Invesco Rising Dividends Fund

Q2 2025

Key takeaways

1 **Navigating a shifting market**
After a volatile start sparked by surprise tariffs and recession fears, US financial markets rebounded strongly. The S&P 500 Index ended at a record high despite economic headwinds.

2 **Dual focus on free cash flows and healthy balance sheets**
The fund is balanced across sectors and industries, with a focus on long-term growth areas and companies with sustainable free cash flow and healthy balance sheets, which results in an overall quality bias and defensive characteristics.

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 dividends.

Investment objective
The fund seeks total return.

Fund facts

Fund AUM ($M)	3,263.34

Portfolio managers
Raman Vardharaj, Peter Santoro, Belinda Cavazos

Manager perspective and outlook

- US financial markets faced heightened volatility in the second quarter following the Trump administration’s surprise announcement of a broad tariff policy that imposed reciprocal tariffs on imports from all countries.
- The policy caused investor anxiety and introduced significant uncertainty for US businesses, leading many to lower their forward earnings guidance.
- Before the administration paused most tariffs for 90 days, the US dollar had weakened against major currencies, and yield spreads between Treasuries and non-Treasury fixed income sectors widened, raising concerns about a potential recession.
- Economic indicators soon confirmed a slowdown: first quarter real gross domestic product (GDP) was revised down to -0.5%, hindered by weaker consumer spending and an import surge ahead of tariffs.
- We believe the fund is well-positioned to defend against the downside if market and geopolitical uncertainty leads to volatility in 2025 and should also be well-positioned to capture a good portion of the upside if markets move higher.
- Additionally, we believe investors will place a greater focus on dividend paying stocks in 2025 and beyond. In the past, dividends have accounted for a much larger portion of total return than they have over the last decade. However, if we enter a period with more normal returns, dividends could make up a much larger portion of total return.

Top issuers
(% of total net assets)

	Fund	Index
Microsoft Corp	7.77	6.44
NVIDIA Corp	5.03	6.46
Apple Inc	4.26	5.28
Alphabet Inc	3.85	3.26
Broadcom Inc	3.07	2.22
JPMorgan Chase & Co	3.06	1.41
Meta Platforms Inc	2.54	2.82
Walmart Inc	2.21	0.74
Visa Inc	2.13	1.06
Procter & Gamble Co/The	1.98	0.65

As of 06/30/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

Compared to the Russell 1000 Index, the fund is generally balanced across both sectors and industries, with exposure to areas benefiting from long-term secular growth tailwinds, including e-commerce, electric vehicles, cloud computing, industrial automation, medical technology and broadband. Importantly, our dual focus on companies generating sustainable levels of free cash flow and having healthy balance sheets gives the fund a quality bias and provides defensive characteristics that we believe should prove valuable if market volatility persists.

Notable Additions

Keurig Dr. Pepper, a leading North American beverage company, has been pressured by recent headwinds in consumer staples. We believe improving trends and profit margin expansion position the company well for recovery. The stock's valuation is attractive to us.

CVS Health appeared oversold as new management has been taking the helm, Medicare Advantage utilization has been stabilizing, and the company positions for profit margin improvement and an $800 million tailwind from higher rated Medicare Advantage plans in 2025.

Danaher is a leading provider of essential products for life sciences, diagnostics and biotechnology. Recent tariff-related stock weakness created an attractive entry point, in our view. Meanwhile, we believe secular trends in biologics, research and development, and personalized medicine support long-term growth.

Oracle in our view stands out as a compelling alternative to large scale cloud service providers, with its database business poised for accelerated growth as it transitions to the cloud.

