

Invesco Rising Dividends Fund

Q4 2023

Key takeaways

- 1 The fund underperformed its benchmark**
Stock selection in consumer staples and health care detracted the most from relative return.
- 2 Fund activity capitalized on higher market volatility**
We took advantage of increased market volatility to initiate 11 new positions and exit eight positions during the quarter. We opportunistically added to some existing positions and decreased weights in others.
- 3 Renewed interest in dividend-paying stocks**
In an environment characterized by high uncertainty and the possibility of more muted or even negative returns, we believe investors will place greater emphasis on companies with stable and/or growing dividends.

Investment objective

The fund seeks total return.

Fund facts

Fund AUM (\$M) 2,904.40

Portfolio managers

Raman Vardharaj, Peter Santoro, Belinda Cavazos

Manager perspective and outlook

- Sector exposure relative to the Russell 1000 Index has remained generally balanced. At quarter end, the largest overweights were in consumer staples and utilities. The largest underweights were in consumer discretionary and communication services. International exposure was about 2.6% and cash was about 1.7%.
- Though markets appear to be at a crossroads due to macroeconomic events, including high interest rates, inflation, geopolitical risk and China's disappointing GDP growth, the driving principles of our investment process remain rooted in our high conviction approach focused on identifying larger-cap, dividend paying companies that we believe exhibit superior execution and quality management teams.
- No matter the backdrop, we focus on companies generating attractive free cash flow and we analyze their drivers and ability to support future dividend growth, as well as balance sheet strength and flexibility.
- We continue to emphasize growth and sustainability of a company's dividend, as we believe companies with these characteristics have historically outperformed over full market cycles.
- We believe investors may focus more on dividend paying stocks in 2024. Historically, dividends have accounted for a larger part of total return than they have in the last decade due to outsized price gains (Source: Ned Davis Research). If market returns become more normal, we believe dividends should make up a much larger portion of total return.



Top issuers

(% of total net assets)

	Fund	Index
Microsoft Corp	7.51	6.37
Apple Inc	3.99	6.47
NVIDIA Corp	2.90	2.68
Broadcom Inc	2.39	1.10
UnitedHealth Group Inc	2.26	1.11
JPMorgan Chase & Co	2.19	1.12
McDonald's Corp	2.01	0.49
Visa Inc	1.98	0.95
Walmart Inc	1.97	0.51
Procter & Gamble Co/The	1.95	0.79

As of 12/31/23. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

Notable New Additions

American International Group (AIG) is a leading multi-line insurance group providing a range of life insurance, property & casualty (P&C) insurance, retirement products and other financial services to individuals and businesses. We view AIG as a simplification and turnaround story with a better management team in place since 2021. We expect improved fundamental performance in the company's core P&C business. Additionally, AIG plans to spin off its life insurance business in 2024, bringing the company closer to a pure play (a company that focuses on a particular product or service in order to obtain a large market share in that space) P&C insurer. We purchased shares at an attractive valuation and the company has a strong dividend yield.

