Invesco Diversified Dividend Portfolio

Q3 2026

Key takeaways

1 Technology stocks maintained leadership

After a correction in July, information technology (IT) stocks rebounded to close the quarter. While leadership was broader than in previous quarters, benchmark performance still tilted toward a small group of artificial intelligence-related (AI) companies.

2 Results reflected the portfolio's disciplined process

The portfolio's underperformance primarily reflected our disciplined adherence to dividend, valuation and quality requirements for portfolio holdings. The portfolio was underweight in large benchmark positions because we believe diversification helps to manage long-term risk.

3 Positioned for resilience across market environments

We maintained the portfolio's focus on high quality companies with sustainable free cash flow generation, strong balance sheets and durable competitive advantages, while maintaining exposure to long-term secular growth themes.

Investment objective

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

Portfolio overview	
Total net assets	$141.08 million
Total number of holdings	75
CUSIPs	A:76222X109 C:76222X307 I:76222X604 RA:76222X406 RZ:76222X505
Ticker	A:INCUX C:INCVX I:INCWX

Portfolio managers

Peter Santoro, Belinda Cavazos, Caroline Le Feuvre, Craig Leopold

Management and number of holdings information are that of the underlying fund.

Manager perspective and outlook

- US equities had gains in the third quarter. However, returns varied across market segments as investors appeared to weigh resilient economic activity against persistent inflation, higher interest rates and geopolitical uncertainty. After a volatile July, equities rose in August, supported by solid corporate earnings and continued AI investment. Volatility returned in September as the US Federal Reserve (Fed) raised interest rates and higher Treasury yields pressured more rate-sensitive equity segments.
- Inflation stayed above the Fed's 2% target, with the August Personal Consumption Expenditures (PCE) Index unchanged at 3.4% year over year, partly reflecting high energy prices. Nevertheless, economic growth was resilient. The second quarter real GDP estimate was revised from 1.5% up to an annualized rate of 2.2%, supported by consumer spending and business investment. The labor market was stable, with unemployment holding at 4.1%. Against this backdrop, the Fed raised the federal funds target range by 0.25% at its September meeting.
- The S&P 500 Index returned 2.30% for the quarter. Market gains extended beyond technology, with the energy and health care sectors also posting gains. Utilities, industrials and real estate declined. Value stocks outperformed growth stocks for the quarter as the Russell 1000 Value Index returned 2.61% versus 0.92% for the Russell 1000 Growth Index.

Key takeaways are based on the underlying fund.

Not a Deposit; Not FDIC Insured; Not Guaranteed by the Bank; May Lose Value; Not Insured by any Federal Government Agency

Top issuers

(% of total market value)

	Fund	Index
Microsoft Corp	6.50	5.25
JPMorgan Chase & Co	3.30	2.44
Apple Inc	3.00	6.07
Johnson & Johnson	2.96	1.76
Chevron Corp	2.61	1.04
Alphabet Inc	2.33	0.00
Procter & Gamble Co/The	2.07	0.93
Philip Morris International Inc	2.01	0.82
Linde PLC	1.85	0.60
Prologis Inc	1.84	0.34

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

Asset mix

Dom Common Stock	95.01
Intl Common Stock	3.26
Cash	1.74

Based on the underlying fund. Current Allocations may differ. May not equal 100% due to rounding.

Portfolio positioning is based on the underlying fund.

Portfolio positioning

Compared to the Russell 1000 Value Index, the portfolio remains broadly balanced across sectors and industries, with exposure to companies benefiting from long-term secular growth trends, including AI, cloud computing, e-commerce, industrial automation, medical technology, digital infrastructure and electrification.

While economic growth, inflation trends and policy developments will likely drive near-term performance, we remain focused on companies with durable competitive advantages, recurring cash flows, financial flexibility and proven management teams. We believe these characteristics are increasingly important as markets differentiate between companies with sustainable earnings power and those facing more challenging operating conditions.

We are cautiously optimistic about the equity outlook and believe the backdrop for high quality dividend-paying stocks remains constructive. Invesco Diversified Dividend Portfolio is designed to participate meaningfully in rising markets with resilience during periods of greater volatility. We believe our focus on quality businesses with durable cash flows and the ability to sustain and grow dividends positions the portfolio for long-term income growth and capital appreciation.

Notable Additions

We initiated a position in **NVIDIA** during the quarter, reflecting our conviction that leadership in AI infrastructure and its full-stack computing platform position the company to remain a key beneficiary of long-term AI investment.

We added **Intercontinental Exchange** due to what we saw as its attractive combination of recurring revenue, resilient earnings growth and strategic exposure to fixed income, market data and mortgage technology.

We added **American Tower** because we saw an attractive risk/reward opportunity, with a discounted valuation, improving growth prospects and exposure to long-term demand for wireless connectivity, data centers and digital infrastructure.

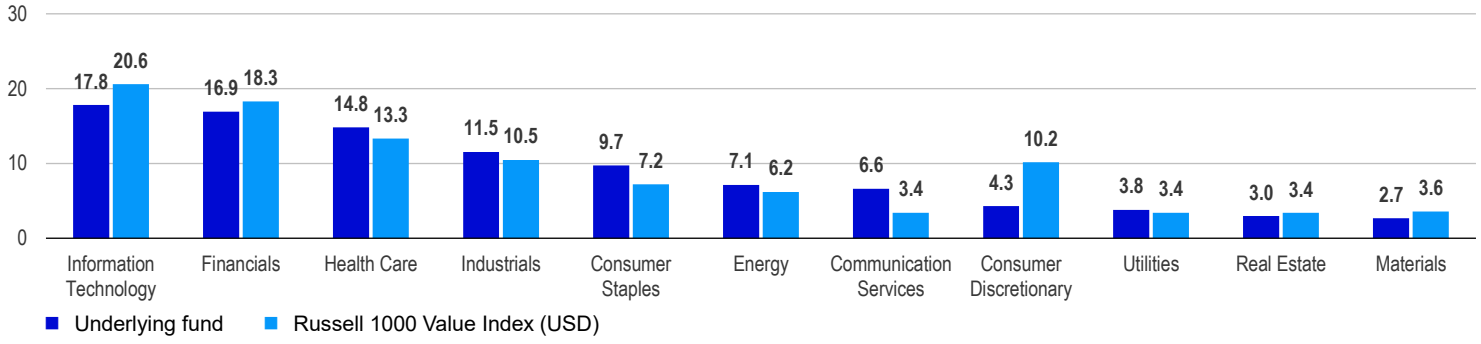
Notable Sales

We sold **Parker-Hannifin** because strong operating execution and share price performance, in our view, left its risk/reward less attractive relative to other opportunities in the portfolio.

We sold **Charles Schwab** because the stock's recovery made its risk/reward profile less attractive, in our view, given uncertainty about the durability of cash sweep balances and net interest income in an increasingly AI-enabled brokerage landscape.

We maintain a constructive view on **Citigroup's** turnaround under CEO Jane Fraser but sold the position because we identified more compelling risk-adjusted opportunities elsewhere in the financials sector.

Sector breakdown (% of total market value)



Top contributors (%)

Issuer	Return	Contrib. to return
Microsoft Corporation	37.76	1.42
Chevron Corporation	24.26	0.48
Apple Inc.	15.19	0.27
ConocoPhillips	21.18	0.25
Danaher Corporation	16.52	0.22

Top detractors (%)

Issuer	Return	Contrib. to return
International Business Machines Corporation	-21.23	-0.37
Lam Research Corporation	-24.11	-0.34
Corning Incorporated	-50.67	-0.33
Honeywell Aerospace Inc.	-29.90	-0.32
Lowe's Companies, Inc.	-15.91	-0.27

Portfolio commentary is based on the underlying fund.

Performance highlights

The portfolio posted a positive return for the quarter, but underperformed the Russell 1000 Value Index, which returned 2.61%. Within the index, the IT, energy and communication services sectors had the strongest absolute performance. Semiconductors and companies tied to AI rebounded after a short downturn. The utilities, industrials and real estate sectors lagged.

The portfolio's underperformance of its benchmark was driven primarily by stock selection and an underweight in IT, the quarter's top-performing index sector. Stock selection in health care, materials and consumer discretionary also detracted. Conversely, stock selection in financials, industrials and real estate added to relative performance, as did an underweight in real estate.

Contributors to performance

Microsoft shares delivered strong performance as investors appeared increasingly confident that accelerating Azure growth and strong adoption of its AI solutions such as Copilot would drive durable earnings and cash flow growth.

Chevron shares advanced as disruptions to energy supplies through the Strait of Hormuz drove oil prices higher, while the company's strong operating performance, cost reductions and better-than-expected integration benefits seemed to further support investor confidence.

Apple shares advanced following the launch of the iPhone 18 lineup that included new Pro models and the company's first foldable iPhone. Apple benefited from apparent expectations of healthy demand for its new devices.

Detractors from performance

International Business Machines detracted from performance as the market appeared to generally favor faster-growing AI beneficiaries, overshadowing the company's steady execution and defensive cash flow profile.

Lam Research shares fell despite continued strength in AI-related semiconductor investment, as investors appeared to reassess elevated expectations following strong prior performance and given ongoing concerns surrounding tariffs, export controls and geopolitical risks.

Corning detracted from performance as mixed demand trends across several end markets offset apparent enthusiasm for the company's growing exposure to AI-related data center investments. We sold the remaining position during the quarter.

Standardized performance (%) as of September 30, 2026

		YTD	3 month	1 year	3 year	5 year	10 year	Since Inception
Class A units Inception: 07/08/16	NAV	6.50	-0.13	9.97	15.00	9.53	8.71	8.46
	Max. Load 3.00%	2.23	-4.14	5.57	13.44	8.63	8.26	8.02
Class C units Inception: 07/08/16	NAV	5.89	-0.33	9.16	14.14	8.70	8.29	8.04
	Max. CDSC 1.00%	4.89	-1.33	8.16	14.14	8.70	8.29	8.04
Class I units Inception: 07/08/16	NAV	6.71	-0.04	10.20	15.27	9.79	8.97	8.73
Class RA units Inception: 07/08/16	NAV	6.62	-0.09	10.09	15.17	9.70	8.89	8.64
Class RZ units Inception: 07/08/16	NAV	6.83	0.00	10.42	15.47	9.96	9.15	8.91
	Max. Load 1.25%	2.57	-4.01	6.02	13.90	9.07	8.71	8.47
Russell 1000 Value Index (USD)		19.27	2.61	23.81	20.07	11.92	11.43	11.43

Expense ratios per the program description: Class A: Total:0.88%; Class C: Total:1.63%; Class I: Total:0.63%; Class RA: Total:0.72%; Class RZ: Total:0.47%.

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. Performance figures reflect reinvested distributions of the underlying security and changes in net asset value (NAV). No contingent deferred sales charge (CDSC) will be imposed on redemptions of Class C units following one year from the date units were purchased. Performance shown at NAV does not include applicable CDSC or front-end sales charges, which would have reduced the performance. Class I units have no sales charge; therefore, performance is at NAV. 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. Had fees not been waived and/or expenses reimbursed in the past, returns would have been lower.

Class I units are available only to certain investors.
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.

Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A units at NAV	-	8.13	-7.79	24.95	0.15	18.86	-1.74	8.67	12.81	15.43
Russell 1000 Value Index (USD)	17.34	13.66	-8.27	26.54	2.80	25.16	-7.54	11.46	14.37	15.91

Unless otherwise specified, all information is as of 09/30/26. Unless stated otherwise, Index refers to Russell 1000 Value Index.

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.

Please keep in mind that high, double-digit returns are highly unusual and cannot be sustained.

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

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.

The Fund's value may be affected by changes in the stock markets. Stock markets may experience significant short-term volatility and may fall or rise sharply at times. Adverse events in any part of the equity or fixed-income markets may have unexpected negative effects on other market segments. Different stock markets may behave differently from each other and U.S. stock markets may move in the opposite direction from one or more foreign stock markets.

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.

Securities that pay high dividends as a group can fall out of favor with the market, causing such companies to underperform companies that do not pay high dividends. Also changes in the dividend policies of the companies and the capital resources available for such companies' dividend payments may affect the fund.

The investment techniques and risk analysis used by the portfolio managers may not produce the desired results.

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.

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.

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.



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Invesco Advisers, Inc. is an investment adviser; it provides investment advisory services to individual and institutional clients and does not sell securities. Invesco Distributors, Inc. is the distributor for the CollegeBound 529 plan. Each entity is a wholly owned, indirect subsidiary of Invesco Ltd.

An investment in the Portfolios is subject to risks including: investment risks of the Portfolios which are described in the Program Description; the risk (a) of losing money over short or even long periods; (b) of changes to CollegeBound529, including changes in fees; (c) of federal or state tax law changes; and (d) that contributions to CollegeBound529 may adversely affect the eligibility of the Beneficiary or the Account Owner for financial aid or other benefits. For a detailed description of the risks associated with CollegeBound529, and the risks associated with the Portfolios and the Underlying Funds, please refer to the Program Description.

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.
For more information about CollegeBound 529, contact your financial professional, call 877-615-4116, or visit www.collegebound529.com to obtain a Program Description, which includes investment objectives, risks, charges, expenses, and other important information; read and consider it carefully before investing. Invesco Distributors, Inc. is the distributor of CollegeBound 529.

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