



# Invesco Equally-Weighted S&P 500 Portfolio

## Quarterly Performance Commentary

CUSIPS: A:76221W326 C:76221W318 I:76221W276

### Investment objective

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

### Portfolio management

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Management is that of the underlying fund.

### Portfolio information

Total net assets \$138,092,052

Total number of holdings 503

Holdings shown are that of the underlying fund.

### Top equity holdings

	% of total net assets
Micron Technology Inc	0.23
Freeport-McMoRan Inc	0.23
FedEx Corp	0.23
General Motors Co	0.22
Archer-Daniels-Midland Co	0.22
Marathon Oil Corp	0.22
Valero Energy Corp	0.22
Paypal Holdings Inc	0.22
Delta Air Lines Inc	0.22
3M Co	0.22

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

### Top contributors

	% of total net assets
1. NVIDIA Corp.	0.20
2. Constellation Energy Corp.	0.21
3. Meta Platforms Inc.	0.19
4. General Electric Co.	0.20
5. Micron Technology Inc.	0.23

Data shown is that of the underlying fund.

### Top detractors

	% of total net assets
1. MarketAxess Holdings Inc.	0.20
2. Tesla Inc.	0.19
3. Charter Communications Inc.	0.20
4. Boeing Co.	0.19
5. Lululemon Athletica	0.16

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

- US equities moved higher in the first quarter of 2024 as the S&P 500 Index, S&P MidCap 400 Index and S&P SmallCap 600 Index returned 10.56%, 9.94% and 2.45%, respectively. Although January returns resembled the pattern in 2023, with performance led mostly by a select group of mega cap companies, as the quarter progressed, leadership began to broaden.
- Equities shook off geopolitical risk, shifting expectations for interest rates and sticky inflation, focusing on positive earnings results and resilience in the US economy and labor market. Following three straight quarters of negative year-over-year earnings growth, S&P 500 Index earnings grew 4.24% in the fourth quarter of 2023. Analysts are now forecasting robust earnings growth of greater than 10% for the S&P 500 Index in 2024 (Source: FactSet).
- The portfolio's equal weight methodology historically tends to provide greater exposure to size and value factors relative to the S&P 500 Index. Specifically, the portfolio offers greater exposure to smaller stocks and stocks with lower valuations. These exposures were a headwind in the first quarter as smaller stocks underperformed larger stocks.

### Performance highlights

- The portfolio's Class A units at net asset value (NAV) returned 7.88%, while the S&P 500 Index returned 10.56% for the quarter. (Please see the investment results table on page 2 for portfolio and index performance.)
- Underperformance of the S&P 500 Index in the first quarter largely resulted from the equal weight methodology, which causes a natural tilt toward smaller stocks within the index.

### Contributors to performance

- **NVIDIA** is the primary beneficiary of the AI secular growth trend. NVIDIA's most recent quarterly report extended the company's run of beating analyst expectations. Management's revenue guidance also surpassed analyst expectations.
- **Constellation Energy**: The stock rallied to a new 52-week high after management provided a 2024 earnings outlook above previous analyst forecasts. This spurred multiple analysts to announce upward revisions to their price targets for the company.

### Detractors from performance

- **MarketAxess**: The share price for this financials company declined after management provided a disappointing outlook for expected high-yield trading volume, causing multiple analysts to lower price targets on the stock due to concerns about decreasing market share.
- **Tesla**: The automobile company saw its share price tumble during the quarter as management announced disappointing quarterly earnings and revenue.

### Positioning and outlook

- January saw a narrow rally in mega cap stocks, and at quarter end, concentration in US large-cap equity stocks was at a multi-decade high. Although there are nearly 500 stocks in the Index, approximately one-third of the S&P 500 is concentrated in just 10 companies. This is the highest concentration level at any point since the late 1970s. There is sector concentration as well. The index's technology weight was 29.6% at quarter end, above the previous high of 29.2% in 1999.
- Although the current period of extreme concentration has been a headwind for the portfolio's relative performance, if concentration reverts to a less extreme level, that may be beneficial to the portfolio's relative return.
- S&P 500 earnings growth over the past year did not keep up with the Index's return for the same period. The price-to-earnings ratio (P/E ratio) expanded from 19.7x on March 31, 2023 to 25.2x on March 29, 2024. Though the portfolio's earnings growth was less than that of the Index, the portfolio's P/E ratio also expanded from 17.8x on March 31, 2023 to 20.7x on March 29, 2024. The S&P 500 Index's current valuation premium sets the bar for earnings growth expectations much higher compared to the S&P 500 Equal Weight Index. Valuations have not been historically reliable timing tools in the short term but can be helpful in anticipating expected returns over longer periods. The portfolio's attractive valuation relative to the S&P 500 Index may bode well over the long term.

Investment results						
Average annual total returns (%) as of March 31, 2024						
	Class A units		Class C units		Class I units	Style-Specific Index
	Inception: 07/08/16 Max Load 3.50%	NAV	Inception: 07/08/16 Max CDSC 1.00%	NAV	Inception: 07/08/16 NAV	S&P 500 Index
Period						
Inception	10.77	11.36	10.81	10.81	11.64	-
5 Years	10.81	11.72	10.89	10.89	12.00	15.05
3 Years	6.08	7.54	6.73	6.73	7.81	11.49
1 Year	13.94	18.71	16.89	17.89	19.06	29.88
Quarter	3.42	7.74	6.59	7.59	7.83	10.56

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. 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.

Asset mix (%)		Expense ratios (%)	
Dom Common Stock	99.45	Class A units	0.60
Intl Common Stock	0.38	Class C units	1.35
Cash	0.17	Class I units	0.35
Data shown is that of the underlying fund.		Total annual asset-based fee per the current Program Description.	

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Class I units are available only to certain investors. 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 S&P 500® Index is an unmanaged index considered representative of the US stock market. An investment cannot be made directly in an index.

The S&P 500 Equal Weight Index is the equally weighted version of the S&P 500® Index. An investment cannot be made directly in an index.

Equity sector breakdown	(% of total net assets)
Industrials	15.60
Financials	14.40
IT	12.60
Health Care	12.50
Consumer Discretionary	10.60
Consumer Staples	7.60
Utilities	6.00
Real Estate	6.00
Materials	5.70
Energy	4.80
Communication Services	3.80
Data shown is that of the underlying fund.	

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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.

Because the underlying fund operates as a passively managed index fund, adverse performance of a particular stock ordinarily will not result in its elimination from the underlying fund's portfolio.

Ordinarily, the Adviser will not sell the underlying fund's portfolio securities except to reflect changes in the stocks that comprise the Index, or as may be necessary to raise cash to pay underlying fund shareholders who sell underlying fund shares.

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.

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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