

Portfolio Managers

Brian Jurkash

Co-Lead Portfolio Manager,
Equities

Matt Titus, CFA

Co-Lead Portfolio Manager,
Equities

Sergio Marcheli

Portfolio Manager, Equities

Chuck Burge

Senior Portfolio Manager,
Fixed Income

**Supported by the Large Cap
Relative Value Equity Team****Fund Inception**

August 3, 1960

Fund Assets

\$11.73 billion

Investment objective

The Fund's investment objective is current income and, secondarily, capital appreciation.

Investment philosophy

The fund is composed of large cap value stocks, high quality bonds and convertible securities offering the potential for growth, income and a measure of stability.

Within the equity portion of the fund, we seek to identify attractive securities through rigorous fundamental research, focused on finding undervalued, unloved, under-earning companies we believe are experiencing a positive change—or catalyst.

Not a Deposit Not FDIC Insured
Not Guaranteed by the Bank May Lose Value
Not Insured by any Federal Government Agency

Market overview

Markets stabilized in April following a volatile March that was punctuated by the failure of two US regional banks. Milder inflation data and a better-than-expected corporate earnings season supported equities in April with most major indexes posting gains. For the 12-months ending March 31, the Consumer Price Index (CPI) came in at 5%, the smallest 12-month increase since the period ending May 2021.¹ The March month-over-month CPI rose by 0.1 %, a decline from an increase of 0.4% in February.¹ The labor market remained tight as nonfarm payrolls rose, and the unemployment rate held at historically low 3.5%.² As corporate earnings season got under way, results held up better than many investors had expected, and a number of companies, including some big tech names provided better future guidance. Stocks were also buoyed by investor optimism that the Federal Reserve would slow the pace of rate increases at its meeting in early May.

Equities advanced broadly in April, with the S&P 500 Index returning 1.56%.³ Within the S&P 500 Index, communication services and consumer staples had the highest returns, while materials, consumer discretionary and industrials had losses.³ Value stocks outperformed slightly with the Russell 1000 Value Index returning 1.51%, while the Russell 1000 Growth index returned 0.99%.³

Fund performance drivers

Invesco Equity and Income Fund (Class A at NAV) returned 1.33% in April, slightly underperforming its benchmark, the Russell 1000 Value Index, which returned 1.51%. Within the benchmark, consumer staples and communication services had the highest returns, while information technology (IT) materials and industrials were the only sectors with negative returns.

From an equity standpoint, stock selection in health care and energy contributed to relative performance. Within health care, Medtronic and Merck were key contributors. Merck reported strong earnings and revenues that beat expectations. Exxon Mobile was a significant contributor in energy. The company reported strong results, even as oil prices have declined in recent months.

Stock selection and an underweight in materials also aided relative performance in April.

**Top individual equity contributors on an absolute basis**

- Wells Fargo
- Exxon Mobil
- Medtronic
- Merck
- Meta

**Bottom individual equity contributors on an absolute basis**

- General Motors
- Cisco Systems
- NXP Semiconductors
- Splunk
- Parker-Hannifin

Within the equity portion of the fund, security selection in consumer discretionary and consumer staples detracted from the relative performance. Within consumer discretionary, General Motors was a key detractor. The automaker reported better than expected earnings and positive future guidance, but the stock traded lower amid concerns about the economic environment and increased competition from Tesla, which recently cut prices for some of its vehicles.

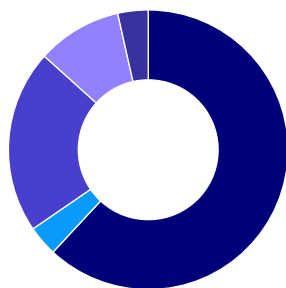
The fund's overweight in IT also detracted from relative returns, as it was the worst performing sector in the index in April. The fund's holdings in Cisco Systems, NXP Semiconductors and Splunk weighed on relative results.

The fund holds high grade bonds and convertible securities as a source of income and to help provide a measure of stability in volatile markets. The fund's holdings in these securities underperformed the benchmark and detracted from relative performance.



Asset allocation

As of April 30, 2023



Portfolio Positioning and Activity

The team initiated a new equity position in materials in April, funding the purchase with trims to other strong performing holdings. No other significant changes were made to the portfolio during the month.

At month end, the fund's largest absolute exposures in the equity portion of the fund were in financials, health care and IT. The fund's largest equity overweights relative to the Russell 1000 Value Index were in IT and health care, while the largest underweights were in utilities and real estate.

The fund's common equity holdings made up approximately 65% of the fund at the end of April. The fund also held approximately 10% in convertible securities, 21% in high quality bonds, and 4% cash at month end.