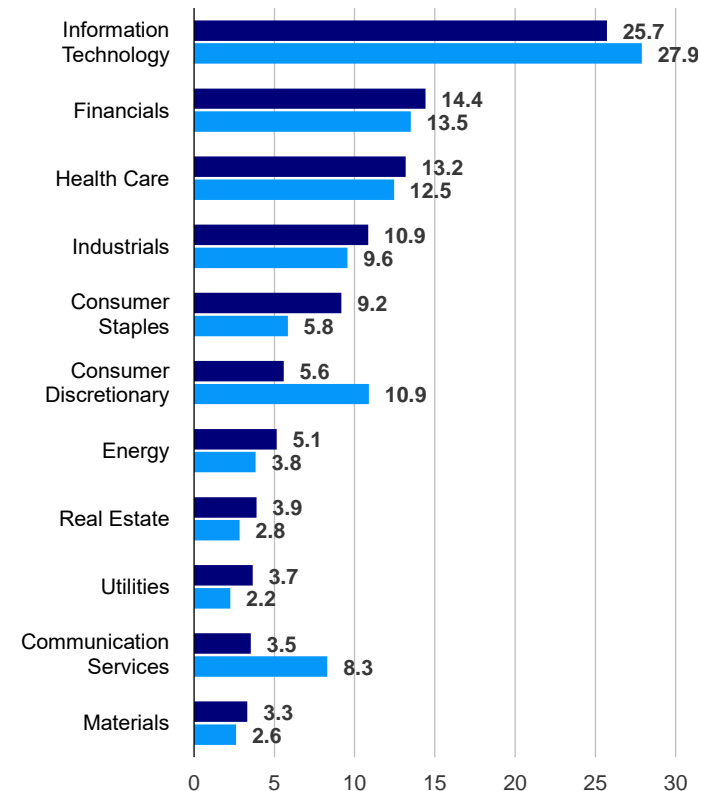
PPL is a fully regulated integrated utility with revenues from Pennsylvania (48%), Kentucky (38%) and Rhode Island (14%). PPL sold its UK subsidiary in 2021 and used proceeds partly to strengthen its financial position. As a result, we believe the company now has one of the industry's best balance sheets, which we believe should serve it well in a high interest rate environment. PPL also has, in our view, an interesting opportunity to transition from a coal fleet to cleaner energy, which would support earnings growth. We bought shares at an attractive valuation and the company historically pays a healthy dividend.

Notable Sales

Pfizer – We sold the fund's position in Pfizer due to the company's deteriorating fundamentals.
Raytheon – We sold the fund's Raytheon position because an issue with engine recalls was creating headwinds for the stock price.

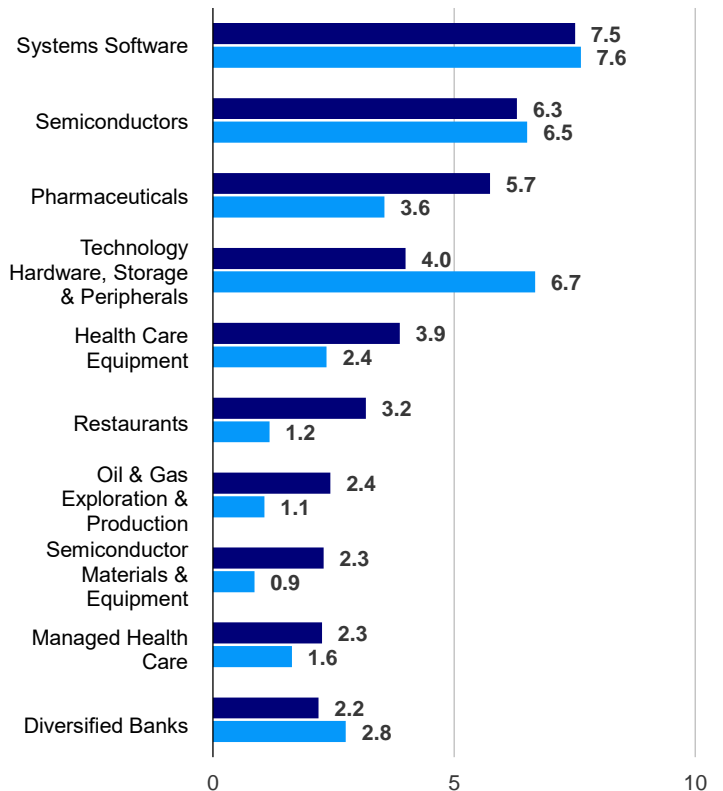
Sector breakdown (% of total net assets)

■ Fund ■ Russell 1000 Index (USD)



Top industries (% of total net assets)

■ Fund ■ Russell 1000 Index (USD)



Top contributors (%)

Issuer	Return	Contrib. to return
Microsoft Corporation	19.34	1.59
Broadcom Inc.	35.01	0.68
Apple Inc.	12.60	0.55
NVIDIA Corporation	13.86	0.43
JPMorgan Chase & Co.	18.16	0.38

