

# Invesco Rising Dividends Fund

## Q1 2026

## Key takeaways

- 1 Market volatility amid economic and AI uncertainty**

Volatility rose in the first quarter amid shifting interest rate expectations, geopolitical tension and mixed economic data. The S&P 500 Index had its largest quarterly decline since 2022<sup>1</sup>. The US Federal Reserve (Fed) paused its rate cuts, adopting a cautious stance.
- 2 Performance drivers**

Top performers benefited from disciplined capital management, operational efficiencies, order backlogs and innovation that fueled margin improvements. Underperformers were held back by supply constraints, heavy capital investments, mixed segment growth and segment-specific weaknesses.
- 3 Portfolio positioning focused on quality**

The fund maintained a quality bias, emphasizing companies that generate sustainable free cash flow and healthy balance sheets, with exposure to secular growers in areas like cloud computing, automation and health care to navigate volatility.

### Investment objective

The fund seeks total return.

### Fund facts

Fund AUM (\$M) 3,181.60

### Portfolio managers

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## Manager perspective and outlook

- US financial markets experienced a turbulent first quarter driven by shifting interest rate expectations, geopolitical instability and mixed economic data.
- Equities began the year supported by solid corporate earnings and broader market leadership, but volatility increased in late February and March.
- Rising tensions involving Iran, higher energy prices and continued uncertainty about artificial intelligence (AI) disruption seemed to weigh on investor sentiment.
- After three interest rate cuts in late 2025, the Fed held rates steady, signaling a more cautious approach with interest rates remaining higher for longer.
- Economic growth remained positive but showed signs of slowing, with smaller job gains, a rise in unemployment and inflation still above the Fed's 2% target.
- The S&P 500 Index returned -4.33%, its weakest quarterly result since 2022<sup>1</sup>.
- Value stocks outperformed growth, as rising rates and a selloff in technology stocks appeared to pressure growth-oriented benchmarks.
- The potential for further downside in risk assets has increased, though stronger private-sector balance sheets may help limit the severity compared to past stress periods.
- Prolonged geopolitical strain in our view dampens prospects for synchronized global growth in 2026. In a slower growth, higher inflation environment, we believe higher quality, dividend paying large-cap stocks may be better positioned.



## Top issuers

(% of total market value)

	Fund	Index
Alphabet Inc	6.16	5.07
Microsoft Corp	5.93	4.59
NVIDIA Corp	5.69	6.83
Apple Inc	5.40	6.11
Broadcom Inc	3.53	2.39
JPMorgan Chase & Co	2.68	1.34
Meta Platforms Inc	2.53	2.09
Eli Lilly & Co	1.83	1.23
Chevron Corp	1.83	0.65
AbbVie Inc	1.67	0.64

As of 03/31/26. 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 sectors and industries, with exposure to areas that have been 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

**Darden Restaurants** is a best-in-class, multi-brand restaurant operator with over 1,800 locations targeting various consumer segments. The company historically benefits from a disciplined management approach and key favorable trends, including potential for increased consumer discretionary spending supported by tax reductions from the "One Big Beautiful Bill." Delivery sales in our view also offer incremental growth potential.

**Devon Energy** is a pure-play (a company that focuses on a particular product or service in order to obtain a large market share in that space) onshore shale oil and gas exploration and production company with what we see as a strong management track record and operational efficiency. A recent merger addressed a key limitation of below-average acreage, creating in our view a larger, more efficient entity. We expect post-merger execution and synergies to drive multiple expansion, potentially aligning Devon's valuation with its peers.

**Mondelez International** is a global snack leader with top positions in cookies and chocolate, supported by strong billion-dollar brands. Normalization of cocoa prices and the roll off of cocoa hedges in 2027 set the stage in our view for profit recovery, especially in Europe where Mondelez has robust market share. Its US cookie business has been facing affordability challenges, but innovation and brand investment aim to drive growth. We believe emerging markets also provide a key tailwind for growth. Overall, Mondelez historically benefits from resilient global snacking trends, solid brand loyalty and low private label penetration.

