Invesco Dividend Income Fund

Q4 2025

Key takeaways

1 **Market volatility amid economic and AI uncertainty**
Renewed volatility characterized the quarter. Seemingly mixed investor sentiment toward AI valuations, economic uncertainties and delayed data releases appeared to create a cautious backdrop, while inflation stayed above the US Federal Reserve (Fed) target, prompting interest rate cuts.

2 **Earnings resilience and sector leadership drove gains**
Strong corporate earnings and Fed rate cuts supported equities. Sectors benefiting from AI-driven productivity and infrastructure investments led gains, while value stocks outperformed growth amid ongoing sector rotation.

3 **Portfolio positioning focused on quality**
The portfolio maintained a quality bias emphasizing companies generating 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 current income and long-term growth of capital.

Fund facts

Fund AUM ($M)	3,705.78

Portfolio managers
Peter Santoro, Caroline Le Feuvre, Christopher McMeans, Craig Leopold

Manager perspective and outlook

- US equities saw renewed volatility in the fourth quarter due to seemingly mixed investor sentiment toward AI valuations, economic uncertainties and key economic data being delayed by the government shutdown.
- The initial third quarter GDP estimate showed robust growth of 4.3%, but labor market conditions softened with unemployment rising to 4.6%, a four-year high. Consumer spending remained resilient but showed early strain among lower income households.
- Inflation moderated but stayed above the Fed's 2% target, with the November CPI at 2.7%, which led the Fed to cut the federal funds rate twice in an effort to support growth amid easing inflation and labor market weakness.
- Despite mid-quarter volatility, strong corporate earnings and Fed rate cuts helped the S&P 500 Index return 2.66% for the quarter. Health care and communication services sectors outperformed; real estate and utilities lagged.
- Value stocks outperformed growth stocks. The Russell 1000 Value Index returned 3.81% compared to 1.12% for the Russell 1000 Growth Index.
- We believe that as an all-weather portfolio, the fund should be able to protect on the downside if volatility continues into 2026 while also being well-positioned to capture a portion of the upside if stocks move higher.

For more information, including prospectus and factsheet, please visit Invesco.com/FSTUX

Top issuers
(% of total market value)

	Fund	Index
JPMorgan Chase & Co	3.92	2.93
Johnson & Johnson	3.19	1.67
Bank of America Corp	3.18	1.13
Lowe's Cos Inc	3.01	0.45
Parker-Hannifin Corp	2.47	0.37
Cisco Systems Inc	2.28	1.03
Chevron Corp	2.26	0.95
Walmart Inc	2.21	1.46
McDonald's Corp	2.05	0.69
Philip Morris International Inc	2.02	0.84

As of 12/31/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

Compared to the Russell 1000 Value 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. Our dual focus on companies generating sustainable free cash flow levels and having healthy balance sheets gives the fund a quality bias, with defensive characteristics that we believe should be valuable if volatility persists.

Notable Additions

Citigroup was purchased because we believe its ongoing multi-year transformation – simplifying operations, divesting non-core assets and investing in higher margin areas – will improve long-term profitability and returns.

Linde was added due to its essential and resilient business model, anchored by long-term contracts and leadership in industrial gases, which we believe positions it to benefit from megatrends like global energy transition and technology growth.

NXP Semiconductors was added based on its strong leadership in the growing automotive semiconductor market, enhanced edge-AI capabilities through the Kinara AI acquisition, and strategic manufacturing investments, which we believe position it well for growth.

UnitedHealth was purchased due to our increased confidence in management and optimism about margin stabilization, possible AI-driven growth and potential for catalysts.

ASML is among the world's largest suppliers of semiconductor equipment and the only supplier of extreme ultraviolet lithography.

Notable Sales

Air Products was sold due to our disappointment in a poorly structured ammonia project deal that raised uncertainty about the company's turnaround timing.

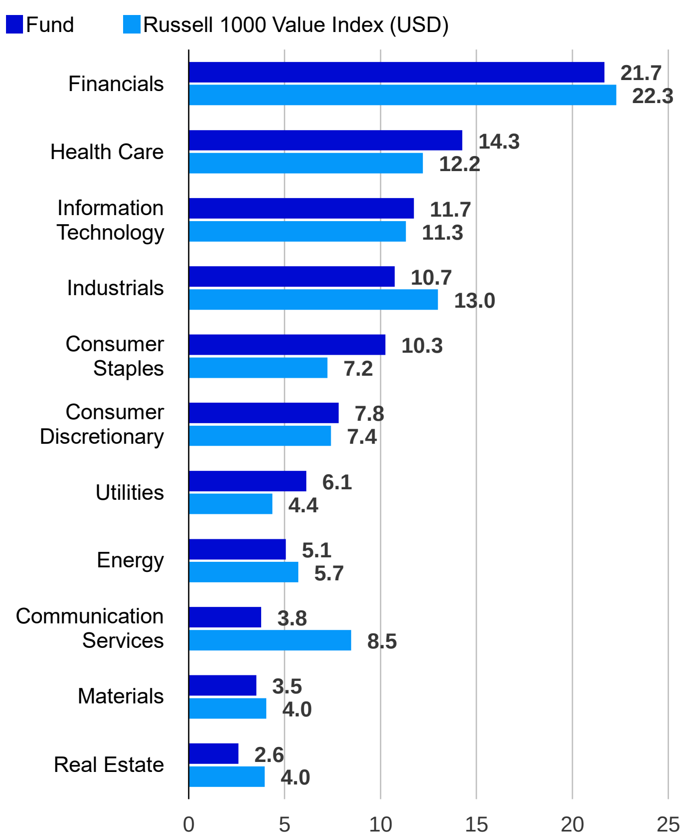
AstraZeneca was sold due to valuation concerns.

