Invesco Comstock Fund

Q1 2024

Key takeaways

1 The fund outperformed the Russell 1000 Value Index
Stock selection in industrials, communication services and consumer discretionary, along with an underweight in real estate, boosted relative return. Stock selection in consumer staples and information technology (IT), along with cash, detracted.

2 Fund activity
During the quarter, we added new holdings AstraZeneca and Reckitt Benckiser and eliminated Haleon and JPMorgan Chase. The most notable additions to existing holdings were in health care, while notable reductions were in financials, communication services, IT and consumer discretionary.

3 Broader market participation would likely benefit actively managed value
Although value stocks lagged growth stocks for the quarter, value outperformed in March as market performance broadened into other areas beyond the small number of IT stocks that drove performance in 2023.

Investment objective
The fund seeks total return through growth of capital and current income.

Fund facts

Fund AUM ($M)	11,492.83

Portfolio managers
Devin Armstrong, Kevin Holt, Jay Warwick

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

Manager perspective and outlook

Big Tech dominated in 2023

- During the 2023 rally, the number of stocks outperforming the S&P 500 Index was unusually narrow and dominated by a handful of technology companies known as the “Magnificent Seven” (Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA, and Tesla).
- Only 28% of constituents in the S&P 500 outperformed the index last year, a historically low number.[1] We don’t think this is sustainable.

Market participation is broadening

- For the quarter, the top five performing index sectors were communication services, energy, IT, financials and industrials.
- However, in March, the top-performing sectors were energy, utilities, materials, financials and industrials, with many stocks within these sectors hitting record highs. For example, in February, the industrials sector delivered an all-time high return, with nearly half of industrial stocks posting returns of more than 7%.[2]

Wider market breadth is a potential tailwind for active managers

- Improving fundamentals and performance in various sectors and industries, combined with a favorable macroeconomic environment, may suggest broader performance this year, which could improve results for active fund managers, notably value investors.
- In 2023, investors were able to earn strong returns by investing in passive indexes like the S&P 500 Index, but with a broader variety of stocks recently driving market returns, active managers may be able to isolate better performers.

1. Source: Bloomberg, L.P., S&P 500 as of 12/31/23. The S&P 500® Index is a market-capitalization-weighted index of the 500 largest domestic US stocks. An investment cannot be made directly in an index. **Past performance is no guarantee of future results.**

2. Source: Yahoo Finance, industrial sector constituents represented in the S&P 500 Index as of 2/29/24.

Top issuers
(% of total net assets)

	Fund	Index
Wells Fargo & Co	3.08	0.96
Bank of America Corp	2.63	1.20
Microsoft Corp	2.57	0.00
Meta Platforms Inc	2.45	0.00
Philip Morris International Inc	2.33	0.65
Elevance Health Inc	2.13	0.49
Chevron Corp	2.09	1.24
FedEx Corp	2.05	0.31
Johnson Controls International plc	2.05	0.20
Suncor Energy Inc	1.95	0.00

As of 03/31/24. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

The most notable additions to existing holdings were in health care, while reductions were in financials, communication services, IT and consumer discretionary.
During the quarter, we added two new holdings, **AstraZeneca** and **Reckitt Benckiser,** and built positions large enough to affect the portfolio. We eliminated **Haleon** and **JPMorgan Chase**.
At quarter end, the fund was overweight in communication services, IT and, to a lesser extent, energy and consumer staples, compared to the Russell 1000 Value Index. Conversely, the fund was underweight in real estate, financials, utilities, industrials and materials.

Notable additions to existing positions
Starbucks – We took advantage of stock weakness tied to apparent investor concerns about increasing competition, such as that from Dunkin' and McDonalds, and uncertainty about changes in management structure with the creation of two separate CEO positions for North American and international regions.

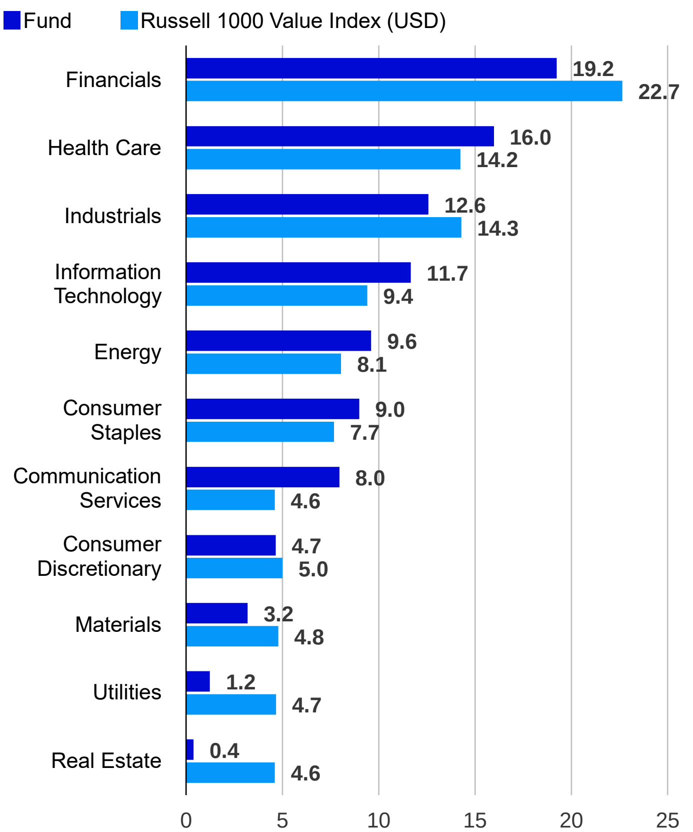
Citizens Financial – We added to the position on weakness after management reported that revenue declined 10% year-over-year (YOY), net interest income fell by 12% and adjusted net income decreased significantly by 38% YOY.

