

Market Overview August 2025

Portfolio Managers

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Lead Portfolio Manager

Chris McMeans, CFA
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Portfolio Manager

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Fund Inception
Dec. 31, 2001

Fund Assets
\$10,648.77 billion
As of August 31, 2025

Investment philosophy

We seek to serve as a foundation for investors' portfolios by employing a total return approach, emphasizing appreciation, income and preservation.

The fund is managed to provide upside participation with better downside preservation over a full market cycle and seeks to deliver a low-volatility, broadly diversified stock portfolio across all market sectors.

Every company we buy is required to pay a dividend at time of purchase.

For additional information,
please visit our website at
[invesco.com/us](https://www.invesco.com/us)

Not a Deposit Not FDIC Insured
Not Guaranteed by the Bank May Lose Value
Not Insured by any Federal Government Agency

U.S. markets ended August higher, fueled by strong corporate earnings, ongoing Artificial Intelligence (AI) optimism, and growing expectations of Federal Reserve rate cuts. However, concerns lingered over persistent inflation, new tariffs, and signs of a cooling labor market. The July jobs report, released in early August, showed nonfarm payrolls rising by just 73,000¹—well below forecasts—with previous months' figures revised sharply downward. This slowdown in hiring bolstered the case for a Fed rate cut in September, even as inflation remained a key concern. The economy showed resilience in 2nd quarter 2025, with real Gross Domestic Product (GDP) growing at an annualized 3.3%². Yet, much of this strength was due to technical factors like a drop in imports, rather than robust consumer spending, which showed signs of strain. Meanwhile, new trade policies pushed the effective tariff rate to its highest level since 1933, adding to inflationary pressures and uncertainty about future growth. The Fed kept rates steady at its recent meeting, but weak labor data in early August further fueled expectations of a cut at the September meeting.

Against this backdrop, the Invesco Diversified Dividend Fund A Shares at NAV underperformed the Russell 1000 Value Index.

Fund performance drivers

Underperformance during the month was due to stock selection in the industrials, consumer staples, and health care sectors. A consumer staples sector overweight relative to the index was also a headwind. The portfolio's ancillary cash position also weighed on relative results as markets moved higher in August. The results within these sectors were largely driven by a mix of company specific factors, manufacturing job losses, policy uncertainty, and broader economic headwinds.

Leading absolute detractors:

- **Eaton Corp.** was among the top absolute detractors resulting from forward looking guidance that came in below expectations, weakness in the vehicle and eMobility segments, and cost pressures from tariff impacts.
- **Deere & Co.** shares declined following its earnings results showing a fall in year-over-year net sales with declines across multiple important segments. Forward looking guidance also came down amid greater tariff impacts in the second half of the year.
- **Microsoft** performance during the month was driven in part by a broader IT sector sell-off. There were also concerns about Microsoft's competitive position within the AI ecosystem.

Alternatively, the leading contributors to relative performance included stock selection in the consumer discretionary, materials, financials, energy and communication services sectors. Performance within these sectors was broadly driven optimism surrounding expectations for rate cuts as well as sector and company specific factors.

Leading absolute contributors:

- **Lowe's** was the top absolute contributor to relative results driven earnings results that exceeded analyst's expectations, an increase in its forward-looking guidance, and strategic acquisitions expected to expand its reach into the professional contractor segment.
- **CRH** performed well during the month following a solid Q2 earnings report. Management also raised its full-year guidance driven by steady demand, pricing improvements, and acquisitions that are helping drive growth.
- **Alphabet's** share price rose during the month as optimism grew that a US Fed rate cut would be coming soon amid cooling labor data. There were also headlines that Apple is considering using Google's AI team to redesign Siri given recent engineering setbacks.



Sector Allocation	Total Net Assets (%)
Financials	21.25
Health Care	14.09
Industrials	11.38
Consumer Staples	10.94
Information Technology	9.62
Consumer Discretionary	8.54
Energy	6.24
Communication Services	4.93
Utilities	4.56
Materials	3.97
Real Estate	2.37
Cash	2.11

As of August 31, 2025. May not equal 100% due to rounding. The Global Industry Classification Standard was developed by and is the exclusive property and service mark of MSCI, Inc. and Standard & Poor's.

