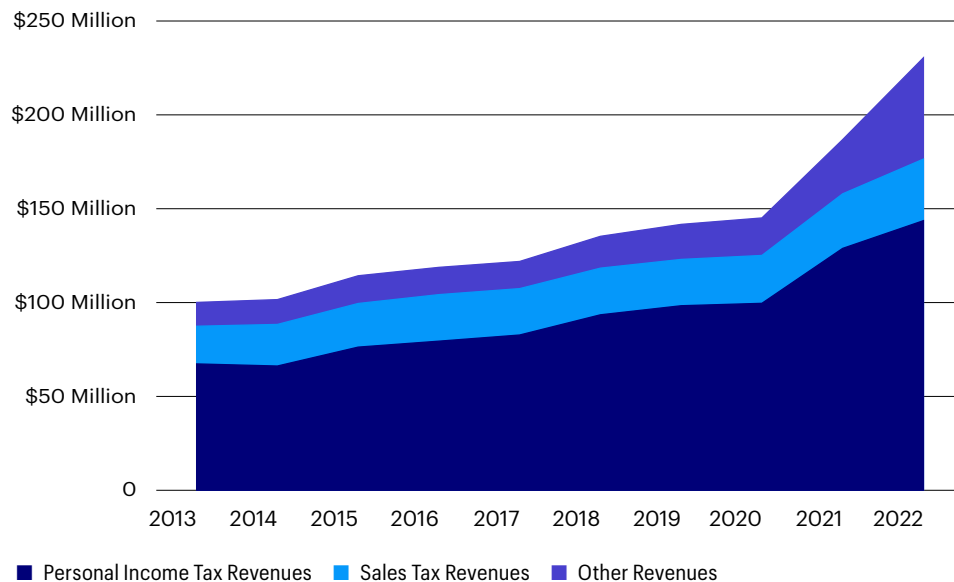
<5 years

Dollar-weighted average portfolio maturity** managed to less than 5 years.

**Dollar-weighted average portfolio maturity measures the average time it takes for securities in a debt portfolio to mature, weighted in proportion to the dollar amount invested in the portfolio.

General Fund Tax Revenues

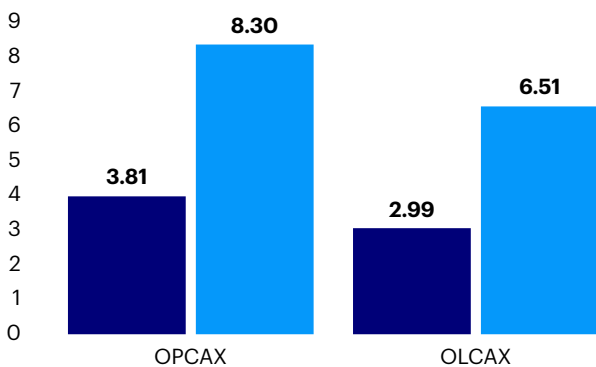
CA general fund revenues has grown from \$100 billion in fiscal year 2013 to \$230 billion in FY 2022



Source: California State Controller, as of June 30 for FY '12 through '19. California Department of Finance for FY '20 through FY '22. As of June 30, 2022.

Taxable Equivalent Yield (%)

What a Taxable Bond Needs to Earn to Match a Municipal Bond



For illustrative purposes only. Thirty 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. Taxable Equivalent yield is based on the 2022 top federal tax rate of 40.8%, including the 3.8% tax on unearned income under the Patient Protection and Affordable Care Act, as applicable plus the 13.3% California state top tax rate, including the state's 1% mental health services tax on income earned above \$1 million. Results would vary if a different tax rate were used. As of September 30, 2022.

■ 30-day SEC Yield ■ Taxable Equivalent Yield

Fiscal Update

California's second funding priority after education is its debt service. Although California is the largest municipal bond issuer*, its debt service expenditures represented only 2.8% of general fund expenditures in FY 2021.

