



# Invesco MSCI World SRI Index Portfolio<sup>®</sup>

## Quarterly Performance Commentary

CUSIPS: RZ:76222X513 RA:76222X521

### Investment objective

The portfolio seeks to provide long-term growth of capital.

### Portfolio management

Su-Jin Fabian, Nils Huter, Robert Nakouzi, Daniel Tsai, Ahmadreza Vafaeimehr

Management is that of the underlying fund.

### Portfolio information

Total net assets \$7,790,291

Total number of holdings 367

Holdings shown are that of the underlying fund.

Top equity holdings	% of total net assets
Microsoft Corp	16.29
Tesla Inc	4.39
Home Depot Inc/The	2.17
Novo Nordisk Fonden	2.12
ASML Holding NV	1.91
Adobe Inc	1.71
Coca-Cola Co/The	1.53
PepsiCo Inc	1.48
Linde PLC	1.28
Intuit Inc	1.14

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

Top contributors	% of total net assets
1. Microsoft	16.63
2. ASML	1.80
3. Home Depot	2.09
4. Adobe	1.78
5. Novo Nordisk A/S Class B	2.18

Data shown is that of the underlying fund.

Top detractors	% of total net assets
1. Tesla	4.53
2. Valero	0.33
3. Becton Dickinson and Company	0.51
4. Lonza Group AG	0.19
5. Halliburton	0.23

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

- Global equity markets had a positive fourth quarter, rallying strongly during the last two months. The quarter started with all three US major indices declining as investment sentiment appeared weighed down by the uncertainty around the future direction of interest rates and the conflict in Middle East, as well as by mixed labor market data. European equities also posted negative returns due to slowing growth and apparently low consumer confidence, while both the European Central Bank and the Central Bank of England kept interest rates on hold. US equities regained traction in November with all three major indices registering positive returns as the "Magnificent Seven" (Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA, and Tesla) steered gains. Investor sentiment appeared boosted by a growing sense that interest rates in developed markets may have peaked. US equities continued rallying in December, with the Dow Jones and S&P 500 nearing record highs following the US Federal Reserve's (Fed) dovish pivot. With US Treasury yields falling and strong labor market data, investors appeared to end the year growing more confident of a possible "soft landing" where the U.S. economy avoids a recession as the Fed kept interest rates on hold at a 22-year high. European equities markets followed along, as inflation continued dropping and interest rates remained unchanged.

### Performance highlights

- The portfolio is passively managed relative to its benchmark and its Class RZ units at net asset value (NAV) underperformed the MSCI World SRI Index in the fourth quarter. (Please see the investment results table on page 2 for portfolio and index performance.)
- On a relative basis, the MSCI World SRI Index outperformed its parent benchmark, the broader MSCI World Index, due to strength in the information technology sector. Here, an overweight to Microsoft aided returns as the stock increased more than 19% over the course of the period.
- From a sector perspective, information technology, financials, and industrials were the largest positive contributors to the portfolio's absolute return. There were no detractors for the quarter.
- The portfolio's large allocation to the US, representing more than two-thirds of the index, added to returns as US companies performed well for the quarter. The Netherlands, France, Japan, and Canada also aided the portfolio's performance, though to a smaller extent.

### Contributors to performance

- The largest individual contributor to the portfolio's absolute performance by far was **Microsoft** (+19.34% return for the quarter), due to the size of its position (more than 16% of the portfolio).
- **ASML** (+27.54%), **Home Depot** (+15.46%) and **Adobe** (+17.00%) also made positive contributions.

### Detractors from performance

- In the fourth quarter, **Tesla** (-0.70%) had the largest subtraction from absolute return because of its large weight in the portfolio. **Valero** (-7.50%) and **Becton, Dickinson, and Company** (-5.30%) also hurt performance.

### Positioning and outlook

- The portfolio is passively managed seeking to closely track the MSCI World SRI Index.
- Country, sector and security weights will closely mirror those of the index.
- As of quarter end, the largest sector weights were in IT, financials and consumer discretionary. The largest country weights were in the US, Japan and Canada.
- The MSCI World SRI Index targets about 25% of the parent index (MSCI World Index) market capitalization in companies with high ESG ratings compared to their sector peers and applies a list of values-based exclusion criteria such as controversial weapons, tobacco, alcohol, gambling, etc. The index also excludes companies involved in material ESG controversies.

