Invesco Main Street Fund

Q2 2024

Key takeaways

1 The fund underperformed its benchmark

Underperformance mainly resulted from stock selection in industrials and communication services. An underweight in information technology (IT) also detracted. This was partially offset by stronger stock selection in financials, health care and IT.

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 six additions to the fund and we sold seven stocks during the quarter.

3 S&P 500 Index delivered solid gains

The S&P 500 Index returned 4.28% in the second quarter, but sector performance was mixed. IT, communication services and utilities had positive returns while most other sectors were flat or negative.

Investment objective

The fund seeks capital appreciation.

Fund facts

Fund AUM ($M)	10,620.79

Portfolio managers

Manind Govil, Benjamin Ram

Manager perspective and outlook

- Equity performance diverged in the second quarter as stocks related to Artificial Intelligence (AI) continued to rally and other market segments declined. The S&P 500 Index returned 4.28%, with IT, communication services and utilities delivering gains while most other sectors were flat or negative. Materials, industrials and energy had the lowest returns for the quarter.
- Stubbornly high inflation sent stocks broadly lower in April amid worries the US Federal Reserve (Fed) might be forced to keep interest rates higher for longer. However, in May and June, stocks rallied in response to evidence of cooling inflation. The Consumer Price Index (CPI) and Gross Domestic Product (GDP) growth both came in below expectations, suggesting to us the US economy was finally slowing. Nonfarm payrolls also appeared to moderate and the unemployment rate was largely unchanged at 4.0%. As expected, the Fed's June meeting produced no change to the federal funds rate. Meeting minutes suggested the committee anticipates just one rate cut in 2024 as inflation has remained higher than its 2% target.
- Regardless of market sentiment and near-term economic trends, our investment process favors better-managed companies with strong balance sheets and competitive positioning. We seek to outperform through stock selection while keeping top-down macro, factor and sector exposures similar to the index.

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

Top issuers
(% of total net assets)

	Fund	Index
Microsoft Corp	8.43	7.25
NVIDIA Corp	7.54	6.63
Apple Inc	5.55	6.62
Alphabet Inc	4.86	4.29
Amazon.com Inc	4.32	3.86
Meta Platforms Inc	2.92	2.41
Exxon Mobil Corp	2.70	1.13
JPMorgan Chase & Co	2.56	1.27
Philip Morris International Inc	2.48	0.34
UnitedHealth Group Inc	2.38	1.02

As of 06/30/24. Holdings are subject to change and are not buy/sell recommendations.

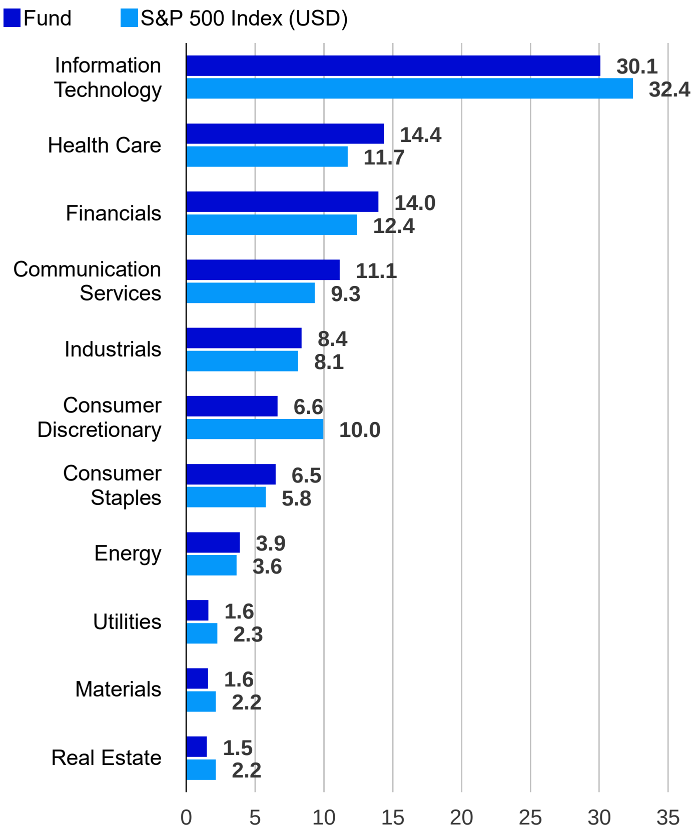
Portfolio positioning

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. At quarter end, the fund's largest overweight was the health care sector and the largest underweight was consumer discretionary.

