



# Invesco CollegeBound 529 Age-Based Portfolios

## Quarterly Commentary

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### 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.

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### 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 2021-2022 Portfolio to the Invesco CollegeBound 2039-2040 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.

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### Portfolio management

Duy Nguyen, Jacob Borbidge

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

### Market overview

- In the third quarter, many countries were able to successfully reduce the spread of COVID-19 infections, building on progress made in the latter part of the second quarter. Capital markets continued to benefit from the policy response to the crisis as fiscal stimulus was significant and monetary stimulus was massive for most of the quarter. As a result, the “green shoots” of economic activity at the end of the second quarter grew and flourished into the third quarter, with many countries experiencing substantial economic rebounds. However, toward quarter end, economic growth began to slow. This coincided with an increase in COVID-19 infections in Europe, the US and Canada, as well as congressional inability to pass another substantial US fiscal stimulus package.

### US equity

- Despite a correction in September, US stocks finished the quarter in positive territory after posting large gains in July and August. US equities primarily benefited from positive signs of economic recovery and the Federal Reserve’s easy monetary policy. Late in the quarter, the Fed announced it will use an average inflation target in setting monetary policy rates, which will allow for temporary overshoots of inflation and give the Fed greater flexibility in managing monetary policy.

### International equity

- Global stocks performed well but there were differences in regional performances as Asia and the US outperformed the Eurozone and UK. Asian emerging market stocks posted strong gains, led by Taiwan, India, South Korea and China. Japanese shares also rose during the quarter despite the resignation of Prime Minister Shinzo Abe. In contrast, Eurozone and UK equities were flat to negative on fears of rising COVID-19 infections.

### Fixed income and Commodities

- Corporate bonds generally outperformed government bonds during the quarter as investors preferred riskier assets. Sovereign debt yields remained low, moving within a narrow range over the course of the quarter. Gold performed well on concerns about rising geopolitical risks, such as the prospect of a contested US presidential election.

### 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. All Invesco Age-Based portfolios posted positive performance during the quarter. CollegeBound 529 Portfolios with higher fixed income allocations generally outperformed their custom benchmarks, while portfolios with higher equity allocations generally underperformed their custom benchmarks. Allocations to riskier fixed income assets were the largest contributors to relative performance, while allocations to US equities with a value tilt were the leading detractors from relative results.
- In the current environment, we expect massive monetary policy stimulus will continue to provide some support to risk assets. However, we expect significant volatility and potential for stock pullbacks in coming weeks as concerns about a contested US presidential election grow. We recommend broad diversification within the equity and fixed income allocations of an investor’s portfolio.

**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 Sept. 30, 2020  
Class A unit performance. Inception: 07/08/16

	Invesco CollegeBound Today 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		Invesco CollegeBound 2031-2032 Portfolio	
<b>Expense ratio (%)</b>	0.80		0.83		0.82		0.82		0.83		0.84		0.84	
<b>Period</b>	<b>Load</b>	<b>NAV</b>	<b>Load</b>	<b>NAV</b>	<b>Load</b>	<b>NAV</b>	<b>Load</b>	<b>NAV</b>	<b>Load</b>	<b>NAV</b>	<b>Load</b>	<b>NAV</b>	<b>Load</b>	<b>NAV</b>
Inception	1.13	1.86	2.98	3.99	3.35	4.36	3.62	4.63	3.86	4.87	4.20	5.22	4.40	5.42
3 Years	1.10	2.12	1.97	3.38	2.21	3.61	2.36	3.76	2.43	3.85	2.51	3.92	2.43	3.85
1 Year	-0.83	2.27	-0.08	4.06	0.25	4.45	0.25	4.40	0.08	4.26	-0.08	4.11	-0.32	3.82
Quarter	-2.08	0.93	-1.83	2.25	-1.40	2.74	-0.98	3.15	-0.65	3.47	-0.40	3.77	-0.08	4.08

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 A unit performance at load is shown as the max load of 4.00%. Performance shown at NAV for Class A 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)