Investment results				
Average annual total returns (%) as of Dec. 31, 2023				
	Class RZ units		Class RA units	Style-Specific Index
	Inception: 07/08/16		Inception: 07/08/16	
Period	Max Load 1.25%	NAV	NAV	MSCI World SRI Index- NR
Inception	8.15	8.75	8.50	-
5 Years	9.81	10.71	10.45	14.38
3 Years	6.70	8.17	7.91	7.97
1 Year	22.82	27.94	27.58	27.83
Quarter	8.08	12.56	12.46	12.68

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](http://collegebound529.com). Performance figures reflect reinvested distributions of the underlying security and changes in net asset value (NAV). Performance shown at NAV for Class RZ units does not include applicable front-end sales charges, which would have reduced the performance. 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.

Asset mix (%)		Expense ratios (%)	
Dom Common Stock	68.47	Class RZ units	0.20
Intl Common Stock	28.53	Class RA units	0.45
Other	0.20	Total annual asset-based fee per the current Program Description.	
Cash	2.81		

Data shown is that of the underlying fund.

Equity sector breakdown	(% of total net assets)
IT	26.10
Financials	15.20
Consumer Discretionary	12.60
Health Care	11.60
Industrials	10.40
Consumer Staples	6.70
Materials	4.70
Communication Services	3.80
Real Estate	2.20
Utilities	2.00
Energy	1.90

Data shown is that of the underlying fund.

For more information you can visit us at [collegebound529.com](http://collegebound529.com)

■ Effective June 29, 2020, the Invesco Global Sustainable Equity Portfolio was renamed Invesco MSCI World SRI Index Portfolio and also changed its investment strategy from an actively managed portfolio to an indexing strategy based on the MSCI World SRI Index. Results prior to June 29, 2020, reflect the portfolio's previous strategy. Please see the prospectus for additional information.

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.

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 MSCI World Index<sup>SM</sup> is an unmanaged index considered representative of stocks of developed countries. An investment cannot be made directly in an index.

The S&P 500<sup>®</sup> Index is an unmanaged index considered representative of the US stock market. An investment cannot be made directly in an index.

The MSCI World SRI Index<sup>SM</sup> includes large and mid-cap stocks across 23 Developed Markets (DM) countries. The index is a capitalization weighted index that provides exposure to companies with outstanding Environmental, Social and Governance (ESG) ratings and excludes companies whose products have negative social or environmental impacts. An investment cannot be made directly in an index.

---

## 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 risks of investing in securities of foreign issuers can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

Stocks of medium-sized companies tend to be more vulnerable to adverse developments, may be more volatile, and may be illiquid or restricted as to resale.

Because MSCI uses ESG factors to exclude, select and assign weights to certain companies included in the Underlying Index for non-financial reasons, the Fund may forego some market opportunities available to funds that do not use these factors. As a result, Fund may underperform other funds that do not use ESG factors. Further, information used by MSCI to evaluate the ESG factors may not be readily available, complete, or accurate, which could negatively impact MSCI's ability to apply its ESG standards when compiling the Underlying Index, which may negatively impact the Fund's performance. Companies deemed eligible by MSCI for inclusion in the Underlying Index may not

reflect the beliefs and values of any particular investor and may not be deemed to exhibit positive or favorable ESG characteristics if different metrics were used to evaluate them.

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 underlying fund's use of a representative sampling approach will result in its holding a smaller number of securities than are in the index and in holding securities not included in the index. As a result, underperformance of securities held by the fund could result in a greater decline in NAV than would be the case if all of the securities in the index were held, and the underlying fund may not track the return of the index as well as it would have if it held all of the securities in the index.

The performance of an investment concentrated in issuers of a certain region or country is expected to be

closely tied to conditions within that region and to be more volatile than more geographically diversified investments.

A decision as to whether, when and how to use futures involves the exercise of skill and judgment and even a well conceived futures transaction may be unsuccessful because of market behavior or unexpected events.

Active trading results in added expenses and may result in a lower return and increased tax liability.

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.

---

FOR RHODE ISLAND INVESTOR USE ONLY

***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](http://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.***

Note: Not all products available at all firms. Advisors, please contact your home office. All data provided by Invesco unless otherwise noted.