Top detractors (%)

Issuer	Return	Contrib. to return
Chevron Corporation	-10.60	-0.27
Baxter International Inc.	-14.79	-0.12
Becton, Dickinson and Company	-5.30	-0.09
APA CORPORATION	-12.18	-0.09
Dominion Energy, Inc.	-9.25	-0.08

Performance highlights

US equity markets posted gains in the fourth quarter as investors appeared to anticipate the potential end of Federal Reserve (Fed) interest rate hikes. Sector performance within the Russell 1000 Index was mostly positive. Energy was the only sector to post a loss for the quarter, while real estate, information technology (IT) and financials posted the largest gains. The IT sector was the largest positive contributor to the fund's absolute performance, while energy was the only detractor from absolute return. Good stock selection in financials, IT and real estate added the most to relative return for the quarter. Stock selection in consumer staples and health care detracted the most from relative return.

Contributors to performance

Microsoft: Shares rose after management reported strong results for the quarter ended September 30, 2023. Microsoft also continued to benefit from apparent investor excitement about how artificial intelligence could supplement the company's already robust technology platform.

Broadcom: Shares of the semiconductor company rose after management reported better-than-expected financial results for the fiscal fourth quarter ended October 29, 2023. Broadcom also increased its revenue forecast

for fiscal 2024, with growth mainly driven by its acquisition of VMware.

Apple: Shares of Apple rose along with the IT sector in general during the quarter.

Detractors from performance

Chevron: Shares fell along with the energy sector in general as oil prices declined. While management also released disappointing results for the third quarter, we believe many of the headwinds were caused by timing issues that will likely be resolved in the fourth quarter.

Baxter: Share prices for this medical equipment maker fell when Novo Nordisk (not a fund holding) published results of a study showing that Ozempic slowed the progression of kidney disease in diabetes patients. While Baxter has plans to spin off its dialysis business, we have concerns about whether that will remove this new cloud over the stock so we sold the fund's position.

Becton Dickinson & Company: Shares of the world's largest manufacturer and distributor of medical surgical products fell after management lowered guidance for fiscal year 2024. We took advantage of this short-term weakness and added to the fund's position during the quarter.

Standardized performance (%) as of December 31, 2023

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
Class A shares inception: 04/30/80	NAV	9.61	17.60	17.60	9.16	13.82	9.15	11.96
	Max. Load 5.5%	3.59	11.14	11.14	7.12	12.54	8.54	11.82
Class R6 shares inception: 02/28/12	NAV	9.68	17.99	17.99	9.52	14.22	9.58	10.61
Class Y shares inception: 12/16/96	NAV	9.67	17.90	17.90	9.43	14.09	9.42	8.13
Russell 1000 Index (USD)		11.96	26.53	26.53	8.97	15.52	11.80	-
Total return ranking vs. Morningstar Large Blend category (Class A shares at NAV)		-	-	79% (1154 of 1432)	47% (582 of 1302)	66% (772 of 1197)	86% (769 of 903)	-

Expense ratios per the current prospectus: Class A: Net: 0.96%, Total: 0.96%; Class R6: Net: 0.63%, Total: 0.63%; Class Y: Net: 0.71%, Total: 0.71%.

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. 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 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 (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Class A shares at NAV	10.93	-0.68	4.53	16.76	-6.52	29.56	13.34	26.64	-12.66	17.60
Class R6 shares at NAV	11.43	-0.22	4.94	17.22	-6.08	30.05	13.78	27.08	-12.39	17.99
Class Y shares at NAV	11.19	-0.43	4.78	17.03	-6.28	29.91	13.57	26.97	-12.46	17.90
Russell 1000 Index (USD)	13.24	0.92	12.05	21.69	-4.78	31.43	20.96	26.45	-19.13	26.53

