CollegeBound 529 Unit Classes

Data as of Dec. 31, 2022

Invesco Core Plus Bond Portfolio

Quarterly Performance Commentary

CUSIPS: A:76221W391 C:76221W375 I:76221W342

Investment objective

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

Portfolio management

Matthew Brill, Chuck Burge, Michael Hyman, Todd Schomberg

Management is that of the underlying fund.

Portfolio information

Total net assets	$25,662,137
Total number of holdings	1098

Holdings shown are that of the underlying fund.

Holdings statistics

Weighted Average Effective Maturity (years)	14.00

Data shown is that of the underlying fund.

Investment categories (%)

Securitized Debt	
MBS	23.00
ABS	10.10
CMBS	9.00
Corporate Bonds	
US Investment Grade Bonds	25.60
US High Yield Bonds	6.50
Non-US Debt	
Emerging Markets Debt	7.60
Non-US Investment Grade Bonds	5.60
Non-US High Yield Bonds	2.90
Sovereign Debt	1.60
Government Bonds	
US Treasuries	6.60
Convertible Bonds	0.60
Municipal Bonds	0.20
Derivatives	0.10
Cash & Cash equivalent	0.20
Other	0.40

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

Portfolio commentary provided is based on the underlying fund.

Market overview

- US bonds, as measured by the Bloomberg US Aggregate Bond Index, had a positive return for the fourth quarter.
- Changes in US interest rates and inflation risk affected fixed income valuations during the quarter. Yields on 2-year and 10-year Treasuries remained elevated, rising from 4.22% to 4.41% and from 3.83% to 3.88%, respectively. The yield curve, as measured by the yield differential between 2- and 10-year Treasuries, inverted during the quarter as short-term rates were higher than long-term rates.
- Agency residential mortgage-backed securities (RMBS) outperformed duration-matched Treasuries for the quarter, while asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) underperformed.

Performance highlights

- Invesco Core Plus Bond Portfolio Class A 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

- The portfolio benefited from security selection in the consumer cyclical and electric sub-sectors.
- Overweights in the banking and communications sub-sectors positively affected relative performance.

Detractors from performance

- Security selection in the insurance and energy sub-sectors detracted from relative performance.
- Underweights in consumer non-cyclical and natural gas sub-sectors detracted from relative performance.

Positioning and outlook

Our short-term outlook for bond markets is cautiously optimistic:

- Credit assets rallied throughout the quarter, headlined by attractive yields and an improving economy. Yields remain at an elevated level and valuations of credit assets have improved, along with recent economic data that show inflation is slowing. Corporate credit issuance is relatively low because companies have no need to refinance debt into a weak market, which indicates the strength of corporate balance sheets.
- The Federal Reserve is expected to continue its tightening of monetary policy in an effort to control inflation and slow the economy without causing a recession. The projected peak for the federal funds rate rose to 5%-5.25%, up from September's expectation of 4.6%. Additionally, the Fed continues to shrink its balance sheet. Overall, Fed policy will largely dictate how significant and long-lasting any economic downturn will be.
- Geopolitical risks and supply chain/energy shocks that weighed down valuations of credit assets for most of 2022 improved during the quarter due to improvement in global supply-side bottlenecks. However, China's surge of COVID-19 infections and effects on the global supply chain are worth monitoring.
- In terms of positioning, the portfolio remains overweight in investment grade issues, based on valuations and a supportive technical environment (supply/demand balance). In the high-yield segment, the portfolio is positioned mainly in higher quality issues with potential for ratings upgrades, though a slowing economy will likely limit upgrade opportunities. In emerging market debt, the portfolio is focused on US-dollar denominated issuers. We recently moved from an underweight to market weight in Agency mortgages because we saw attractive valuations and expect interest rate volatility to subside, which would benefit mortgage-backed securities. However, the Fed will continue to reduce its holdings of Agency mortgages as it unwinds its balance sheet, so we did not move to an overweight. We have kept the portfolio's duration neutral relative to its benchmark due to interest rate volatility.

Investment results

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

Period	Class A units Inception: 07/08/16 Max Load 3.50%	Class A units NAV	Class C units Inception: 07/08/16 Max CDSC 1.00%	Class C units NAV	Class I units Inception: 07/08/16 NAV	Style-Specific Index Bloomberg U.S. Aggregate Bond Index
Inception	-0.25	0.38	-0.24	-0.24	0.64	-
5 Years	-0.84	-0.02	-0.78	-0.78	0.25	0.02
3 Years	-3.87	-2.56	-3.26	-3.26	-2.29	-2.71
1 Year	-18.26	-14.87	-16.28	-15.44	-14.66	-13.01
Quarter	-1.06	3.02	1.85	2.85	3.07	1.87

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). 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.

Expense ratios (%)	
Class A units	0.83
Class C units	1.58
Class I units	0.58

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

Credit quality breakdown (% of total)	
Cash & Cash equivalent	0.23
AAA	40.06
AA	5.90
A	16.57
BBB	22.04
BB	10.80
B	3.41
CCC and below	0.18
Not Rated	0.80

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.

For more information you can visit us at collegebound529.com

Class I units are available only to certain investors. 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.

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.