



Invesco CollegeBound 529 Age-Based Portfolios

Quarterly Commentary

Portfolio description

Invesco CollegeBound 529 age-based portfolios are designed to become more conservative over time as college enrollment approaches.

These portfolios are diversified across asset classes, as appropriate, and utilize active investment options and smart beta products.

Investment objective

- The Invesco CollegeBound Today Portfolio seeks to achieve preservation of capital, with a secondary objective of providing liquidity and income.
- The Invesco CollegeBound 2019-2020 Portfolio to the Invesco CollegeBound 2037-2038 Portfolio, all seek to achieve capital appreciation, income and preservation of capital as appropriate for its proximity to its respective target date. The target date is the year which corresponds to the potential college enrollment year of the beneficiary. The objective of the portfolio becomes more focused on capital preservation and income as it approaches its respective target date.

Portfolio management

Duy Nguyen, Jacob Borbidge

Market overview

- The first quarter global equity rally continued into the first month of the second quarter. However, a breakdown in US-China trade talks in early May spurred a major stock sell-off during the month. By early June, the Federal Reserve had indicated it was willing to implement less restrictive monetary policy in the face of trade woes, which sent global equities higher. During the quarter, two key factors drove market sentiment, one - the trade situation - worsened, while the other - monetary policy - improved. As a result, global equities experienced significant volatility before finishing the quarter with modest gains.
- **US equity.** Though the S&P 500 Index posted a modest gain of 4.30% for the second quarter, the US stock market experienced increased volatility. After four consecutive months of rising prices, stocks sold off in May, with the S&P 500 falling 6.58%. Bond yields and oil prices also fell as investors weighed the impact of the ongoing US/China trade war and potential for new tariffs on Mexican imports. Additionally, data showed slowing in the US and global economies. Equity markets recovered in June as the S&P 500 returned 7.05%, its best June performance since 1955. The Fed left interest rates unchanged at its June Federal Open Market Committee meeting and signaled a less restrictive stance, leading some investors to anticipate a future rate cut. US large and mid-cap stocks outperformed small-cap stocks and growth outperformed value for the quarter.
- **International equity.** Global equity markets, particularly China, declined sharply in May, ending a four-month rally. Trade and tariff issues, which were not limited to the US and China, clouded the outlook for many global economies. In response, the European Central Bank maintained its accommodative stance, strongly implying the possibility of future interest rate cuts or further bond purchases. Disagreement within the UK about its withdrawal from the European Union increased uncertainty for the UK and Eurozone economies. Better performance in June, enabled most global equity markets to deliver modest positive returns for the second quarter, with developed markets generally outperforming emerging markets. China was an exception, declining approximately 4%. In this environment, the MSCI AC World Index returned 3.61% for the quarter.
- **Fixed income.** Fixed income asset classes also posted positive returns in the second quarter. Riskier fixed income asset classes outperformed as investors favored higher yields and US corporates bonds. Alternative asset classes posted mixed returns, with real estate relatively flat, while commodities were generally lower throughout the quarter.

Portfolio overview

- Age-based portfolios include allocations to equities, fixed income and capital preservation. These allocations adjust quarterly over time, becoming progressively more conservative as college enrollment approaches. Within the portfolios, all asset classes posted positive returns and contributed to absolute performance. Given the stronger relative performance of US equities, allocations to US equities generally benefited relative portfolio performance, while allocations to international equities and fixed income generally detracted from relative performance results.

