

Invesco Municipal Opportunity Trust
Form N-CSRS
November 07, 2014

OMB APPROVAL
OMB Number 335-0570
Expires: January 31,
2017
Estimated average burden
hours per response 30.6

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES
Investment Company Act file number 811-06567

Invesco Municipal Opportunity Trust
(Exact name of registrant as specified in charter)

1555 Peachtree Street, N.E., Atlanta, Georgia 30309

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(Address of principal executive offices) (Zip code)

Philip A. Taylor 1555 Peachtree Street, N.E., Atlanta, Georgia 30309

(Name and address of agent for service)

Registrant's telephone number, including area code: (404) 439-3217

Date of fiscal year end: 2/28

Date of reporting period: 8/31/14

Item 1. Report to Stockholders.

Semiannual Report to Shareholders

August 31, 2014

Invesco Municipal Opportunity Trust

NYSE: VMO

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Unless otherwise noted, all data provided by Invesco.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

Letters to Shareholders

Dear Fellow Shareholders:

Bruce Crockett

While the members of the Invesco Funds Board, which I chair, can't dictate the performance of the Invesco funds, be assured that your Board works diligently throughout the year to focus on how your investments are managed. Our job is to represent you and your interests on a variety of fund management-related matters. We regularly monitor how the portfolio management teams of the Invesco funds are performing in light of ever-changing and often unpredictable economic and market conditions, and we review the investment strategies and investment process employed by each fund's management team as explained in the fund's prospectus.

Perhaps our most significant responsibility is conducting the annual review of the funds advisory and sub-advisory contracts with Invesco Advisers and its affiliates. This annual review, which is required by the Investment Company Act of 1940, focuses on the nature and quality of the services Invesco provides as the adviser to the Invesco funds and the reasonableness of the fees that it charges for those services. Each year, we spend months carefully reviewing

information from Invesco that allows us to evaluate the quality of its services and the reasonableness of its fees. We also use information from a variety of independent sources, including materials provided by the independent senior officer of the Invesco funds, who reports directly to the independent trustees on the Board. Additionally, we meet with legal counsel and review performance and fee data prepared for us by Lipper Inc., an independent, third-party firm widely recognized as a leader in its field.

After a careful review, the members of the Invesco Funds Board approved the continuation of advisory and sub-advisory contracts with Invesco Advisers and its affiliates.

As always, please contact me at bruce@brucecrockett.com with any questions or concerns you may have. On behalf of the Board, we look forward to continuing to represent your interests and serving your needs.

Sincerely,

Bruce L. Crockett

Independent Chair

Invesco Funds Board of Trustees

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Philip Taylor Dear Shareholders:

This semiannual report includes information about your Fund, including performance data and a list of its investments as of the close of the reporting period. I hope you find this report of interest.

Our website, invesco.com/us, offers a wide range of market insights and investment perspectives. On the website, you'll find detailed information about our funds, including prices, performance, holdings and portfolio manager commentaries. You can access information about your individual Invesco account whenever it's convenient for you; just complete a simple, secure online registration. Use the Login box on our home page to get started.

Invesco's mobile app for iPad® (available free from the App StoreSM) allows you to obtain the same detailed information about your Fund and the same investment insights from our investment leaders, market strategists, economists and retirement experts on the go.

Also, you can obtain timely updates to help you stay informed about the markets, the economy and investing by connecting with Invesco on Twitter, LinkedIn or Facebook. You can access our

blog at blog.invesco.us.com or by visiting the Intentional Investing Forum on our home page.

For questions about your account, feel free to contact an Invesco client services representative at 800 341 2929. For Invesco-related questions or comments, please email me directly at phil@invesco.com.

Thank you for investing with us.

Sincerely,

Philip Taylor

Senior Managing Director, Invesco Ltd.

