Invesco Main Street Fund

Q1 2024

Key takeaways

1 The fund outperformed its benchmark

Outperformance mainly resulted from stock selection in the information technology (IT), health care and financials sectors. Stock selection in the industrials, consumer staples and real estate sectors were key detractors from relative return.

2 Portfolio activity

There was no significant change to overall positioning as we sought to keep most sector, factor and other macro-related exposures similar to the S&P 500 Index. There were four additions to the portfolio and we sold four stocks during the quarter.

3 US equities rallied as the economy remained resilient

Stocks rallied in the first quarter as the US economy defied recession predictions and the labor market remained robust. The S&P 500 Index returned 10.56%, driven by the communication services and energy sectors. Real estate was the only sector to decline.

Investment objective

The fund seeks capital appreciation.

Fund facts

Fund AUM ($M)	10,610.75

Portfolio managers

Manind Govil, Benjamin Ram

Manager perspective and outlook

- US equities rallied in the first quarter. In February, the S&P 500 Index closed above the 5,000 milestone for the first time. The US economy defied recession predictions, achieving growth of 2.5% in 2023 as fourth-quarter Gross Domestic Product (GDP) growth was 3.4%. The labor market remained robust, with continued payroll gains and unemployment still historically low – below 4%. In this environment, the S&P 500 Index returned 10.56%, driven by strength in communication services and energy. Real estate was the only negative sector.
- Inflation remained persistent. January and February increases in the Consumer Price Index (CPI) were higher than expected, leading the US Federal Reserve to defer anticipated interest rate cuts to the second half of 2024. Though overall inflation has been below its peak, consumers appeared cautious, as evidenced by declining retail sales.
- Regardless of market sentiment and near-term economic trends, our investment process favors better-managed companies with strong balance sheets and competitive positioning. If interest rates decline over 2024, that should, we believe, help more highly leveraged companies at the margin, but this benefit depends on timing windows and all-in costs for debt refinancing. Slower inflation should in our view tilt the pricing advantage back to stronger competitors who provide greater customer value and can achieve higher pricing for their goods and services.

Top issuers
(% of total net assets)

	Fund	Index
Microsoft Corp	8.11	7.09
NVIDIA Corp	5.74	5.06
Apple Inc	4.72	5.65
Amazon.com Inc	4.12	3.74
Alphabet Inc	4.12	3.72
Meta Platforms Inc	2.87	2.42
Exxon Mobil Corp	2.74	1.05
JPMorgan Chase & Co	2.59	1.31
Philip Morris International Inc	2.19	0.32
Constellation Brands Inc	2.15	0.10

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

Portfolio positioning

We maintain our valuation discipline and our focus on companies with competitive advantages and skilled management teams that we believe are executing better than their peers. These companies historically tend to have higher profit margins and returns on invested capital, rising market shares and consistently strong pricing power. As of quarter end, all sector weights were within +/- 4% of the S&P 500 Index.

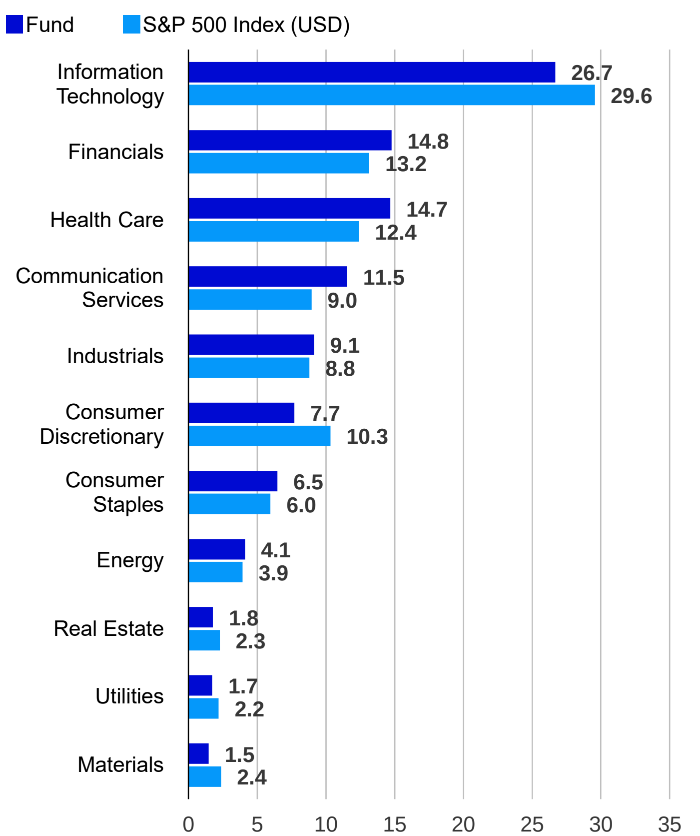
New purchases during the quarter included the following companies:

Atmos Energy is a natural gas distribution utility that has one of the best and most consistent dividend growth records among utilities, operates in a favorable jurisdiction (Texas) and has a strong balance sheet.
Walt Disney has been transitioning from a content provider for cable to a profitable streaming business provider. We think there is a high probability this transition will be successful.
Dell was added to the portfolio because we expect the company's server business will experience higher growth rates as it benefits from artificial intelligence (AI).
Huntington Ingalls Industries builds defense ships and submarines and has been experiencing positive business momentum while effectively deploying capital.

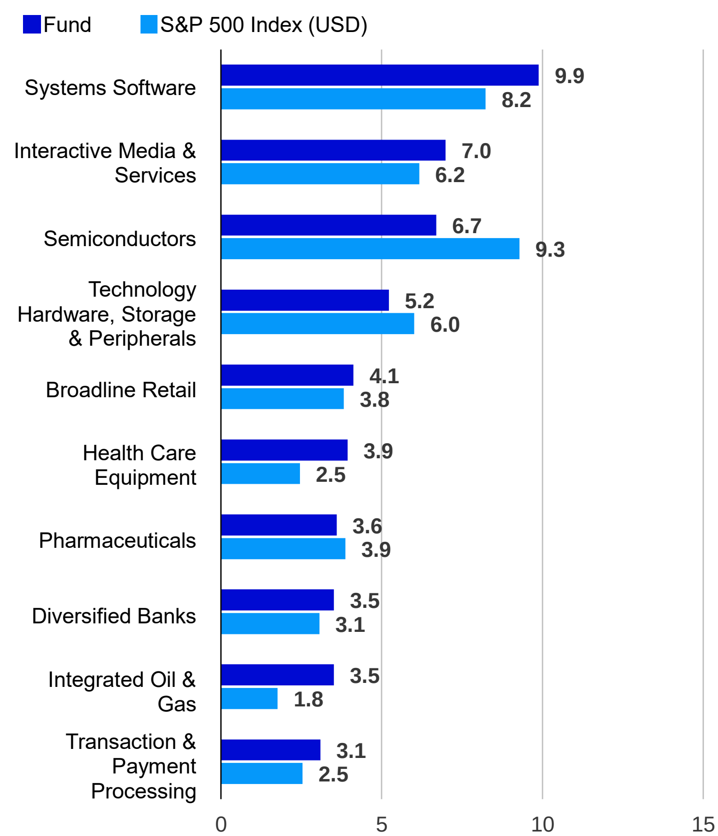
Positions sold during the quarter included the following companies:

Boeing was sold due to poor execution. Our meeting with the CEO did not give us confidence in a turnaround.
PepsiCo has relied on price increases to boost earnings but has been starting to focus on reversing volume declines, which may negatively affect pricing. The company was also fully valued, in our opinion.
Dominion Energy was sold due to poor execution and capital allocation decisions. We swapped the funds into **Atmos Energy**.
ARM was sold due to its higher valuation after the stock price experienced what we saw as significant gains.

Sector breakdown (% of total net assets)



Top industries (% of total net assets)



Top contributors (%)

Issuer	Return	Total effect
Tesla, Inc.	-29.25	0.46
Arm Holdings plc	77.90	0.35
NVIDIA Corporation	82.46	0.32
Apple Inc.	-10.82	0.26
Tenet Healthcare Corporation	39.09	0.24

Top detractors (%)

Issuer	Return	Total effect
Boeing Company	-26.36	-0.49
Mobileye Global Inc.	-25.78	-0.28
United Parcel Service, Inc.	-4.43	-0.27
Philip Morris International Inc.	-1.26	-0.24
Gilead Sciences, Inc.	-8.64	-0.23

Performance highlights

The fund's Class A shares at net asset value (NAV) returned 12.31% for the quarter, outperforming the S&P 500 Index, which returned 10.56%. The fund's outperformance mainly resulted from stock selection in the IT, health care and financials sectors. Stock selection in the industrials, consumer staples and real estate sectors detracted from relative results.

Contributors to performance

ARM reported strong quarterly results that showed increased traction with its new products used to enable AI-related applications. Additionally, shorting of the stock following its recent initial public offering (IPO) helped drive the stock price higher as investors appeared to cover their positions after the better-than-expected earnings report.

