

Invesco Main Street Mid Cap Fund

Q1 2025

Key takeaways

1 The fund underperformed its benchmark
Underperformance mainly resulted from stock selection in the information technology (IT), communication services and industrials sectors. Stronger stock selection in the health care and financial 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 equities declined
The S&P 500 Index returned -4.27% during the quarter. Energy led sector returns in the index. Defensive sectors such as health care and consumer staples also had positive returns, while consumer discretionary and IT saw double-digit losses. The Russell Midcap Index returned -3.40%.

Investment objective

The fund seeks capital appreciation.

Fund facts

Fund AUM (\$M) 2,339.30

Portfolio managers

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

Manager perspective and outlook

- US equities declined in the first quarter amid considerable volatility and economic concerns.
- The year started with positive expectations for the US economy, but sentiment appeared to reverse by mid-February. Concerns about the Trump administration's tariff policies appeared to spark fears of a prolonged trade war and potential recession. The annualized growth rate of the US Gross Domestic Product (GDP) for 2024 was 2.8%, but forecasts for 2025 dimmed due to tariff uncertainty.
- Inflation appeared to stabilize somewhat but remained higher than the US Federal Reserve's (Fed) 2% target. US unemployment stayed low, but employment data showed signs of softening. Against this backdrop, the Fed held benchmark interest rates steady.
- The S&P 500 Index ended the first quarter with a return of -4.27%, driven by a full 10% correction in March. Energy led all sector returns within the index. Defensive sectors such as health care and consumer staples had positive returns, while consumer discretionary and IT had double-digit losses.
- 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 minimizing any top-down macro, factor and sector exposures relative to the index.



Top issuers

(% of total net assets)

	Fund	Index
Howmet Aerospace Inc	1.92	0.47
American International Group Inc	1.81	0.00
Royal Caribbean Cruises Ltd	1.81	0.43
Cheniere Energy Inc	1.75	0.46
CMS Energy Corp	1.71	0.20
M&T Bank Corp	1.70	0.26
PPL Corp	1.69	0.24
Raymond James Financial Inc	1.69	0.25
Hartford Insurance Group Inc/The	1.62	0.32
First Industrial Realty Trust Inc	1.60	0.06

As of 03/31/25. 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 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 Russell Midcap Index.

The largest additions to the fund during the quarter included the following:

Electronic Arts is a global video game company that boasts a strong and diverse lineup of game franchises. Its stock is in our view attractively priced after a recent pullback.

International Flavors & Fragrances is a leader in flavors, fragrances and specialty ingredients. Its new CEO aims to improve execution, and the company has completed several divestitures to refocus on its core businesses.

Domino's Pizza offers what we consider an attractive risk-reward profile. Its business has relatively defensive characteristics, while we believe its upcoming DoorDash (not a fund holding) partnership stands to drive additional sales.

American Healthcare REIT operates health care-related properties. It has had strong organic growth, with properties in our view poised to benefit from demographic tailwinds.

SAIA is a leading transportation company that we believe has an attractive risk-reward profile and provides better pricing and growth visibility than its peers.

HealthEquity is a leading administrator of consumer-directed benefits. Supportive legislation and market trends point to further growth in health savings accounts, which should in our view buoy the company's future earnings prospects.

Positions sold during the quarter included the following:

Dutch Bros was sold after its stock rose to what we considered a full valuation.

PPG was sold because we lost confidence in its upside potential.

Manhattan Associates was sold as a softer near-term outlook and CEO retirement prompted us to redirect the capital to what we saw as better alternatives.

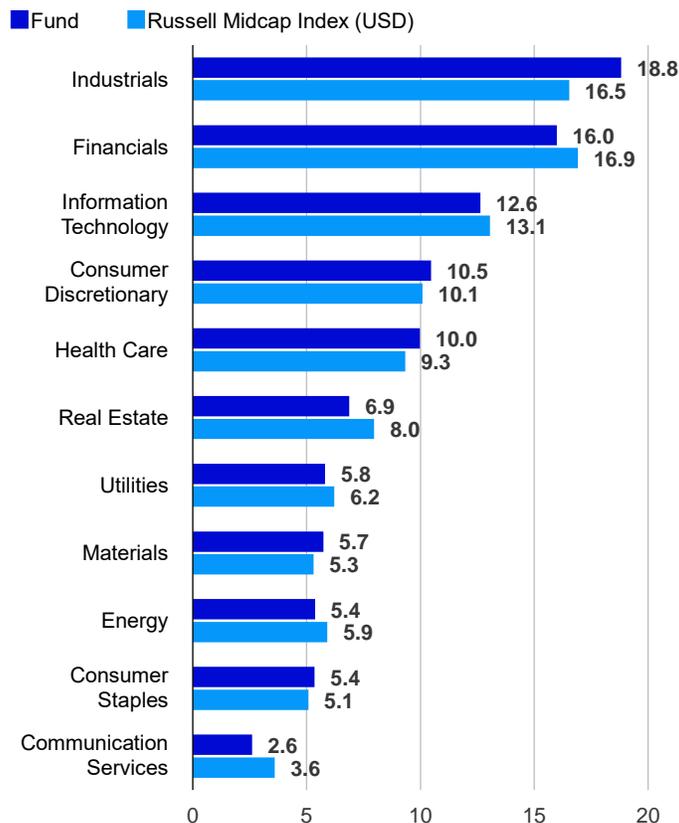
Intra-Cellular Therapies was sold pending acquisition by Johnson & Johnson.

