



Invesco Core Plus Bond Portfolio

Quarterly Performance Commentary

CUSIPS: RZ:76221W359 RA:76221W367

Investment objective

The portfolio seeks total return, comprised of current income and capital appreciation.

Portfolio management

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Management is that of the underlying fund.

Portfolio information

Total net assets \$24,511,918

Total number of holdings 998

Holdings shown are that of the underlying fund.

Holdings statistics

Weighted Average Effective Maturity (years) 12.00

Data shown is that of the underlying fund.

Investment categories (%)

Securitized Debt	44.5
MBS	31.4
ABS	7.4
CMBS	5.7
Corporate Bonds	25.3
US Investment Grade Bonds	21.9
US High Yield Bonds	3.4
Non-US Debt	9.7
Non-US Investment Grade Bonds	3.9
Emerging Markets Debt	3.0
Non-US High Yield Bonds	1.8
Sovereign Debt	1.0
Government Bonds	8.3
US Treasuries	8.3
Convertible Bonds	0.4
Municipal Bonds	0.1
Cash & Cash equivalent	11.2
Derivatives	0.0
Other	0.4

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

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

- In the fourth quarter, data indicated a bumpy economic landing with a disinflationary trend as inflation slowed and labor market pressures eased. Resilient economic data supported risk assets and the expected recession remained a mirage.
- At the start of the quarter, yield spreads between Treasuries and non-Treasuries became tighter and bond yields rose. After the US Federal Reserve's (Fed) December meeting, yields declined as investors appeared to become more confident that rates had peaked, with futures markets signaling at least one rate cut by early spring.
- Corporate fundamentals appear solid, and most companies have been benefiting from low overall funding costs available before the recent rise in rates. Financials still appear in our view very cheap, while industrials appear very expensive, which means valuing corporate bonds is nuanced. We expect market technicals (supply/demand) to remain strong as issuance should be contained going into 2024, but higher valuations may offset technical support.
- Current yields have remained elevated. Near term, we believe the best risk-adjusted opportunities are in higher quality assets. Longer term, we view the current interest rate level as an attractive entry point.

Performance highlights

- The portfolio's Class RZ units at net asset value (NAV) had a positive return for the quarter and outperformed its benchmark, the Bloomberg US Aggregate Bond Index. (Please see the investment results table on page 2 for portfolio and index performance.)

Contributors to performance

- **Security selection:** The portfolio benefited from security selection in the banking and technology sub-sectors.
- **Sector allocation:** Overweights in the insurance and energy sub-sectors positively affected relative return.
- **Treasuries:** An underweight in Treasuries positively affected relative return.

Detractors from performance

- **Security selection:** Security selection in the brokerage/asset managers/exchanges and technology sub-sectors detracted from relative return.
- **Sector allocation:** Overweights in the transportation and consumer non-cyclical sub-sectors detracted from relative return.
- **Securitized assets:** An overweight in securitized assets, particularly asset-backed securities (ABS) and collateralized mortgage obligations (CMOs), negatively affected relative return.

Positioning and outlook

- During the quarter, we maintained an overweight in investment grade corporates, which we believe should perform well in a soft landing or recession scenario. In a soft landing, interest rates would come down more slowly and bond investors would continue to earn high yields for longer. In a recession, the Fed is likely to cut rates faster thus accelerating bond returns via duration exposure. Investment grade bonds should outperform growth-sensitive assets like equities in a recession scenario. We also believe the credit market seems "under-invested," with significant cash on the sidelines or in money markets. As investors turn positive, we believe entrance of this cash into the market will boost demand, providing a technical tailwind for credit assets over coming quarters.
- Within investment grade corporates, we maintain an overweight in financials, particularly in the banking sector. We believe the "Big 6" banks (Bank of America, Wells Fargo, Goldman Sachs, Citi, JP Morgan and Morgan Stanley), as well as super-regional and high-quality regional banks, offer attractive opportunities since they have still been trading at wide spreads. We believe the outlook for lower future interest rates will continue to benefit banking fundamentals, with valuations still at historically cheap levels.
- We decreased the overweights in high-yield corporates and emerging market debt, favoring high-quality assets in this environment. We moved from an overweight to an overweight in residential mortgages because we believe they should benefit from an expected decrease in rate volatility as the Fed has indicated its hiking cycle is likely over. We increased the allocation to Treasuries to take advantage of heavy issuance in the new year.

Investment results				
Average annual total returns (%) as of Dec. 31, 2023				
Period	Class RZ units		Class RA units	Style-Specific Index
	Inception: 07/08/16		Inception: 07/08/16	Bloomberg U.S. Aggregate Bond Index
	Max Load	NAV	NAV	
Inception	0.98	1.54	1.29	-
5 Years	1.32	2.15	1.90	1.10
3 Years	-4.52	-3.20	-3.44	-3.31
1 Year	2.19	6.46	6.17	5.53
Quarter	2.94	7.27	7.31	6.82

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.

Credit quality breakdown (% of total)	
Cash & Cash equivalent	11.20
AAA	13.33
AA	35.83
A	13.65
BBB	17.95
BB	6.04
B	1.27
CCC and below	0.06
Not Rated	0.66

Data shown is that of the underlying fund.

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.

Expense ratios (%)	
Class RZ units	0.46
Class RA units	0.71
Total annual asset-based fee per the current Program Description.	

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.

The Bloomberg U.S. Aggregate Bond Index is an unmanaged index considered representative of the US investment-grade, fixed-rate bond market. An investment cannot be made directly in an index.

Effective duration is a modified duration calculation which incorporates the expected duration-shortening effect of an issuer's embedded call provision. **Weighted average effective maturity (WAM)** is a measure, as estimated by the underlying fund's portfolio managers, of the length of time the average security in a bond fund will mature or be redeemed by its issuer. It takes into account mortgage prepayments, puts, adjustable coupons and potential call dates.

About risk

Risks of the Underlying Holding

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.

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.

Junk bonds involve a greater risk of default or price changes due to changes in the issuer's credit quality. The values of junk bonds fluctuate more than those of high quality bonds and can decline significantly over short time periods.

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 underlying fund may invest in privately issued securities, including 144A securities which are restricted (i.e. not publicly traded). The liquidity market for Rule 144A securities may vary, as a result, delay or difficulty in selling such securities may result in a loss to the fund.

Obligations issued by US Government agencies and instrumentalities may receive varying levels of support from the government, which could affect the fund's ability to recover should they default.

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.

There is no assurance that the Fund will provide low volatility.

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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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