Portfolio characteristics*

	Fund	Index
No. of holdings	70	1,010
Top 10 issuers (% of AUM)	29.16	28.09
Wtd. avg. mkt. cap (\$M)	522,672	659,818
Price/earnings	21.39	22.27
Price to book	4.07	4.14
Est. 3 – 5 year EPS growth (%)	9.85	11.22
ROE (%)	24.95	23.77
Long-term debt to capital (%)	43.76	40.53
Operating margin (%)	26.39	22.06

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-0.66	0.00
Beta	0.93	1.00
Sharpe ratio	0.67	0.72
Information ratio	-0.49	0.00
Standard dev. (%)	17.87	18.95
Tracking error (%)	3.44	0.00
Up capture (%)	85.30	100.00
Down capture (%)	96.80	100.00
Max. drawdown (%)	21.70	24.59

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.04	-0.16	-0.11
Consumer Discretionary	-0.05	-0.28	-0.34
Consumer Staples	-0.23	-0.43	-0.66
Energy	-0.23	0.03	-0.20
Financials	0.01	0.22	0.22
Health Care	-0.10	-0.41	-0.51
Industrials	0.04	-0.28	-0.24
Information Technology	-0.12	0.29	0.17
Materials	0.00	-0.07	-0.07
Real Estate	0.04	0.18	0.22
Utilities	-0.01	-0.21	-0.22
Cash	-0.35	0.00	-0.35
Total	-0.95	-1.12	-2.07

Holdings are subject to change and are not buy/sell recommendations. Attribution methodology notes: The attribution provides analysis of the effects of several portfolio management decisions, including allocation and security selection. Securities classified as "Other" may include non-equity securities, derivatives, and securities for which a sector classification may not be appropriate. The portfolio is actively managed and portfolio holdings are subject to change. The percentage weights represented for the portfolio are dollar weighted based on market value. **Market allocation effect** shows the excess contribution due to sector/market allocation. A positive allocation effect implies that the choice of sector weights in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Selection effect** shows the excess contribution due to security selection. A positive selection effect implies that the choice of stocks in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Total effect** is the difference in contribution between the benchmark and portfolio. **Past performance does not guarantee future results.**

Unless otherwise specified, all information is as of 12/31/23. Unless stated otherwise, Index refers to Russell 1000 Index (USD).

The Russell 1000® Index is an unmanaged index considered representative of large-cap stocks. The Russell 1000 Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. An investment cannot be made directly in an index.

About risk

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.

Common stocks do not assure dividend payments. Dividends are paid only when declared by an issuer's board of directors and the amount of any dividend may vary over time.

The Fund's value may be affected by changes in the stock markets. Stock markets may experience significant short-term volatility and may fall or rise sharply at times. Adverse events in any part of the equity or fixed-income markets may have unexpected negative effects on other market segments. Different stock markets may behave differently from each other and U.S. stock markets may move in the opposite direction from one or more foreign stock markets.

Stocks of small and medium-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to resale.

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.

The investment techniques and risk analysis used by the portfolio managers may not produce the desired results.

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 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. **Information Ratio** is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns. **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. **Weighted Average Market Cap** is a measure of the average size of company held in a portfolio. The percentage of the portfolio invested each company, or its weight, is multiplied by its size (market capitalization). An average of the weighted size of all companies held is then calculated. **Price/earnings** measures the price per share relative to the earnings per share of the company while excluding extraordinary items. **Price to book** measures the firm's capitalization (market price) to book value. **Est. 3-5 year EPS (Earning per share) growth** measures the earning per share growth from FY3 to FY5. **ROE** is the Return on Equity that measures the fund's annual return relative to total shareholders' equity. This ratio evaluates how quickly investments can be turned into profits. **Long-term debt to capital** measures a fund's financial leverage by calculating the proportion of long-term debt used to finance its assets relative to the amount of equity used for the same purpose. A higher ratio indicates higher leverage. **Operating margin** measures the profit a fund makes for every dollar of sales after paying the variable expenses. **Contribution to Return** measures the performance impact from portfolio holdings over a defined time period. It takes into account both weight and performance of the portfolio holdings. Contribution to Return is calculated at security level.

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.