Invesco

**QUARTERLY REVIEW** A: OPMSX | R6: OPMIX | Y: OPMYX

# Invesco Main Street Mid Cap Fund®

Q1 2026

## Key takeaways

**1 The fund underperformed its benchmark**

Underperformance mainly resulted from stock selection in the information technology (IT), health care and consumer staples sectors. Stronger stock selection in the financials, consumer discretionary and real estate sectors partially offset these results.

**2 Portfolio activity**

There was no significant change to the fund's overall positioning during the quarter as we sought to keep most sector, factor and other macro-related exposures similar to the Russell Midcap Index.

**3 US mid-cap stocks outperformed**

Equities faced increased volatility amid geopolitical tension, higher energy prices and artificial intelligence-related (AI) concerns. US mid-caps outperformed the broader market as leadership rotated away from mega cap stocks. The Russell Midcap Index returned 1.29%.

**Investment objective**

The fund seeks capital appreciation.

**Fund facts**

| | |
|---|---|
| Fund AUM ($M) | 2,359.98 |

**Portfolio managers**

Adam Weiner, Matthew Ziehl, Belinda Cavazos, Joy Budzinski, Magnus Krantz, Raman Vardharaj

## Manager perspective and outlook

- US financial markets had a volatile first quarter, marked by shifting monetary policy expectations, geopolitical instability and uneven economic data.
- Equities started 2026 with momentum as earnings remained solid and market leadership broadened beyond mega cap growth stocks. Volatility rose later in the quarter due to the Iran conflict, higher energy prices and concerns about AI disruption.
- Economic growth remained positive but showed signs of softening, as job gains slowed, unemployment edged higher and inflation stayed above the US Federal Reserve's (Fed) 2% target.
- Following three rate cuts in late 2025, the Fed kept the federal funds rate unchanged during the quarter, signaling a more cautious stance with rates staying "higher for longer" in response to persistent inflation and a cooling labor market.
- Major equity indexes declined amid heightened volatility, with the S&P 500 Index returning -4.33%. Energy stocks outperformed on rising oil prices, while financials, consumer discretionary and IT lagged. Mid-caps led the broader market. The Russell Midcap Index returned 1.29%, led by the energy and IT sectors.
- Regardless of market sentiment and near-term economic trends, our investment process favors better-managed companies with strong competitive positioning. We seek to outperform through stock selection while keeping top-down macro, factor and sector exposures similar to the index.

## Top issuers
(% of total market value)

| | Fund | Index |
|---|---|---|
| Howmet Aerospace Inc | 2.06 | 0.73 |
| Royal Caribbean Cruises Ltd | 1.83 | 0.55 |
| Cheniere Energy Inc | 1.79 | 0.48 |
| PPL Corp | 1.74 | 0.22 |
| Permian Resources Corp | 1.71 | 0.12 |
| Raymond James Financial Inc | 1.69 | 0.21 |
| Vertiv Holdings Co | 1.65 | 0.76 |
| ATI Inc | 1.60 | 0.16 |
| Ameren Corp | 1.59 | 0.24 |
| Curtiss-Wright Corp | 1.58 | 0.20 |

As of 03/31/26. Holdings are subject to change and are not buy/sell recommendations.

