

# Invesco Dividend Income Fund

## Quarterly Performance Commentary

Mutual Fund Retail Share Classes  
Data as of Sept. 30, 2022



### 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 \$3,369,364,347  
Total Number of Holdings 66

### Top holdings % of total net assets

Johnson & Johnson	3.89
Exxon Mobil	3.79
UnitedHealth	3.59
Merck	3.57
McDonalds	2.49
Chevron	2.48
Bank of America	2.34
Walmart	2.33
CVS Health	2.21
Raytheon Technologies	2.11

### Top contributors % of total net assets

1. ConocoPhillips	2.03
2. M&T Bank	2.07
3. Cullen/Frost Bankers	1.55
4. Walmart	2.33
5. Lowe's	1.17

### Top detractors % of total net assets

1. Comcast 'A'	1.78
2. Verizon Communications	1.35
3. Raytheon Technologies	2.11
4. Johnson & Johnson	3.89
5. Dominion Energy	1.42

Not a deposit; Not FDIC insured; Not guaranteed by the bank; May lose value; Not insured by any federal agency

### Market overview

+ Despite a brief summer rally, stocks traded sharply lower in the third quarter, particularly following comments from US Federal Reserve Chair Jerome Powell in August that indicated further monetary policy tightening. Though energy prices fell during the quarter, the Consumer Price Index (CPI) remained at a multi-decade high, rising by 8.3% for the 12 months ending in August, far above the Fed's annual inflation target. Complicating matters, a tight labor market boosted wage and job growth, with the 3.7% US unemployment rate still near record

lows. The Fed acknowledged that its continued aggressive action to curb inflation could "bring pain to households and businesses." In July and again in September, the Fed raised the benchmark federal funds rate by 0.75%. This forceful action deflated investors' hopes for a pause in rate hikes during the second half and increased the likelihood of a US recession. In this environment, equities and fixed income instruments broadly declined, with the S&P 500 Index returning -4.88%.

### Positioning and outlook

+ During the quarter, we took advantage of market volatility to initiate a few new positions and exit a number of positions in various sectors. As of quarter end, the largest overweights compared to the Dow Jones US Select Dividend Index were in health care and industrials, while the largest underweights were in utilities and materials.

+ Though we recognize the market is at a crossroads due to macroeconomic events such as rising interest rates, inflation, oil price spikes and added geopolitical risk, the driving principles of our investment process remain rooted in our approach that seeks to identify above-market yielding stocks

with consistent and defensible dividends that can help investors earn income, preserve assets and build capital.

- + No matter the backdrop, we focus on companies generating attractive free cash flow and we analyze their drivers and their ability to support future dividend growth, as well as balance sheet strength and flexibility.
- + We continue to emphasize the growth and sustainability of a company's dividend because we believe companies with these characteristics have historically outperformed over a full market cycle.

### Performance highlights

+ The fund's Class A shares at net asset value (NAV) had a negative return but held up better than the Dow Jones US Select Dividend Index. (Please see the investment results table on page 2 for fund and index performance.) Sector performance within the fund and benchmark was mostly negative. The energy sector was the only positive contributor to the fund's absolute return, while communications services was the largest detractor. Stock selection in information technology added the most to return relative to the Dow Jones US Select Dividend Index. An underweight in materials also made a large contribution to relative return. Stock selection in industrials and communications services were the largest detractors from relative return. An overweight in real estate also detracted from relative return.

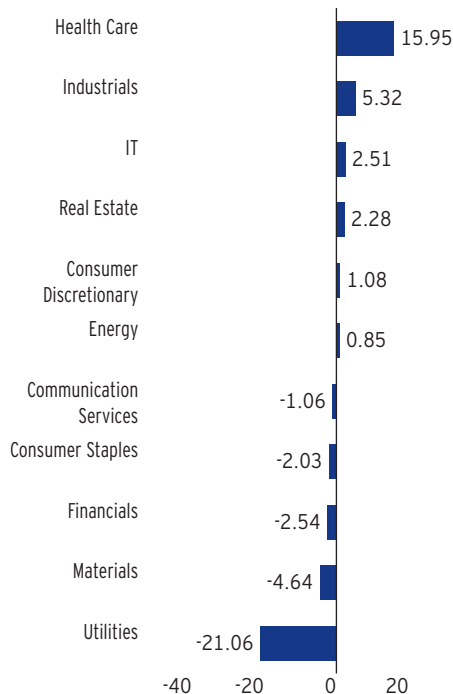
### Contributors to performance

- + Shares of oil & gas exploration & production company **ConocoPhillips** rose along with the energy sector in general during the quarter. The company reported record financial results for the second quarter, beating profit expectations by a wide margin.
- + Following a profit warning in the prior quarter, discount store retailer **Walmart** reported second quarter revenue and earnings that beat expectations and raised its forecast for the fiscal year.

### Detractors from performance

- + Shares of telecommunications services company **Comcast** fell after a disappointing second quarter earnings report. **Comcast** beat revenue and earnings forecasts but reported zero growth in its lucrative broadband internet subscriber base due to increased competition from wireless carriers and other fiber providers.
- + Shares of aerospace & defense holding **Raytheon Technologies** suffered as the company's execution in the second quarter was affected by supply chain shortages, notably an inability to secure semiconductors.

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



**Investment results**

Average annual total returns (%) as of Sept. 30, 2022

	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	Dow Jones US Select Dividend Index
Period	Max Load 5.50%	NAV	Max CDSC 1.00%	NAV	NAV	NAV	
Inception	7.28	7.58	4.01	4.01	8.00	8.01	-
10 Years	7.12	7.73	7.08	7.08	7.72	8.00	10.53
5 Years	2.65	3.82	3.04	3.04	3.83	4.08	6.89
3 Years	1.18	3.10	2.32	2.32	3.10	3.35	5.88
1 Year	-10.19	-4.97	-6.57	-5.67	-4.97	-4.75	-3.10
Quarter	-11.08	-5.89	-7.00	-6.06	-5.87	-5.85	-7.71

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com/performance](https://www.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	0.93	0.93	Dom Common Stock	91.01
Class C Shares	1.69	1.69	Intl Common Stock	5.66
Investor Class Shares	0.94	0.94	Cash	3.47
Class Y Shares	0.69	0.69	Other	-0.14
Per the current prospectus			Intl Corp Bonds	0.00

A negative in Cash or Other, as of the date shown, is normally due to fund activity that has accrued or is pending settlement.

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

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

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.

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.

***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 professionals 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. Financial professionals, 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.