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Trust Performance

Performance summary

Cumulative total returns, 2/28/14 to 8/31/14

Trust at NAV	8.37%
Trust at Market Value	6.81
Barclays Municipal Bond Index ^q (Former Broad Market Index)*	4.19
S&P Municipal Bond Index ^q (Broad Market Index)*	4.21
S&P Municipal Bond 5+ Year Investment Grade Index ^q (Style-Specific Index)*	5.13
Lipper Closed-End General and Insured Municipal Leveraged Debt Funds Index ^e (Peer Group Index)*	8.53
Market Price Discount to NAV as of 8/31/14	-9.49

Source(s): ^qFactSet Research Systems Inc.; ^eLipper Inc.

* During the reporting period, the Trust adopted a three-tier benchmark structure to compare its performance to broad market, style-specific and peer group market measures. The S&P Municipal Bond Index now represents the Trust's broad market benchmark instead of the Barclays Municipal Bond Index as the S&P Municipal Bond Index more closely reflects the performance of the broad US municipal bond market. The S&P Municipal Bond 5+ Year Investment Grade Index and Lipper Closed-End General and Insured Municipal Leveraged Debt Funds Index are now the Trust's style-specific and peer group benchmarks, respectively.

The performance data quoted represent past performance and cannot guarantee comparable future results; current performance may be lower or higher. Investment return, net asset value (NAV) and common share market price will fluctuate so that you may have a gain or loss when you sell shares. Please visit invesco.com/us for the most recent month-end performance. Performance figures reflect Trust expenses, the reinvestment of distributions (if any) and changes in NAV for performance based on NAV and changes in market price for performance based on market price.

Since the Trust is a closed-end management investment company, shares of the Trust may trade at a discount or premium from the NAV. This characteristic is separate and distinct from the risk that NAV could decrease as a result of investment activities and may be a greater risk to investors expecting to sell their shares after a short time. The Trust cannot predict whether shares will trade at, above or below NAV. The Trust should not be viewed as a vehicle for trading purposes. It is designed primarily for risk-tolerant long-term investors.

The **Barclays Municipal Bond Index** is an unmanaged index considered representative of the tax-exempt bond market.

The **S&P Municipal Bond Index** is a broad, market value-weighted index that seeks to measure the performance of the US municipal bond market.

The **S&P Municipal Bond 5+ Year Investment Grade Index** is a sub-set of the broad S&P Municipal Bond Index. This index of market value-weighted investment-grade US municipal bonds seeks to measure the performance of US municipals whose maturities are greater than or equal to five years.

The **Lipper Closed-End General and Insured Municipal Leveraged Debt Funds Index** is an unmanaged index considered representative of general and insured leverage municipal debt funds tracked by Lipper. These funds either invest primarily in municipal debt issues rated in the top four credit ratings or invest primarily in municipal debt issues insured as to timely payment. These funds can be leveraged via use of debt, preferred equity, and/or reverse repurchase agreements.

The Trust is not managed to track the performance of any particular index, including the index(es) described here, and consequently, the performance of the Trust may deviate significantly from the performance of the index(es).

A direct investment cannot be made in an index. Unless otherwise indicated, index results include reinvested dividends, and they do not reflect sales charges.

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Dividend Reinvestment Plan

The dividend reinvestment plan (the Plan) offers you a prompt and simple way to reinvest your dividends and capital gains distributions (Distributions) into additional shares of your Invesco closed-end Trust (the Trust). Under the Plan, the money you earn from Distributions will be reinvested automatically in more shares of the Trust, allowing you to potentially increase your investment over time. All shareholders in the Trust are automatically enrolled in the Plan when shares are purchased.

