

Invesco Comstock Fund

Q1 2025

Key takeaways

- 1 The fund outperformed the Russell 1000 Value Index**

The largest contributors to relative return were consumer staples, health care and consumer discretionary, primarily due to stock selection. Stock selection in financials, communication services and utilities detracted the most from relative return.
- 2 Fund activity**

We added **Restaurant Brands International, Icon, UnitedHealth** and **Energys** to the fund. No stocks were eliminated from the portfolio during the quarter.
- 3 Market leadership shifted in favor of economically sensitive sectors**

Energy was the top performing sector within the S&P 500 Index. Defensive market sectors such as health care and consumer staples also had gains. Consumer discretionary and information technology (IT) had double-digit losses for the quarter.

Investment objective

The fund seeks total return through growth of capital and current income.

Fund facts

Fund AUM (\$M) 12,109.02

Portfolio managers

Devin Armstrong, Kevin Holt, Jay Warwick

Manager perspective and outlook

Opportunity for Value Stocks

- Market leadership shifted as the value segment outperformed growth, based on the Russell 1000 Value Index, which returned 2.14%, and the Russell 1000 Growth Index, which returned -9.97%.
- Within the Russell 1000 Value Index, sector performance was mostly positive. Only industrials, consumer discretionary and IT had negative returns.
- Consensus forecasts for interest rate cuts in 2025 have been fewer than initially expected. However, due to a slowing economy, the US Federal Reserve may enact more rate cuts to stimulate growth. Previous cuts from 2024 and a resilient economy could help the fund's holdings achieve the performance improvements we look for over time.
- We believe market volatility may continue into 2025 given apparent economic uncertainty related to Trump administration policies (effect of tariffs), along with sanctions (Iran, Russia and China) and ongoing conflict in the middle east and Russia/Ukraine.
- We believe there is a potential advantage for active stock selection rather than simply buying the index given a surge in volatility, elevated near-term risks and a broad equity market that has still been top heavy due to high valuations on mega-cap technology and communication services stocks.



Top issuers

(% of total net assets)

	Fund	Index
Wells Fargo & Co	3.03	0.95
Bank of America Corp	2.92	1.12
Cisco Systems Inc	2.46	0.99
CVS Health Corp	2.32	0.34
Microsoft Corp	2.25	0.00
Philip Morris International Inc	2.08	0.99
Chevron Corp	2.02	1.10
Meta Platforms Inc	2.00	0.00
Sysco Corp	1.83	0.06
Alphabet Inc	1.83	0.00

As of 03/31/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

Areas of Opportunity

Through our value lens we see very attractive upside in regional banks, health care (broadly with long-term upside in HMOs looking very attractive to us), select consumer staples and a few better positioned media stocks. We still see good opportunities in select consumer service/technology stocks that we think will gain further share in advertising and benefit from artificial intelligence (AI) initiatives.

During the quarter, we added new holdings **Restaurant Brands International**, **Icon**, **UnitedHealth** and **Evergy**.

Sector Over and Underweights

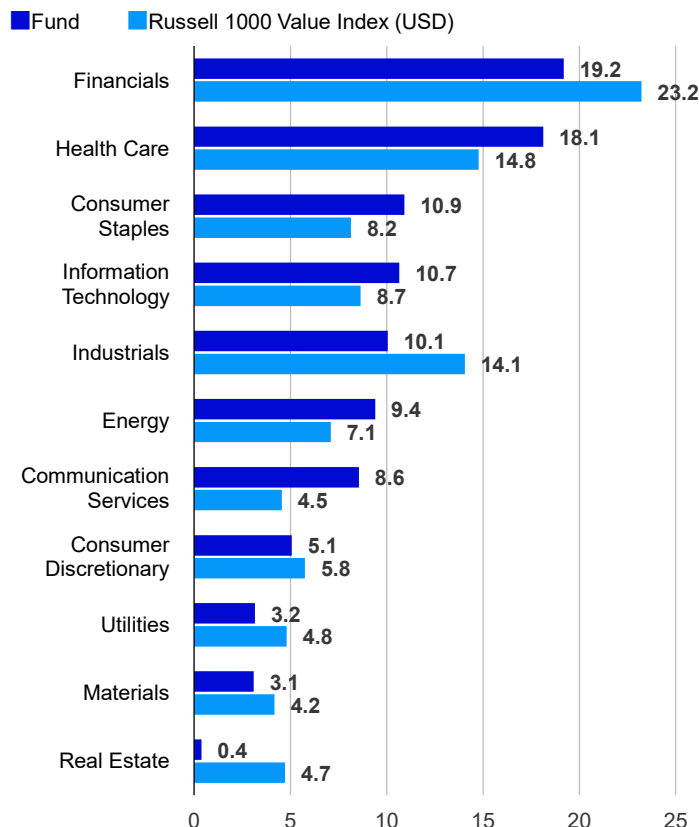
At quarter end, the largest overweights relative to the benchmark were in communication services, health care and consumer staples. Within communication services, the largest overweight was in interactive media services. This is a sector where we were selling during the quarter based on valuations. Within health care, most of the overweight is in health care providers and services and pharmaceuticals. Health care is the sector we added the most to during the quarter. Within consumer staples, the largest overweights were in beverages and household products, followed by tobacco. This is a sector where we were buying during the quarter, primarily in beverage stocks.