Notable Sales

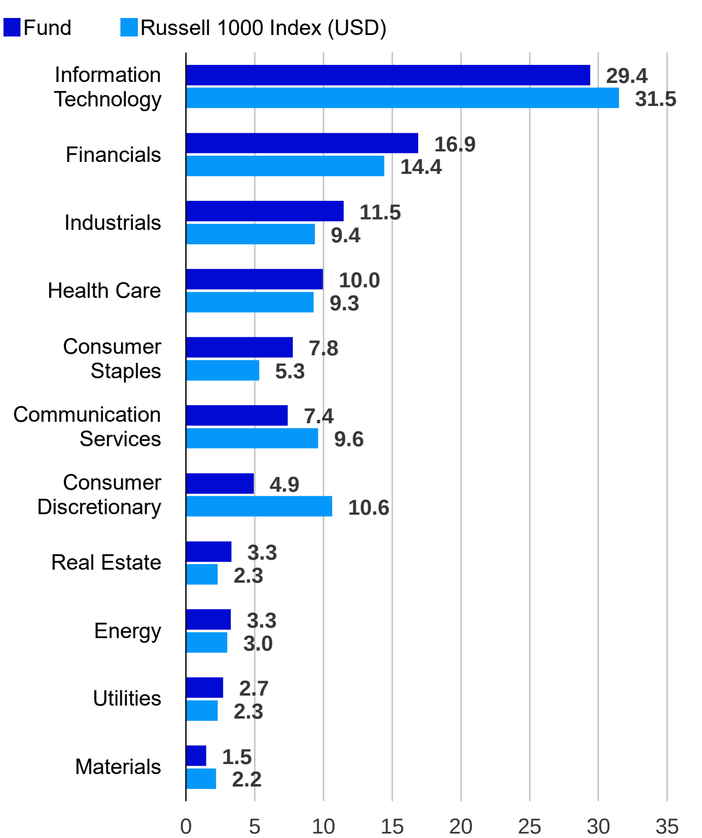
Comcast is an American multinational mass media, telecommunications and entertainment conglomerate. We sold the position due to persistent subscriber losses and deteriorating trends in the overall broadband industry.

Zimmer Biomet is a global medical technology leader providing medical devices, implants and digital technologies. We sold the position after the company said ongoing difficulties implementing a new enterprise resource planning (ERP) system could negatively affect financial results.

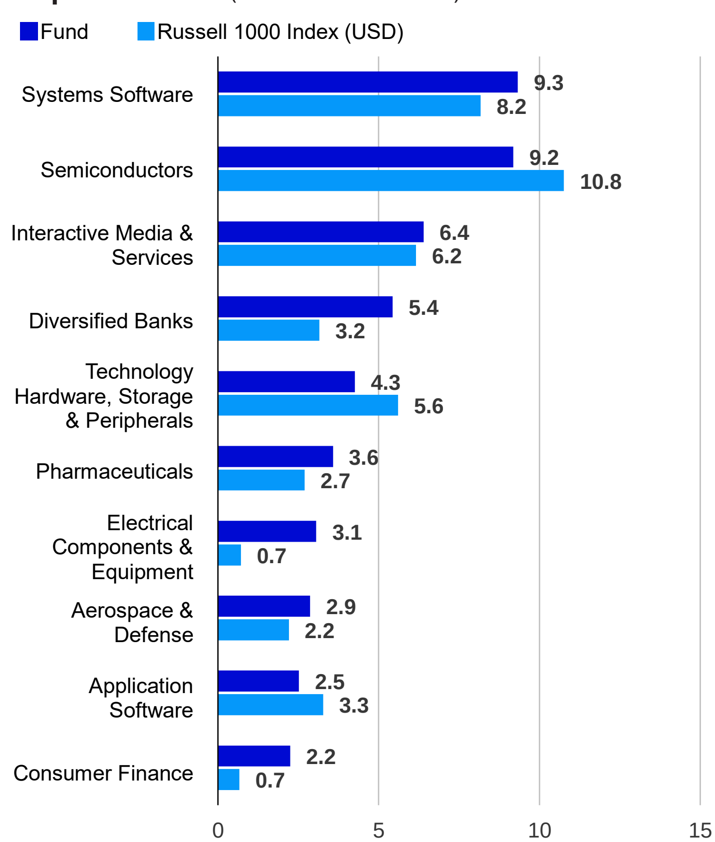
Motorola, a communications company, was sold due to valuation concerns and a risk-reward profile that became less attractive to us.

Teck Resources a diversified natural resources company based in Vancouver, British Columbia, engages in mining and mineral development. We sold due to tariff-related concerns about copper.

Sector breakdown (% of total net assets)



Top industries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
Microsoft Corporation	32.75	2.28
NVIDIA Corporation	45.78	1.77
Broadcom Inc.	65.02	1.42
Meta Platforms, Inc.	28.16	0.63
JPMorgan Chase & Co.	18.97	0.56

Top detractors (%)

Issuer	Return	Contrib. to return
UnitedHealth Group Incorporated	-40.01	-1.05
Apple Inc.	-7.52	-0.43
Bristol-Myers Squibb Company	-23.25	-0.28
Chevron Corporation	-13.35	-0.26
ConocoPhillips	-13.81	-0.26

Performance highlights

The fund had a positive return but underperformed the Russell 1000 Index during the quarter. The primary detractor from relative performance was stock selection and an overweight in the health care sector, followed by stock selection and an underweight in communication services. Stock selection in the consumer discretionary sector and an underweight in information technology were also headwinds. Conversely, strong stock selection in the industrials and financials sectors were leading contributors to relative results. Stock selection in utilities and real estate also added to relative return.

