

# Invesco Equally-Weighted S&P 500 Fund

## Q1 2026

## Key takeaways

### 1 The fund outperformed the S&P 500 Index

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

### Fund facts

Fund AUM (\$M)	6,641.67
----------------	----------

### Portfolio managers

Anthony Seisser, Michael Jeanette, Peter Hubbard, Pratik Doshi

## 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.



## Top issuers

(% of total market value)

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

As of 03/31/26. Holdings are subject to change and are not buy/sell recommendations.

## 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.

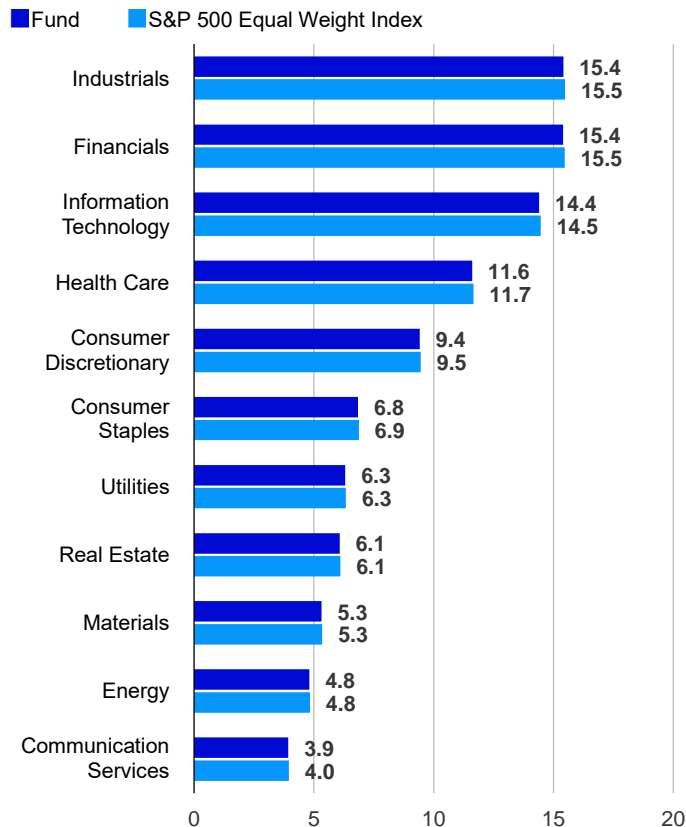
Although average price-to-earnings (P/E) ratios for the Equal Weight Index and the S&P 500 Index have been similar over the last 15 years (19.50 vs. 20.39), the ratios have periodically deviated. At times, the Equal Weight has traded at a sizable valuation premium to the S&P 500 Index, and vice versa. 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.

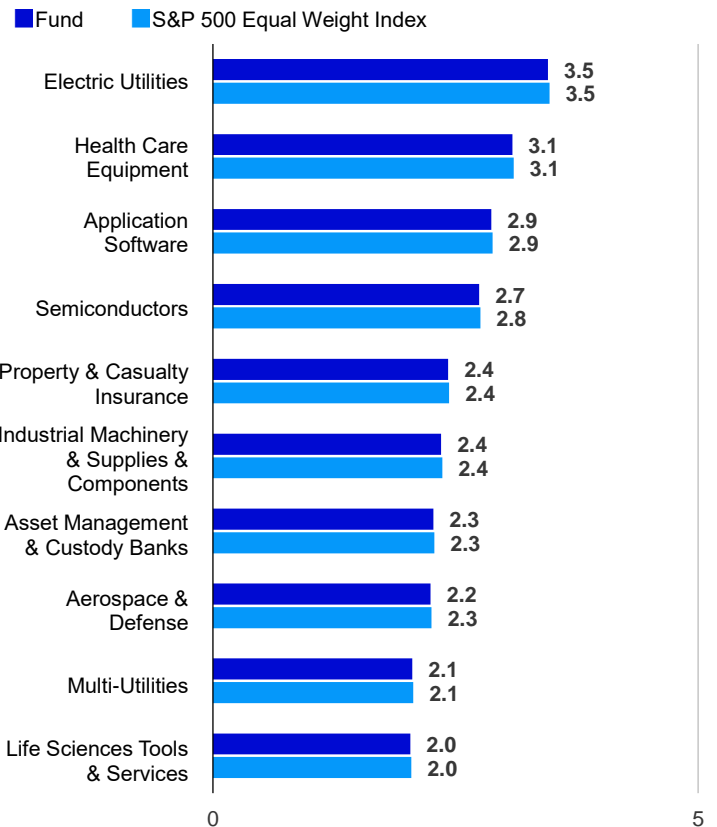
While the S&P 500 is expected to maintain faster year-over-year earnings growth through 2027, it also has been trading at what we see as a significant valuation premium compared to the Equal Weight Index. In our view, the valuation gap sets a higher bar for execution and implies asymmetric risk. Conversely, 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 industries (% 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

