Invesco Stable Value Portfolio

Quarterly Performance Commentary

CUSIPS: RZ:76222X430 RA:76222X448

Investment objective

The portfolio invests 100% of its assets in the Invesco Stable Value separate account. The Invesco Stable Value separate account invests in investment contracts (also referred to as "wrap contracts") and seeks to produce a stable return while avoiding negative returns. In most market environments, it should provide investors with a higher return than a money market fund while striving to maintain liquidity for Account Owner initiated transactions and safety of principal.

Portfolio management

Jennifer L. Gilmore, Jeff Deetsch

Management is that of the underlying separate account.

Portfolio information

Total net assets	$228,640,348
Total number of securities	1153

Securities are that of the underlying separate account.

Holdings statistics (%)

Effective duration	3.38
Crediting rate (%)	2.94

Data shown is that of the underlying separate account.

Sector breakdown (%)

Corporate	25.49
MBS	22.81
Treasury	22.54
ABS	19.93
CMBS	6.54
Cash & Eq	1.91
Agency	0.72
Non - US Govt/Agency	0.02

Data shown is that of the underlying separate account. May not equal 100% due to rounding.

Portfolio commentary provided is based on the underlying separate account.

Market overview

- US bond returns were positive for the quarter, with the Bloomberg US Aggregate Index returning 0.07%. Bond yields were higher across the maturity spectrum, as the US Federal Reserve (Fed) left the federal funds rate unchanged, with rate cuts now expected later in the year. US economic growth and inflation expectations were still trending above the Fed's target levels for most of the quarter. The Treasury market repriced as interest rate cuts are now expected to begin later than previously anticipated, likely in the second half of 2024 based on Fed Funds futures pricing. In parallel, US Treasury yields rose amid above-trend inflation results and stronger-than-expected economic growth. The two-year Treasury yield increased from 4.59% to 4.71%, the 5-year from 4.21% to 4.33%, and the 10-year from 4.20% to 4.36%. The 30-year Treasury yield finished the quarter at 4.51%, a climb from 4.34%. Yield spreads between corporate credit and comparable duration Treasuries were relatively unchanged across sectors, despite strong issuance and waning global demand, primarily in June. The excess return from investment grade credit was essentially flat relative to comparable duration Treasuries. High-yield issuers outperformed. The financials sector extended its year-to-date trend by outperforming industrials and utilities. Investment grade and high-yield issuances were larger-than-expected for the quarter. Still, demand aptly absorbed the multitude of deals. Investment grade supply was $406 billion versus $657 billion in the prior quarter, while high-yield supply fell from $81 billion to $78 billion. Large institutional investors, such as insurance, sovereign wealth and pension plans appeared to continue their quest for yield. The structured securities credit sectors – asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) – outperformed comparable duration Treasuries during the quarter. In our view, credit-related collateral remained well-positioned for slower economic growth. The Agency mortgage-backed securities (MBS) sector underperformed due to a volatility spike early in the quarter.

Performance highlights

- For the second quarter, the portfolio's Class RZ units at net asset value (NAV) delivered a positive absolute book value return but underperformed its benchmark. The portfolio's short, intermediate and core duration fixed income assets currently yield less than money markets as the yield curve remains inverted.
- Portfolio yield increased during the quarter as interest rates rose across the yield curve. The crediting rate will, by design, follow the yield on the underlying portfolio with a lag. (June crediting rates were based on end of April portfolio data.)
- Invesco continues to manage the stable value portfolio using a diversified allocation of wrap issuers, investment strategies and underlying fund managers.

Positioning and outlook

- At quarter end, the portfolio's primary overweight relative to the index was in the ABS sector. The portfolio was overweight in the corporate and Agency mortgage sectors, while remaining underweight in CMBS and Treasuries.
- The portfolio's duration was relatively neutral compared to its benchmark, which could mitigate the effect of volatile interest rates.
- We believe the portfolio's overweight in high quality non-Treasury assets, such as securitized sectors and corporate bonds, offers a potential yield advantage over the benchmark in the long term.

Investment results

Average annual total returns (%) as of June 30, 2024

	Class RZ units		Class RA units	Style-Specific Index
	Inception: 07/08/16		Inception: 07/08/16	
Period	Max Load 1.25%	NAV	NAV	Bloomberg 3-Month Treasury Bellwether Index
Inception	1.52	2.04	1.79	-
5 Years	1.29	2.12	1.87	2.20
3 Years	0.78	2.16	1.92	3.10
1 Year	-1.59	2.53	2.31	5.46
Quarter	-3.37	0.69	0.61	1.33

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). 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: Invesco

Manager diversification (%)	
Invesco	67.03
Jennison	15.12
Loomis Sayles	14.96
STIF	2.89

Data shown is that of the underlying separate account.

Wrap providers (%)	
RGA	16.53
American General Life Ins	16.32
State Street Bank	16.29
Prudential Ins Co	16.25
Voya Retirement & Annuity	16.01
Nationwide Life Insurance	15.92

Data shown is that of the underlying separate account.

Expense ratios (%)	
Class RZ units	0.30
Class RA units	0.55

Total annual asset-based fee per the current Program Description.

Credit quality breakdown (% of total)	
AAA	72.84
AA	3.57
A	12.34
BBB	9.29
Less than BBB	0.04
Cash	1.91

Data shown is that of the underlying separate account.
Ratings source: Standard & Poor's, Moody's or Fitch, as applicable. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations, including specific securities, money market instruments or other debts. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. If securities are rated differently by the rating agencies, the higher rating is applied. Not Rated indicates the debtor was not rated and should not be interpreted as indicating low quality. A negative in Cash indicates fund activity that has accrued or is pending settlement. For more information on the rating methodology, please visit www.standardandpoors.com and select 'Understanding Ratings' under Rating Resources on the homepage; www.moodys.com and select 'Rating Methodologies' under Research and Ratings on the homepage; www.fitchratings.com and select 'Ratings Definitions' on the homepage.

For more information you can visit us at collegebound529.com

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.

Diversification does not guarantee a profit or eliminate the risk of loss.

The Bloomberg 3-Month Treasury Bellwether Index measures the performance of treasury bills with maturities of less than three months. An investment cannot be made directly in an index.

The **Crediting rate** is the interest rate earned on the contract value (principal plus accrued income) expressed as an effective annual yield. The crediting rate also acts as a stabilizing mechanism by amortizing investment gains and losses so that participants are protected from short-term changes in market value. The crediting rate is reset monthly and is presented gross of Invesco's management fee, revenue sharing applicable to the various share classes, wrap fees, sub-advisor expenses and administrative expenses. **Effective duration** is a modified duration calculation which incorporates the expected duration-shortening effect of an issuer's embedded call provision.

About risk

Risks of the Underlying Holding

Fixed-income investments are subject to credit risk of the issuer and the effects of changing interest rates. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise and vice versa. 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.

Wrap contract crediting rates may be affected, positively or negatively, if a large number of participants request redemptions from the portfolio or add new contributions to the portfolio. The portfolios credited rate will generally lag market interest rates.

There are risks that a wrap contract issuer may default which could result in loss of principal. Cost incurred to buy wrap contracts reduces Portfolio performance. New wrap contracts may have less favorable terms or higher costs. Poor market value performance may lead to constrained Portfolio investments and reduce performance. Termination of a wrap contract could result in loss of book value coverage.

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.