Expenditures (in \$Millions)	FY '21	% of Gen Fund Exp
Education	85,126	52.1%
Healthcare	42,019	25.7%
Corrections	12,749	7.8%
Debt Service	4,507	2.8%
Other Expenditures	19,052	11.7%
Total General Fund Expenditures**	163,453	100.0%

Source: California Department of Finance, as of January 2022. California State Controller, as of July 2021.

*Source: The Bond Buyer as of February 28, 2022

**Excludes Transfers

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

Invesco California Municipal Fund

A: OPCAX R6: IORCX Y: OCAYX

Standard Performance, as of September 30, 2022	1 year	3 year	5 year	10 year	Since Inception
Class A shares at NAV (Inception: 11/3/88)	-14.95%	-2.42%	1.43%	2.91%	4.97%
Class A shares with max 4.25% load	-18.58	-3.83	0.55	2.46	4.84
Class Y shares (Inception: 11/29/10)	-14.73	-2.18	1.68	3.15	4.89
Lipper California Municipal Debt Funds Category Average	-13.78	-2.87	0.01	1.73	—

Total Annual Expense Ratios: Class A Shares: 0.84%; Class Y Shares: 0.59% See current prospectus for more information.

Invesco Limited Term California Municipal Fund

A: OLCAX R6: IORLX Y: OLCYX

Standard Performance, as of September 30, 2022	1 year	3 year	5 year	10 year	Since Inception
Class A shares at NAV (Inception: 2/25/04)	-8.05%	0.99%	1.81%	1.78%	3.22%
Class A shares with max 2.50% load	-10.44	-1.86	1.30	1.52	3.08
Class Y shares (Inception: 11/29/10)	-7.77	-0.73	2.07	2.03	2.76
Lipper California Short-Intermediate Municipal Debt Funds Category Average	-6.09	-1.03	0.17	0.74	—

Total Annual Expense Ratios: Class A Shares: 0.80%; Class Y Shares: 0.55% See current prospectus for more information.

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). Class Y shares are closed to most investors. Investment return and principal value will vary, and you may have a gain or a loss when you sell shares. Class Y shares have no sales charge; therefore, performance is at NAV. 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. 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.

Invesco does not provide tax advice. Investors should always consult their own legal or tax professional for information concerning their individual situation.

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. NR indicates the debtor was not rated, and should not be interpreted as indicating low quality.

For more information on rating methodologies, please visit the following NRSRO websites: 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 www.fitchratings.com and select 'Ratings Definitions' on the homepage.

Lipper California Municipal Debt Funds Category Average is considered representative of California municipal debt funds tracked by Lipper.

Lipper California Short-Intermediate Municipal Debt Funds Category Average is considered representative of California Short-Intermediate municipal debt funds tracked by Lipper.

About Risk: All or a portion of the fund's otherwise tax-exempt income may be subject to the federal alternative minimum tax. 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. 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. 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. Fixed-income investments are subject to credit risk of the issuer and the effects of changing interest rates. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa. Inverse floating rate obligations may be subject to greater price volatility than a fixed income security with similar qualities. When short-term interest rates rise, they may decrease in value and produce less or no income and are subject to risks similar to derivatives. Municipal securities have the risk that legislative or economic conditions could affect an issuer's ability to make principal and/or interest payments. Because the fund invests primarily in a portfolio of one state's municipal securities, the fund is more susceptible to political, economic, regulatory or other factors affecting that state than a fund that does not limit its investments to such issuers. Certain of the municipalities in which the fund invests, including Puerto Rico, currently experience significant financial difficulties. Puerto Rico's economic problems increase the risk of investing in Puerto Rican municipal obligations, including the risk of potential issuer default, heightens the risk that the prices of Puerto Rican municipal obligations, and the Fund's net asset value, will experience greater volatility. See the prospectus for more information. 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. Invesco does not offer tax advice. Please consult your tax adviser for information regarding your own personal tax situation. 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.

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 professional for a prospectus/summary prospectus or visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus).

Note: Not all products available at all firms. Financial professionals, please contact your home office.