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 June 30, 2019
Class RZ unit performance. Inception: 07/08/16

	Invesco CollegeBound Today Portfolio		Invesco CollegeBound 2019-2020 Portfolio		Invesco CollegeBound 2021-2022 Portfolio		Invesco CollegeBound 2023-2024 Portfolio		Invesco CollegeBound 2025-2026 Portfolio		Invesco CollegeBound 2027-2028 Portfolio		Invesco CollegeBound 2029-2030 Portfolio	
Expense ratio (%)	0.19		0.19		0.19		0.19		0.19		0.19		0.19	
Period	Load	NAV	Load	NAV	Load	NAV	Load	NAV	Load	NAV	Load	NAV	Load	NAV
Inception	0.83	2.23	2.58	4.00	3.22	4.65	3.64	5.08	3.97	5.41	4.35	5.81	4.91	6.37
1 Year	-0.74	3.39	0.54	4.75	0.44	4.66	0.78	4.98	1.04	5.22	1.11	5.34	1.61	5.81
Quarter	-2.82	1.23	-2.09	2.00	-2.05	2.05	-1.70	2.38	-1.60	2.54	-1.50	2.60	-1.48	2.65

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.

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.

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

	Invesco CollegeBound Today Portfolio	Invesco CollegeBound 2019-2020 Portfolio	Invesco CollegeBound 2021-2022 Portfolio	Invesco CollegeBound 2023-2024 Portfolio	Invesco CollegeBound 2025-2026 Portfolio	Invesco CollegeBound 2027-2028 Portfolio	Invesco CollegeBound 2029-2030 Portfolio
Asset category/product name							
US equities	0.00	10.56	15.35	21.27	26.46	30.14	33.82
Invesco Diversified Dividend Fund	0.00	1.51	2.01	2.83	4.17	5.50	7.00
Invesco Equally-Weighted S&P 500 Fund	0.00	5.04	7.15	9.27	9.58	8.90	8.24
Invesco FTSE RAFI US 1500 Small-Mid ETF	0.00	0.00	0.00	0.00	0.00	1.38	3.09
Invesco S&P 500 High Dividend Low Volatility ETF	0.00	0.00	0.51	1.27	2.27	2.50	2.31
Invesco S&P 500 Pure Growth ETF	0.00	4.01	5.67	7.65	9.21	10.37	11.50
Invesco S&P Midcap Low Volatility ETF	0.00	0.00	0.00	0.25	1.25	1.49	1.67
Global equities	0.00	3.52	4.90	6.97	9.85	12.27	14.97
Invesco FTSE RAFI Developed Markets ex-U.S. ETF	0.00	1.51	1.99	2.66	3.38	4.05	4.73
Invesco FTSE RAFI Emerging Markets ETF	0.00	0.00	0.24	0.49	0.49	0.74	1.06
Invesco Global Growth Fund	0.00	1.01	1.26	1.74	2.77	3.53	4.40
Invesco Global Real Estate Income Fund	0.00	0.00	0.40	0.86	1.11	1.29	1.48
Invesco S&P Emerging Markets Low Volatility ETF	0.00	0.00	0.00	0.08	0.42	0.75	1.09
Invesco S&P International Developed Low Volatility ETF	0.00	1.00	1.01	1.15	1.68	1.92	2.20
Fixed Income	40.02	60.96	57.92	54.05	50.65	49.30	47.28
Invesco Core Plus Bond Fund	12.46	18.99	19.33	19.63	19.96	20.96	22.09
Invesco Floating Rate Fund	8.51	12.99	11.91	10.60	9.27	8.68	7.92
Invesco Short Duration Inflation Protected Fund	9.20	13.99	12.74	11.22	10.19	9.24	7.88
Invesco Short Term Bond Fund	9.85	14.98	13.94	12.60	11.23	10.42	9.40
Capital preservation	59.98	24.97	21.83	17.71	13.04	8.29	3.93
Invesco Government and Agency Portfolio	19.99	8.29	7.20	5.82	4.31	2.70	1.22
Invesco Stable Value Portfolio	39.99	16.67	14.63	11.89	8.72	5.59	2.70

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. Invesco CollegeBound 529 age-based portfolios offers Class A, Class C and Class I units nationally. Class I units are available only to certain investors. See the Program Description for more information.

