

February 2024, Fund Highlights

Portfolio Managers

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Lead Portfolio Manager

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Portfolio Manager*

Fund Inception
Dec. 31, 2001

Fund Assets
\$11.325 billion
As of Feb. 29, 2024

Investment philosophy

We seek to serve as a foundation for investors' portfolios by employing a total return approach, emphasizing appreciation, income and preservation.

The fund is managed to provide upside participation with better downside preservation over a full market cycle and seeks to deliver a low-volatility, broadly diversified stock portfolio across all market sectors.

Every company we buy is required to pay a dividend when we add them to the portfolio.

Fund Objective: The fund seeks long-term growth of capital and, secondarily, current income.

For additional information, please visit our website at invesco.com/us

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

Market overview

During February, investor exuberance continued to drive equity markets upward with all major indices achieving new 52-week highs. Notably, the S&P 500 closed above 5,000 for the first time. Investors were pleasantly surprised by companies' earnings growth, with the S&P 500 reporting 4% growth and 73% of companies beating projections – marking the second consecutive quarter of year-over-year improvement.¹ However, January's Consumer Price Index (CPI) reported a higher-than-expected increase of 0.3%, leading to an adjustment in Federal Reserve rate cut expectations from March to the second half of 2024.² Despite initial concerns, the US economy defied recession predictions in 2023, achieving a growth rate of 2.5%, with fourth-quarter Gross Domestic Product (GDP) growth reaching 3.3%.³ The labor market remained robust, with continued payroll gains and the unemployment holding at 3.7%, and the 24th consecutive month below 4%.⁴ While inflation has been on a downward trend, consumers are exercising caution in spending due to "cost fatigue" as reported in decreasing sales in retail sales.

In this environment, the S&P 500 Index returned 5.34%.⁵ Within the S&P 500 Index, consumer discretionary and industrials led, while utilities and consumer staples lagged. Both large cap growth and value stocks posted gains, though growth outperformed with the Russell 1000 Growth Index returning 6.82% and the Russell 1000 Value Index returning 3.69%.⁵

Fund performance drivers

Monthly Performance Comments: Invesco Diversified Dividend Fund (Class A shares at NAV) returned 4.03% during the month of February, outperforming the Russell 1000 Value Index, which returned 3.69%. Sector performance was all positive during the month. The industrials and financials sectors contributed the most to absolute performance, while communication services and real estate contributed the least. On a relative basis, stock selection in materials, industrials and communication services helped performance the most, while stock selection in health care hurt.

1-Year Performance Comments: For the year ended Feb. 29, 2024, Invesco Diversified Dividend Fund (Class A shares at NAV) returned 12.57%, underperforming the Russell 1000 Value Index, which returned 14.01%. The Fund's class A shares at NAV held up well in the volatile market environment of 2022, but the Fund has underperformed over the last year. Our focus on high-quality, attractively valued dividend paying companies has been a headwind as the market was led by more growth-oriented, non-dividend paying stocks that don't fit our disciplined approach. Stock selection and an underweight in communication services for the year-ended Feb. 29, 2024 detracted the most from relative return, as the sector posted strong gains. We didn't own several of the period's best performers in this sector, including Meta and Alphabet, because they didn't pay a dividend, which was a meaningful detractor from relative return.

Software company **Microsoft** was the largest individual contributor to overall Fund performance for the year ended Feb. 29, 2024. Shares of the company benefitted from investor excitement around how artificial intelligence could supplement Microsoft's already robust technology platform. Financial services company **Charles Schwab** was among the largest detractors from overall performance during the year-ended Feb. 29, 2024. The company underperformed following the banking crisis that occurred in March of 2023. Schwab was heavily scrutinized for unrealized losses in their securities portfolio following the Fed's tightening campaign. Unlike the banks that failed, Schwab has a highly diversified deposit base across 34 million accounts and the majority of deposits are insured.



Sector	% Total Net Assets
Communication Services	3.62%
Consumer Discretionary	7.12%
Consumer Staples	11.08%
Energy	7.35%
Financials	19.31%
Health Care	14.98%
Industrials	12.57%
Information Technology	9.93%
Materials	3.94%
Real Estate	2.99%
Utilities	5.63%
Cash	1.21%

As of Feb. 29, 2024. May not equal 100% due to rounding. The Global Industry Classification Standard was developed by and is the exclusive property and service mark of MSCI, Inc. and Standard & Poor's.

Portfolio Activity and Positioning

We have taken advantage of market volatility so far in 2024 by adding seven new holdings and reducing or selling some existing positions. During February, we added new positions in **Darden Restaurants, LKQ, Cheniere Energy, Lonza Group, UnitedHealth Group, Emerson Electric, and Mid-America Apartment Communities**. We sold our positions in **Comcast, M&T Bank and Thermo-Fisher Scientific**.

As of Feb. 29, 2024, the largest overweight positions for the Fund versus the Russell 1000 Value Index were in the consumer staples and consumer discretionary sectors, while the largest underweight positions were in the financials, real estate and industrials sectors. International exposure was around 8% and cash was around 1% at month end. We believe the portfolio is currently positioned with good balance across both sectors and industries, and exposure to areas that may potentially benefit from long-term secular growth tailwinds.

The driving principles of our investment process remain rooted in a total return approach that seeks to deliver appreciation, income and preservation over a full market cycle. No matter the backdrop, we focus on companies generating attractive free cash flow and we analyze their drivers and ability to support future dividend growth, as well as their balance sheet strength and flexibility. We continue to emphasize the growth and sustainability of a company's dividend as we believe companies with these characteristics have historically outperformed over a full market cycle.