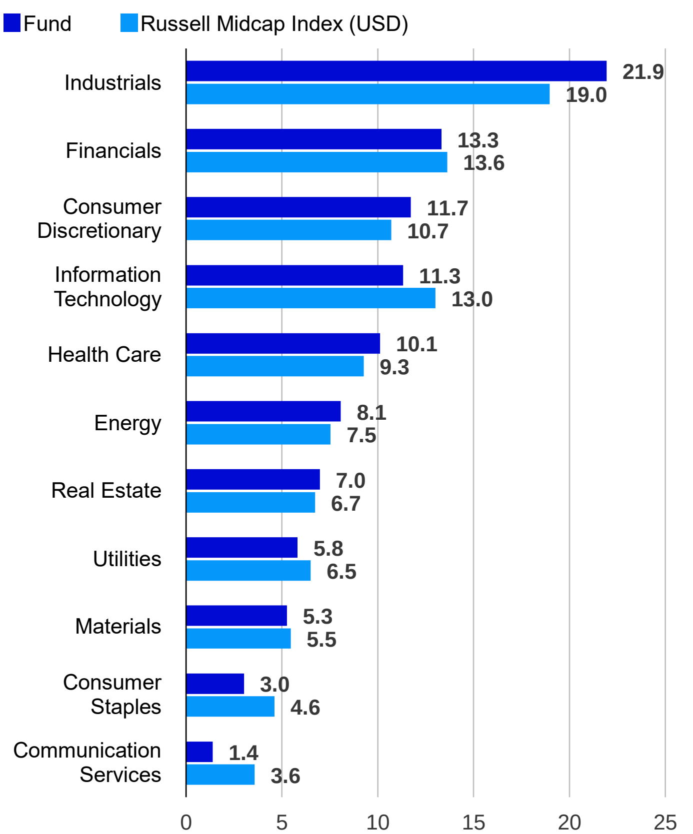
# Portfolio positioning

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 +/- 3% of the Russell Midcap Index.

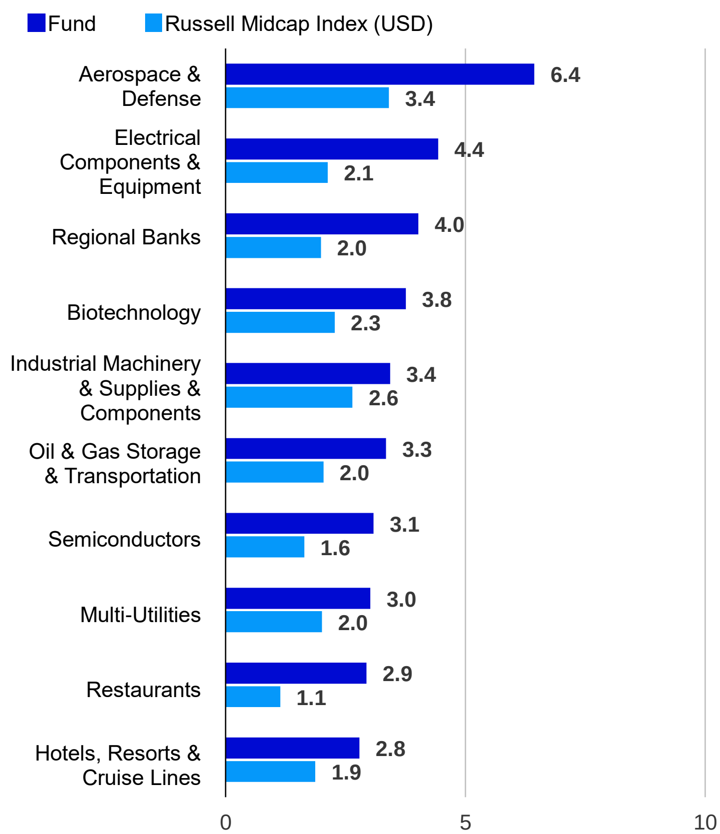
The largest additions to the fund during the quarter included the following:
**Hyatt** has been benefiting from effective execution and improving revenue per available room, driving continued operating momentum.
**Ross Stores,** a discount apparel and home fashion retailer, has been implementing a new CEO-led strategy focused on attracting younger shoppers through refreshed advertising and merchandising in an effort to support long-term earnings growth.
**Devon Energy** owns high-quality oil and gas fields with what we see as meaningful opportunities for operational improvement.
**Evercore,** an independent investment bank, has been expanding its capital markets exposure, gaining share in merger and acquisition activity relative to its peers, and is in our view supported by a solid transaction backlog.
**Lumentum,** a maker of optical and laser components that enable faster data processing and transmission, stands in our view to benefit from AI tailwinds that we expect to drive above-average earnings growth over the next several years.
**Hershey** in our view appears to be in the early stages of an earnings inflection, with easing cocoa costs expected to provide a tailwind.