## Performance highlights

Invesco Equally-Weighted S&P 500 Fund returned 0.67%, 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 fund's outperformance of the S&P 500 Index in the first quarter largely resulted from a natural tilt toward smaller stocks resulting from the fund'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

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 07/28/97	NAV	0.54	0.54	12.30	11.37	7.70	10.87	9.16
	<b>Max. Load 5.5%</b>	-4.99	-4.99	6.12	9.29	6.49	10.25	8.95
Class R6 shares inception: 09/24/12	NAV	0.64	0.64	12.69	11.76	8.07	11.27	11.95
Class Y shares inception: 07/28/97	NAV	0.62	0.62	12.58	11.66	7.97	11.15	9.43
S&P 500 Equal Weight Index		0.67	0.67	12.85	11.93	8.25	11.45	-
Total return ranking vs. Morningstar Large Blend category (Class A shares at NAV)		-	-	77% (1024 of 1315)	89% (1094 of 1215)	89% (1011 of 1127)	88% (786 of 891)	-

Expense ratios per the current prospectus: Class A: Net: 0.53%, Total: 0.53%; Class R6: Net: 0.18%, Total: 0.18%; Class Y: Net: 0.28%, Total: 0.28%.

Performance quoted is past performance and cannot guarantee comparable future results; current performance may be lower or higher. Visit [invesco.com](https://www.invesco.com) for the most recent month-end performance. Performance figures reflect reinvested distributions and changes in net asset value (NAV). Investment return and principal value will vary so that you may have a gain or a loss when you sell shares. Returns less than one year are cumulative; all others are annualized. Index source: RIMES Technologies Corp. Had fees not been waived and/or expenses reimbursed in the past, returns would have been lower. Performance shown at NAV does not include the applicable front-end sales charge, which would have reduced the performance.

Class Y and R6 shares have no sales charge; therefore performance is at NAV. Class Y shares are available only to certain investors. Class R6 shares are closed to most investors. Please see the prospectus for more details.

## Performance highlights (cont'd)

### Calendar year total returns (%)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Class A shares at NAV	14.11	18.26	-8.10	28.61	12.34	28.96	-11.99	13.32	12.44	10.86
Class R6 shares at NAV	14.53	18.70	-7.78	29.11	12.76	29.39	-11.68	13.72	12.82	11.25
Class Y shares at NAV	14.40	18.56	-7.87	28.93	12.60	29.30	-11.78	13.61	12.72	11.13
S&P 500 Equal Weight Index	14.80	18.90	-7.64	29.24	12.83	29.63	-11.45	13.87	13.01	11.43

### Portfolio characteristics\*

	Fund	Index
No. of holdings	503	503
Top 10 issuers (% of AUM)	2.42	2.37
Wtd. avg. mkt. cap (\$M)	116,708	116,708
Price/earnings	20.44	20.44
Price to book	3.08	3.08
Est. 3 – 5 year EPS growth (%)	10.90	10.90
ROE (%)	17.44	17.44
Long-term debt to capital (%)	42.12	42.12
Operating margin (%)	19.91	19.91

### Risk statistics (5 year)\*

	Fund	Index
Alpha (%)	-0.50	0.00
Beta	1.00	1.00
Sharpe ratio	0.27	0.31
Information ratio	-9.55	0.00
Standard dev. (%)	15.84	15.83
Tracking error (%)	0.06	0.00
Up capture (%)	98.21	100.00
Down capture (%)	100.74	100.00
Max. drawdown (%)	21.03	20.68