NVIDIA continued to benefit from positive news flow regarding the increasing size and scope of the AI opportunity and NVIDIA's leading competitive positioning. Also, the company reported another strong quarter that met high expectations.

Tenet reported a solid fourth quarter and management's guidance for earnings before taxes, interest, depreciation and amortization (EBITDA) was better than expected. The company also announced it had sold a number of hospitals at attractive prices with most of the proceeds used to reduce outstanding debt that had been a cloud over the company.

Detractors from performance

Boeing's quality control issues forced Federal Aviation Association (FAA) actions that caused headwinds for delivery volumes and costs. This delayed the expected inflection in free cash flow by 12-18 months.

Mobileye underperformed after preannouncing a negative effect on its revenue outlook. This resulted from an inventory adjustment across its customer base as customers had built up excess inventory after the pandemic while supply conditions were tight.

UPS has been going through a transition period in the aftermath of a major contract renewal with its union. Heading into the negotiations, customers diverted volumes given the uncertainty and it will likely take a few more quarters for market share to rebound. During a recent investor day, management stated that trends have been improving but at a slower rate than investors were expecting.

Standardized performance (%) as of March 31, 2024

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
Class A shares inception: 02/03/88	NAV	12.32	12.32	28.93	9.26	13.15	11.12	11.37
	Max. Load 5.5%	6.14	6.14	21.83	7.22	11.88	10.49	11.19
Class R6 shares inception: 12/29/11	NAV	12.39	12.39	29.28	9.59	13.51	11.53	13.34
Class Y shares inception: 11/01/96	NAV	12.37	12.37	29.21	9.51	13.40	11.37	8.73
S&P 500 Index (USD)		10.56	10.56	29.88	11.49	15.05	12.96	-
Total return ranking vs. Morningstar Large Blend category (Class A shares at NAV)		-	-	50% (741 of 1423)	70% (927 of 1296)	67% (797 of 1183)	65% (566 of 891)	-

Expense ratios per the current prospectus: Class A: Net: 0.80%, Total: 0.80%; Class R6: Net: 0.50%, Total: 0.50%; 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. As the result of a reorganization on May 24, 2019, the returns of the fund for periods on or prior to May 24, 2019 reflect performance of the Oppenheimer predecessor fund. Share class returns will differ from the predecessor fund due to a change in expenses and sales charges. 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	10.46	3.12	11.41	16.74	-7.89	31.94	14.37	27.60	-20.17	23.06
Class R6 shares at NAV	10.95	3.55	11.90	17.19	-7.52	32.48	14.74	28.02	-19.92	23.42
Class Y shares at NAV	10.72	3.36	11.70	16.99	-7.66	32.23	14.63	27.88	-19.98	23.34
S&P 500 Index (USD)	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29

Portfolio characteristics*

	Fund	Index
No. of holdings	65	503
Top 10 issuers (% of AUM)	39.36	32.16
Wtd. avg. mkt. cap ($M)	819,394	803,171
Price/earnings	24.71	24.52
Price to book	4.47	4.64
Est. 3 – 5 year EPS growth (%)	13.89	13.17
ROE (%)	21.88	23.43
Long-term debt to capital (%)	39.69	38.66
Operating margin (%)	24.25	24.74

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-1.25	0.00
Beta	0.96	1.00
Sharpe ratio	0.62	0.71
Information ratio	-0.68	0.00
Standard dev. (%)	17.91	18.37
Tracking error (%)	2.79	0.00
Up capture (%)	85.92	100.00
Down capture (%)	97.69	100.00
Max. drawdown (%)	25.98	23.87

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.08	0.27	0.34
Consumer Discretionary	0.15	0.13	0.28
Consumer Staples	-0.05	-0.12	-0.17
Energy	0.01	0.06	0.07
Financials	0.03	0.41	0.44
Health Care	-0.03	0.62	0.59
Industrials	-0.01	-0.63	-0.64
Information Technology	-0.08	1.19	1.10
Materials	0.02	0.01	0.02
Real Estate	0.05	-0.02	0.03
Utilities	0.03	-0.01	0.01
Cash	-0.10	0.00	-0.10
Total	**0.09**	**1.90**	**1.99**

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 S&P 500 Index (USD).

Asset allocation/diversification does not guarantee a profit or eliminate the risk of loss.

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.

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.

Growth stocks tend to be more sensitive to changes in their earnings and can be more volatile.

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

 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.