Performance Relative to Peers

The majority of the fund's peers in the Morningstar peer group use a blend or growth style, while the fund's equity sleeve uses a value style.⁴ Value and growth leadership typically moves in cycles, and the fund's value style can impact performance relative to peers both positively and negatively at times.

The fund's returns relative to peers improved due to rotation to value stocks that occurred in late 2020, and this is evident when looking at the fund's three-year returns. However, growth has outperformed more recently, which has blunted the fund's performance relative to peers. Year-to-date through April 28, 2023, the Russell 1000 Growth Index is up 15.49%, while the Russell 1000 Value Index is up just 2.53%.⁵

The fund continues to use a value style for the equity sleeve, and the managers seek to provide a stable, high grade fixed income component along with exposure to convertible securities.

Standardized performance (%) as of April 28, 2023

Equity and Income Fund	1 Month	3 Months	YTD	1 Year	Annualized		
					3 years	5 Years	10 Years
Class A shares at NAV	1.33	-3.39	1.45	-0.31	10.98	5.18	6.59
Class A shares w/ max 5.50% load	-4.24	-8.53	-3.95	-5.07	9.70	4.76	6.61
Class Y shares	1.43	-3.14	1.79	0.68	12.08	6.22	7.49
Russell 1000 Value Index	1.51	-2.52	2.53	1.21	14.38	7.75	9.13
Bloomberg US Govt/Credit Index	0.63	0.79	3.82	-0.26	-3.14	1.46	1.44
S&P 500 Index	1.56	2.72	9.17	2.66	14.52	11.45	12.20
Morningstar Allocation 70% to 85% Equity Category Average	0.84	-0.57	5.13	0.44	9.79	5.66	6.72

As of latest quarter end, March 31, 2022

	1 Month	3 Months	YTD	1 Year	3 years	5 Years	10 Years
Class A shares at NAV	-1.42	0.29	0.29	-6.57	14.51	5.89	7.28
Class A shares w/ max 5.50% load	-6.83	-5.21	-5.21	-11.69	12.36	4.70	6.67
Class Y shares	-1.45	0.36	0.36	-6.41	14.77	6.14	7.54
Russell 1000 Value Index	-0.46	1.01	1.01	-5.91	17.93	7.50	9.13

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. 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 shares have no sales charge; therefore, performance is at NAV. Class Y shares are available only to certain investors. See the prospectus for more information.

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Annual expense ratios: Class A shares (total) 0.79%. Class Y shares (total) 0.54%. Per the current prospectus. See current prospectus for more information.

Inception dates: Class A shares inception August 3, 1960, and Class Y shares inception December 22, 2004.

¹Source: Bureau of Labor Statistics, April 12, 2023
² Source: U.S. Bureau of Labor Statistics, April 7, 2023.
³ Source: Morningstar Direct, April 30, 2023
⁴Source: Morningstar as of 5/2/2022, the latest data available.
⁵Source: Morningstar Direct, April 28, 2023

As of 04/28/2023, Invesco Equity and Income Fund held 2.39% of Wells Fargo, 1.86% of Exxon Mobil, 1.20% of Medtronic, 1.39% of Merck, 0.93% of Meta, 1.16% of General Motors, 1.11% of Cisco Systems, 0.62% of NXP Semiconductors, 0.55% of Splunk, and 1.30% of Parker-Hannifin.

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.

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.

The Bloomberg U.S. Government/Credit Index is a broad-based benchmark that includes investment-grade, US dollar-denominated, fixed-rate Treasuries, government-related and corporate securities.

The Consumer Price Index is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. An investment cannot be made directly in an index.

Important disclosures:

All data as of 4/28/2023, unless otherwise stated.

All data provided by Invesco unless otherwise noted.

Holdings are subject to change and are not buy/sell recommendations.

The Global Industry Classification Standard was developed by and is the exclusive property and service mark of MSCI, Inc. and Standard & Poor's. .

Note: Not all products, materials or services available at all firms. Financial professionals, please contact your home office.

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.

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.

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

About risk:

In general, stock values fluctuate, sometimes widely, in response to activities specific to the company as well as general market, economic and political conditions.

Convertible securities may be affected by market interest rates, the risk of issuer default, the value of the underlying stock or the issuers right to buy back the convertible securities.

Obligations issued by US Government agencies and instrumentalities may receive varying levels of support from the government, which could affect the fund's ability to recover should they default.

Warrants may be significantly less valuable on their relevant expiration date or they may expire worthless. They may be postponed or terminated early resulting in partial or total investment loss and may also be subject to illiquidity.

Active trading results in added expenses and may result in a lower return and increased tax liability.

The value, interest rates, and liquidity of non-cash paying instruments, such as zero coupon and pay-in-kind securities, are subject to greater fluctuation than other types of 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.

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.

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 professional for a prospectus/summary prospectus or visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus).