

# Invesco Dividend Income Fund

## Quarterly Performance Commentary

Mutual Fund Retail Share Classes  
Data as of Sept. 30, 2019



### Investment objective

The fund seeks current income and long-term growth of capital.

### Portfolio management

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### Fund facts

Nasdaq	A: IAUTX	C: IUTCX
	Investor: FSTUX	Y: IAUYX
Total Net Assets	\$1,431,838,472	
Total Number of Holdings	58	

### Top holdings

	% of total net assets
Dominion Resources	3.35
General Mills	3.33
Procter & Gamble	3.24
M&T Bank	3.21
Verizon Communications	2.93
Coca-Cola	2.91
McDonald's	2.80
Nestle	2.72
Kimberly-Clark	2.66
AT&T	2.45

### Top contributors

	% of total net assets
1. Procter & Gamble	3.24
2. AT&T	2.45
3. Target	1.48
4. Campbell Soup	2.01
5. Coca-Cola	2.91

### Top detractors

	% of total net assets
1. National Fuel Gas	2.23
2. M&T Bank	3.21
3. Sonoco Products	1.62
4. Kennametal	1.03
5. Exxon Mobil	1.78

### Market overview

+ Key issues that concerned investors in the second quarter carried over into the third quarter. US-China trade conflict worried investors and stifled business investment, even as the Federal Reserve cut interest rates by 0.25% in July and September. This environment, combined with evidence of slowing global economic growth, fueled volatility in August. The US Treasury yield curve inverted several times, raising fears of a US recession. As a result, August saw increased risk aversion, with investors crowding into asset classes perceived as safe havens, such as US Treasuries and gold. However, the Fed's accommodative tone provided some support for risk assets. Oil prices briefly spiked in September

after a drone attack on Saudi Arabia's oil fields caused a supply shock. Prices retreated a bit after the US announced it would tap the national oil reserves to alleviate the supply shortage. Despite increased volatility, US equity markets delivered generally positive results, with the S&P 500 Index returning 1.70%. Within the S&P 500, sector performance was mixed, with utilities, real estate and consumer staples leading the way, while energy, health care and materials posted losses. Though we are cognizant of the macroeconomic environment, the economic cycle is distinct from the bottom-up profit cycle, so we do not apply macroeconomic forecasts to our stock selection.

### Positioning and outlook

+ The portfolio management team believes dividend-paying stocks should serve as a conservative foundation for investors' portfolios and seeks to enhance the value of dividend investing by identifying above-market yielding stocks with consistent and defensible dividends that can help investors earn income, preserve assets and build

capital. The portfolio managers' process also emphasizes long-term capital appreciation.

+ At quarter end, the fund's largest sector weights were in the consumer staples and utilities sectors, while the smallest weights were in more cyclical sectors like IT and materials.

### Performance highlights

+ The fund's Class A shares at net asset value (NAV) posted a gain, but slightly underperformed the Dow Jones US Select Dividend Index. (Please see the investment results table on page 2 for fund and index performance.)

+ The fund's holdings in the consumer staples and utilities sectors contributed the most to absolute return. The energy and materials sectors were modest detractors from absolute return. Stock selection and an overweight in consumer staples added the most to results relative to the Dow Jones US Select Dividend Index. Stock selection in the consumer discretionary sector also helped relative return. Stock selection and an underweight in utilities had the largest negative effect on performance relative to the benchmark. An underweight in information technology (IT) also detracted from relative return.

### Contributors to performance

+ Household and personal products company **Procter & Gamble** was the largest contributor to absolute performance. The company has been focused on improving shareholder returns by driving more focus at the business unit level, strengthening and accelerating productivity, investing in innovation and streamlining execution. The stock has outperformed due to improving organic sales growth and the company's ability to raise prices.

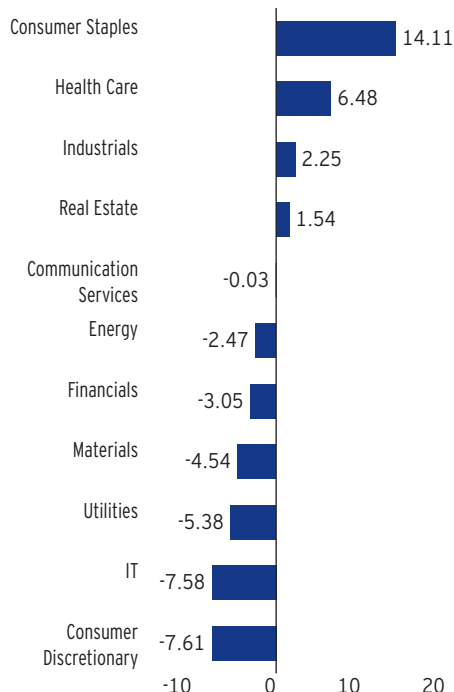
+ Telecommunications giant **AT&T** was also a large contributor to absolute performance. **AT&T** beat earnings expectations during the quarter due to improvement in wireless pricing and stabilization in its entertainment division's cash flow. In addition, shares rose following disclosure of an activist investor acquiring a stake in the company.

### Detractors from performance

+ Oil & gas exploration & production company **National Fuel Gas** was the largest detractor from absolute return during the quarter. Shares of the company declined due to concerns about weakness in the oil and gas markets.

+ **M&T Bank** was also among the largest detractors from absolute return. Shares of the company declined modestly due to lower expectations for net interest margins as interest rates have declined.

**The fund's positioning versus the Dow Jones US Select Dividend Index (% underweight/overweight)**



**Investment results**

Average annual total returns (%) as of Sept. 30, 2019

Period	Class A Shares		Class C Shares		Investor Class Shares	Class Y Shares	Style-Specific Index
	Inception: 03/28/02	Inception: 02/14/00	Inception: 06/02/86	Inception: 10/03/08			
	<b>Max Load 5.50%</b>	<b>Max CDSC 1.00%</b>					<b>Dow Jones US Select Dividend Index</b>
	NAV	NAV	NAV	NAV	NAV		
Inception	8.02	8.37	4.07	4.07	8.45	9.32	-
10 Years	9.61	10.24	9.42	9.42	10.24	10.52	13.72
5 Years	6.90	8.11	7.30	7.30	8.10	8.38	10.71
3 Years	4.64	6.63	5.82	5.82	6.61	6.89	10.00
1 Year	1.10	6.96	5.15	6.11	6.92	7.19	6.31
Quarter	-2.71	2.93	1.71	2.71	2.91	2.97	3.58

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](http://invesco.com/performance) 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, and you may have a gain or a loss when you sell shares. No contingent deferred sales charge (CDSC) will be imposed on redemptions of Class C shares following one year from the date shares were purchased. Performance shown at NAV does not include applicable CDSC or front-end sales charges, which would have reduced the performance. The Investor Class shares have no sales charge; therefore, performance is at NAV. Class Y shares have no sales charge; therefore, performance is at NAV. 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. Returns less than one year are cumulative; all others are annualized. Fund performance reflects any applicable fee waivers and/or expense reimbursements. Had the adviser not waived fees and/or reimbursed expenses currently or in the past, returns would have been lower. See current prospectus for more information. Index returns do not reflect any fees, expenses, or sales charges. Index source: FactSet Research Systems Inc.

Expense ratios	% net	% total	Asset mix (%)
Class A Shares	1.07	1.07	Dom Common Stock 78.70
Class C Shares	1.82	1.82	Intl Common Stock 15.01
Investor Class Shares	1.07	1.07	Cash 5.72
Class Y Shares	0.82	0.82	Other 0.57

Per the current prospectus

For more information you can visit us at [www.invesco.com/us](http://www.invesco.com/us)

Class Y shares and Investor Class shares are available only to certain investors. See the prospectus for more information. 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. The S&P 500® Index is an unmanaged index considered representative of the US stock market. An investment cannot be made directly in an index. The Dow Jones U.S. Select Dividend™ Index represents the country's leading stocks by dividend yield. An investment cannot be made directly in an index.

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**About risk**

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

Stocks of small and mid-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.

**NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE**

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

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. Advisors, please contact your home office.

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

All data provided by Invesco unless otherwise noted.