Additionally, we believe that investors may place a heavier focus on dividend paying stocks in 2024—dividends have historically accounted for a larger part of total return versus what has been the case in the last decade due to outsized upside returns.⁶ However, if we enter a period with more normal returns, then dividends could make up a much larger portion of total return.

Standardized performance (%) as of Feb. 29, 2024

				Annualized			
	1 Month	3 Months	YTD	1 Year	3 years	5 Years	10 Years
Invesco Diversified Dividend Fund							
Class A shares at NAV	4.03	9.41	3.92	12.57	9.42	8.54	7.74
Class A shares w/ max 5.50% load	-1.66	3.38	-1.82	6.40	7.38	7.31	7.13
Russell 1000 Value Index	3.69	9.55	3.80	14.01	8.41	9.38	8.74
S&P 500 Index	5.34	11.98	7.11	30.45	11.91	14.76	12.70
Morningstar Percentile Rank and Ranking: Large Cap Value Category (Class A shares based on total return)				61% (742/1217)	50% (609/1128)	78% (834/1069)	80% (658/822)

As of latest quarter end, Dec. 31, 2023

	1 Month	3 Months	YTD	1 Year	3 years	5 Years	10 Years
Invesco Diversified Dividend Fund							
Class A shares at NAV	5.28	9.71	8.76	8.76	8.37	9.76	7.55
Class A shares w/ max 5.50% load	-0.52	3.66	2.77	2.77	6.34	8.52	6.94
Russell 1000 Value Index	5.54	9.50	11.46	11.46	8.86	10.91	8.40
S&P 500 Index	4.54	11.69	26.29	26.29	10.00	15.69	12.03
Morningstar Percentile Rank and Ranking: Large Cap Value Category (Class A shares based on total return)				71% (862/1217)	76% (854/1131)	80% (867/1075)	76% (766/1007)

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 so that you may have a gain or loss when you sell shares. Index returns do not reflect any fees, expenses or sales charges. Performance shown at NAV does not include applicable front-end sales charges (max. 5.50%), which would have reduced performance. Performance for other share classes will differ due to differing sales charge structures and class expenses. 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. Return figures for periods shown are annualized.

Morningstar rankings are based on total return, excluding sales charges and including fees and expenses versus all funds in the Morningstar category. 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. ©2024 Morningstar, Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers. It may not be copied or distributed and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Returns for periods of less than one year are cumulative and not annualized.

Annual expense ratios: Class A shares (total) 0.82% per the current prospectus. See current prospectus for more information.

Inception date: Class A shares inception Dec. 31, 2001

The Russell 1000® Value Index is an unmanaged index considered representative of large-cap value stocks. The Russell 1000® Growth Index is an unmanaged index considered representative of large-cap growth stocks. The Russell 1000 Value Index and Russell 1000 Growth Index are a trademark/service mark of the Frank Russell Co.

The S&P 500 Index is an unmanaged index generally representative of the US stock market.

An investment cannot be made directly in an index. Past performance is not a guarantee of future results.

The Consumer Price Index is a measure of the average change over time in the prices paid by urban consumers for a marker basket of consumer goods and services.

1 Source: Nasdaq, "February Review and Outlook," March 1, 2024.

2 Source: Bureau of Labor Statistics, February 13, 2024

3 Source: Bureau of Economic Analysis, February 28, 2024

4 Source: Bureau of Labor Statistics, February 2, 2024

5 Source: Morningstar Direct, February 28, 2024.

6 Source: Ned Davis Research, Dec. 31, 2023. Dividend growers and initiators have returned 13.0% for the 50-year period ended Dec. 31, 2023 vs non-dividend-paying stocks at 11.7%, dividend cutters and eliminators at 9.7%, and dividend payers with no change at 11.1%. All stocks were categorized by the following methodology for total return of each 12-month period over the course of the period from 1/31/1973 - 12/31/2023: Dividend Cutters and Eliminators represents stocks in the S&P 500 that have lowered or eliminated their dividend; Non-Dividend Paying Stocks represents non-dividend paying stocks of the S&P 500; Dividend Payers With No Change represents all dividend-paying stocks of the S&P 500 that have maintained their existing dividend rate; All Dividend-Paying Stocks represents all dividend-paying stocks in the S&P 500; and Dividend Growers and Initiators represents all dividend-paying stocks of the S&P 500 that raised their existing dividend or initiated a new dividend.

As of 2/29/24, Invesco Diversified Dividend Fund had 2.32% of its assets in Microsoft, 1.18% in Charles Schwab, 0.56% in Darden Restaurants, 0.59% in LKQ, 0.33% in Cheniere Energy, 0.50% in Lonza Group, 1.71% in UnitedHealth Group, 0.25% in Emerson Electric, and 0.59% in Mid-America Apartment Communities. The Fund had 0.00% in Comcast, M&T Bank and Thermo-Fisher Scientific as of 2/29/24.

Important disclosures:

Holdings are subject to change and are not buy/sell recommendations. The investment techniques and risk analysis used by the portfolio managers may not produce the desired results.

The opinions expressed are those of the Portfolio Managers of the Invesco Diversified Dividend Fund and 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.

Forward-looking statements are not guarantees of future results. They invoke risks, uncertainties and assumptions, there can be no assurance that actual results will not differ materially from expectations.

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.

Common stocks do not assure dividend payments. Dividends are paid only when declared by an issuer's board of directors and the amount of any dividend may vary over time.

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