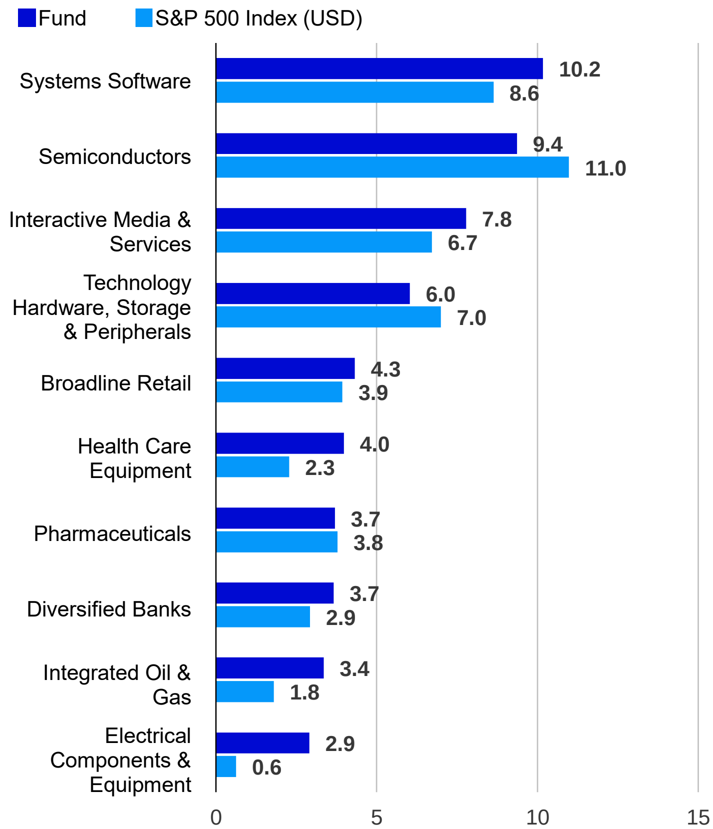
New purchases during the quarter included the following companies:
Broadcom was purchased due to what we consider attractive AI exposure via its chips division. We have started with a small position size given the stock's valuation.
Aercap was purchased because we believe production issues at Boeing and Airbus (not fund holdings) are likely to benefit aircraft leasing companies.
Cooper has been gaining market share in the eye care segment and its valuation recently became more attractive to us.
MongoDB is a next generation provider for AI-based databases, and over time, we expect the company to evolve into a tollkeeper in that area.
Ares has been gaining market share in both its private equity and private credit businesses. Furthermore, its overall asset mix has been moving more toward private equity, which we view favorably.
Rockwell is a premier company in the industrial automation space, and we took advantage of near-term cyclical worries to initiate a position.

Positions sold during the quarter included the following companies:
Autodesk had accounting issues we were not comfortable with.
Starbucks has had uneven management execution during the tenure of its new CEO.
Netflix was sold to increase the fund's weighting in **Disney**.
Paylocity, along with online payroll accounting companies in general, has been under pressure due to a slowing economic environment.
Lowes was sold because the stock reached the high end of our valuation range.
M&T was sold to increase the fund's weighting in **Wells Fargo**.
Biogen was sold due to management's uneven execution.

Sector breakdown (% of total net assets)



Top industries (% of total net assets)



Top contributors (%)

Issuer	Return	Total effect
Tenet Healthcare Corporation	26.56	0.23
NVIDIA Corporation	36.74	0.19
Applied Materials, Inc.	14.64	0.16
Philip Morris International Inc.	12.04	0.15
Intel Corporation	0.00	0.14

Top detractors (%)

Issuer	Return	Total effect
Zimmer Biomet Holdings, Inc.	-17.59	-0.41
MongoDB, Inc.	-31.76	-0.28
Broadcom Inc.	-4.06	-0.27
Prologis, Inc.	-13.01	-0.26
Walt Disney Company	-18.85	-0.23

Performance highlights

The fund's Class A shares at net asset value (NAV) returned 3.58% for the quarter, underperforming the S&P 500 Index, which returned 4.28%. The fund's underperformance mainly resulted from stock selection in the industrials and communication services sectors. A modest underweight in the IT sector also detracted. This was partially offset by stronger stock selection in the financials, health care and IT sectors.