JB Hunt was sold because industry-wide concerns about truckload overcapacity appear to weigh on a potential price recovery. We used the funds for a new position in **SAIA**.

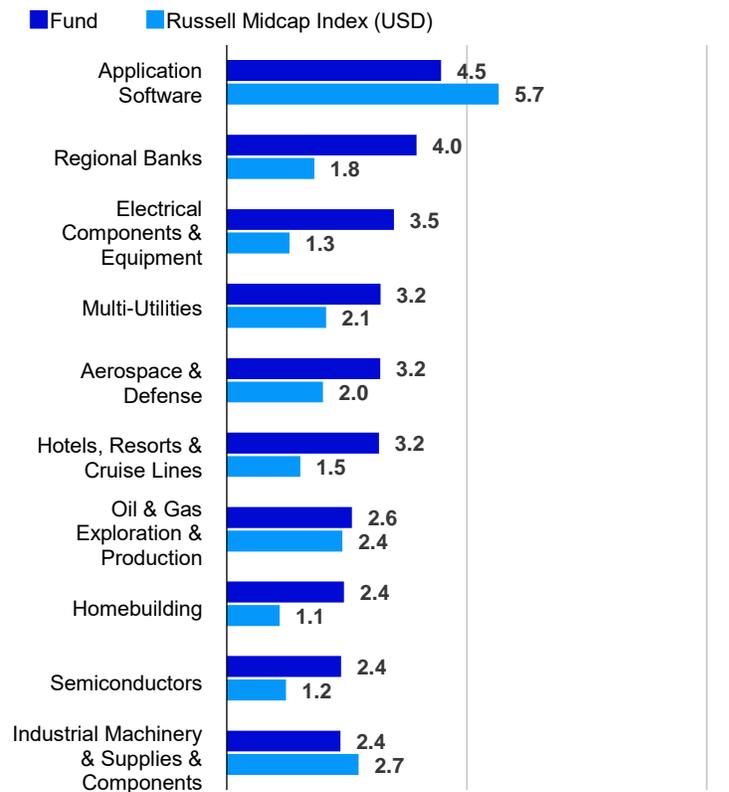
Pinterest was sold because we lost conviction in our original investment thesis, along with increased concern about near-term fundamentals.

Fortune Brands offers a diverse mix of home products. We sold the position as part of a measure to reduce the fund's industrial and housing-related exposure.

Sector breakdown (% of total net assets)



Top industries (% of total net assets)



Top contributors (%)

Issuer	Return	Total effect
Intra-Cellular Therapies, Inc.	57.28	0.44
Dutch Bros Inc.	31.29	0.38
BJ's Wholesale Club Holdings, Inc.	27.70	0.36
American International Group, Inc.	19.99	0.33
Howmet Aerospace Inc.	18.71	0.25

Top detractors (%)

Issuer	Return	Total effect
Trade Desk, Inc.	-53.44	-0.76
Astera Labs, Inc.	-54.95	-0.60
Marvell Technology, Inc.	-44.23	-0.54
Manhattan Associates, Inc.	-34.01	-0.44
Deckers Outdoor Corporation	-44.95	-0.37

Performance highlights

The fund's Class A shares at net asset value (NAV) returned -5.28% for the quarter, underperforming the Russell Midcap Index, which returned -3.40%. The fund's underperformance mainly resulted from stock election in the IT, communication services and industrials sectors. Stronger stock selection in the health care and financial sectors partially offset these results.

Contributors to performance

Intra-Cellular Therapies develops treatments for psychiatric and neurological diseases. Its stock rose in January after the company announced that it had agreed to be acquired by Johnson & Johnson at a meaningful premium.