Plan benefits

n Add to your account:

You may increase your shares in your Trust easily and automatically with the Plan.

n Low transaction costs:

Shareholders who participate in the Plan may be able to buy shares at below-market prices when the Trust is trading at a premium to its net asset value (NAV). In addition, transaction costs are low because when new shares are issued by the Trust, there is no brokerage fee, and when shares are bought in blocks on the open market, the per share fee is shared among all participants.

n Convenience:

You will receive a detailed account statement from Computershare Trust Company, N.A. (the Agent), which administers the Plan. The statement shows your total Distributions, date of investment, shares acquired, and price per share, as well as the total number of shares in your reinvestment account. You can also access your account at invesco.com/us.

n Safekeeping:

The Agent will hold the shares it has acquired for you in safekeeping.

Who can participate in the Plan

If you own shares in your own name, your purchase will automatically enroll you in the Plan. If your shares are held in street name in the name of your brokerage firm, bank, or other financial institution you must instruct that entity to participate on your behalf. If they are unable to participate on your behalf, you may request that they reregister your shares in your own name so that you may enroll in the Plan.

How to enroll

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If you haven't participated in the Plan in the past or chose to opt out, you are still eligible to participate. Enroll by visiting invesco.com/us, by calling toll-free 800 341 2929 or by notifying us in writing at Invesco Closed-End Funds, Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842-3170. If you are writing to us, please include the Trust name and account number and ensure that all shareholders listed on the account sign these written instructions. Your participation in the Plan will begin with the next Distribution payable after the Agent receives your authorization, as long as they receive it before the record date, which is generally 10 business days before the Distribution is paid. If your authorization arrives after such record date, your participation in the Plan will begin with the following Distribution.

How the Plan works

If you choose to participate in the Plan, your Distributions will be promptly reinvested for you, automatically increasing your shares. If the Trust is trading at a share price that is equal to its NAV, you'll pay that amount for your reinvested shares. However, if the Trust is trading above or below NAV, the price is determined by one of two ways:

1. Premium: If the Trust is trading at a premium (a market price that is higher than its NAV) you'll pay either the NAV or 95 percent of the market price, whichever is greater. When the Trust trades at a premium, you may pay less for your reinvested shares than an investor purchasing shares on the stock exchange. Keep in mind, a portion of your price reduction may be taxable because you are receiving shares at less than market price.
2. Discount: If the Trust is trading at a discount (a market price that is lower than its NAV) you'll pay the market price for your reinvested shares.

Costs of the Plan

There is no direct charge to you for reinvesting Distributions because the Plan's fees are paid by the Trust. If the Trust is trading at or above its NAV, your new shares are issued directly by the Trust and there are no brokerage charges or fees. However, if the Trust is trading at a discount, the shares are purchased on the open market, and you will pay your portion of any per share fees. These per share fees are typically less than the standard brokerage charges for individual transactions because shares are purchased for all participants in blocks, resulting in lower fees for each individual participant. Any service or per share fees are added to the purchase price. Per share fees include any applicable brokerage commissions the Agent is required to pay.

Tax implications

The automatic reinvestment of Distributions does not relieve you of any income tax that may be due on Distributions. You will receive tax information annually to help you prepare your federal income tax return.

Invesco does not offer tax advice. The tax information contained herein is general and is not exhaustive by nature. It was not intended or written to be used, and it cannot be used, by any taxpayer for avoiding penalties that may be imposed on the taxpayer under US federal tax laws. Federal and state tax laws are complex and constantly changing. Shareholders should always consult a legal or tax adviser for information concerning their individual situation.

How to withdraw from the Plan

You may withdraw from the Plan at any time by calling 800 341 2929, by visiting invesco.com/us or by writing to Invesco Closed-End Funds, Computershare Trust Company, N.A., P.O. Box 30170, College Station, TX 77842-3170. Simply indicate that you would like to withdraw from the Plan, and be sure to include your Trust name and account number. Also, ensure that all shareholders listed on the account sign these written instructions. If you withdraw, you have three options with regard to the shares held in the Plan:

