

Invesco Convertible Securities Fund

Q2 2025

Key takeaways

1 Convertible securities posted a positive return in a strong equity market

Convertibles (as measured by the ICE BofA US Convertible Index) returned 8.88% for the second quarter, compared to the S&P 500 Index, which returned 10.94%.

2 The fund outperformed its benchmark

The fund outperformed its benchmark, primarily due to security selection in the technology and communications sectors. Security selection in the health care and consumer discretionary sectors also added to relative return.

3 We continue to focus on balanced convertibles

We are focused on the area of the market that we believe represents the best opportunity – balanced convertibles that offer both upside participation should their underlying stocks rise, along with downside support via the securities' fixed income attributes.

Investment objective

The Fund's objective is total return through growth of capital and current income.

Fund facts

Fund AUM (\$M)	721.39
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Portfolio managers

Robert Young, James Ong

Manager perspective and outlook

- US equity markets rose in the second quarter, with the S&P 500 Index returning 10.94%. Early in the quarter, the announcement of proposed US tariffs led to market volatility. Following increased clarity and implementation delays, investors appeared to rebound with a strong risk appetite. Hard economic data has continued to outperform expectations, although some data points – labor and employment specifically – have started to weaken compared to late 2024 and early 2025 data. The US Federal Reserve held the federal funds rate steady for now, opting for a wait-and-see approach to determine the effects of new policy on the economy and capital markets. In this environment, the ICE BofA US Convertible Index returned 8.88%.
- Within the convertibles index, higher beta sectors like technology had the highest performance while more defensive sectors like utilities lagged.
- New issuance of US convertibles was robust in the second quarter, totaling approximately \$32.4 billion, as issuers appeared to seek less costly financing alternatives.



Top equity issuers

(% of total net assets)

	Fund	Index
MicroStrategy Inc	3.49	4.94
Bank of America Corp	3.30	1.31
Uber Technologies Inc	3.20	1.77
Boeing Co/The	3.13	2.75
Wells Fargo & Co	2.78	1.63
Carnival Corp	2.50	0.87
Welltower OP LLC	2.09	1.08
Snowflake Inc	1.96	1.24
Southern Co/The	1.73	1.42
Seagate HDD Cayman	1.65	0.95

As of 06/30/25. Holdings are subject to change and are not buy/sell recommendations.

Asset mix

Dom Convertible Bond	64.57
Dom Convertible Preferred Stock	21.60
Intl Convertible Bond	2.33
Other	9.73
Cash	1.77

Portfolio positioning

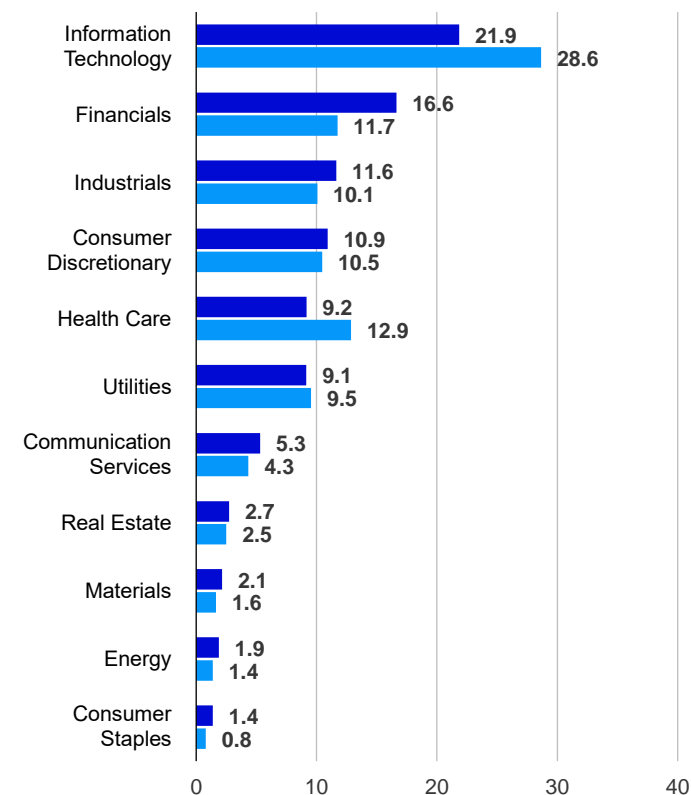
During the quarter, we used the new issue market to find opportunities in convertibles with a balanced risk profile. New issues selected for the fund replaced zero or low coupon convertibles that exhibited less equity sensitivity. We also made several exchanges between convertibles from the same issuer but with different maturity dates and more balanced equity sensitivity.

We continue to focus on the market area that we believe exhibits the best opportunity — balanced convertibles that offer both upside participation should their underlying stocks rise, along with downside support via the securities' fixed income attributes.

We believe convertibles can provide investors with diversification, offering lower interest rate sensitivity than traditional fixed income and potentially lower volatility than equities.