Investment results (continued)

Average annual total returns (%) as of June 30, 2019
Class RZ unit performance. Inception: 07/08/16

									Benchmark Indexes			
	Invesco CollegeBound 2031-2032 Portfolio		Invesco CollegeBound 2033-2034 Portfolio		Invesco CollegeBound 2035-2036 Portfolio		Invesco CollegeBound 2037-2038 Portfolio		Bloomberg Barclays U.S. Aggregate Bond Index	MSCI EAFE Index	Russell 1000 Value Index	Bloomberg Barclays 3-Month Treasury Bellwether Ind
Expense ratio (%)	0.19		0.19		0.19		0.19		-	-	-	-
Period	Load	NAV	Load	NAV	Load	NAV	Load	NAV				
Inception	5.38	6.85	5.81	7.29	5.90	7.37	4.70	4.70	-	-	-	-
1 Year	1.67	5.91	1.99	6.20	2.15	6.37	-	-	7.87	1.08	8.46	2.33
Quarter	-1.22	2.87	-1.28	2.84	-1.28	2.83	-1.23	2.85	3.08	3.68	3.84	0.64

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Index sources: Invesco, FactSet Research Systems, Inc.

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

Asset category/product name	Invesco CollegeBound 2031-2032 Portfolio	Invesco CollegeBound 2033-2034 Portfolio	Invesco CollegeBound 2035-2036 Portfolio	Invesco CollegeBound 2037-2038 Portfolio
US equities	39.24	44.09	47.75	48.13
Invesco Diversified Dividend Fund	8.96	11.15	13.13	13.49
Invesco Equally-Weighted S&P 500 Fund	8.87	9.84	10.54	10.54
Invesco FTSE RAFI US 1500 Small-Mid ETF	4.26	5.60	6.62	6.57
Invesco S&P 500 High Dividend Low Volatility ETF	1.67	0.74	0.00	0.00
Invesco S&P 500 Pure Growth ETF	13.17	14.28	15.00	15.04
Invesco S&P Midcap Low Volatility ETF	2.31	2.48	2.47	2.49
Global equities	18.70	23.07	26.81	26.97
Invesco FTSE RAFI Developed Markets ex-U.S. ETF	5.39	6.55	7.31	6.99
Invesco FTSE RAFI Emerging Markets ETF	1.44	1.77	2.26	2.50
Invesco Global Growth Fund	5.74	7.41	8.76	8.77
Invesco Global Real Estate Income Fund	1.80	2.05	2.30	2.33
Invesco S&P Emerging Markets Low Volatility ETF	1.49	2.05	2.52	2.55
Invesco S&P International Developed Low Volatility ETF	2.84	3.25	3.65	3.84
Fixed Income	41.28	32.83	25.44	24.90
Invesco Core Plus Bond Fund	22.38	19.95	17.41	17.45
Invesco Floating Rate Fund	5.94	4.22	2.61	1.98
Invesco Short Duration Inflation Protected Fund	5.55	3.46	1.97	1.99
Invesco Short Term Bond Fund	7.42	5.21	3.45	3.47
Capital preservation	0.78	0.00	0.00	0.00
Invesco Government and Agency Portfolio	0.24	0.00	0.00	0.00
Invesco Stable Value Portfolio	0.54	0.00	0.00	0.00

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Asset allocation percentages apply to all unit classes of the respective portfolios. Invesco CollegeBound 529 age-based portfolios offers Class A, Class C and Class I units nationally. Class I units are available only to certain investors. See the Program Description for more information.

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

A target date portfolio identifies a specific time at which investors are expected to begin making withdrawals. The principal value of the portfolio is not guaranteed at any time, including at the target date.

Invesco CollegeBound 529 age-based portfolios utilize custom benchmarks, which are comprised of the following indexes: Bloomberg Barclays U.S. Aggregate 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 Barclays 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 und 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.

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

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.

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.

Note: Not all products available at all firms. Advisors, please contact your home office.

All data provided by Invesco unless otherwise noted.