



Invesco CollegeBound Target Risk Portfolios

Quarterly Commentary

Portfolio description

Invesco CollegeBound 529 target-risk portfolios are allocated across US equities, global equities, fixed income and capital preservation seeking to reflect a specific level of risk: conservative, moderate, growth or aggressive.

The portfolios utilize active investment options and smart beta products.

Investment objective

- The Invesco Conservative College Portfolio seeks to provide current income and some capital appreciation.
- The Invesco Moderate College Portfolio seeks to provide current income and some capital appreciation.
- The Invesco Growth College Portfolio seeks to provide capital appreciation.
- The Invesco Aggressive College Portfolio seeks to provide capital appreciation.

Portfolio management

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Not a deposit; Not FDIC insured; Not guaranteed by the bank; May lose value; Not insured by any federal agency

Market overview

Market Overview

- Despite rapid interest rate hikes over the course of 2022 and 2023, many developed economies continued to grow and have only recently started to show signs of strain. Western developed economies have been demonstrating resilience, particularly the US, which has benefited from consumer strength. Additionally, data in the fourth quarter showed easing of inflation for many Western developed economies.
- As a result, markets began to abandon the view that policy rates would remain higher for longer. This shift in expectations for monetary policy affected the 10-year U.S. Treasury yield. After reaching a peak of just over 5% in late October, it fell below 4% in December. This decline in long-term rates during the quarter appeared to provide a tailwind for both equities and fixed income.
- Global stocks posted strong gains for the year. The US stock market was the standout performer for 2023, led by a small cohort of large-cap technology stocks. In the fourth quarter, the market broadened, with small-cap stocks and European stocks posting large gains.
- Fixed income also performed well for the quarter and the year. Emerging market bonds and US high-yield bonds posted strong returns for the quarter and for the full year.

Portfolio overview

- Target Risk portfolios consist of allocations to equities, fixed income and capital preservation that seek to match a specific risk/reward profile – conservative, moderate, growth and aggressive.
- All Target Risk portfolios had positive returns for the fourth quarter. However, all portfolios underperformed their custom benchmarks by roughly the same amount. Underperformance primarily resulted from style exposure within US equities and fixed income.
- Within the equity section, exposures to mid-cap growth styles detracted from relative return.
- Within the fixed income segment, exposures focusing on short duration and floating rate positions detracted from relative return.
- The non-US equity position had a neutral effect on relative return.
- As 2024 begins, we expect the global economy to slow, with a bumpy landing for major developed economies, particularly in the first half of the year. We also expect outcomes to vary by country.
- However, we expect the slowdown to be mitigated by a turn toward easier monetary policy as inflation further subsides. We believe rate cuts by major central banks in Western developed economies may begin late in the first half of 2024 as growth likely slows and inflation moves further toward acceptable rates. We believe this will steer the global economy back toward trend level growth in the second half of 2024 as real wages likely increase in response to lower inflation.

Smart Beta represents an alternative and selection index based methodology that seeks to outperform a benchmark or reduce portfolio risk, or both. Smart beta funds may underperform capweighted benchmarks and increase portfolio risk.

Investment results

Average annual total returns (%) as of Dec. 31, 2023
Class RZ unit performance. Inception*

									Benchmark Indexes				
		Invesco Conservative College Portfolio		Invesco Growth College Portfolio		Invesco Moderate College Portfolio		Invesco Aggressive College Portfolio		Bloomberg U.S. Aggregate Bond Index	MSCI EAFE Index	Russell 1000 Value Index	Bloomberg 3-Month Treasury Bellwether Index
Expense ratio (%)		0.38		0.41		0.40		0.41		-	-	-	-
Period	Load	NAV	Load	NAV	Load	NAV	Load	NAV					
Inception	3.65	4.23	6.01	6.60	5.04	5.62	-3.21	-2.64	-	-	-	-	-
5 Years	4.32	5.18	7.40	8.27	6.14	7.02	-	-	1.10	8.16	10.91	1.92	
3 Years	0.34	1.72	1.93	3.33	1.09	2.46	-	-	-3.31	4.02	8.86	2.21	
1 Year	5.66	10.10	8.77	13.27	7.42	11.90	12.00	13.48	5.53	18.24	11.46	5.15	
Quarter	2.64	6.90	5.29	9.65	4.08	8.43	8.77	10.16	6.82	10.42	9.50	1.39	

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 securities and changes in net asset value (NAV). Class RZ unit performance at load is shown as the max load of 4.00%. Performance shown at NAV for Class RZ units does not include applicable front-end sales charges, which would have reduced the performance. Returns less than one year are cumulative; all others are annualized. Index returns do not reflect any fees, expenses, or sales charges.

*The inception date is July 8, 2016 for Invesco Conservative College Portfolio, Invesco Moderate College Portfolio and Invesco Growth College Portfolio. The inception date is October 22, 2021 for the Invesco Aggressive College Portfolio.