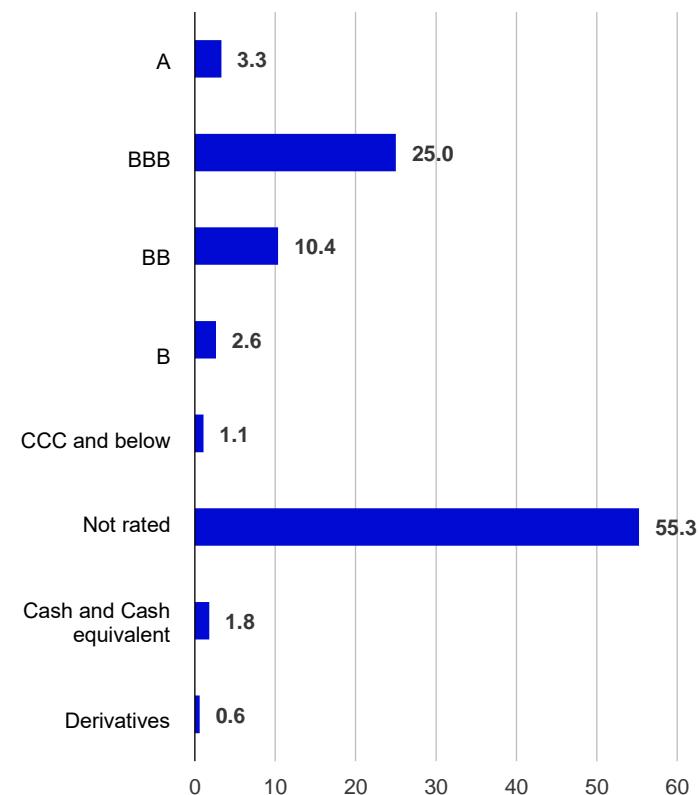
Equity sector breakdown (% of total net assets)

■ Fund ■ ICE BofA US Convertible Index (USD)



Credit quality breakdown (% of total net assets)

■ Fund



Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-0.73	0.00
Beta	0.88	1.00
Sharpe ratio	0.41	0.49
Information ratio	-0.44	0.00
Standard dev. (%)	12.52	13.76
Tracking error (%)	3.46	0.00
Up capture (%)	79.30	100.00
Down capture (%)	91.87	100.00
Max. drawdown (%)	20.42	22.99

Performance highlights

The fund outperformed its benchmark, primarily due to security selection in the technology and communications sectors. Security selection in the health care and consumer discretionary sectors also added to relative return.

Contributors to performance

Selection in the technology sector added to relative performance, led by **Seagate Technology** and **Snowflake**.

The fund's underweight in the health care sector also benefited relative performance.

Detractors from performance

Security selection in the materials and industrials sectors detracted from relative performance. Having a smaller weighting in industrial holding **Rocket Lab**, compared to the index, detracted from relative performance.

An underweight in the technology sector also detracted from the fund's relative return.

Standardized performance (%) as of June 30, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 07/28/97	NAV	10.10	6.78	15.52	9.33	7.98	7.79	7.25
	Max. Load 5.5%	4.04	0.91	9.18	7.28	6.76	7.18	7.03
Class R6 shares inception: 09/24/12	NAV	10.24	7.02	15.98	9.72	8.36	8.17	8.71
Class Y shares inception: 07/28/97	NAV	10.20	6.95	15.83	9.60	8.24	8.06	7.51
ICE BofA US Convertible Index (USD)		8.88	6.55	15.95	10.84	9.52	9.38	-
Total return ranking vs. Morningstar								
Convertibles category		-	-	53%	62%	50%	63%	-
(Class A shares at NAV)				(46 of 76)	(51 of 73)	(32 of 69)	(42 of 61)	

Expense ratios per the current prospectus: Class A**: Net: 0.96%, Total: 0.97%; Class R6**: Net: 0.60%, Total: 0.61%; Class Y**: Net: 0.71%, Total: 0.72%.

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

Performance highlights (cont'd)

Calendar year total returns (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Class A shares at NAV	-3.02	5.82	10.42	-1.71	21.42	44.35	4.68	-15.72	7.87	9.74
Class R6 shares at NAV	-2.66	6.21	10.82	-1.41	21.82	44.86	5.06	-15.45	8.29	10.08
Class Y shares at NAV	-2.78	6.07	10.68	-1.51	21.73	44.69	4.93	-15.52	8.17	9.95
ICE BofA US Convertible Index (USD)	-2.99	10.43	13.70	0.15	23.15	46.22	6.34	-18.71	12.87	11.14

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 06/30/25. Unless stated otherwise, Index refers to ICE BofA US Convertible Index (USD).

The ICE BofA US Convertible Index tracks the performance of US-dollar-denominated convertible securities that are not currently in bankruptcy and have total market values of more than \$50 million at issuance. Effective July 2022, the benchmark returns reflect the deduction of transaction costs that are calculated using the bid/offer spread for all new additions to the index, as well as any security whose weight increases in the index at each monthly rebalancing, beginning with the 30 June 2022 rebalancing. The beginning-of-month calculated transaction cost adjustment is applied to index returns daily for the following calendar month. Benchmark returns prior to July 2022 do not reflect the deduction of transaction costs. An investment cannot be made directly in an index.

About Risk

To the extent an investment focuses on securities issued or guaranteed by companies in a particular industry, the investment's performance will depend on the overall condition of those industries, which may be affected by the following factors: the supply of short-term financing, changes in government regulation and interest rates, and overall economy.

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.

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. Developing markets may especially be volatile.

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.

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.moody's.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.

* **Alpha** (cash adjusted) is a measure of performance on a risk-adjusted basis. **Beta** (cash adjusted) is a measure of relative risk and the slope of regression. **Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio indicates better risk-adjusted performance. **Standard deviation** measures a fund's range of total returns and identifies the spread of a fund's short-term fluctuations. **Tracking Error** is defined as the expected standard deviation of a portfolio's excess return over the benchmark index return. The **up and down capture** measures how well a manager was able to replicate or improve on periods of positive benchmark returns and how severely the manager was affected by periods of negative benchmark returns. **Maximum Drawdown** is the maximum observed loss from a high to a low of a portfolio, before a new high is attained. Maximum drawdown is an indicator of downside risk over a specified time period.

Morningstar

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Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus) for a prospectus/summary prospectus containing this information. Read it carefully before investing.