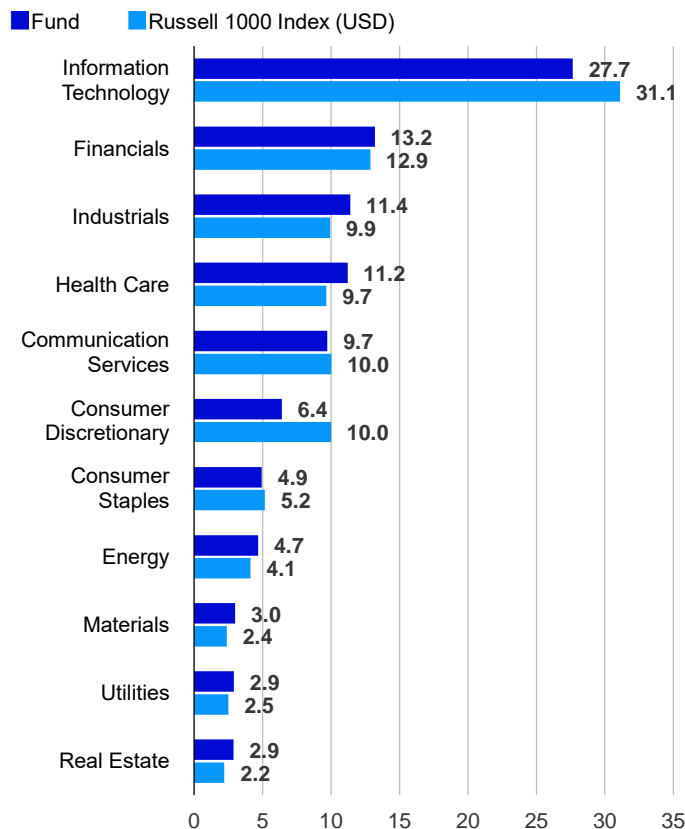
### Notable Sales

**Salesforce** was sold due to apparently deteriorating investor sentiment amid growing fears AI will disrupt software-as-a-service (SaaS) business models.

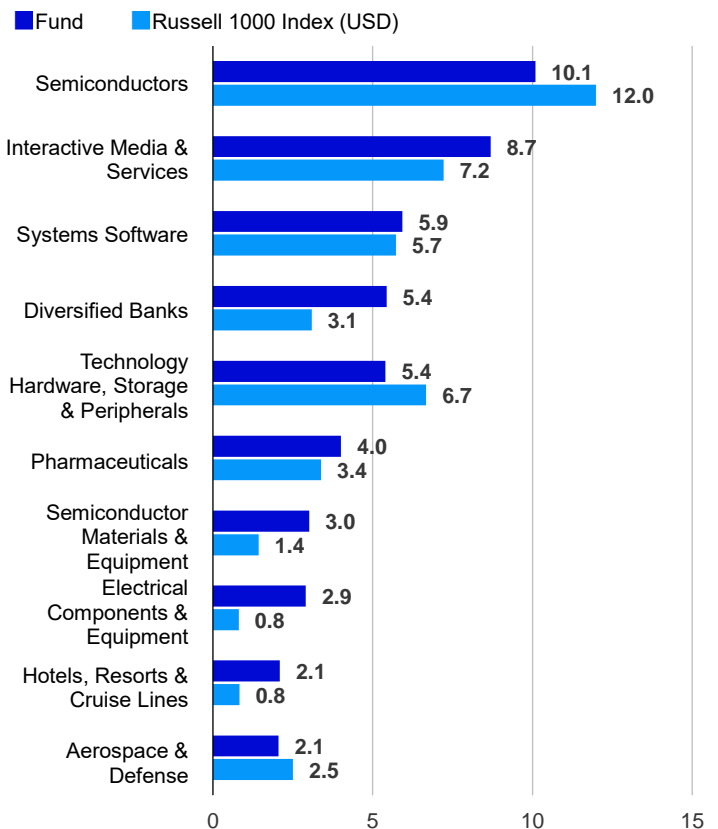
**KKR** was sold due to increasing uncertainty tied to hidden private credit issues, data center financing and software exposure that seemingly have weakened investor sentiment toward alternative investments.

**Sysco** was sold due to restaurant industry headwinds linked to rising input costs and discretionary spending pressures.

## Sector breakdown (% of total market value)



## Top industries (% of total market value)



## Top contributors (%)

Issuer	Return	Contrib. to return
Chevron Corporation	37.09	0.45
ConocoPhillips	42.08	0.39
ASML Holding NV	23.60	0.30
Johnson & Johnson	18.74	0.16
Deere & Company	21.34	0.16

## Top detractors (%)

Issuer	Return	Contrib. to return
Microsoft Corporation	-23.28	-1.64
Alphabet Inc.	-8.06	-0.50
Intuit Inc.	-34.61	-0.44
Salesforce, Inc.	-30.01	-0.41
Broadcom Inc.	-10.39	-0.39

## Performance highlights

The fund had a negative return and underperformed the Russell 1000 Index during the quarter. Underperformance was driven by weak stock selection in the information technology, health care, financials and consumer staples sectors. An overweight in financials was also a drag on results. Conversely, strong stock selection in the consumer discretionary and real estate sectors added the most to relative return. An overweight in the industrials sector was a tailwind as well.

### Contributors to performance

**Chevron** has been in our view performing well operationally, with record production and solid prospects for free cash flow growth. We believe the company is well positioned in key growth areas like Venezuela and the Permian Basin, with disciplined capital allocation and cost efficiency programs supporting its outlook.

