Invesco Equally-Weighted S&P 500 Fund

Q4 2025

Key takeaways

1 The fund underperformed the S&P 500 Index
The fund's underweight and stock selection in the communication services sector and stock selection in the health care sector had the largest negative effects on relative return.

2 Market concentration increased, hindering relative performance
Mega-cap stocks outperformed smaller stocks, creating a headwind 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)	6,684.52

Portfolio managers
Anthony Seisser, Michael Jeanette, Peter Hubbard, Pratik Doshi

Manager perspective and outlook

- Despite the US government shutting down for 43 days, the US economy remained resilient. Growth was primarily driven by AI-related infrastructure, while consumer spending was another pillar of support. That said, the shutdown was a temporary drag on output, with estimates of a 1.6% reduction in fourth quarter GDP. Delayed release of some economic data appeared to amplify uncertainty, while the October jobs and CPI report will likely never be released.
- The US Federal Reserve cut the federal funds rate by 0.25% at both of its meetings in the fourth quarter. That said, decisions by members of the Federal Open Market Committee have become less unanimous, with October commentary indicating that continued rate cuts to support a slowing labor market are not a definitive outcome. The December vote was 9-3 vote, with three dissents for the first time in over five years. As such, many officials reiterated the importance of proceeding with caution, particularly regarding inflation headwinds abating before further rate cuts.
- The fourth quarter highlighted the US economy's resilience despite fiscal disruption and uncertainty about the pace of monetary easing. Concentrated equity gains and asymmetrical sector performance reinforced, in our view, the need for diversified strategies as policy and growth trajectories have remained fluid.

Top issuers
(% of total market value)

	Fund	Index
Carnival Corp	0.23	0.23
Norwegian Cruise Line Holdings Ltd	0.23	0.23
Ball Corp	0.22	0.22
Lululemon Athletica Inc	0.22	0.22
Freeport-McMoRan Inc	0.22	0.22
Gartner Inc	0.22	0.22
Boeing Co/The	0.22	0.22
Chipotle Mexican Grill Inc	0.22	0.22
General Electric Co	0.22	0.22
Linde PLC	0.22	0.22

As of 12/31/25. Holdings are subject to change and are not buy/sell recommendations.

Portfolio positioning

In the fourth quarter of 2025, concentration in the US stock market increased, driven by the outsized performance of mega-cap companies. At quarter end, the 10 largest companies in the S&P 500 Index comprised 41% 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 current period of extreme concentration begins to abate and moves to a less extreme level, it could benefit the S&P 500 Equal Weight Index's (Equal Weight) relative return.

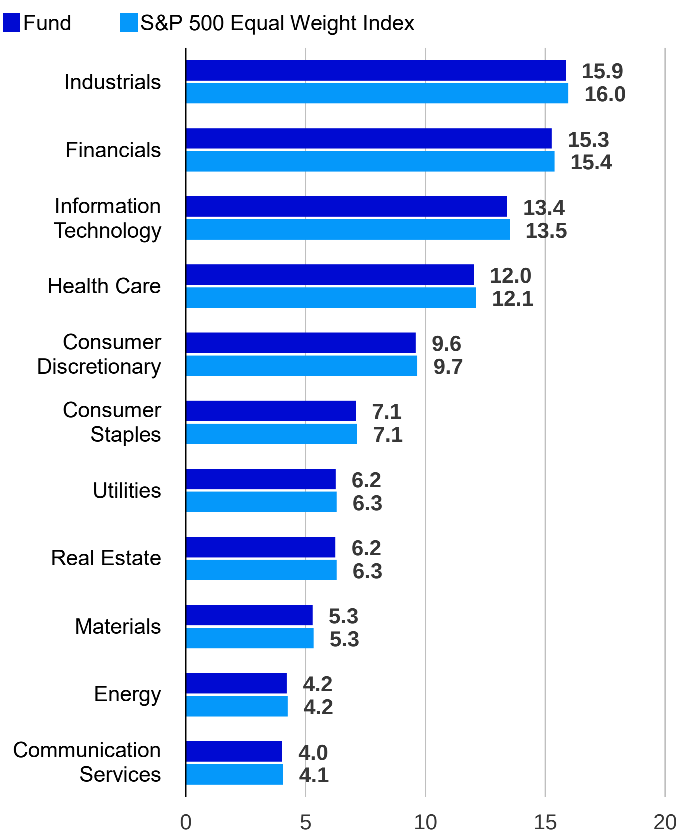
Although average price-to-earnings (P/E) ratios for the Equal Weight and the S&P 500 Index have been similar over the last 15 years (19.45 vs. 20.20), the ratios have periodically deviated. At times, the Equal Weight has traded at a sizable valuation premium to the S&P 500 Index, and vice versa. For 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 December 31, 2025, the reverse was true, and the S&P 500 Index's P/E was at a 32% premium to the Equal Weight Index (27.34 vs. 20.75).

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.

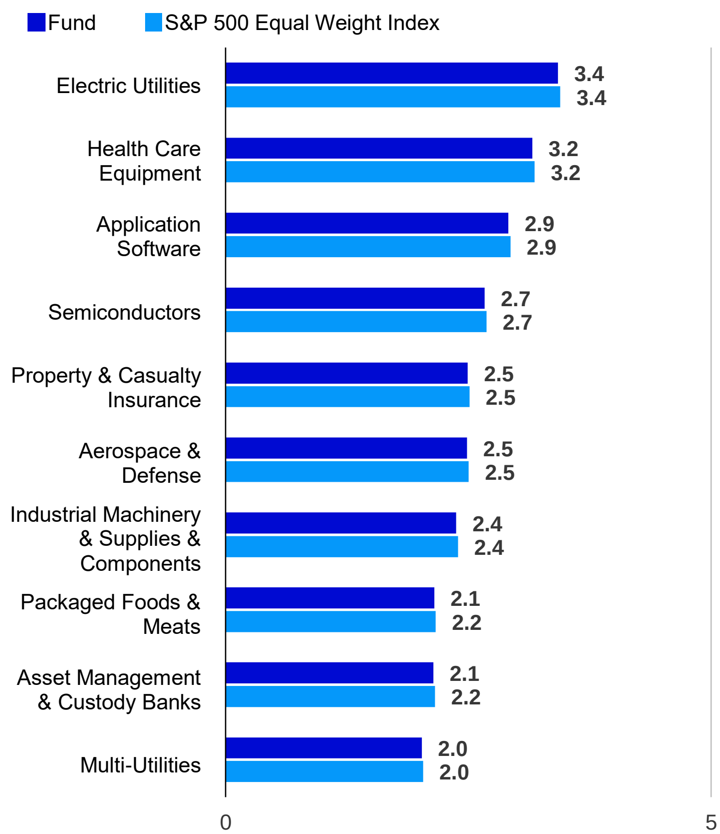
Looking ahead, analysts now predict that earnings growth may begin to converge. As of January 7, 2026, analyst forecasts for 2026 and 2027 year-over-year earnings growth were 6.49% and 12.38%, respectively, for the Equal Weight Index, compared to 10.14% and 10.93% for the S&P 500 Index. In our view, the S&P 500 has been trading at a significant valuation premium compared to the Equal Weight Index, setting a higher bar for meeting growth expectations. In the past, valuations have not been reliable timing tools in the short term, but they may inform long-term return expectations.

