



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 \$231,183,954

Total number of securities 1134

Securities are that of the underlying separate account.

Holdings statistics (%)

Effective duration 3.40

Crediting rate (%) 2.83

Data shown is that of the underlying separate account.

Sector breakdown (%)

Corporate 27.10

MBS 23.02

Treasury 22.15

ABS 20.41

CMBS 6.43

Agency 0.82

Municipal Bonds 0.05

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.

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

Market overview

- US bond returns were negative for the quarter, with the Bloomberg US Aggregate Index returning -0.78%. Interest rates rose across the maturity curve and yield spreads between Treasuries and non-Treasury segments were generally tighter. The US Federal Reserve left the federal funds rate unchanged at the 5.25% - 5.50% range, with fewer interest rate cuts now expected in 2024.
- US Treasury yields rose amid above-trend inflation results and stronger-than-expected economic growth. The 2-year Treasury yield rose from 4.23% to 4.59%, the 5-year from 3.84% to 4.21% and the 10-year from 3.88% to 4.20%. The 30-year Treasury yield finished the quarter at 4.34%, up from 4.03%.
- Yield spreads between credit assets and Treasuries moved tighter amid strong global demand for yield. Outperformance of Treasuries generally occurred within the investment grade and high-yield quality ratings. Credit fundamentals continued to support relative valuations, with recession fears apparently declining for 2024.
- Investment grade and high-yield issuances were robust during the quarter, especially in January and February. However, demand appeared to absorb the multitude of deals. Investment grade supply was \$657 billion versus \$236 billion in the fourth quarter, while high-yield supply rose from \$40 billion to \$81 billion.
- The structured securities credit sectors - asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) - also outperformed comparable duration Treasuries amid escalating rate volatility during the quarter. Credit-related collateral remained in our view well positioned for slower growth. The Agency mortgage-backed securities (MBS) sector underperformed as rising yields extended durations on those securities.

Performance highlights

- For the first 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 have been yielding less than money markets as the yield curve has remained 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. (March crediting rates were based on end of January 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.
- An 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 March 31, 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	1.48	2.02	1.77	-
5 Years	1.26	2.10	1.84	2.06
3 Years	0.67	2.05	1.81	2.65
1 Year	-1.60	2.46	2.23	5.35
Quarter	-3.39	0.60	0.53	1.30

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 (%)		Wrap providers (%)	
Invesco	67.04	RGA	16.53
Jennison	15.16	American General Life Ins	16.33
Loomis Sayles	14.98	State Street Bank	16.31
STIF	2.82	Prudential Ins Co	16.26
Data shown is that of the underlying separate account.		Voya Retirement & Annuity	16.03
		Nationwide Life Insurance	15.93
		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	73.29
AA	3.66
A	13.47
BBB	9.54
Less than BBB	0.04
Cash	0.00

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.

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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.

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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.

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