Positions sold during the quarter included the following:
**Astera Labs,** a provider of connectivity solutions supporting AI infrastructure, was sold to manage the fund's AI exposure as we have invested in other AI-related names, including **Credo Technology,** where we have higher conviction.
**Burlington Stores** was sold and used as a source of funds for a new position in Ross Stores.
**Carlyle** was sold as rising risks in private credit appeared to weigh on investor sentiment and pressured the stock's valuation.
**Estee Lauder** was sold due to concerns about its potential acquisition of Puig (not a fund holding).
**Expand Energy,** a US natural gas producer, was sold following the unexpected departure of its CEO, which appeared to raise concerns about business stability.
**Willscot** was sold and the proceeds reallocated to Sunbelt Rentals, which we view as having higher potential following seemingly increased investor awareness resulting from its recent rebranding and US listing.

## Sector breakdown (% of total market value)




## Top industries (% of total market value)



## Top contributors (%)

| Issuer | Return | Total effect |
|---|---|---|
| Permian Resources Holdings, Inc. | 53.21 | 0.65 |
| Cheniere Energy, Inc. | 46.35 | 0.42 |
| Vertiv Holdings Co | 54.71 | 0.34 |
| Keysight Technologies, Inc. | 38.97 | 0.34 |
| ATI, Inc. | 26.75 | 0.28 |

## Top detractors (%)

| Issuer | Return | Total effect |
|---|---|---|
| MongoDB, Inc. | -41.68 | -0.67 |
| Sandisk Corporation | -15.70 | -0.59 |
| Unity Software Inc. | -56.64 | -0.56 |
| HubSpot, Inc. | -39.17 | -0.37 |
| ADMA Biologics, Inc. | -54.55 | -0.37 |

## Performance highlights

The fund's Class A shares at net asset value (NAV) returned -1.98% for the quarter, underperforming the Russell Midcap Index, which returned 1.29%. The fund's underperformance mainly resulted from stock selection in the IT, health care and consumer staples sectors. Stronger stock selection in the financials, consumer discretionary and real estate sectors partially offset these results.

**Contributors to performance**
**Permian Resources,** an oil and natural gas producer focused on the Permian Basin, benefited from higher oil and gas prices as geopolitical tensions and supply disruptions tightened energy markets.
**Cheniere Energy,** one of the largest producers and exporters of liquefied natural gas (LNG), benefited from rising LNG prices during the quarter as damage to a large LNG facility in Qatar disrupted approximately 20% of global LNG supply.
**Vertiv** outperformed after results highlighted robust organic revenue growth and an acceleration in orders for its infrastructure solutions, which are essential to AI-focused data centers. Management also released 2026 guidance that exceeded expectations, reflecting strong visibility for continued AI related spending.

**Detractors from performance**
**MongoDB,** a provider of cloud-based database software, has experienced a period of revenue acceleration and margin improvement under new leadership, but underperformed this quarter after posting results that fell short of apparent expectations. Shares appeared further pressured by seemingly broader investor concerns that large language models may disrupt enterprise software markets. Despite near-term pressure, we believe the company remains well positioned as AI applications increasingly rely on fast, reliable databases like MongoDB's, which could support market share gains and improving profit margins over time.
**Unity Software** underperformed after quarterly results fell short of apparent expectations. AI-related uncertainty across the video game software ecosystem seemed to also affect the stock.
**HubSpot,** a provider of customer relationship management (CRM) and marketing automation software, posted solid results and provided constructive guidance, with management emphasizing its ability to deliver AI solutions to mid-market and small business customers. However, the stock underperformed during the quarter amid broad AI-related weakness across the application software sector and apparent concerns that AI could replace traditional workflow-based systems.

## Standardized performance (%) as of March 31, 2026

| | | Quarter | YTD | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception |
|---|---|---|---|---|---|---|---|---|
| Class A shares inception: 08/02/99 | NAV | -1.98 | -1.98 | 12.71 | 11.55 | 6.62 | 9.23 | 9.73 |
| | **Max. Load 5.5%** | -7.37 | -7.37 | 6.50 | 9.47 | 5.42 | 8.61 | 9.50 |
| Class R6 shares inception: 10/26/12 | NAV | -1.89 | -1.89 | 13.12 | 11.95 | 7.02 | 9.67 | 10.49 |
| Class Y shares inception: 08/02/99 | NAV | -1.92 | -1.92 | 13.00 | 11.82 | 6.88 | 9.50 | 10.11 |
| Russell Midcap Index (USD) | | 1.29 | 1.29 | 15.98 | 13.33 | 7.26 | 10.91 | - |
| Total return ranking vs. Morningstar Mid-Cap Blend category (Class A shares at NAV) | | - | - | 67% (262 of 417) | 61% (189 of 368) | 61% (181 of 344) | 79% (186 of 266) | - |

Expense ratios per the current prospectus: Class A: Net: 1.04%, Total: 1.04%; Class R6: Net: 0.68%, Total: 0.68%; Class Y: Net: 0.80%, Total: 0.80%.

