

Invesco Oppenheimer International Bond Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Dec. 31, 2019



Investment objective

The fund seeks total return.

Portfolio management

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Fund facts

Total Net Assets	\$3,646,612,292
Total Number of Holdings	775

Fund characteristics

WAM (years)	9.87
Effective Duration	5.10
Distribution Frequency	Monthly

Credit quality breakdown (% total)¹

Cash	13.67
AAA	0.24
AA	3.69
A	12.02
BBB	33.17
BB	20.84
B	10.37
CCC and below	3.29
Not Rated	3.20

Market overview

- + Data released in the fourth quarter suggested the global growth decline is ending, a trend that was more evident across non-US economies than in the US. As global growth stabilized, pressure on policymakers to ease monetary conditions gradually diminished. The US Federal Reserve held interest rates constant in December, while emerging market central banks maintained or reduced rates.
- + Emerging debt markets saw increased volatility in November as markets responded to the reduced

likelihood of a previously priced-in US rate cut and lingering US/China trade uncertainty. Political unrest unfolded in Chile, where a new social pact is emerging, with further implications for fiscal policy. Although we do not expect this to spill over to other economies, many market participants reduced portfolio risk by selling emerging market positions. These factors led to an adjustment in interest rate markets. December, however, saw a reversal in returns, with the US dollar weakening and emerging market currencies recovering.

Positioning and outlook

- + Based on evidence of a bottoming in the global growth decline, we believe growth will remain at the same level as 2019 or, more likely, be somewhat higher in 2020. This means US and global financial conditions will likely have a greater impact on interest rates, while shifting growth dynamics and interest rates will drive currency markets.
- + There are some signs governments may use their fiscal policy levers given very low interest rates, though such discussions are in the early stages. This would bring further stability to growth expectations. We believe the Fed may pause its interest rate cuts while monitoring data for the next few months. In emerging market countries, several central banks still have room to cut interest rates. It seems very unlikely that inflation will rise beyond its base trend in any major country so we expect central banks in India, Indonesia, Mexico and Russia to deliver a few more rate cuts. Substantial easing of US monetary policy should lead to a weaker US dollar over time.
- + We still believe the US dollar will slowly decline as easier financial conditions reduce the cost of

having long positions in other developed market currencies such as the euro and Japanese yen. As financial conditions affect markets, we believe emerging market currencies could benefit from higher income levels while developed market currencies could benefit from valuations. The fund favors income from currencies such as Brazilian real, Indian rupee and Indonesian rupiah. We increased exposure to the euro and slightly decreased exposure to the yen while still maintaining an overweight relative to the benchmark.

- + We favor emerging market interest rates over developed market interest rates. Real yields in emerging markets remain close to highs when compared to a combination of developed market yields. We favor long maturity interest rates in Brazil, India, Indonesia and Russia and shorter maturity interest rates in Mexico and Colombia.
- + Given the credit segment's excellent performance in 2019, we are reducing credit exposure in emerging markets and Europe. We are looking to redeploy that capital into emerging market interest rates.

Performance highlights

- + The fund's Class A shares at net asset value (NAV) outperformed its benchmark. (Please see the investment results table on page 2 for fund and index performance.) Performance for the quarter was mainly driven by interest rate exposure, followed by credit exposure. Currency exposure detracted slightly. In terms of interest rate exposure, the fund's underweight in Germany relative to the benchmark and its overweight in the European Union added to relative return, while exposure to Greece and Austria detracted. Regarding credit, top contributors included Greece and Argentina, while Indonesia and Russia detracted. The top currency contributor was the Brazilian real, while the Argentine peso detracted. Overall, the fund's exposure to emerging market debt drove outperformance during the quarter.

Expense ratios	% net	% total
Class A Shares	0.90	0.91
Class C Shares	1.65	1.66
Class Y Shares	0.65	0.66

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 (%)

Government Bonds

US Treasuries 0.11

Corporate Bonds

US Investment Grade Bonds 0.62

Securitized Debt

Mortgage TBAs/Other 5.04

Non-US Debt

Non-US Government Bonds 11.08

Non-US Agencies 2.71

Non-US Investment Grade Bonds 3.50

Non-US High Yield Bonds 4.05

Emerging Markets Debt

Emerging Market Sovereign Bonds 54.65

Emerging Market Corporate Bonds 4.99

Derivatives -0.46

Other 0.04

Cash 13.67

May not equal 100% due to rounding.

Investment results

Average annual total returns (%) as of Dec. 31, 2019

	Class A Shares	Class C Shares	Class Y Shares	Style-Specific Index
Inception:	06/15/95	06/15/95	09/27/04	
	Max Load	Max CDSC		Custom Invesco Oppenheimer International Bond Index
	4.25%	1.00%		
Period	NAV	NAV	NAV	
Inception	6.79	6.98	6.64	6.64
10 Years	2.50	2.94	2.21	2.21
5 Years	2.25	3.13	2.39	2.39
3 Years	3.00	4.51	3.73	3.73
1 Year	4.73	9.42	7.62	8.62
Quarter	-0.12	4.31	3.13	4.13
				4.38
				1.87

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 sources: Invesco, FactSet Research Systems Inc., 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.moody.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 Custom Invesco Oppenheimer International Bond Index is composed of 50% FTSE Non-U.S. Dollar World Government Bond Index, 30% JP Morgan Government Bond Index - Emerging Markets Global Diversified and 20% JP Morgan Emerging Markets Bond Index Global Diversified. From Jan. 1, 2003, through Dec. 31, 2011, the underlying index weights were 70% FTSE Non-U.S. Dollar World Government Bond Index, 20% JP Morgan Government Bond Index - Emerging Markets Global Diversified and 10% JP Morgan Emerging Markets Bond Index Global Diversified. The FTSE Non-U.S. Dollar World Government Bond Index is a broad benchmark providing exposure to the global sovereign fixed income market, excluding the US. The JP Morgan Government Bond Index - Emerging Markets Global Diversified is composed of regularly traded, liquid fixed-rate, domestic currency government bonds. The JP Morgan Emerging Markets Bond Index Global Diversified tracks the traded market for US dollar-denominated Brady bonds, Eurobonds, traded loans and local market debt instruments issued by sovereign and quasi-sovereign entities. 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.

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.

The fund is considered non-diversified and may experience greater volatility than a more diversified investment.

Issuers of sovereign debt or the governmental authorities that control repayment may be unable or unwilling to repay principal or interest when due, and the Fund may have limited recourse in the event of default. Without debt holder approval, some governmental debtors may be able to reschedule or restructure their debt payments or declare moratoria on payments.

Because the Subsidiary is not registered under the Investment Company Act of 1940, as amended (1940 Act), the Fund, as the sole investor in the Subsidiary, will not have the protections offered to investors in U.S. registered investment companies.

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.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

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 advisors 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. Advisors, 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.