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

Sector breakdown (% of total market value)



Top industries (% of total market value)



Top contributors (%)

Issuer	Return	Contrib. to return
Albemarle Corporation	74.98	0.17
Micron Technology, Inc.	70.75	0.15
Warner Bros. Discovery, Inc.	47.57	0.14
Western Digital Corporation	43.60	0.12
Teradyne, Inc.	40.73	0.09

Top detractors (%)

Issuer	Return	Contrib. to return
Fiserv, Inc.	-47.90	-0.09
Super Micro Computer, Inc.	-38.94	-0.09
Alexandria Real Estate Equities, Inc.	-40.41	-0.08
Coinbase Global, Inc.	-32.99	-0.07
Paramount Skydance Corporation	-28.90	-0.07

Performance highlights

Invesco Equally-Weighted S&P 500 Fund returned 1.38%, while the S&P 500 Index returned 2.66% for the fourth quarter. Over the course of the quarter, market concentration increased. As the largest securities in the S&P 500 outperformed the smallest, fewer than half of the individual stocks in the index outperformed the overall index return.

The fund's underperformance of the S&P 500 Index in the fourth 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. Despite elevated capital expenditures, management comments about capacity shortfalls for power and space apparently caused investors to worry that Microsoft could be falling behind the pace of demand.

Meta: An underweight in Meta was the second largest contributor to relative return. Investors showed concerns about slowing momentum in the company's legacy ad business. Additionally, Meta continued to raise expectations for next year's capital expenditures, doubling its previous year's expenditure as investors appear to be becoming increasingly cognizant of costs.

Detractors from performance

Alphabet: An underweight in Alphabet was the largest detractor from relative return. Investor sentiment toward Alphabet appeared to improve amid seemingly increased confidence in its fully integrated AI strategy. Additionally, positive results from its legacy core businesses, including cloud and advertisement, demonstrated in our view an ongoing runway for growth.

Eli Lilly: An underweight in Eli Lilly was the second largest detractor from relative return. The company has been a prominent player in the GLP-1 obesity drug market. Earnings surpassed expectations partly due to its two GLP-1 products. The company's pipeline for new products and reinvestment reinforced to us potential for future launches.

Standardized performance (%) as of December 31, 2025

		Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Class A shares inception: 07/28/97	NAV	1.25	10.86	10.86	12.20	9.90	11.13	9.22
	Max. Load 5.5%	-4.32	4.75	4.75	10.10	8.67	10.50	9.01
Class R6 shares inception: 09/24/12	NAV	1.34	11.25	11.25	12.59	10.28	11.53	12.13
Class Y shares inception: 07/28/97	NAV	1.32	11.13	11.13	12.48	10.18	11.41	9.49
S&P 500 Equal Weight Index		1.39	11.43	11.43	12.76	10.48	11.71	-
Total return ranking vs. Morningstar Large Blend category (Class A shares at NAV)		-	-	87% (1138 of 1317)	94% (1141 of 1213)	88% (999 of 1127)	90% (805 of 885)	-

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 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.

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)	2.48	2.23
Wtd. avg. mkt. cap ($M)	123,922	123,922
Price/earnings	20.75	20.75
Price to book	3.14	3.14
Est. 3 – 5 year EPS growth (%)	10.31	10.31
ROE (%)	18.54	18.54
Long-term debt to capital (%)	42.59	42.59
Operating margin (%)	19.71	19.71

Risk statistics (5 year)*

	Fund	Index
Alpha (%)	-0.52	0.00
Beta	1.00	1.00
Sharpe ratio	0.42	0.46
Information ratio	-9.36	0.00
Standard dev. (%)	15.81	15.81
Tracking error (%)	0.06	0.00
Up capture (%)	98.17	100.00
Down capture (%)	100.83	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	0.00	0.00	0.00
Financials	0.00	0.00	0.00
Futures	-0.01	0.00	-0.01
Health Care	0.00	0.00	0.00
Industrials	0.00	0.00	0.00
Information Technology	-0.01	0.00	-0.01
Materials	0.00	0.00	0.00
Real Estate	0.00	0.00	0.00
Utilities	0.00	0.00	0.00
Cash	0.00	0.00	0.00
Total	**0.00**	**0.00**	**-0.01**

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 12/31/25. Unless stated otherwise, Index refers to S&P 500 Equal Weight Index.
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

 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 for a prospectus/summary prospectus containing this information. Read it carefully before investing.