

Invesco Equity and Income Fund

Quarterly Performance Commentary

Mutual Fund Retail Share Classes
Data as of June 30, 2020



Investment objective

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

Portfolio management

Brian Jurkash, Matthew Titus, Chuck Burge, Sergio Marcheli

Fund facts

Nasdaq	A: ACEIX	C: ACERX Y: ACETX
Total Net Assets	\$11,287,944,842	
Total Number of Holdings	341	

Top equity holdings

	% of total net assets
Citi	2.13
Philip Morris	2.02
Bank of America	2.01
Morgan Stanley	1.84
General Dynamics	1.78
Johnson & Johnson	1.75
Goldman Sachs	1.75
General Motors	1.73
AIG	1.61
CSX	1.57

Top contributors

	% of total net assets
1. Morgan Stanley	1.84
2. Apple	1.29
3. Goldman Sachs	1.75
4. Citi	2.13
5. QUALCOMM	1.34

Top detractors

	% of total net assets
1. Carnival	0.00
2. BP	0.73
3. Royal Dutch Shell	0.70
4. Parsley Energy	0.74
5. Philip Morris International	2.02

Market overview

+ After a tumultuous start to 2020, US stocks largely shrugged off economic uncertainty, social unrest and a resurgence in coronavirus infections to post the best quarterly return since 1998. The rally followed a sharp economic decline caused by global shutdowns to slow the spread of COVID-19. Despite record unemployment and continued economic uncertainty, most economists believe the US economy hit a low in April. Investor sentiment improved in response to trillions of dollars in economic stimulus, progress on a

coronavirus vaccine and reopening in many US regions. After oil futures contracts turned negative in early April, oil prices doubled in June, which supported struggling energy companies and millions of energy sector employees. All S&P 500 Index sectors had positive returns for the quarter, with consumer discretionary, information technology (IT) and energy returning over 30%, while utilities and consumer staples had single-digit gains.

Positioning and outlook

+ During the quarter, we sold positions in the consumer discretionary and financials sectors and added positions in energy and industrials.
+ At quarter end, the fund's largest overweights were in IT and health care, while the largest underweights were in real estate, industrials and utilities.

+ Market volatility is likely to continue as the coronavirus pandemic has accelerated in some areas of the US, which could slow an economic recovery. As always, 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) underperformed the Russell 1000 Value Index during the quarter. (Please see the investment results table on page 2 for fund and index performance). All sectors within the index had gains during the quarter; energy had the largest return while utilities had the smallest.

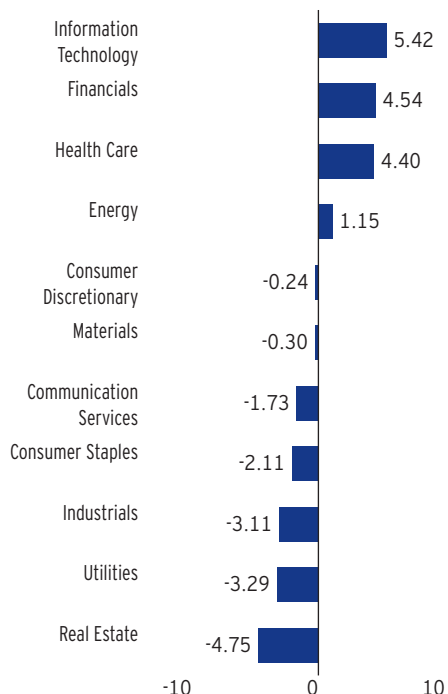
Contributors to performance

+ Stock selection in financials was the largest contributor to the fund's relative return, largely due to diversified financials such as **Morgan Stanley** and **Goldman Sachs**, and banks such as **Citigroup**. The sector rallied on the Federal Reserve's stimulus, improving economic conditions and better-than-expected employment numbers.
+ Stock selection and an overweight in IT also contributed to the fund's relative return. Within the sector, **Apple** and **QUALCOMM** were significant individual contributors. **Apple** shares rallied from their first quarter lows as the company reopened its factory in China and demand appeared to recover.
+ The fund's underweight in utilities also helped relative performance as this more defensive sector posted muted gains for the quarter.

Detractors from performance

+ Stock selection in energy was the largest detractor from the fund's relative return. **BP**, **Royal Dutch Shell** and **Parsley Energy** lagged during the quarter, while more speculative segments within the sector rallied, particularly stocks within the exploration and production industry.
+ The fund's exposure to high grade fixed income and convertible securities also detracted from relative performance. Though the fund's high-grade bonds and convertibles had positive returns, these instruments lagged the index for the quarter. The fund's cash position, while under 4% on average, dampened relative performance given the strong market rally.
+ Positioning in the consumer discretionary sector negatively affected relative return, with **Carnival** a notable detractor. The cruise industry faces hardship due to the coronavirus outbreak as many itineraries have been cancelled or postponed. We began reducing the fund's holdings of **Carnival** in the first quarter and eliminated the position in April because we see better investment opportunities elsewhere.

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 June 30, 2020

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	9.70	9.80	8.33	8.33	6.21	-
10 Years	7.58	8.19	7.40	7.40	8.47	10.41
5 Years	2.75	3.92	3.17	3.17	4.19	4.64
3 Years	-0.23	1.68	0.96	0.96	1.94	1.82
1 Year	-8.84	-3.50	-5.05	-4.14	-3.25	-8.84
Quarter	7.48	13.78	12.59	13.59	13.85	14.29

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. Index source: FactSet Research Systems Inc.

Expense ratios	% net	% total	Asset mix (%)	
Class A Shares	0.79	0.80	Dom Common Stock	58.57
Class C Shares	1.50	1.51	Intl Common Stock	7.13
Class Y Shares	0.54	0.55	Dom Corp Bonds	12.17
Per the current prospectus			Intl Corp Bonds	2.87
Net = Total annual operating expenses less any contractual fee waivers and/or expense reimbursements by the adviser in effect through at least June 30, 2020. See current prospectus for more information.			Dom Convert Bonds	8.39
			Intl Convert Bonds	1.20
			Dom Convert Prfd	0.52
			Dom Gov Bonds	5.07
			Dom Preferred Stock	0.03
			Cash	3.02
			Other	1.03

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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.

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.

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.

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. 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.