**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 (%)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Class A shares at NAV | 13.42 | 14.68 | -12.25 | 32.15 | 9.13 | 23.02 | -14.35 | 14.48 | 17.07 | 8.92 |
| Class R6 shares at NAV | 13.92 | 15.18 | -11.89 | 32.74 | 9.60 | 23.50 | -14.00 | 14.92 | 17.48 | 9.32 |
| Class Y shares at NAV | 13.67 | 14.98 | -12.03 | 32.48 | 9.44 | 23.31 | -14.10 | 14.74 | 17.32 | 9.20 |
| Russell Midcap Index (USD) | 13.80 | 18.52 | -9.06 | 30.54 | 17.10 | 22.58 | -17.32 | 17.23 | 15.34 | 10.60 |

## Portfolio characteristics*

| | Fund | Index |
|---|---|---|
| No. of holdings | 94 | 806 |
| Top 10 issuers (% of AUM) | 17.24 | 6.85 |
| Wtd. avg. mkt. cap ($M) | 34,219 | 32,602 |
| Price/earnings | 23.02 | 21.02 |
| Price to book | 3.60 | 3.02 |
| Est. 3 – 5 year EPS growth (%) | 12.19 | 12.12 |
| ROE (%) | 16.42 | 15.01 |
| Long-term debt to capital (%) | 40.20 | 39.60 |
| Operating margin (%) | 16.27 | 17.34 |

## Risk statistics (5 year)*

| | Fund | Index |
|---|---|---|
| Alpha (%) | -0.47 | 0.00 |
| Beta | 0.96 | 1.00 |
| Sharpe ratio | 0.19 | 0.23 |
| Information ratio | -0.21 | 0.00 |
| Standard dev. (%) | 16.81 | 17.18 |
| Tracking error (%) | 3.04 | 0.00 |
| Up capture (%) | 90.45 | 100.00 |
| Down capture (%) | 97.54 | 100.00 |
| Max. drawdown (%) | 21.09 | 24.27 |

# Quarterly performance attribution

## Sector performance analysis (%)

| Sector | Allocation effect | Selection effect | Total effect |
|---|---|---|---|
| Communication Services | 0.29 | -0.33 | -0.05 |
| Consumer Discretionary | 0.01 | 0.40 | 0.41 |
| Consumer Staples | 0.01 | -0.58 | -0.57 |
| Energy | 0.00 | -0.05 | -0.05 |
| Financials | 0.05 | 0.77 | 0.81 |
| Health Care | -0.04 | -0.68 | -0.72 |
| Industrials | 0.05 | 0.27 | 0.32 |
| Information Technology | 0.01 | -3.19 | -3.18 |
| Materials | -0.02 | -0.08 | -0.11 |
| Real Estate | -0.02 | 0.29 | 0.26 |
| Utilities | -0.05 | -0.06 | -0.11 |
| Cash | -0.01 | 0.00 | -0.01 |
| **Total** | **0.27** | **-3.25** | **-2.98** |

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 03/31/26. Unless stated otherwise, Index refers to Russell Midcap Index (USD).

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

The Russell Midcap® Index is an unmanaged index considered representative of mid-cap stocks. The Russell Midcap 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**

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.

Stocks of medium-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to resale.

Most MLPs operate in the energy sector and are subject to the risks generally applicable to companies in that sector, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. MLPs are also subject the risk that regulatory or legislative changes could eliminate the tax benefits enjoyed by MLPs which could have a negative impact on the after-tax income available for distribution by the MLPs and/or the value of the portfolio's investments.

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.

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.**