Morgan Stanley was sold on concerns about rising valuation after strong performance, with proceeds used to initiate a new Citigroup position.

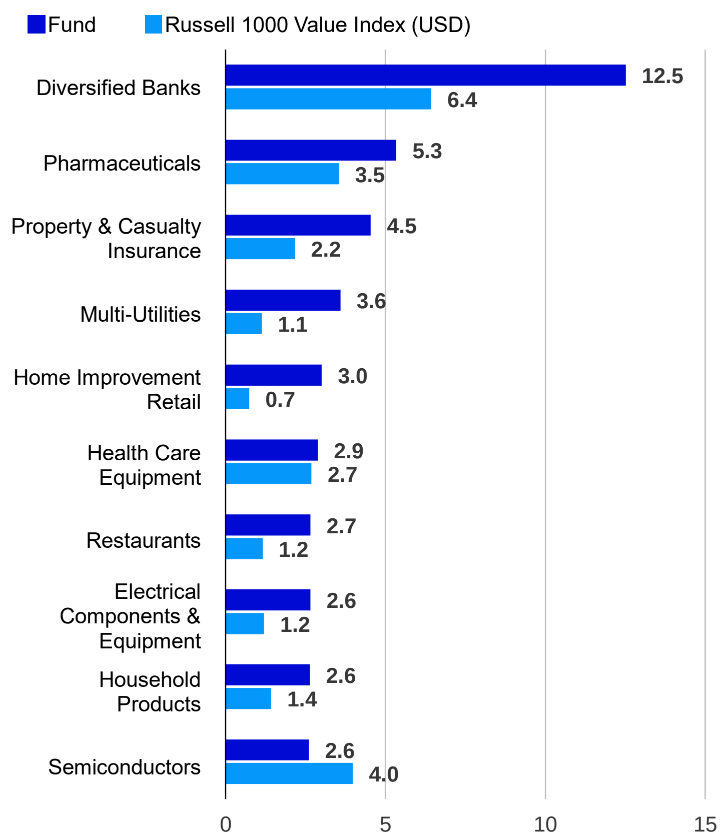
Oracle was sold due to concerns about downside risk as its investment in AI infrastructure has caused rising debt and negative free cash flow.

Smurfit Westrock was sold due to deteriorating fundamentals, which appeared to lead to negative investor sentiment and uncertain timing for the stock to recover, despite an attractive free cash flow yield.

Sector breakdown (% of total market value)



Top industries (% of total market value)



Top contributors (%)

Issuer	Return	Contrib. to return
Lam Research Corporation	28.05	0.37
Johnson & Johnson	12.31	0.36
Parker-Hannifin Corporation	16.18	0.36
Marriott International, Inc.	19.40	0.30
Cisco Systems, Inc.	13.26	0.29

Top detractors (%)

Issuer	Return	Contrib. to return
Eaton Corporation plc	-14.66	-0.27
AT&T Inc.	-11.10	-0.18
Microsoft Corporation	-6.45	-0.17
Sysco Corporation	-9.92	-0.12
Procter & Gamble Company	-6.08	-0.12

Performance highlights

The fund delivered a positive return for the quarter but underperformed the Russell 1000 Value Index. Relative underperformance was driven by stock selection in the information technology, communication services, utilities and industrials sectors. An underweight in communication services and an overweight in utilities also weighed on relative results. Strong stock selection in the financials, consumer discretionary, health care and real estate sectors added to relative return. An overweight in health care and an underweight in the real estate sector also contributed to relative performance.

Contributors to performance
Lam Research reported earnings that beat analyst estimates and raised forward looking guidance. Robust demand from China accounted for 43% of revenue. Despite projecting a reduction in China's revenue share by 2026, management expressed optimism about long-term growth fueled by AI-driven demand in memory and foundry/logic markets.
Johnson & Johnson outperformed expectations, exceeding analysts' estimates for top and bottom line results, driven by 4.4% adjusted operational sales growth and strong contributions from Innovative Medicine and MedTech segments.
Parker-Hannifin outperformed expectations with strong revenue and earnings-per-share (EPS) results, driven by sequential improvements across all segments and standout 13% organic growth in aerospace. Despite the stock trading at a premium valuation, we believe positive margin trends and beatable 2026 expectations support continued momentum and a favorable outlook.