The largest underweights included real estate, industrials and financials. Within real estate, the fund's only exposure was a small position in a telecommunications tower company. Within industrials, the largest underweights were in electrical components/equipment and construction machinery/heavy transportation. Within financials, the largest underweights were in capital markets and financial services. We were net sellers, reducing fund exposure in this sector during the quarter.

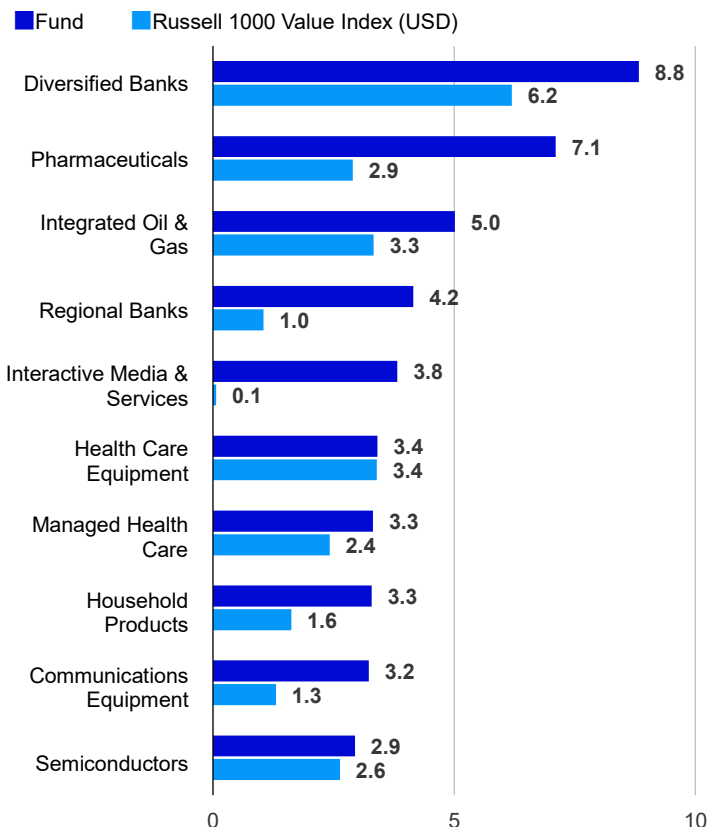
Trading Activity

As far as the quarter's trading activity, health care and utilities represented the biggest additions. Conversely, the largest reductions occurred in financials and communication services, including diversified banks, investment banking & brokerage, media and interactive media services.

Sector breakdown (% of total net assets)



Top industries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
CVS Health Corporation	52.79	0.76
Philip Morris International Inc.	33.06	0.56
Chevron Corporation	16.77	0.30
American International Group, Inc.	19.99	0.29
Elevance Health, Inc.	18.40	0.29

Top detractors (%)

Issuer	Return	Contrib. to return
Alphabet Inc.	-18.21	-0.39
Las Vegas Sands Corp.	-24.33	-0.30
Microsoft Corporation	-10.76	-0.26
Eaton Corporation plc	-17.78	-0.23
FedEx Corporation	-12.86	-0.23

Performance highlights

The largest contributors to relative return were consumer staples, health care and consumer discretionary, primarily driven by stock selection. The largest detractors from relative performance were financials, communication services and utilities.

Contributors to performance

Consumer staples - The fund benefited from strong performance of beverage stocks, with contributions from **Anheuser-Busch InBev**, a large global beer brewer. **Coca-Cola Co.** and **Keurig Dr. Pepper** boosted relative return. Favorable results from **Philip Morris International** aided relative return.

