



# Invesco Small Cap Value Portfolio

## Quarterly Performance Commentary

CUSIPS: A:76223R473 C:76223R465 I:76223R457

### Investment objective

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

### Portfolio management

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Management is that of the underlying fund.

### Portfolio information

Total net assets	\$1,361,334
Total number of holdings	96

Holdings shown are that of the underlying fund.

### Top equity holdings

#### % of total net assets

AECOM	2.50
Northern Oil and Gas Inc	2.42
Universal Health Services Inc	2.41
Univar Solutions	2.31
Grand Canyon Education Inc	2.21
Teck Resources Ltd	2.19
American Equity Investment Life Holding Co	2.18
MasTec Inc	2.04
Spectrum brands Holdings Inc	2.04
Flex Ltd	2.03

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

### Top contributors

#### % of total net assets

1. Universal Health Services	2.41
2. TechnipFMC	1.99
3. Maxar Technologies	1.22
4. Northern Oil and Gas	2.42
5. APA	1.97

Data shown is that of the underlying fund.

### Top detractors

#### % of total net assets

1. NRG Energy	0.51
2. Tamarack Valley Energy	0.42
3. New Fortress Energy	1.69
4. National Express	0.26
5. Adtalem Global Education	1.46

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

- US equity markets posted gains for the fourth quarter as better inflation data sparked a rally in October and November. However, Federal Reserve remarks sent equities lower in December and US stocks ended the year with their worst annual return since 2008. As energy prices fell, the inflation rate slowed in the fourth quarter. Meanwhile, estimates of third quarter real GDP (gross domestic product) growth were higher than anticipated. The unemployment rate rose during the quarter, but the overall labor market remained tight. Corporate earnings generally met expectations, though future guidance was cautious. With inflation still at multi-decade highs and little evidence of a slowing economy, the Fed raised the target federal funds rate by 0.75% in November and by 0.50% in December, marking its highest level in over a decade. Against this backdrop, the S&P 500 Index returned 7.56% in the fourth quarter and -18.11% for 2022.

### Performance highlights

- The portfolio's Class A units at net asset value (NAV) outperformed the Russell 2000 Value Index. (Please see the investment results table on page 2 for portfolio and index performance.) The portfolio's sector results were broadly positive, with industrials and energy contributing the most to absolute return, while holdings in utilities and consumer staples added the least. On a relative basis, good stock selection in industrials and health care, along with an energy overweight, helped relative return. Conversely, stock selection in utilities detracted from performance relative to the Russell 2000 Value Index.

### Contributors to performance

- **Universal Health Services** owns and operates acute care hospitals and behavior health centers. Shares rose during the quarter on a positive inflection in financial results as patient volumes improved and labor headwinds abated.  
- Shares of oil & gas equipment & services company **TechnipFMC** rose after management reported strong financial results for the third quarter. The company is a top provider of subsea equipment and services in the offshore market.

### Detractors from performance

- **NRG Energy** is one of the largest US retail energy providers and one of the largest US independent power producers, focused primarily in Texas. Shares fell near quarter end after **NRG** announced it would acquire Vivint Smart Home (not a portfolio holding).  
- **New Fortress Energy** is an integrated gas-to-power utility company engaged mainly in providing modern infrastructure solutions for cleaner, reliable energy while generating a positive economic impact. Shares had a small decline during the quarter as international natural gas prices fell, partly due to warmer-than-expected winter weather in the Northern Hemisphere.

### Positioning and outlook

- We use an intrinsic value approach to select investments for the portfolio. The portfolio is not constructed based on a short-term macroeconomic view. Instead, positioning is driven by bottom-up stock selection based on intrinsic value. We seek to create wealth by maintaining a long-term investment horizon and investing in companies that we believe are significantly undervalued on an absolute basis.  
- Given our focus on intrinsic value and a long-term investment horizon, the portfolio was positioned with more economically sensitive stocks than its peers at quarter end.  
- At quarter end, the difference between the market price and the estimated intrinsic value of the portfolio's holdings was, in our view, very attractive, according to our estimation. Although there is no assurance that market value will ever reflect our estimate of the portfolio's intrinsic value, we believe the gap between price and estimated intrinsic value indicates above-average, long-term capital appreciation potential.  
- We are excited about the current portfolio and believe the portfolio's investments may continue to position it for solid absolute and relative performance over the long term.  
- Going forward, we will work hard to protect and grow the portfolio's estimated intrinsic value. We thank you for your investment and for sharing our long-term perspective.

## Investment results

Average annual total returns (%) as of Dec. 31, 2022

Period	Class A units		Class C units		Class I units	Style-Specific Index
	Inception: 10/22/21 Max Load	NAV	Inception: 10/22/21 Max CDSC	NAV	Inception: 10/22/21 NAV	Russell 2000 Value Index
	3.50%		1.00%			
Inception	-0.56	2.93	2.26	2.26	3.18	-
1 Year	0.10	4.23	2.53	3.53	4.53	-14.48
Quarter	15.00	19.79	18.70	19.70	19.86	8.42

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). No contingent deferred sales charge (CDSC) will be imposed on redemptions of Class C units following one year from the date units were purchased. Performance shown at NAV does not include applicable CDSC or front-end sales charges, which would have reduced the performance. Class I 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.

### Asset mix (%)

Dom Common Stock	77.91
Intl Common Stock	16.29
Cash	5.87
Other	-0.07

Data shown is that of the underlying fund.

A negative in Cash or Other, as of the date shown, is normally due to fund activity that has accrued or is pending settlement.

### Expense ratios (%)

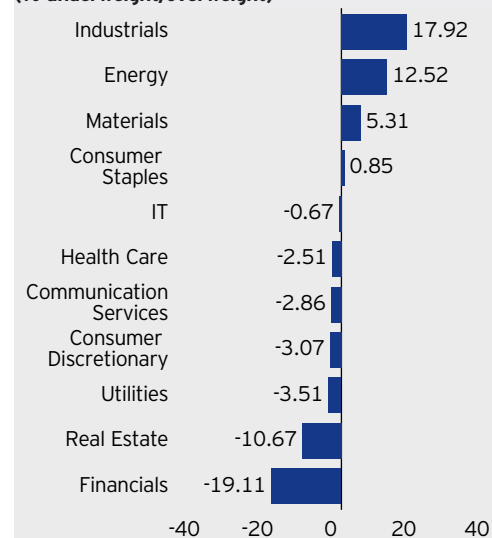
Class A units	1.14
Class C units	1.89
Class I units	0.89

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

Class I units are available only to certain investors. 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 portfolio's positioning versus the Russell 2000 Value Index (% underweight/overweight)



Data shown is that of the underlying fund.

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## 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, including emerging markets, can include fluctuations in foreign currencies, political and economic instability, and foreign taxation issues.

Investments in real estate related instruments may be affected by economic, legal, or environmental factors that affect property values, rents or occupancies of real estate. Real estate companies, including REITs or similar structures, tend to be small- and mid-cap companies, and their shares may be more volatile and less liquid.

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

resale.

A value style of investing is subject to the risk that the valuations never improve or that the returns will trail other styles of investing or the overall 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.

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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](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.***

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