

Invesco Equity and Income Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of Sept. 30, 2022



Investment objective

The fund seeks current income and, secondarily, capital appreciation.

Portfolio management

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Fund facts

Nasdaq	A: ACEIX	C: ACERX Y: ACETX
Total Net Assets	\$10,962,379,402	
Total Number of Holdings	330	

Top equity holdings

	% of total net assets
Wells Fargo	2.52
ConocoPhillips	2.22
Bank of America	1.73
General Motors 'C'	1.65
Cognizant Technology Solutions 'A'	1.57
AIG	1.49
Exxon Mobil	1.43
CBRE 'A'	1.42
Merck	1.40
T-Mobile US	1.32

Top contributors

	% of total net assets
1. ConocoPhillips	2.22
2. PayPal	0.80
3. Devon Energy	1.01
4. TJX	1.19
5. Charles Schwab	1.03

Top detractors

	% of total net assets
1. Charter Communications 'A'	0.53
2. Cognizant Technology Solutions 'A'	1.57
3. Comcast 'A'	0.71
4. Sanofi	0.77
5. Intel	0.47

Not a deposit; Not FDIC insured; Not guaranteed by the bank; May lose value; Not insured by any federal agency

Market overview

+ Despite a brief summer rally, stocks traded sharply lower in the third quarter, particularly following comments from US Federal Reserve Chair Jerome Powell in August that indicated further monetary policy tightening. Though energy prices fell during the quarter, the Consumer Price Index (CPI) remained at a multi-decade high, rising by 8.3% for the 12 months ending in August. Complicating matters, a tight labor market boosted wage and job growth, with the 3.7% US unemployment rate still near record

lows. The Fed acknowledged that its continued aggressive action to curb inflation could "bring pain to households and businesses." In July and again in September, the Fed raised the benchmark federal funds rate by 0.75%. This forceful action deflated investors' hopes for a pause in rate hikes during the second half and increased the likelihood of a US recession. In this environment, equities and fixed income instruments broadly declined, with the S&P 500 Index returning -4.88%.

Positioning and outlook

+ Within the fund's equity portion, we purchased new holdings in information technology (IT) and telecommunications services and exchanged holdings in energy. At quarter end, the largest overweights within the equity portion were in IT and energy, while the largest underweights were in utilities and consumer staples.

+ We believe market volatility will continue through year end due to rising recession risks as the Fed fights inflation. Global energy concerns, the war in

Ukraine and the US midterm elections may also weigh on equity returns in the near term, though any solid evidence of weakening inflation may provide support.

+ Regardless of the market environment, we seek to invest in companies with attractive valuations and strong fundamentals, qualities that we believe will ultimately be reflected in those companies' stock prices.

Performance highlights

+ The fund's Class A shares at net asset value (NAV) outperformed the Russell 1000 Value Index during the quarter. (Please see the investment results table on page 2 for fund and index performance.) Within the index, energy was the only sector with a positive return for the quarter. Communication services and real estate had the largest declines.

Contributors to performance

+ Stock selection in financials and consumer discretionary primarily drove the fund's outperformance of its benchmark. Within financials, **Charles Schwab** benefited from higher interest rates with an increase in net interest revenues that offset weakness in trading and asset management.

+ Discount retailer **TJX** was a strong contributor in consumer discretionary. **TJX** reported a mixed quarter; earnings were higher than expected, but revenues were weaker as inflation dented consumer spending.

+ Stock selection and an overweight in energy also aided relative results, partly due to **ConocoPhillips** and **Devon Energy**, which performed well despite declining oil prices.

+ The fund holds high grade bonds and convertible securities as a source of income and to help provide a measure of stability amid market volatility. The fund's holdings in these asset classes had a positive effect on performance relative to the index.

Detractors from performance

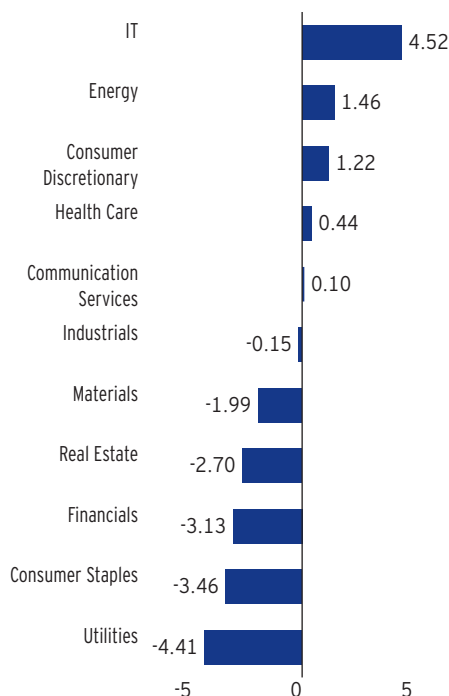
+ Stock selection in consumer staples was the largest detractor from the fund's relative return. Holdings of food distributors underperformed, while lack of exposure to **Walmart** (0.00% of total net assets) also hurt relative performance.

+ Stock selection and an overweight in health care detracted from relative return, primarily due to **Sanofi**. The stock declined sharply due to pending litigation regarding possible carcinogenic effects of acid reflux drug ZANTAC. **Sanofi**, a distributor of the drug, faces billions in potential settlement costs.

+ Stock selection in industrials and utilities also detracted from relative return.

+ The largest individual detractor from absolute return was **Charter Communications**, which faced weakening subscriber growth as COVID-19 lockdowns have eased.

The fund's positioning versus the Russell 1000 Value Index (% underweight/overweight)



The fund's positioning against the index is based on the equity weightings of the fund.

Investment results

Average annual total returns (%) as of Sept. 30, 2022

Period	Class A Shares		Class C Shares		Class Y Shares	Broad-Based Index
	Inception: 08/03/60	NAV	Inception: 07/06/93	NAV	Inception: 12/22/04	
	Max Load 5.50%		Max CDSC 1.00%			Russell 1000 Value Index
Inception	9.67	9.77	8.44	8.44	6.59	-
10 Years	6.79	7.40	6.76	6.76	7.67	9.17
5 Years	3.17	4.33	3.59	3.59	4.60	5.29
3 Years	3.21	5.18	4.38	4.38	5.45	4.36
1 Year	-15.88	-11.01	-12.47	-11.69	-10.78	-11.36
Quarter	-8.56	-3.20	-4.33	-3.37	-3.14	-5.62

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, 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. Index source: FactSet Research Systems Inc.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	0.78	0.78	Dom Common Stock	57.74
Class C Shares	1.53	1.53	Intl Common Stock	4.17
Class Y Shares	0.53	0.53	Dom Corp Bonds	9.44
Per the current prospectus			Intl Corp Bonds	1.54
			Dom Convert Bonds	8.81
			Intl Convert Bonds	0.47
			Dom Convert Prfd	0.58
			Dom Gov Bonds	10.75
			Dom Preferred Stock	0.03
			Cash	6.16
			Other	0.31

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Class Y shares are available only to certain investors. See the prospectus for more information.

Asset allocation/diversification does not guarantee a profit or eliminate the risk of loss.

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.

The Russell 1000® Value Index is an unmanaged index considered representative of large-cap value stocks. The Russell 1000 Value 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.

The S&P 500® Index is an unmanaged index considered representative of the US stock market. An investment cannot be made directly in an index.

About risk

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.

Stock and other equity securities values fluctuate in response to activities specific to the company as well as general market, economic and political conditions.

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

Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa.

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.

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.

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 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 professionals 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. Financial professionals, 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.