Contributors to performance

Microsoft reported strong earnings results with accelerating Azure growth, robust Microsoft 365 commercial performance and higher-than-expected operating margins. Management issued upbeat forward guidance, while reaffirming its outlook for capital expenditure growth.

NVIDIA outperformed in the second quarter on record-breaking results driven by surging artificial intelligence (AI)-related chip demand, strong data center growth and a massive share buyback program that appeared to reinforce investor confidence.

Broadcom's share price rose as the chipmaker delivered robust growth, launched a new product and benefited from a wave of bullish analyst upgrades, despite quarterly earnings only modestly beating analysts' estimates.

Detractors from performance

UnitedHealth declined on seemingly deteriorating sentiment due to management's withdrawal of earnings guidance and ongoing challenges to profit margins and reimbursements at Optum and Medicare Advantage. Execution was also a concern as first quarter results fell short of revenue forecasts and showed a cut to 2025 earnings per share, leaving little potential for near-term upside, in our view.

Apple declined during the quarter amid growing concerns that the company is falling behind in the AI race.

Bristol-Myers Squibb shares declined despite first quarter results beating expectations and management raising guidance for annual revenue. The pullback appeared to result from concerns about generic competition affecting key legacy drugs and skepticism about future growth.

Standardized performance (%) as of June 30, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 04/30/80	NAV	9.46	7.31	14.10	16.79	14.96	10.72	12.16
	Max. Load 5.5%	3.42	1.39	7.83	14.61	13.67	10.10	12.02
Class R6 shares inception: 02/28/12	NAV	9.55	7.48	14.46	17.18	15.36	11.14	11.46
Class Y shares inception: 12/16/96	NAV	9.53	7.49	14.39	17.08	15.26	11.00	8.64
Russell 1000 Index (USD)		11.11	6.12	15.66	19.59	16.30	13.35	-
Total return ranking vs. Morningstar Large Blend category (Class A shares at NAV)		-	-	45% (600 of 1357)	68% (884 of 1268)	62% (722 of 1166)	82% (748 of 899)	-

Expense ratios per the current prospectus: Class A: Net: 0.98%, Total: 0.98%; Class R6: Net: 0.65%, Total: 0.65%; Class Y: Net: 0.73%, Total: 0.73%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit 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.

Calendar year total returns (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Class A shares at NAV	-0.68	4.53	16.76	-6.52	29.56	13.34	26.64	-12.66	17.60	19.45
Class R6 shares at NAV	-0.22	4.94	17.22	-6.08	30.05	13.78	27.08	-12.39	17.99	19.85
Class Y shares at NAV	-0.43	4.78	17.03	-6.28	29.91	13.57	26.97	-12.46	17.90	19.73
Russell 1000 Index (USD)	0.92	12.05	21.69	-4.78	31.43	20.96	26.45	-19.13	26.53	24.51

Portfolio characteristics*

	Fund	Index
No. of holdings	71	1,015
Top 10 issuers (% of AUM)	35.89	33.27
Wtd. avg. mkt. cap ($M)	960,181	1,040,274
Price/earnings	24.93	25.75
Price to book	4.93	4.92
Est. 3 – 5 year EPS growth (%)	13.63	14.69
ROE (%)	23.46	22.21
Long-term debt to capital (%)	41.23	37.07
Operating margin (%)	28.53	26.27

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-0.13	0.00
Beta	0.91	1.00
Sharpe ratio	0.79	0.81
Information ratio	-0.38	0.00
Standard dev. (%)	15.44	16.60
Tracking error (%)	3.53	0.00
Up capture (%)	86.05	100.00
Down capture (%)	95.49	100.00
Max. drawdown (%)	21.70	24.59

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	-0.28	-0.26	-0.53
Consumer Discretionary	0.01	-0.22	-0.21
Consumer Staples	-0.28	0.26	-0.02
Energy	-0.04	-0.09	-0.13
Financials	-0.09	0.37	0.28
Health Care	-0.37	-0.60	-0.97
Industrials	0.05	0.39	0.43
Information Technology	-0.26	0.00	-0.26
Materials	0.05	-0.02	0.03
Other	0.00	0.00	0.00
Real Estate	-0.12	0.16	0.05
Utilities	-0.03	0.12	0.10
Cash	-0.08	0.00	-0.08
Total	**-1.43**	**0.13**	**-1.31**

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 06/30/25. 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.

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

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.

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

 Past performance is no guarantee of future results. 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. Rankings for other share classes may differ due to different performance characteristics.

Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit invesco.com/fundprospectus for a prospectus/summary prospectus containing this information. Read it carefully before investing.