Health care - Performance in the sector was primarily driven by stock selection in health care services and managed health care. **CVS Health**, previously a notable detractor in 2024, was one of the largest contributors to absolute and relative return in the first quarter. Overweights in select pharmaceutical stocks with strong performance also boosted relative return.

Consumer discretionary - Performance was largely driven by an overweight in online

retailer **eBay**, which materially outperformed the sector and its industry. Having no exposure to specialty retail, the worst performing industry within the sector, helped relative return.

Detractors from performance

Financials - The largest detractor within the sector was not owning **Berkshire Hathaway** in the financial services industry. Stock selection within diversified and regional banks detracted, as these stocks underperformed partly due to apparent investor worries about a slowing economy and potential effects on loan growth and credit issues.

Communication services - **Alphabet**, the large internet content and information company with substantial AI development, was the largest detractor from relative return. Most companies with AI heavy investment underperformed during the quarter as investors appeared to weigh future benefits against high spending.

Utilities - **Sempra**, an energy infrastructure company operating in the US and globally, was one of the largest detractors.

Standardized performance (%) as of March 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 10/07/68	NAV	2.75	2.75	8.29	8.76	21.19	9.78	10.87
	Max. Load 5.5%	-2.89	-2.89	2.33	6.72	19.83	9.16	10.75
Class R6 shares inception: 09/24/12	NAV	2.81	2.81	8.69	9.16	21.65	10.22	11.68
Class Y shares inception: 10/29/04	NAV	2.82	2.82	8.61	9.04	21.49	10.06	8.87
Russell 1000 Value Index (USD)		2.14	2.14	7.18	6.64	16.15	8.79	-
Total return ranking vs. Morningstar Large Value category (Class A shares at NAV)		-	-	29% (326 of 1160)	17% (153 of 1094)	4% (37 of 1034)	25% (158 of 812)	-

Expense ratios per the current prospectus: Class A: Net: 0.81%, Total: 0.81%; Class R6: Net: 0.45%, Total: 0.45%; Class Y: Net: 0.56%, Total: 0.56%.

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. 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 (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Class A shares at NAV	-5.93	17.83	17.77	-12.24	25.34	-0.79	33.32	0.81	12.24	15.02
Class R6 shares at NAV	-5.52	18.32	18.33	-11.88	25.82	-0.38	33.84	1.17	12.67	15.47
Class Y shares at NAV	-5.69	18.08	18.11	-12.02	25.65	-0.56	33.70	1.04	12.53	15.32
Russell 1000 Value Index (USD)	-3.83	17.34	13.66	-8.27	26.54	2.80	25.16	-7.54	11.46	14.37

Portfolio characteristics*

	Fund	Index
No. of holdings	80	870
Top 10 issuers (% of AUM)	22.75	18.18
Wtd. avg. mkt. cap (\$M)	238,807	190,346
Price/earnings	17.24	18.75
Price to book	2.19	2.58
Est. 3 – 5 year EPS growth (%)	10.33	9.51
ROE (%)	15.96	16.09
Long-term debt to capital (%)	40.54	40.51
Operating margin (%)	18.79	19.22

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	3.94	0.00
Beta	1.05	1.00
Sharpe ratio	1.05	0.82
Information ratio	1.14	0.00
Standard dev. (%)	17.69	16.42
Tracking error (%)	4.42	0.00
Up capture (%)	114.08	100.00
Down capture (%)	91.32	100.00
Max. drawdown (%)	15.55	17.75

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.26	-0.94	-0.68
Consumer Discretionary	0.08	0.32	0.40
Consumer Staples	0.09	0.83	0.93
Currency Forward	-0.12	0.00	-0.12
Energy	0.16	0.21	0.37
Financials	-0.01	-0.70	-0.71
Health Care	0.10	0.83	0.93
Industrials	0.18	-0.30	-0.12
Information Technology	-0.13	0.35	0.22
Materials	0.01	-0.02	-0.01
Real Estate	-0.02	0.02	0.00
Utilities	-0.08	-0.32	-0.40
Cash	-0.04	0.00	-0.04
Total	0.48	0.28	0.77

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 03/31/25. Unless stated otherwise, Index refers to Russell 1000 Value Index (USD).

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.

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.

The risks of investing in securities of foreign issuers, including emerging markets, can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues. Developing markets may especially be volatile.

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.

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.

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

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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.