1. If you opt to continue to hold your non-certificated whole shares (Investment Plan Book Shares), they will be held by the Agent electronically as Direct Registration Book-Shares (Book-Entry Shares) and fractional shares will be sold at the then-current market price. Proceeds will be sent via check to your address of record after deducting applicable fees, including per share fees such as any applicable brokerage commissions the Agent is required to pay.
2. If you opt to sell your shares through the Agent, we will sell all full and fractional shares and send the proceeds via check to your address of record after deducting a \$2.50 service fee and per share fees. Per share fees include any applicable brokerage commissions the Agent is required to pay.
3. You may sell your shares through your financial adviser through the Direct Registration System (DRS). DRS is a service within the securities industry that allows Trust shares to be held in your name in electronic format. You retain full ownership of your shares, without having to hold a share certificate. You should contact your financial adviser to learn more about any restrictions or fees that may apply.

The Trust and Computershare Trust Company, N.A. may amend or terminate the Plan at any time. Participants will receive at least 30 days written notice before the effective date of any amendment. In the case of termination, Participants will receive at least 30 days written notice before the record date for the payment of any such Distributions by the Trust. In the case of amendment or termination necessary or appropriate to comply with applicable law or the rules and policies of the Securities and Exchange Commission or any other regulatory authority, such written notice will not be required.

To obtain a complete copy of the current Dividend Reinvestment Plan, please call our Client Services department at 800 341 2929 or visit invesco.com/us.

Schedule of Investments

August 31, 2014

(Unaudited)

	Interest	Maturity	Principal	
	Rate	Date	Amount	Value
			(000)	
Municipal Obligations 165.91%				
Alabama 2.13%				
Alabaster (City of) Board of Education;				
Series 2014 A, Limited Special Tax GO Wts. (INS AGM ^b)	5.00%	09/01/39	\$ 1,580	\$ 1,765,176
Series 2014 A, Limited Special Tax GO Wts. (INS AGM ^b)	5.00%	09/01/44	1,580	1,758,145
Bessemer Governmental Utility Services Corp.; Series 2008 A, Ref. Water Supply RB (INS AGC ^b) ^(c)	5.00%	06/01/39	3,250	3,523,488
Birmingham (City of) Airport Authority; Series 2010, RB (INS AGM ^b)	5.25%	07/01/30	3,350	3,705,066
Birmingham (City of) Water Works Board; Series 2011, Water RB (INS AGM ^b) ^(c)	5.00%	01/01/36	1,815	2,059,698
Courtland (City of) Industrial Development Board (International Paper Co.); Series 2005 A, Ref. Solid Waste Disposal RB ^(d)	5.20%	06/01/25	1,250	1,264,750
Huntsville (City of) Special Care Facilities Financing Authority (Redstone Village); Series 2007, Retirement Facility RB	5.50%	01/01/43	1,600	1,548,592
Mobile (City of) Industrial Development Board (Mobile Energy Services Co.); Series 1995, Ref. Solid Waste Disposal RB	6.95%	01/01/20	5	0
Selma (City of) Industrial Development Board; Series 2009 A, Gulf Opportunity Zone RB	6.25%	11/01/33	3,050	3,453,515
University of Alabama Board of Trustees; Series 2004 A, General RB ^(c)	5.25%	07/01/20	1,055	1,059,526
				20,137,956
Alaska 0.69%				
Alaska (State of) Industrial Development & Export Authority (Providence Health Services); Series 2011 A, RB ^(c)	5.50%	10/01/41	5,730	6,487,964
Arizona 4.08%				
Arizona (State of) Health Facilities Authority (Catholic Healthcare West); Series 2011 B-2, RB (INS AGM ^b)	5.00%	03/01/41	435	465,872
Arizona (State of) Transportation Board;				
Series 2008 B, Highway RB ^(c)	5.00%	07/01/25	2,005	2,289,911
Series 2008 B, Highway RB	5.00%	07/01/25	610	696,681
Series 2008 B, Highway RB ^(c)	5.00%	07/01/26	3,925	4,476,384