eBay – We added to the position after management provided weak revenue guidance as ongoing reopening reversed some of the temporary sales gains during the pandemic. Also, the company has continued to face ecommerce challenges, including intense competition and changing consumer preferences. However, eBay's new leadership has made changes that could improve its long-term prospects.

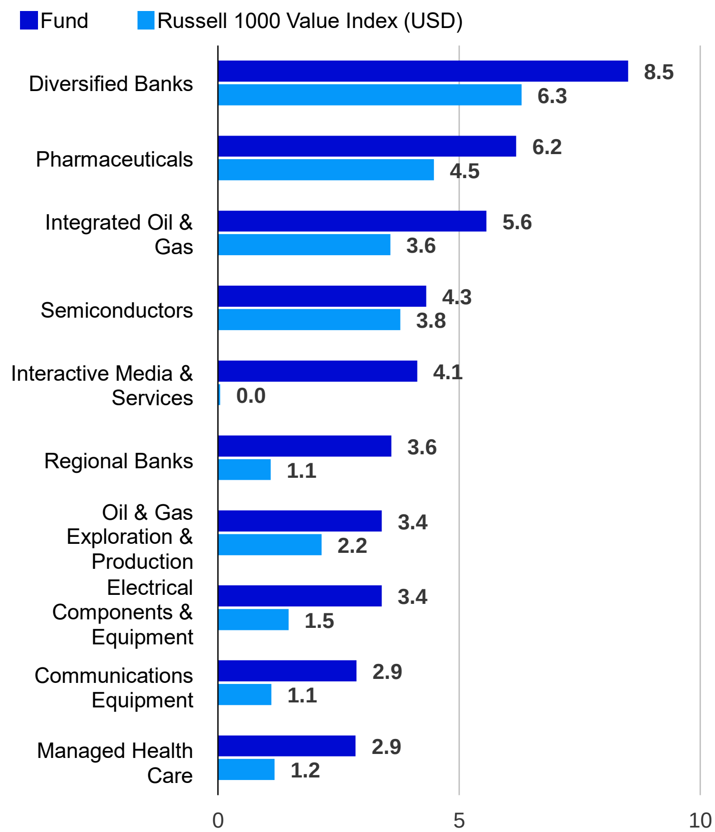
Notable reductions to existing positions
JPMorgan Chase – We eliminated this position because valuations surpassed our estimate of intrinsic value. The stock outperformed based on strong loan and bond revenues driven by the high interest rate environment, benign credit conditions and growing net interest income.

Meta Platforms – We reduced the position based on its rising valuation, which has been driven by higher advertising revenue from Reels and recovering overall ad revenues, with 22% growth in the quarter. A key driver was tighter cost controls from Meta's 2023 "year of efficiency," which expanded its year-over-year operating margins.

Sector breakdown (% of total net assets)



Top industries (% of total net assets)



Top contributors (%)

Issuer	Return	Contrib. to return
Meta Platforms, Inc.	37.33	0.96
Wells Fargo & Company	18.60	0.54
Eaton Corporation plc	30.25	0.48
General Electric Company	37.53	0.46
Merck & Co., Inc.	21.81	0.35

Top detractors (%)

Issuer	Return	Contrib. to return
Charter Communications, Inc.	-25.23	-0.25
Humana Inc.	-24.07	-0.23
Intel Corporation	-11.84	-0.20
Reckitt Benckiser Group plc	-21.58	-0.19
Warner Bros. Discovery, Inc.	-23.29	-0.11

Performance highlights

Stock selection in industrials, communication services and consumer discretionary, along with an underweight in real estate, boosted relative return. Stock selection in consumer staples and IT, as well as the fund's cash position, detracted.

Contributors to performance

Industrials: Holding **Eaton** and not owning **Boeing** were key contributors to relative return within the sector. Eaton's research and development programs, its growth prospects, strong financial metrics and strategic investments supported its stock performance. **Real Estate:** The sector, where the fund is underweight, has continued to underperform due to apparent investor concerns about commercial real estate rentals and investment, as well as the higher interest rate environment, which has been a headwind for the past two years.