Dutch Bros outperformed due to better-than-expected revenue and earnings results. Revenue growth was driven by a strong increase in same store sales, aided by the rollout of mobile ordering across its stores.

BJ's Wholesale Club outperformed thanks to a strong earnings report that showed continued market share gains in its grocery offerings as consumers appear to have

maintained a value focus in the face of high prices and economic uncertainty.

Detractors from performance

Trade Desk offers ad-buying technology solutions, including for internet TV platforms. The stock underperformed as earnings came in below expectations, in part due to a mid-quarter reorganization that hampered short-term execution. We believe the company remains well-positioned in the connected TV advertising space.

Astera Labs makes connectivity chips for data centers. The stock fell as management projected shifts in its forward product mix that could negatively affect profit margins. The stock was also negatively affected by the market sell-off in artificial intelligence (AI)-related stocks following the release of the DeepSeek AI model.

Marvell Technology is a semiconductor company specializing in data infrastructure solutions. The stock declined after earnings fell short of elevated expectations. It was also caught up in the broad sell-off in AI-related stocks.

Standardized performance (%) as of March 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 08/02/99	NAV	-5.28	-5.28	1.47	4.29	15.10	7.05	9.62
	Max. Load 5.5%	-10.48	-10.48	-4.11	2.34	13.81	6.44	9.37
Class R6 shares inception: 10/26/12	NAV	-5.19	-5.19	1.84	4.68	15.55	7.48	10.28
Class Y shares inception: 08/02/99	NAV	-5.22	-5.22	1.70	4.54	15.39	7.31	9.99
Russell Midcap Index (USD)		-3.40	-3.40	2.59	4.62	16.28	8.82	-
Total return ranking vs. Morningstar Mid-Cap Blend category (Class A shares at NAV)		-	-	29% (98 of 406)	52% (164 of 382)	71% (235 of 352)	76% (159 of 244)	-

Expense ratios per the current prospectus: Class A: Net: 1.06%, Total: 1.06%; Class R6: Net: 0.69%, Total: 0.69%; Class Y: Net: 0.82%, Total: 0.82%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com](https://www.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.

Performance highlights (cont'd)

Calendar year total returns (%)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Class A shares at NAV	-7.22	13.42	14.68	-12.25	32.15	9.13	23.02	-14.35	14.48	17.07
Class R6 shares at NAV	-6.85	13.92	15.18	-11.89	32.74	9.60	23.50	-14.00	14.92	17.48
Class Y shares at NAV	-6.99	13.67	14.98	-12.03	32.48	9.44	23.31	-14.10	14.74	17.32
Russell Midcap Index (USD)	-2.44	13.80	18.52	-9.06	30.54	17.10	22.58	-17.32	17.23	15.34

Portfolio characteristics*

	Fund	Index
No. of holdings	93	808
Top 10 issuers (% of AUM)	17.29	6.73
Wtd. avg. mkt. cap (\$M)	24,359	29,164
Price/earnings	20.86	20.18
Price to book	2.94	2.76
Est. 3 – 5 year EPS growth (%)	10.65	10.98
ROE (%)	15.16	15.97
Long-term debt to capital (%)	41.07	40.76
Operating margin (%)	16.03	17.50

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-0.41	0.00
Beta	0.95	1.00
Sharpe ratio	0.68	0.71
Information ratio	-0.35	0.00
Standard dev. (%)	18.46	19.19
Tracking error (%)	3.33	0.00
Up capture (%)	87.64	100.00
Down capture (%)	96.57	100.00
Max. drawdown (%)	21.09	24.27

Quarterly performance attribution

Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	-0.01	-0.52	-0.53
Consumer Discretionary	0.00	-0.12	-0.12
Consumer Staples	0.02	0.04	0.06
Energy	-0.04	-0.16	-0.21
Financials	-0.02	0.60	0.58
Health Care	-0.01	0.72	0.70
Industrials	-0.08	-0.19	-0.27
Information Technology	0.04	-1.84	-1.80
Materials	0.00	0.01	0.01
Real Estate	-0.04	0.01	-0.03
Utilities	-0.03	0.02	-0.01
Cash	0.00	0.00	0.00
Total	-0.17	-1.43	-1.61

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 03/31/25. Unless stated otherwise, Index refers to Russell Midcap Index (USD).

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 to 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

Source: ©2025 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. 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](https://www.invesco.com/fundprospectus) for a prospectus/summary prospectus containing this information. Read it carefully before investing.