Portfolio Activity and Positioning

From a sector positioning perspective, the team is excited about the way the portfolio is positioned, with a good balance across both sectors and industries, and exposure to areas benefitting from long-term secular growth tailwinds including artificial intelligence, e-commerce, electric vehicles, cloud computing, industrial automation, medical technology, and more efficient delivery of energy.

Importantly, our dual focus on companies generating sustainable levels of free cash flow and healthy balance sheets also gives us a quality bias and provides defensive characteristics that may prove valuable if market volatility continues in 2025.

As an all-weather portfolio, we believe the Fund can help mitigate downside risk if volatility continues in 2025 and should also be well positioned to capture a good portion of the upside if markets move higher. Additionally, we believe that investors will place a heavier focus on dividend paying stocks in 2025 and beyond.

Standardized performance (%) as of August 31, 2025

	Annualized						
Invesco Diversified Dividend Fund	1 Month	3 Months	YTD	1 Year	3 years	5 Years	10 Years
Class A shares at NAV	2.99	7.99	10.68	10.47	12.24	12.03	8.72
Class A shares w/ max 5.50% load	-2.68	2.05	4.58	4.41	10.15	10.76	8.11
Russell 1000 Value Index	3.19	7.33	10.01	9.33	12.88	12.98	10.22
Morningstar Large Value Percentile Ranking				39% (420/1129)	66% (687/1077)	72% (725/1018)	89% (722/826)
As of the latest quarter ending, June 30, 2025							
Invesco Diversified Dividend Fund	1 Month	3 Months	YTD	1 Year	3 years	5 Years	10 Years
Class A shares at NAV	3.75	4.44	6.33	13.53	11.80	12.52	8.12
Class A shares w/ max 5.50% load	-1.95	-1.29	0.47	7.27	9.71	11.25	7.51
Russell 1000 Value Index	3.42	3.79	6.00	13.70	12.76	13.93	9.19
Morningstar Large Value Percentile Ranking				40% (444/1140)	65% (708/1088)	77% (873/1023)	84% (672/821)

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 so that you may have a gain or loss when you sell shares. Index returns do not reflect any fees, expenses or sales charges. Performance shown at NAV does not include applicable front-end sales charges (max. 5.50%), which would have reduced performance. Performance for other share classes will differ due to differing sales charge structures and class expenses. 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. Return figures for periods shown are annualized.

Morningstar rankings are based on total return, excluding sales charges and including fees and expenses versus all funds in the Morningstar category. Open-end mutual funds and exchange-traded funds are considered a single population for comparison purposes. Had fees not been waived and/or expenses reimbursed currently or in the past, the ranking would have been lower. ©2025 Morningstar, Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers. It may not be copied or distributed and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Returns for periods of less than one year are cumulative and not annualized.

Annual expense ratios: Class A shares (total) 0.82% per the current prospectus. See current prospectus for more information.

Inception date: Class A shares inception Dec. 31, 2001

The Russell 1000® Value Index is an unmanaged index considered representative of large-cap value stocks. The Russell 1000 Value Index are a trademark/service mark of the Frank Russell Co.

An investment cannot be made directly in an index. Past performance is not a guarantee of future results.

The Consumer Price Index is a measure of the average change over time in the prices paid by urban consumers for a marker basket of consumer goods and services.

1.Source: US Bureau of Labor Statistics, September 5, 2025

2.Source: US Bureau of Economic Analysis, August 28, 2025

As of 08/31/25, the Invesco Diversified Dividend Fund had 1.49% of its assets in Eaton Corp., 1.40% in Deere & Co., 2.44% in Microsoft, 2.84% in Lowe's, 1.54% in CRH, and 2.02% in Alphabet.

Important disclosures:

Holdings are subject to change and are not buy/sell recommendations. The investment techniques and risk analysis used by the portfolio managers may not produce the desired results.

The opinions expressed are those of the Portfolio Managers of the Invesco Diversified Dividend Fund and 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.

Forward-looking statements are not guarantees of future results. They invoke risks, uncertainties and assumptions, there can be no assurance that actual results will not differ materially from expectations.

About risk

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.

Securities that pay high dividends as a group can fall out of favor with the market, causing such companies to underperform companies that do not pay high dividends. Also changes in the dividend policies of the companies and the capital resources available for such companies' dividend payments may affect the Fund

The risks of investing in securities of foreign issuers can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

A value style of investing is subject to the risk that the valuations never improve or that the returns will trail other styles of investing or the overall stock markets.

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

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 professional for a prospectus/summary prospectus or visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus).