

# Invesco Equally-Weighted S&P 500 Portfolio

## Q1 2026

## Key takeaways

- 1 The portfolio outperformed the S&P 500 Index**  
 The portfolio's underweight and stock selection in the information technology sector and its overweight in the materials sector had the largest positive effects on relative return.
- 2 Market concentration decreased, helping relative performance**  
 Mega-cap stocks underperformed smaller stocks, creating a tailwind for the fund whose equal weight methodology leads to underweights in the largest index stocks and overweights in smaller ones.
- 3 Potential opportunities for an equal weight strategy**  
 Keeping position sizes approximately equal reduces concentration risk compared to the S&P 500 Index where the biggest companies represent the largest exposures. Additionally, the fund has a lower valuation than the capitalization-weighted index.

### Investment objective

The portfolio seeks total return through growth of capital and current income.

### Portfolio overview

Total net assets	\$149.84 million
Total number of holdings	504
CUSIPs	A:76221W326 C:76221W318 I:76221W276 RA:76221W292 RZ:76221W284
Ticker	A:INCYX C:INCZX I:INDGX

### Portfolio managers

Anthony Seisser, Michael Jeanette, Peter Hubbard, Pratik Doshi

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

## Manager perspective and outlook

- The Middle East conflict was the key variable in the first quarter, pushing energy prices higher, raising inflation expectations and appearing to weigh on investor risk sentiment. Markets reflected the shock through pronounced dispersion of sector results and a broadening of leadership. Energy surged and defensive sectors, including utilities and consumer staples, outperformed the S&P 500 Index's -4.33% return.
- The US Federal Reserve (Fed) shifted from monetary easing to patience, holding the federal funds rate steady while emphasizing uncertainty for the near-term inflation path. Comments underscored the potential for Middle East-driven energy pressures and tariff-related goods inflation to complicate deflation efforts. Labor data added to cross currents as unemployment edged higher in February and non-farm payrolls decreased month-over-month. The Fed's cautious posture balances a softer jobs backdrop against renewed inflation risks.
- Despite elevated volatility and shifting rate expectations, the fundamental backdrop remained in our view constructive as earnings expectations remained resilient.
- The quarter underscored, in our view, how quickly narrow leadership can broaden during regime shifts, reinforcing the case for diversified strategies. When sectors and styles rotate, cap-weighted benchmarks may underexpose emerging winners and increase concentration risk just as macro shocks and policy uncertainty increase return dispersion.

Key takeaways are based on the underlying fund.

## Top issuers

(% of total market value)

	Fund	Index
APA Corp	0.26	0.26
Dow Inc	0.25	0.25
Occidental Petroleum Corp	0.24	0.24
LyondellBasell Industries NV	0.24	0.24
ConocoPhillips	0.23	0.23
Delta Air Lines Inc	0.23	0.23
Ciena Corp	0.23	0.23
Exxon Mobil Corp	0.23	0.23
Coterra Energy Inc	0.23	0.23
Diamondback Energy Inc	0.23	0.23

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

## Asset mix

Dom Common Stock	98.41
Intl Common Stock	0.61
Other	0.54
Cash	0.44

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

In the first quarter of 2026, concentration in the US stock market decreased, driven by the underperformance of mega-cap companies. At quarter end, the 10 largest companies in the S&P 500 Index made up about 38% of the entire index. Over the past 30 years, the average combined weight of the top 10 companies in the S&P 500 Index has been approximately 22%. Before the recent post-pandemic cycle, the previous high was about 27% in June 2000, just before the Dot-Com bubble burst. Growing concentration highlights, in our view, the importance of diversification in managing portfolio risk. Concentration of the S&P 500's top 10 companies historically tends to revert to the mean over time. If the concentration continues to abate from extreme levels, it could benefit the S&P 500 Equal Weight Index's (Equal Weight) relative return.

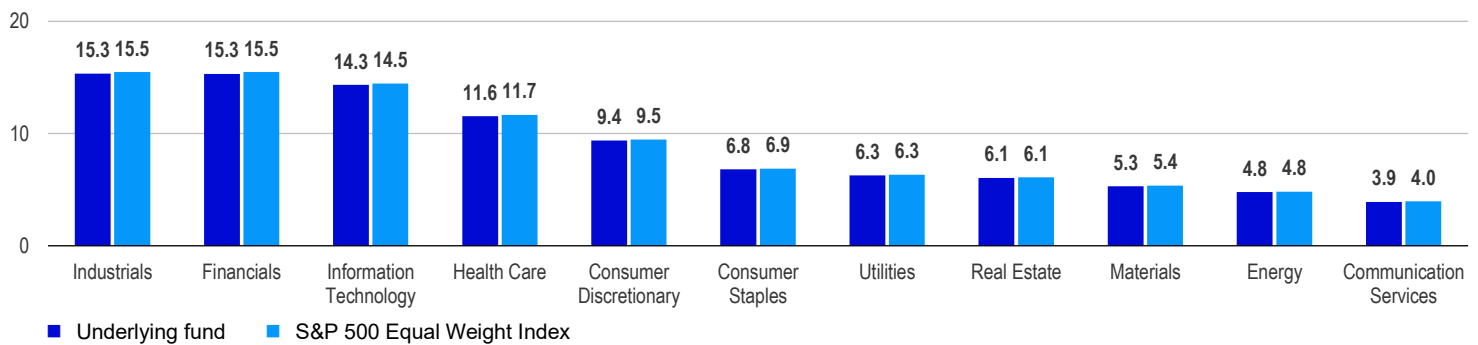
Although average price-to-earnings (P/E) ratios for the Equal Weight Index and the S&P 500 Index have been similar over the last 15 years (19.50 vs. 20.39), the ratios have periodically deviated. At times, the Equal Weight has traded at a sizable valuation premium to the S&P 500 Index, and vice versa. For example, on March 31, 2010, Equal Weight's P/E was at a 28% premium to the S&P 500 (22.95 vs. 18.10). However, as of March 31, 2026, the reverse was true, and the S&P 500 Index's P/E was at a 27% premium to the Equal Weight Index (25.55 vs. 20.07).

Earnings growth expectations are one factor affecting the valuation differential. Recently, earnings growth has favored the S&P 500 Index, contributing to its current valuation premium. In 2025, the S&P 500 led in earnings growth, rising 12.50% versus 8.09% for Equal Weight.

While the S&P 500 is expected to maintain faster year-over-year earnings growth through 2027, it also has been trading at what we see as a significant valuation premium compared to the Equal Weight Index. In our view, the valuation gap sets a higher bar for execution and implies asymmetric risk. Conversely, the Equal Weight Index requires less earnings growth to justify current prices. Should earnings growth broaden or leadership narrow, modest convergence could benefit Equal Weight's relative performance. Over longer time horizons, valuation differences have tended to influence relative returns more than near-term earnings growth differentials.

The Equal Weight Index's relatively attractive valuation and possible convergence in earnings growth may signal an investment opportunity if changing secular dynamics lead to less extreme concentration in the S&P 500 Index.

## Sector breakdown (% of total market value)



Top contributors (%)		
Issuer	Return	Contrib. to return
Sandisk Corporation	167.65	0.36
LyondellBasell Industries N.V.	88.27	0.15
Moderna, Inc.	72.26	0.13
Dow Inc.	80.17	0.13
APA Corporation	75.21	0.13

Top detractors (%)		
Issuer	Return	Contrib. to return
AppLovin Corporation	-40.93	-0.08
CoStar Group, Inc.	-40.01	-0.08
Gartner, Inc.	-37.24	-0.08
Trade Desk, Inc.	-40.23	-0.08
Workday, Inc.	-39.51	-0.08

Portfolio commentary is based on the underlying fund.

## Performance highlights

The portfolio's Class A units returned 0.53%, while the S&P 500 Index returned -4.33% for the first quarter. Over the course of the quarter, market concentration decreased. As the largest securities in the S&P 500 underperformed the smallest, more than half of the individual stocks in the index outperformed the overall index return.

The portfolio's outperformance of the S&P 500 Index in the first quarter largely resulted from a natural tilt toward smaller stocks resulting from the portfolio's equal weight methodology.

### Contributors to performance

**Microsoft:** An underweight in Microsoft was the largest contributor to relative performance. Investor concerns appeared to stem from slowing Azure cloud growth and record AI-related capital expenditures, raising questions about when infrastructure investments would translate to meaningful revenue gains.

**Sandisk:** An overweight in Sandisk was the second largest contributor to relative return.

Fiscal second quarter results appeared to impress investors as memory chip shortages continued amid unprecedented AI-driven demand. Additional guidance and commentary from management encouraged further positive trends.

### Detractors from performance

**Exxon Mobil:** An underweight in Exxon Mobile was the largest detractor from relative return. Surging oil prices from geopolitical tensions drove risk premiums that benefited major oil producers. Additionally, investors appeared to rotate away from expensive technology stocks and into AI-enablers, including energy stocks.

**Johnson & Johnson:** An underweight in Johnson & Johnson was the second largest detractor from relative return. The company's fiscal fourth quarter results beat investor expectations, driven by oncology and medical technology divisions. Additional support came as investors appeared to rotate into defensive sectors, like health care, amid broader market volatility and tech sector weakness.

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

		YTD	3 month	1 year	3 year	5 year	10 year	Since Inception
Class A units	NAV	0.53	0.53	12.24	11.30	7.63	-	10.61
Inception: 07/08/16	<b>Max. Load 3.50%</b>	-3.51	-3.51	7.76	9.79	6.76	-	10.15
Class C units	NAV	0.32	0.32	11.36	10.48	6.82	-	10.18
Inception: 07/08/16	<b>Max. CDSC 1.00%</b>	-0.68	-0.68	10.36	10.48	6.82	-	10.18
Class I units	NAV	0.59	0.59	12.51	11.59	7.90	-	10.89
Inception: 07/08/16								
Class RA units	NAV	0.56	0.56	12.40	11.48	7.81	-	10.79
Inception: 07/08/16								
Class RZ units	NAV	0.65	0.65	12.71	11.77	8.07	-	11.07
Inception: 07/08/16	<b>Max. Load 1.25%</b>	-3.38	-3.38	8.18	10.26	7.20	-	10.60
S&P 500 Index (USD)		-4.33	-4.33	17.80	18.32	12.06	14.16	14.12

Expense ratios per the program description: Class A: Total:0.59%; Class C: Total:1.34%; Class I: Total:0.34%; Class RA: Total:0.43%; Class RZ: Total:0.18%.

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.

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## Performance highlights (cont'd)

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### Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A units at NAV	-	18.23	-8.15	28.61	12.24	28.92	-12.06	13.28	12.34	10.82
S&P 500 Index (USD)	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	26.29	25.02	17.88

Unless otherwise specified, all information is as of 03/31/26. Unless stated otherwise, Index refers to S&P 500 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.

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

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#### About Risk

##### Risks of the Underlying Holding

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.

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.

Because the fund operates as a passively managed index fund, adverse performance of a particular stock ordinarily will not result in its elimination from the fund's portfolio. Ordinarily, the Adviser will not sell the fund's portfolio securities except to reflect changes in the stocks that comprise the S&P 500 Index, or as may be necessary to raise cash to pay fund shareholders who sell fund shares.

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

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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.

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