Detractors from performance
Eaton underperformed during the quarter as mixed earnings results and cautious forward guidance seemed to raise investor concerns. Slower-than-expected growth in AI-driven data center demand, coupled with leadership changes and acquisition uncertainty, also appeared to weigh on the stock.
AT&T underperformed due to weaker-than-expected average-revenue-per-user, which was negative year-over-year for the first time since 2022, driven by bundling discounts and a shift toward lower-priced plans that target underpenetrated customer segments.
Microsoft reported strong revenue and earnings that beat expectations. However, the stock lagged during the quarter, apparently due to supply constraints amid stronger-than-anticipated demand for data-center capacity that limited near-term upside. Growth in Azure and commercial cloud bookings remained robust, but the supply-demand imbalance is expected to persist through the fiscal year, curbing short-term growth potential until additional data center capacity comes online.

Standardized performance (%) as of December 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Investor shares inception: 06/02/86	NAV	2.73	15.39	15.39	11.21	10.48	8.64	8.53
Class A shares inception: 03/28/02	NAV	2.77	15.43	15.43	11.22	10.49	8.64	8.51
	Max. Load 5.5%	-2.87	9.07	9.07	9.14	9.25	8.03	8.25
Class R6 shares inception: 09/24/12	NAV	2.81	15.78	15.78	11.59	10.86	9.03	9.71
Class Y shares inception: 10/03/08	NAV	2.80	15.69	15.69	11.49	10.75	8.91	9.27
Russell 1000 Value Index (USD)		3.81	15.91	15.91	13.90	11.33	10.53	-
Total return ranking vs. Morningstar Large Value category (Class Investor shares at NAV)		-	-	51% (569 of 1109)	79% (836 of 1061)	74% (746 of 999)	92% (771 of 836)	-

Expense ratios per the current prospectus: Class Investor: Net: 0.94%, Total: 0.94%; Class A: Net: 0.93%, Total: 0.93%; Class R6: Net: 0.60%, Total: 0.60%; Class Y: Net: 0.69%, Total: 0.69%.

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. On Feb. 6, 2013, the fund's investment strategy eliminated a requirement to concentrate its investments primarily in the securities of issuers in utilities-related industries. Results prior to Feb. 6, 2013, reflect the performance of the fund's previous strategy. Index source: FactSet Research Systems Inc. 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 Investor, Y and R6 shares have no sales charge; therefore, performance is at NAV. Class Y shares are available only to certain investors. Class Investor and R6 shares are closed to most investors. Please see the prospectus for more details.

Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class Investor shares at NAV	15.71	9.05	-7.37	18.31	0.57	18.98	0.61	7.03	11.36	15.39
Class A shares at NAV	15.69	9.08	-7.38	18.31	0.58	18.97	0.63	7.03	11.36	15.43
Class R6 shares at NAV	16.17	9.45	-7.03	18.76	1.01	19.41	0.93	7.42	11.72	15.78
Class Y shares at NAV	16.00	9.37	-7.14	18.60	0.84	19.24	0.84	7.31	11.64	15.69
Russell 1000 Value Index (USD)	17.34	13.66	-8.27	26.54	2.80	25.16	-7.54	11.46	14.37	15.91

Portfolio characteristics*

	Fund	Index
No. of holdings	69	870
Top 10 issuers (% of AUM)	26.59	19.06
Wtd. avg. mkt. cap ($M)	296,989	401,318
Price/earnings	20.47	19.92
Price to book	3.27	2.98
Est. 3 – 5 year EPS growth (%)	10.62	10.73
ROE (%)	20.11	17.90
Long-term debt to capital (%)	43.69	37.55
Operating margin (%)	22.06	19.78

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	0.30	0.00
Beta	0.85	1.00
Sharpe ratio	0.56	0.55
Information ratio	-0.20	0.00
Standard dev. (%)	12.93	14.67
Tracking error (%)	4.16	0.00
Up capture (%)	77.37	100.00
Down capture (%)	87.56	100.00
Max. drawdown (%)	14.04	17.75

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	-0.21	-0.51	-0.72
Consumer Discretionary	-0.01	0.33	0.32
Consumer Staples	-0.14	0.07	-0.06
Energy	0.01	-0.16	-0.15
Financials	0.03	0.59	0.62
Health Care	0.09	0.17	0.26
Industrials	0.02	-0.17	-0.16
Information Technology	-0.02	-0.74	-0.75
Materials	-0.03	-0.02	-0.06
Other	0.00	0.00	0.00
Real Estate	0.09	0.14	0.24
Utilities	-0.09	-0.15	-0.24
Cash	-0.11	0.00	-0.11
Total	**-0.36**	**-0.45**	**-0.81**

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 12/31/25. Unless stated otherwise, Index refers to Russell 1000 Value Index (USD).

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 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

Securities that pay high dividends as a group can fall out of favor with the market, causing such companies to underperform companies that do not pay high dividends. Also changes in the dividend policies of the companies and the capital resources available for such companies' dividend payments may affect the fund.

The risks of investing in securities of foreign issuers can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

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.

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

 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.