

Invesco Corporate Bond Fund

Quarterly Performance Commentary

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



Investment objective

The fund seeks to provide current income with preservation of capital. Capital appreciation is a secondary objective that is sought only when consistent with the fund's primary investment objective.

Portfolio management

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Fund facts

Total Net Assets	\$2,623,470,849
Total Number of Holdings	1029

Fund characteristics

Effective Duration	7.09
WAM (years)	16.30

Investment categories (%)

Government Bonds

US Treasuries	2.10
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Corporate Bonds

US Investment Grade Bonds	64.40
US High Yield Bonds	7.90

Non-US Debt

Non-US Investment Grade Bonds	9.40
Emerging Market Debt	6.60
Non-US High Yield Bonds	2.90
Sovereign Debt	2.20

Securitized

US Asset-Backed Securities	1.40
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Convertible Bonds

	0.70
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Municipal Bonds

	0.40
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Cash & Cash Equivalent

	1.50
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Other

	0.60
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May not equal 100% due to rounding.

Credit quality breakdown (% total)¹

AAA	2.41
AA	2.98
A	30.20
BBB	48.77
BB	10.52
B	3.22
CCC and below	0.21
Not Rated	0.17
Cash and Cash Equivalent	1.51

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, we believe it is likely 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, in our view, likely to tighten, causing a weaker "credit impulse" and potentially weaker growth. With the availability of credit reduced, 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. In the high-yield segment, the fund is positioned mainly in higher quality issues with potential for ratings upgrades, though a slowing economy will likely limit upgrade opportunities. In emerging market debt, the fund is focused on US-dollar denominated issuers. 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 Corporate Bond Fund Class A shares at net asset value (NAV) had a positive return for the quarter but underperformed its benchmark, the Bloomberg US Credit 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 technology sub-sectors.
- + An overweight in the transportation sub-sector and an underweight in the basic industry sub-sector positively affected relative performance.

Detractors from performance

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

Expense ratios	% net	% total
Class A Shares	0.72	0.72
Class Y Shares	0.47	0.47
Class R6 Shares	0.35	0.35
Class R5 Shares	0.42	0.42

Per the current prospectus

Investment results

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

	Class A Shares	Class Y Shares	Class R6 Shares	Class R5 Shares	Style-Specific Index
	Inception: 09/23/71	Inception: 08/12/05	Inception: 09/24/12	Inception: 06/01/10	
					Bloomberg U.S. Credit Index
Period	NAV	NAV	NAV	NAV	
Inception	6.55	4.36	3.16	4.27	-
10 Years	2.65	2.89	3.07	3.01	2.18
5 Years	1.58	1.81	1.94	1.91	1.54
3 Years	0.55	0.75	0.89	0.87	-0.70
1 Year	-7.41	-7.16	-7.02	-6.95	-5.31
Quarter	2.61	2.67	2.71	2.70	3.45

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. Class A shares at NAV are available only to certain investors and have no sales charge; therefore, performance is at NAV. Class Y shares have no sales charge; therefore, performance is at NAV. Class R shares have no sales charge; therefore, performance is at NAV. Class R6 shares have no sales charge; therefore, performance is at NAV. Class R5 shares have no sales charge; therefore, performance is at NAV. Performance includes litigation proceeds. Had these proceeds not been received, total return would have been lower. 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.

Index source: FactSet Research Systems Inc.

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 A shares at NAV and Class Y shares are available only to certain investors. Class R6 shares and Class R5 shares are primarily intended for retirement plans that meet certain standards and for institutional investors. See the prospectus for more information.

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.

The Bloomberg Barclays U.S. Credit Index is an unmanaged index considered representative of publicly issued, SEC-registered U.S. corporate and specified foreign debentures and secured notes. 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

Convertible securities may be affected by market interest rates, the risk of issuer default, the value of the underlying stock or the issuer's right to buy back the convertible securities.

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.

Credit risk refers to an issuer's ability to make timely payments of interest and principal. Because the fund generally invests only in investment-grade-quality debt securities, it is subject to a lower level of credit risk than a fund investing in lower quality securities.

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.

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, 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.

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.

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.