Contributors to performance

Tenet reported a strong quarter driven by revenue growth in its ambulatory surgery centers (ASC) and hospitals. More procedures have been moving from acute care hospitals into ambulatory surgical centers, which has been helping to boost the company's EBITDA (earnings before interest, taxes, depreciation and amortization) margin.

NVIDIA reported another strong quarter and commented that AI-related demand should remain durable for the foreseeable future given the backlog of existing products and upcoming launches of new products.

Applied Materials again benefited from solid demand and released a positive outlook as China-related concerns appear to have eased. Semiconductor end-market spending appears to have bottomed, and investors appear to be looking for a resumption of spending on wafer fab equipment to spur a resumption in revenue and earnings-per-share (EPS) growth.

Detractors from performance

Zimmer Biomet reported first quarter earnings that exceeded analysts' expectations, but investors appeared disappointed with results in its core business of hip and knee replacements. The company also announced a distribution agreement for a miniature robotic system used in ambulatory surgery centers, which some investors seemed to view as moving away from its existing robotic platform.

MongoDB reported disappointing results as both new customer additions and growth within its installed base had slower starts for its fiscal year. The pressure appeared to be macroeconomic-related, similar to commentary from multiple software vendors.

Prologis sold off in April after first quarter results were in line with analysts' estimates, but management reduced full-year earnings guidance. The company attributed the revision to softening near-term lease activity in the face of significant new supply in a few key markets, most notably southern California.

Standardized performance (%) as of June 30, 2024

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since inception
Class A shares inception: 02/03/88	NAV	3.58	16.34	22.01	7.89	12.67	10.97	11.39
	Max. Load 5.5%	-2.12	9.94	15.30	5.87	11.40	10.34	11.22
Class R6 shares inception: 12/29/11	NAV	3.65	16.50	22.36	8.21	13.02	11.37	13.38
Class Y shares inception: 11/01/96	NAV	3.64	16.45	22.28	8.13	12.92	11.22	8.79
S&P 500 Index (USD)		4.28	15.29	24.56	10.01	15.05	12.86	-
Total return ranking vs. Morningstar Large Blend category (Class A shares at NAV)		-	-	58% (850 of 1417)	61% (816 of 1304)	68% (827 of 1197)	62% (550 of 893)	-

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	64	503
Top 10 issuers (% of AUM)	43.74	35.77
Wtd. avg. mkt. cap ($M)	1,053,770	1,009,608
Price/earnings	25.00	25.32
Price to book	4.48	4.71
Est. 3 – 5 year EPS growth (%)	13.20	12.65
ROE (%)	21.45	24.18
Long-term debt to capital (%)	38.79	38.16
Operating margin (%)	25.29	25.59

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-1.67	0.00
Beta	0.96	1.00
Sharpe ratio	0.60	0.71
Information ratio	-0.88	0.00
Standard dev. (%)	17.61	18.08
Tracking error (%)	2.70	0.00
Up capture (%)	84.19	100.00
Down capture (%)	97.96	100.00
Max. drawdown (%)	25.98	23.87

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.12	-0.34	-0.22
Consumer Discretionary	0.11	-0.04	0.07
Consumer Staples	-0.03	0.10	0.07
Energy	-0.03	0.12	0.09
Financials	-0.10	0.28	0.18
Health Care	-0.13	0.15	0.02
Industrials	-0.02	-0.47	-0.49
Information Technology	-0.27	0.19	-0.08
Materials	0.06	0.07	0.13
Real Estate	0.03	-0.20	-0.16
Utilities	0.00	-0.11	-0.11
Cash	-0.03	0.00	-0.03
Total	**-0.28**	**-0.25**	**-0.53**

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 06/30/24. 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.