Communication Services: Most outperformance came from owning **Meta Platforms.** Additionally, not owning **Electronic Arts** and **Roku** helped relative return compared to the benchmark.

Detractors from performance

Consumer Staples: Philip Morris International, **Keurig Dr. Pepper** and **Kraft Heinz** were key detractors from relative return within the sector. Philip Morris underperformed after investor confidence appeared shaken by earnings that were below consensus estimates and growth in shipments of heated tobacco units relative to peers was anemic.

Information Technology: Holding **Intel** and not owning **Micron Technology** were key detractors within the semiconductor group. **Intel** underperformed after providing weak guidance that indicated PC and server chip sales would be at the low end of the seasonal range for the quarter. Also, in a major upset, Apple transitioned away from using Intel's central processing units (CPUs) in its computers, which affected Intel's revenue.

The fund's overweight in IT Services, including positions in **Cognizant Technology Solutions** and **DXC Technology**, also dragged on relative return.

Standardized performance (%) as of March 31, 2024

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
Class A shares inception: 10/07/68	NAV	9.14	9.14	22.61	12.10	12.85	9.66	10.91
	Max. Load 5.5%	3.14	3.14	15.88	10.01	11.57	9.04	10.80
Class R6 shares inception: 09/24/12	NAV	9.22	9.22	23.07	12.52	13.27	10.10	11.95
Class Y shares inception: 10/29/04	NAV	9.17	9.17	22.88	12.38	13.12	9.93	8.88
Russell 1000 Value Index (USD)		8.99	8.99	20.27	8.11	10.32	9.01	-
Total return ranking vs. Morningstar Large Value category (Class A shares at NAV)		-	-	37% (432 of 1205)	7% (72 of 1121)	19% (153 of 1061)	32% (212 of 819)	-

Expense ratios per the current prospectus: Class A: Net: 0.82%, Total: 0.82%; Class R6: Net: 0.45%, Total: 0.45%; Class Y: Net: 0.57%, Total: 0.57%.

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. Index source: RIMES Technologies Corp. 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 and R6 shares have no sales charge; therefore performance is at NAV. Class Y shares are available only to certain investors. Class R6 shares are closed to most investors. Please see the prospectus for more details.

Calendar year total returns (%)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Class A shares at NAV	9.12	-5.93	17.83	17.77	-12.24	25.34	-0.79	33.32	0.81	12.24
Class R6 shares at NAV	9.56	-5.52	18.32	18.33	-11.88	25.82	-0.38	33.84	1.17	12.67
Class Y shares at NAV	9.39	-5.69	18.08	18.11	-12.02	25.65	-0.56	33.70	1.04	12.53
Russell 1000 Value Index (USD)	13.45	-3.83	17.34	13.66	-8.27	26.54	2.80	25.16	-7.54	11.46

Portfolio characteristics*

	Fund	Index
No. of holdings	79	845
Top 10 issuers (% of AUM)	23.33	17.36
Wtd. avg. mkt. cap ($M)	254,259	158,488
Price/earnings	16.65	17.73
Price to book	2.23	2.49
Est. 3 – 5 year EPS growth (%)	10.27	8.02
ROE (%)	16.20	15.02
Long-term debt to capital (%)	39.20	39.61
Operating margin (%)	17.71	17.71

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	1.76	0.00
Beta	1.11	1.00
Sharpe ratio	0.51	0.44
Information ratio	0.50	0.00
Standard dev. (%)	21.40	18.79
Tracking error (%)	5.10	0.00
Up capture (%)	121.96	100.00
Down capture (%)	102.37	100.00
Max. drawdown (%)	32.33	26.73

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.00	0.34	0.33
Consumer Discretionary	0.00	0.21	0.21
Consumer Staples	-0.03	-0.63	-0.66
Currency Forward	0.06	0.00	0.06
Energy	0.06	-0.28	-0.22
Financials	-0.13	0.00	-0.13
Health Care	-0.05	-0.20	-0.25
Industrials	-0.05	1.09	1.04
Information Technology	-0.02	-0.38	-0.39
Materials	0.03	0.11	0.14
Real Estate	0.46	-0.05	0.41
Utilities	0.13	0.01	0.15
Cash	-0.35	0.00	-0.35
Total	**0.13**	**0.22**	**0.35**

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 03/31/24. Unless stated otherwise, Index refers to Russell 1000 Value Index (USD).

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

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

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, including emerging markets, can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

Investments in real estate related instruments may be affected by economic, legal, or environmental factors that affect property values, rents or occupancies of real estate. Real estate companies, including REITs or similar structures, tend to be small and mid-cap companies and their shares may be more volatile and less liquid.

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.

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

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.