

# Invesco Diversified Dividend Portfolio

Q1 2026

## Key takeaways

- 1 Market volatility amid economic and AI uncertainty**

Volatility rose in the first quarter amid shifting interest rate expectations, geopolitical tension and mixed economic data. The S&P 500 Index had its largest quarterly decline since 2022.<sup>1</sup> The US Federal Reserve (Fed) paused its rate cuts, adopting a cautious stance.
- 2 Performance drivers**

Top contributors to the portfolio's results, including Chevron and Johnson & Johnson, excelled through disciplined capital management and strategic initiatives. Weaker performers faced growth and execution challenges.
- 3 Portfolio positioning focused on quality**

The portfolio maintained a quality bias emphasizing companies that have sustainable free cash flow and healthy balance sheets, with exposure to secular growers in areas like cloud computing, automation and health care to navigate volatility.

### Investment objective

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

### Portfolio overview

Total net assets	\$141.33 million
Total number of holdings	74
CUSIPs	A:76222X109 C:76222X307 I:76222X604 RA:76222X406 RZ:76222X505
Ticker	A:INCUX C:INCVX I:INCWX

### Portfolio managers

Peter Santoro, Caroline Le Feuvre, Christopher McMeans, Craig Leopold  
 Management and number of holdings information are that of the underlying fund.

## Manager perspective and outlook

- US financial markets experienced a turbulent first quarter driven by shifting interest rate expectations, geopolitical instability and mixed economic data.
- Equities began the year supported by solid corporate earnings and broader market leadership, but volatility increased in late February and March.
- Rising tensions involving Iran, higher energy prices and continued uncertainty about artificial intelligence (AI) disruption seemed to weigh on investor sentiment.
- After three interest rate cuts in late 2025, the Fed held rates steady, signaling a more cautious approach with interest rates remaining higher for longer.
- Economic growth remained positive but showed signs of slowing, with smaller job gains, a rise in unemployment and inflation still above the Fed's 2% target.
- The S&P 500 Index returned -4.33%, its weakest quarterly result since 2022.<sup>1</sup>
- Value stocks outperformed growth, as rising rates and a selloff in technology stocks appeared to pressure growth-oriented benchmarks.
- The potential for further downside in risk assets has increased, though stronger private-sector balance sheets may help limit the severity compared to past stress periods.
- Prolonged geopolitical strain, in our view, dampens prospects for synchronized global growth in 2026. In a slower growth, higher inflation environment, we believe higher quality, dividend paying large-cap stocks may be better positioned.

Key takeaways are based on the underlying fund.

## Top issuers

(% of total market value)

	Fund	Index
JPMorgan Chase & Co	3.72	2.64
Chevron Corp	3.08	1.28
Johnson & Johnson	2.70	1.94
Alphabet Inc	2.65	3.55
Bank of America Corp	2.54	0.97
Linde PLC	2.11	0.77
Philip Morris International Inc	2.11	0.85
Cisco Systems Inc	2.10	1.02
Lowe's Cos Inc	2.00	0.44
AT&T Inc	1.90	0.66

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

## Asset mix

Dom Common Stock	89.92
Intl Common Stock	5.34
Cash	4.74

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 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 free cash flow levels and having healthy balance sheets gives the portfolio a quality bias with defensive characteristics that we believe should prove valuable if volatility persists.

### Notable Additions

**Capital One** recently expanded its capabilities by acquiring Discover Financial and financial technology firm Brex. We expect these acquisitions to drive significant synergies and potential for multiple expansion as Capital One works to transform into a leading payments provider.

**Honeywell**, in our view, appears poised for improvement, supported by better financial metrics and upcoming corporate actions meant to simplify its business. The global manufacturing conglomerate, in our view, remains attractively valued despite improving free cash flow margins, organic growth and reduced financial leverage.

**Becton Dickinson**, a major global medical technology firm, has been planning to separate its Lifesciences segment in an effort to create a more focused business and enhance strategic investment and capital deployment.

**CBOE**, a leading financial exchange operator, has regularly exceeded volume and earnings expectations, driven by resilient retail trader adoption, product innovation and pricing power. With a new CEO and multiple earnings catalysts ahead, CBOE is well-positioned for sustained growth, in our view.

**Tractor Supply** is a home improvement and agricultural supply retailer that has benefited from rural migration and customer loyalty, with growth driven by store expansion, Tractor Supply RX and private brands. Improving fundamentals and new initiatives position it for solid earnings growth, in our view.

### Notable Sales

**Salesforce** was sold amid fears that AI will disrupt software-as-a-service (SaaS) business models.

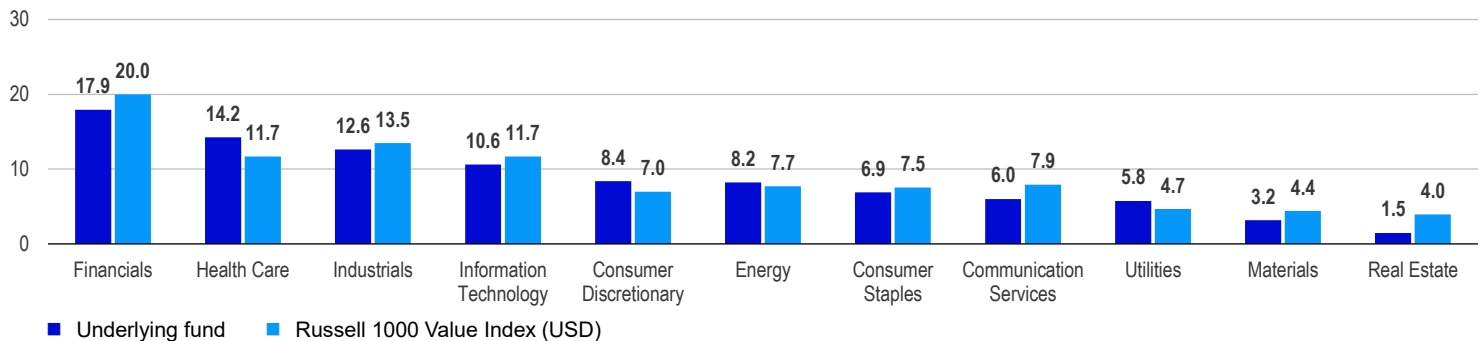
**Visa** was sold due to less upside to our price target after a period of strong performance.

**DuPont** was sold after the spin out of its electronics business, Qnity, which drove up its share price.

**KKR** was sold due to increasing uncertainty tied to hidden private credit issues, data center financing and software exposure that seem to have weakened investor sentiment toward alternative investments.

**Walt Disney** was sold due to concerns that price sensitive consumers and geopolitics could reduce demand for parks and cruises.

## Sector breakdown (% of total market value)



Top contributors (%)		
Issuer	Return	Contrib. to return
Chevron Corporation	37.09	0.80
ConocoPhillips	42.08	0.51
Johnson & Johnson	18.74	0.42
Williams Companies, Inc.	21.94	0.33
ASML Holding NV	23.60	0.31

Top detractors (%)		
Issuer	Return	Contrib. to return
Salesforce, Inc.	-30.06	-0.44
Microsoft Corporation	-23.28	-0.39
Wells Fargo & Company	-14.17	-0.35
KKR & Co. Inc.	-31.10	-0.31
Danaher Corporation	-16.99	-0.29

Portfolio commentary is based on the underlying fund.

## Performance highlights

The portfolio delivered a positive return for the quarter but underperformed the Russell 1000 Value Index. Underperformance was driven by weak stock selection in information technology (IT), health care and consumer staples. IT faced cyclical and structural challenges, supply issues and pricing pressures.

Strong stock selection in consumer discretionary and utilities added to relative return, as did an underweight in communication services. Consumer discretionary benefited from resilient spending and positive trends for companies in the home, auto, lifestyle and travel industries.

### Contributors to performance

**Chevron**, in our view, has been performing well operationally with record production and solid prospects for free cash flow growth. We believe the company is well positioned in key growth areas like Venezuela and the Permian Basin, with disciplined capital allocation and cost efficiency programs supporting its outlook.

**ConocoPhillips** delivered strong performance attributable to its disciplined capital management, operational efficiencies, strategic portfolio focus and favorable market positioning. These factors enabled the

company to deliver production growth and robust free cash flow.

**Johnson & Johnson** delivered what we see as impressive financial results, beating expectations for revenue, earnings per share (EPS) and forward guidance. The stock appeared to benefit from resilient health care demand, confidence in its earnings durability, visible pipeline momentum and diminishing uncertainty from legacy risks.

### Detractors from performance

**Salesforce's** underperformance appears linked to cautious near-term growth guidance, ongoing re-platforming efforts with associated execution risks, margin pressures from cost inflation, and the challenges of adapting to AI-driven market disruptions.

**Microsoft's** recent underperformance is due to supply-side constraints in Azure capacity, compounded by internal prioritization of resources for AI and research and development projects. This has delayed the expected acceleration in Azure growth, which we believe is critical for driving near-term stock performance.

**Wells Fargo's** underperformance may be attributed to moderate growth expectations, significant ongoing investments that hamper near-term profitability, competitive pressures in deposits and lending, and lack of strong near-term catalysts compared to peers.

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

		YTD	3 month	1 year	3 year	5 year	10 year	Since Inception
Class A units	NAV	0.19	0.19	13.57	12.41	8.82	-	8.23
Inception: 07/08/16	<b>Max. Load 3.50%</b>	-3.83	-3.83	9.04	10.90	7.93	-	7.78
Class C units	NAV	-0.05	-0.05	12.65	11.55	8.00	-	7.79
Inception: 07/08/16	<b>Max. CDSC 1.00%</b>	-1.05	-1.05	11.65	11.55	8.00	-	7.79
Class I units	NAV	0.23	0.23	13.79	12.67	9.08	-	8.50
Inception: 07/08/16								
Class RA units	NAV	0.23	0.23	13.74	12.57	8.98	-	8.41
Inception: 07/08/16								
Class RZ units	NAV	0.27	0.27	14.00	12.86	9.25	-	8.68
Inception: 07/08/16	<b>Max. Load 1.25%</b>	-3.73	-3.73	9.45	11.34	8.36	-	8.22
Russell 1000 Value Index (USD)		2.10	2.10	15.87	14.31	9.43	10.58	10.27

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.

## Performance highlights (cont'd)

### 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 03/31/26. 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.

1. Source: Invesco.

### 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.



**James A. Diosa**

Rhode Island General Treasurer

CollegeBound 529 is administered by the Rhode Island Office of the General Treasurer and the Rhode Island State Investment Commission. Ascensus College Savings Recordkeeping Services, LLC, the Program Manager, and its affiliates, have overall responsibility for the day-to-day operations of CollegeBound 529 including recordkeeping and administrative services. Invesco Advisors, Inc. serves as the Investment Manager. Invesco Distributors, Inc. markets and distributes CollegeBound 529.

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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](http://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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