



# Invesco Diversified Dividend Portfolio

## Quarterly Performance Commentary

CUSIPS: RZ:76222X505 RA:76222X406

### Investment objective

The portfolio seeks long-term growth of capital and, secondarily, current income.

### Portfolio management

Peter Santoro, Caroline Le Feuvre, Craig Leopold, Chris McMeans

Management is that of the underlying fund.

### Portfolio information

Tickers	A:INCUX	C:INCVX I:INCWX
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Total net assets	\$135,730,807
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Total number of holdings	75
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Holdings shown are that of the underlying fund.

### Top equity holdings

	% of total net assets
JPMorgan Chase & Co	3.48
Chevron Corp	2.66
Johnson & Johnson	2.63
Walmart Inc	2.59
UnitedHealth Group Inc	2.44
McDonald's Corp	2.38
Philip Morris International Inc	2.35
Lowe's Cos Inc	2.29
Procter & Gamble Co	1.97
Cisco Systems Inc	1.97

Holdings are that of the underlying fund, subject to change and are not buy/sell recommendations.

### Top contributors

	% of total net assets
1. Philip Morris International Inc.	2.35
2. Chevron Corp.	2.66
3. AT&T Inc.	1.72
4. Johnson & Johnson	2.63
5. American International Group Inc.	1.93

Data shown is that of the underlying fund.

### Top detractors

	% of total net assets
1. Marvell Technology Inc.	0.00
2. Salesforce Inc.	0.90
3. Broadcom Inc.	0.58
4. Microsoft Corp.	1.86
5. Walt Disney Co.	0.94

Data shown is that of the underlying fund.

Portfolio commentary provided is based on the underlying fund.

Not a deposit; Not FDIC insured; Not guaranteed by the bank; May lose value; Not insured by any federal agency

### Market overview

- 2025 started with positive expectations for the US economy and markets, but sentiment appeared to reverse by mid-February. Concerns seemed to arise as ambiguity about Trump administration tariff policies appeared to spark fears of a prolonged trade war and possible recession. Forecasts for 2025 US GDP growth appeared to dim considerably amid tariff uncertainty. Inflation appeared to stabilize somewhat but remained higher than the US Federal Reserve's (Fed) 2% target. Unemployment stayed low, but employment data showed signs of softening. Against this backdrop, the Fed noted that "inflation remains somewhat elevated" and held benchmark interest rates steady, with no cuts expected until mid-2025.

### Performance highlights

- The portfolio's Class RZ units at net asset value (NAV) posted a positive return but underperformed the Russell 1000 Value Index. (Please see the investment results table on page 2 for portfolio and index performance.) Leading drivers of underperformance included stock selection in the information technology (IT), financials and materials sectors. An overweight in IT also dampened results amid a rotation away from high valuation stocks. Stock selection in the health care, industrials, consumer staples and consumer discretionary sectors added the most to relative return. Defensive attributes of these sectors helped stabilize results as investor sentiment appeared to sour amid growing tariff policy uncertainty.

### Contributors to performance

- **Philip Morris International** delivered quarterly earnings that exceeded analysts' expectations, with strong sales volumes in its traditional tobacco and smoke-free segments.
- **Chevron** released a quarterly earnings report that fell short of analysts' estimates, yet its share price ended the period in positive territory. Momentum was fueled by solid annual growth projections and efforts to streamline the business and cut operational costs through divestitures of select assets.
- **AT&T** reported strong quarterly results and reiterated its forward-looking guidance, driving the share price higher.

### Detractors from performance

- **Marvell Technology** released earnings and forward-looking guidance that fell short of elevated analyst expectations. Its artificial intelligence (AI)-related businesses have been growing ahead of expectations, but the stock's aggressive pullback was likely fueled by management's overly confident tone even as results were more muted than anticipated.
- **Salesforce** delivered a mixed quarterly report. Earnings beat analysts' expectations, but sales were weaker than expected. Forward-looking sales guidance was also below expected targets, causing a decline in share price.
- **Broadcom** experienced weakness during the quarter along with other AI-related stocks due to ongoing apparent concerns about the effect of tariffs on the broader economy and a possible slowdown in AI-related spending.

### Positioning and outlook

- We believe the portfolio is well-positioned to defend against the downside if market and geopolitical uncertainty leads to continued volatility in 2025 and should also be well-positioned to capture a good portion of the upside if markets move higher.
- We believe investors will place a greater focus on dividend paying stocks in 2025 and beyond. In the past, dividends have accounted for a much larger portion of total return than they have over the last decade. However, if we enter a period with more normal returns, dividends could make up a much larger portion of total return.
- Compared to the Russell 1000 Value Index, the portfolio is generally balanced across sectors and industries, with exposure to areas that have been benefiting from long-term secular growth tailwinds, including e-commerce, electric vehicles, cloud computing, industrial automation, medical technology and broadband. Our dual focus on companies generating sustainable levels of free cash flow and having healthy balance sheets gives the portfolio a quality bias with defensive characteristics that we believe should prove valuable if volatility persists in 2025.

<b>Investment results</b>				
Average annual total returns (%) as of March 31, 2025				
Period	Class RZ units		Class RA units	Style-Specific Index
	Inception: 07/08/16		Inception: 07/08/16	Russell 1000 Value Index
	Max Load 1.25%	NAV	NAV	
Inception	7.58	8.08	7.82	-
5 Years	13.55	14.49	14.20	16.15
3 Years	5.12	6.56	6.30	6.64
1 Year	2.71	7.00	6.75	7.18
Quarter	-2.14	1.97	1.90	2.14

The performance quoted is past performance and is not a guarantee of future results. Investment returns and principal value of an investment will fluctuate so that an account owner's units, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data shown. For up-to-date month-end performance information please call 877 615 4116, or visit [collegebound529.com](http://collegebound529.com). Performance figures reflect reinvested distributions of the underlying security and changes in net asset value (NAV). Performance shown at NAV for Class RZ units does not include applicable front-end sales charges, which would have reduced the performance. Class RA units have no sales charge; therefore, performance is at NAV. Returns less than one year are cumulative; all others are annualized. Index returns do not reflect any fees, expenses, or sales charges.  
Index source: FactSet Research Systems Inc.

<b>Asset mix (%)</b>		<b>Expense ratios (%)</b>	
Dom Common Stock	88.68	Class RZ units	0.47
Intl Common Stock	6.92	Class RA units	0.72
Cash	4.41	Total annual asset-based fee per the current Program Description.	

Data shown is that of the underlying fund.

#### For more information you can visit us at [collegebound529.com](http://collegebound529.com)

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

Effective on or about June 25, 2021, Class RA and Class RZ units are closed to new investors. Existing Account Owners holding Class RA and Class RZ units are permitted to make additional investments in those classes, respectively. See the Program Description for more information.

The underlying 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.

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.

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.

<b>Equity sector breakdown</b> (% of total net assets)	
Financials	19.90
Health Care	15.30
Industrials	13.90
Consumer Staples	11.60
IT	9.00
Energy	7.00
Consumer Discretionary	6.30
Utilities	4.70
Communication Services	3.60
Real Estate	2.30
Materials	1.90

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## About risk

### Risks of the Underlying Holding

The risks of investing in securities of foreign issuers can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

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 portfolio is subject to certain other risks. Please see the current Program Description for more information regarding the risks associated with an investment in the portfolio.

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***Before you invest, consider whether your or the beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in that state's qualified tuition program.***

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