### Quarterly performance attribution

#### Sector performance analysis (%)

Sector	Allocation effect	Selection effect	Total effect
Communication Services	0.00	0.00	0.00
Consumer Discretionary	0.00	0.00	0.00
Consumer Staples	0.00	0.00	0.00
Energy	-0.01	0.00	-0.01
Financials	0.01	0.00	0.01
Futures	-0.01	0.00	-0.01
Health Care	0.01	0.00	0.01
Industrials	0.00	0.01	0.01
Information Technology	-0.01	0.01	0.00
Materials	0.00	0.00	-0.01
Other	0.00	0.00	0.00
Real Estate	0.00	0.00	0.00
Utilities	0.00	0.00	0.00
Cash	0.01	0.00	0.01
<b>Total</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>

Holdings are subject to change and are not buy/sell recommendations. Attribution methodology notes: The attribution provides analysis of the effects of several portfolio management decisions, including allocation and security selection. Securities classified as "Other" may include non-equity securities, derivatives, and securities for which a sector classification may not be appropriate. The portfolio is actively managed and portfolio holdings are subject to change. The percentage weights represented for the portfolio are dollar weighted based on market value. **Market allocation effect** shows the excess contribution due to sector/market allocation. A positive allocation effect implies that the choice of sector weights in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Selection effect** shows the excess contribution due to security selection. A positive selection effect implies that the choice of stocks in the portfolio added value to the portfolio contribution with respect to the benchmark and vice versa. **Total effect** is the difference in contribution between the benchmark and portfolio. **Past performance does not guarantee future results.**

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

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

The S&P 500® Equal Weight Index is the equally weighted version of the S&P 500® Index, which is considered representative of the US stock market. An investment cannot be made directly in an index.

---

#### About Risk

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

The opinions expressed are those of the fund's portfolio management, are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals.

This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial professional before making any investment decisions.

Note: Not all products available at all firms. Financial professionals, please contact your home office.

The 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.

\* **Alpha** (cash adjusted) is a measure of performance on a risk-adjusted basis. **Beta** (cash adjusted) is a measure of relative risk and the slope of regression. **Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio indicates better risk-adjusted performance. **Information Ratio** is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns. **Standard deviation** measures a fund's range of total returns and identifies the spread of a fund's short-term fluctuations. **Tracking Error** is defined as the expected standard deviation of a portfolio's excess return over the benchmark index return. The **up and down capture** measures how well a manager was able to replicate or improve on periods of positive benchmark returns and how severely the manager was affected by periods of negative benchmark returns. **Maximum Drawdown** is the maximum observed loss from a high to a low of a portfolio, before a new high is attained. Maximum drawdown is an indicator of downside risk over a specified time period. **Weighted Average Market Cap** is a measure of the average size of company held in a portfolio. The percentage of the portfolio invested each company, or its weight, is multiplied by its size (market capitalization). An average of the weighted size of all companies held is then calculated. **Price/earnings** measures the price per share relative to the earnings per share of the company while excluding extraordinary items. **Price to book** measures the firm's capitalization (market price) to book value. **Est. 3-5 year EPS (Earning per share) growth** measures the earning per share growth from FY3 to FY5. **ROE** is the Return on Equity that measures the fund's annual return relative to total shareholders' equity. This ratio evaluates how quickly investments can be turned into profits. **Long-term debt to capital** measures a fund's financial leverage by calculating the proportion of long-term debt used to finance its assets relative to the amount of equity used for the same purpose. A higher ratio indicates higher leverage. **Operating margin** measures the profit a fund makes for every dollar of sales after paying the variable expenses. **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.

---

#### Morningstar

Source: ©2026 Morningstar Inc. All rights reserved. The information contained herein is proprietary to Morningstar and/or its content providers. It may not be copied or distributed and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. Open-end mutual funds and exchange-traded funds are considered a single population for comparison purposes. Had fees not been waived and/or expenses reimbursed currently or in the past, the ranking would have been lower. Rankings for other share classes may differ due to different performance characteristics.

**Before investing, consider the Fund's investment objectives, risks, charges and expenses. Visit [invesco.com/fundprospectus](https://www.invesco.com/fundprospectus) for a prospectus/summary prospectus containing this information. Read it carefully before investing.**