**ConocoPhillips** delivered strong performance attributable to its disciplined capital management, operational efficiencies, strategic portfolio focus and favorable market positioning. These factors enabled the company to deliver production growth and robust free cash flow.

**ASML's** strong stock performance was driven by a robust and growing order backlog, revenue that beat expectations, improving gross margins through operational efficiencies and product mix, leadership in

EUV (extreme ultraviolet) technology with strong demand visibility, innovation in key sensor technologies and shareholder-friendly capital allocation policies. Management's cautious but positive outlook on capacity constraints and clean room availability appears to support a strong medium-term growth trajectory.

### Detractors from performance

**Microsoft's** recent underperformance is due to supply-side constraints in Azure capacity, compounded by internal prioritization of resources for AI and research and development projects. This has delayed the expected acceleration in Azure growth, which we believe is critical for driving near-term stock performance.

**Alphabet** stock seemed to suffer from a combination of heavy capital investments in AI and cloud infrastructure, mixed growth across business segments (notably YouTube's slowdown) and reputational/regulatory risks related to Waymo's autonomous vehicle operations. **Intuit's** challenges seem to stem primarily from its weak Mailchimp segment, conservative guidance for the second half of 2026 despite strong early-year results, and inherent dependence on tax season. While core products like QuickBooks and TurboTax in our view performed well, a cautious outlook and segment-specific weaknesses created headwinds.

## Standardized performance (%) as of March 31, 2026

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 04/30/80	NAV	-4.41	-4.41	14.48	14.65	10.85	11.54	12.06
	<b>Max. Load 5.5%</b>	-9.66	-9.66	8.17	12.51	9.61	10.91	11.92
Class R6 shares inception: 02/28/12	NAV	-4.32	-4.32	14.86	15.03	11.23	11.95	11.19
Class Y shares inception: 12/16/96	NAV	-4.36	-4.36	14.76	14.93	11.14	11.81	8.58
Russell 1000 Index (USD)		-4.18	-4.18	17.74	18.14	11.34	13.97	-
Total return ranking vs. Morningstar Large Blend category (Class A shares at NAV)		-	-	66% (846 of 1315)	73% (891 of 1215)	47% (522 of 1127)	80% (721 of 891)	-

Expense ratios per the current prospectus: Class A: Net: 0.96%, Total: 0.96%; Class R6: Net: 0.64%, Total: 0.64%; 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 (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	4.53	16.76	-6.52	29.56	13.34	26.64	-12.66	17.60	19.45	17.40
Class R6 shares at NAV	4.94	17.22	-6.08	30.05	13.78	27.08	-12.39	17.99	19.85	17.78
Class Y shares at NAV	4.78	17.03	-6.28	29.91	13.57	26.97	-12.46	17.90	19.73	17.75
Russell 1000 Index (USD)	12.05	21.69	-4.78	31.43	20.96	26.45	-19.13	26.53	24.51	17.37

### Portfolio characteristics\*

	Fund	Index
No. of holdings	72	1,006
Top 10 issuers (% of AUM)	37.25	33.65
Wtd. avg. mkt. cap (\$M)	1,093,051	1,132,035
Price/earnings	24.00	24.08
Price to book	4.88	4.76
Est. 3 – 5 year EPS growth (%)	13.95	15.17
ROE (%)	24.51	22.72
Long-term debt to capital (%)	38.67	35.46
Operating margin (%)	29.49	26.86

### Risk statistics (5 year)\*

	Fund	Index
Alpha (%)	0.10	0.00
Beta	0.92	1.00
Sharpe ratio	0.51	0.51
Information ratio	-0.15	0.00
Standard dev. (%)	14.53	15.45
Tracking error (%)	3.28	0.00
Up capture (%)	88.20	100.00
Down capture (%)	94.57	100.00
Max. drawdown (%)	21.70	24.59

### Quarterly performance attribution

#### Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	-0.01	0.03	0.03
Consumer Discretionary	0.21	0.69	0.90
Consumer Staples	0.07	-0.30	-0.23
Energy	0.06	-0.10	-0.04
Financials	-0.10	-0.19	-0.29
Health Care	0.00	-0.32	-0.31
Industrials	0.18	-0.01	0.17
Information Technology	0.16	-0.49	-0.33
Materials	0.07	-0.21	-0.14
Other	0.00	0.00	0.00
Real Estate	0.04	0.12	0.16
Utilities	0.03	0.06	0.10
Cash	0.00	0.00	0.00
<b>Total</b>	<b>0.71</b>	<b>-0.70</b>	<b>0.01</b>

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.**

1 Source: Invesco

Unless otherwise specified, all information is as of 03/31/26. Unless stated otherwise, Index refers to Russell 1000 Index (USD).

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

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

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#### 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.

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#### 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.**