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Series 2011 A, Ref. Sub. Highway RB ^(c) Glendale (City of) Industrial Development Authority (John C. Lincoln Health Network);	5.00%	07/01/36	4,095	4,566,990
Series 2005, Ref. Hospital RB	5.00%	12/01/35	1,155	1,171,066
Series 2005 B, Ref. Hospital RB Glendale (City of) Industrial Development Authority (Midwestern University);	5.00%	12/01/37	1,075	1,102,391
Series 2010, RB	5.00%	05/15/35	750	801,135
Series 2010, RB Goodyear (City of) McDowell Road Commercial Corridor Improvement District; Series 2007, Special Assessment Improvement RB (INS AMBAC ^(y))	5.13%	05/15/40	1,500	1,604,670
Navajo County Pollution Control Corp.; Series 2009 E, PCR ^(f)	5.25%	01/01/32	2,775	2,866,908
Phoenix (City of) Industrial Development Authority (Career Success Schools);	5.75%	06/01/16	950	1,031,567
Series 2009, Education RB	7.00%	01/01/29	735	713,597
Series 2009, Education RB	7.00%	01/01/39	835	789,384
Series 2009, Education RB Phoenix (City of) Industrial Development Authority (Legacy Traditional Schools); Series 2014 A, Education Facility RB ^(g)	7.13%	01/01/45	790	751,005
Phoenix (City of) Industrial Development Authority (Rowan University); Series 2012, Lease RB	6.50%	07/01/34	630	700,094
Pima (County of) Industrial Development Authority (Global Water Resources, LLC); Series 2007, Water & Wastewater RB ^(d)	5.00%	06/01/42	3,870	4,121,666
Pima (County of) Industrial Development Authority (Tucson Electric Power Co.); Series 2010 A, IDR	6.55%	12/01/37	2,900	2,952,606
Salt River Project Agricultural Improvement & Power District; Series 2009 A, Electric System RB ^(c)	5.25%	10/01/40	550	594,209
University Medical Center Corp.; Series 2005, Hospital RB	5.00%	01/01/28	2,680	3,082,911
Yuma (City of) Industrial Development Authority (Regional Medical Center); Series 2014 A, Hospital RB	5.00%	07/01/35	1,405	1,419,654
		08/01/29	2,015	2,300,969
				38,499,670

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

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	Interest	Maturity	Principal	
	Rate	Date	Amount	Value
			(000)	
California 17.27%				
Anaheim (City of) Public Financing Authority (Anaheim Public Improvements); Series 1997 C, Sub. Lease CAB RB (INS AGM ^(h))	0.00%	09/01/20	\$ 2,630	\$ 2,307,956
Bay Area Governments Association (California Redevelopment Agency Pool);				
Series 2004 A, Tax Allocation RB (INS SGI ^(h))	5.25%	09/01/29	160	160,152
Series 2004 A, Tax Allocation RB (INS SGI ^(h))	5.25%	09/01/29	2,240	2,240,627
Bay Area Toll Authority (San Francisco Bay Area); Series 2008 F-1, Toll Bridge RB ^{(c)(e)(f)}	5.00%	04/01/18	5,905	6,822,755
Beverly Hills Unified School District (Election of 2008); Series 2009, Unlimited Tax CAB GO Bonds ^(h)	0.00%	08/01/28	1,050	670,288
California (State of) Department of Water Resources (Central Valley);				
Series 2008 AE, Water System RB ^(c)	5.00%	12/01/24	1,200	1,382,796
Series 2008 AE, Water System RB ^(c)	5.00%	12/01/25	1,450	1,668,544
Series 2008 AE, Water System RB ^(c)	5.00%	12/01/26	1,450	1,665,659
Series 2008 AE, Water System RB ^(c)	5.00%	12/01/27	900	1,032,057
Series 2008 AE, Water System RB ^(c)				