Expense ratios shown are the total annual asset-based fees per the current Program Description. See Program Description for more information.

Index sources: Invesco, FactSet Research Systems, Inc.

Target-based portfolio asset allocations (% of total net assets)

Asset category/product name	Invesco Aggressive College Portfolio	Invesco Conservative College Portfolio	Invesco Moderate College Portfolio	Invesco Growth College Portfolio
US equities	59.89	21.00	37.68	53.50
Invesco Discovery Mid Cap Growth Fund	6.98	0.00	4.06	6.48
Invesco Main Street Small Cap Fund	5.46	0.00	2.52	4.48
Invesco PureBeta MSCI USA ETF	14.99	9.49	12.51	15.02
Invesco S&P 500 High Dividend Low Volatility ETF	3.30	1.06	1.84	2.73
Invesco S&P 500 Pure Growth ETF	21.16	7.45	11.69	17.78
Invesco S&P 500 Pure Value ETF	8.00	3.00	5.06	7.01
Global equities	35.12	14.02	22.78	31.64
Invesco Developing Markets Fund	5.52	0.00	3.55	4.53
Invesco Global Real Estate Income Fund	2.50	2.49	1.57	2.50
Invesco Oppenheimer International Growth Fund	12.28	4.49	7.01	10.75
Invesco S&P Emerging Markets Low Volatility ETF	4.01	0.00	2.57	3.53
Invesco S&P International Developed Low Volatility ETF	10.81	7.04	8.08	10.33
Fixed Income	4.99	59.03	39.54	14.85
Invesco Core Plus Bond Fund	3.00	18.99	13.51	4.54
Invesco Floating Rate ESG Fund	0.00	7.01	4.84	1.44
Invesco Fundamental High Yield Corporate Bond ETF	0.00	6.01	5.00	2.02
Invesco Short Duration Inflation Protected Fund	0.00	7.02	3.41	0.96
Invesco Short Term Bond Fund	0.00	11.52	6.77	2.43
Invesco Taxable Municipal Bond	1.99	8.46	6.00	3.46
Capital preservation	0.00	5.95	0.00	0.00
Invesco Government and Agency Portfolio	0.00	1.96	0.00	0.00
Invesco Stable Value Separate Account	0.00	3.99	0.00	0.00

Current allocations may differ. Holdings are subject to change and are not buy/sell recommendations. May not equal 100% due to rounding.

Asset allocation percentages apply to all unit classes of the respective portfolios. 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.

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

Invesco CollegeBound 529 target risk portfolios utilize custom benchmarks, which are comprised of the following indexes: Bloomberg U.S. Aggregate Bond Index is an unmanaged index considered representative of the U.S. investment-grade, fixed-rate bond market. MSCI EAFE Index is an unmanaged index considered representative of stocks of Europe, Australasia and the Far East. The index is computed using the net return, which withholds applicable taxes for non-resident investors. Russell 1000 Index is an unmanaged index considered representative of large-cap stocks. The Russell 1000 Index is a trademark/service mark of the Frank Russell Co. Russell® is a trademark of the Frank Russell Co. The Bloomberg U.S. Treasury Bellwethers (3M) Index measures the performance of treasury bills with maturities of less than three months. An investment cannot be made into an index.

About risk

The portfolio is subject to the risks of the underlying investments. Market fluctuations may change the target weightings in the underlying investments and certain factors may cause the fund to withdraw its investments therein at a disadvantageous time.

In general, stock values fluctuate, sometimes widely, in response to activities specific to the company as well as general market, economic and political conditions.

An issuer may be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating.

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.

An investment in exchange-traded funds (ETFs) may trade at a discount to net asset value, fail to develop an active trading market, halt trading on the listing

exchange, fail to track the referenced index, or hold troubled securities. ETFs may involve duplication of management fees and certain other expenses. Certain of the ETFs the fund invests in are leveraged, which can magnify any losses on those investments.

The risks of investing in securities of foreign issuers, including emerging markets, can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa.

The Portfolio invests in financial instruments that use the London Interbank Offered Rate ("LIBOR") as a reference or benchmark rate for variable interest rate calculations. LIBOR will be phased out by the end of 2021, and it's anticipated that LIBOR will cease to be published after that time. To assist with the transition, US dollar LIBOR rates will continue to be published until June 2023. There is uncertainty on the effects of the

LIBOR transition process, therefore any impact of the LIBOR transition on the Portfolio or its investments cannot yet be determined. There is no assurance an alternative rate will be similar to, produce the same value or economic equivalence or instruments using the rate will have the same volume or liquidity as LIBOR. Any effects of LIBOR transition and the adoption of alternative rates could result in losses to the Portfolio.

Mortgage- and asset-backed securities are subject to prepayment or call risk, which is the risk that the borrower's payments may be received earlier or later than expected due to changes in prepayment rates on underlying loans. Securities may be prepaid at a price less than the original purchase value.

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.

For more information about CollegeBound 529, contact your financial advisor, call 877-615-4116, or visit 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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