Asset category/product name	Invesco CollegeBound Today 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	Invesco CollegeBound 2031-2032 Portfolio
<b>US equities</b>	<b>0.00</b>	<b>11.28</b>	<b>17.65</b>	<b>23.29</b>	<b>28.18</b>	<b>31.31</b>	<b>35.92</b>
Invesco Diversified Dividend Fund	0.00	1.59	2.26	3.33	4.66	5.96	7.67
Invesco Equally-Weighted S&P 500 Fund	0.00	5.29	8.03	9.27	9.41	8.40	8.48
Invesco FTSE RAFI US 1500 Small-Mid ETF	0.00	0.00	0.00	0.00	0.23	2.11	3.54
Invesco S&P 500 High Dividend Low Volatility ETF	0.00	0.08	0.79	1.70	2.59	2.57	2.14
Invesco S&P 500 Pure Growth ETF	0.00	4.32	6.57	8.39	9.84	10.81	12.23
Invesco S&P Midcap Low Volatility ETF	0.00	0.00	0.00	0.61	1.46	1.46	1.85
<b>Global equities</b>	<b>0.00</b>	<b>3.76</b>	<b>5.66</b>	<b>8.07</b>	<b>10.85</b>	<b>12.99</b>	<b>16.17</b>
Invesco FTSE RAFI Developed Markets ex-U.S. ETF	0.00	1.57	2.23	2.89	3.53	4.17	4.81
Invesco FTSE RAFI Emerging Markets ETF	0.00	0.04	0.38	0.50	0.53	0.87	1.19
Invesco Global Growth Fund	0.00	1.06	1.44	2.18	3.22	3.79	4.94
Invesco Global Real Estate Income Fund	0.00	0.07	0.60	0.97	1.21	1.34	1.59
Invesco S&P Emerging Markets Low Volatility ETF	0.00	0.00	0.00	0.21	0.54	0.88	1.24
Invesco S&P International Developed Low Volatility ETF	0.00	1.02	1.01	1.33	1.81	1.94	2.40
<b>Fixed Income</b>	<b>39.99</b>	<b>60.46</b>	<b>56.28</b>	<b>52.65</b>	<b>49.63</b>	<b>49.21</b>	<b>45.18</b>
Invesco Core Plus Bond Fund	12.44	19.01	19.28	19.64	20.07	21.46	22.16
Invesco Floating Rate Fund	8.48	12.79	11.51	10.13	8.92	8.59	7.26
Invesco Short Duration Inflation Protected Fund	9.20	13.83	12.07	10.81	9.81	8.86	7.04
Invesco Short Term Bond Fund	9.86	14.83	13.42	12.08	10.84	10.30	8.73
<b>Capital preservation</b>	<b>60.01</b>	<b>24.49</b>	<b>20.41</b>	<b>15.98</b>	<b>11.34</b>	<b>6.49</b>	<b>2.74</b>
Invesco Government and Agency Portfolio	20.01	8.13	6.74	5.28	3.73	2.08	0.84
Invesco Stable Value Portfolio	40.01	16.36	13.68	10.70	7.61	4.42	1.90

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 Sept. 30, 2020  
Class A unit performance. Inception: 07/08/16

									Benchmark Indexes			
	Invesco CollegeBound 2033-2034 Portfolio		Invesco CollegeBound 2035-2036 Portfolio		Invesco CollegeBound 2037-2038 Portfolio		Invesco CollegeBound 2039-2040 Portfolio		Bloomberg Barclays U.S. Aggregate Bond Index	MSCI EAFE Index	Russell 1000 Value Index	Bloomberg Barclays 3-Month Treasury Bellwether Ind
<b>Expense ratio (%)</b>	0.85		0.85		0.85		0.84		-	-	-	-
<b>Period</b>	<b>Load</b>	<b>NAV</b>	<b>Load</b>	<b>NAV</b>	<b>Load</b>	<b>NAV</b>	<b>Load</b>	<b>NAV</b>				
Inception	4.55	5.58	4.46	5.48	3.27	3.27	1.33	5.54	-	-	-	-
3 Years	2.42	3.83	2.28	3.69	-	-	-	-	5.24	0.62	2.63	1.70
1 Year	-0.87	3.28	-1.18	2.96	-1.74	2.38	-	-	6.98	0.49	-5.03	1.11
Quarter	0.24	4.40	0.56	4.77	0.66	4.88	0.76	4.92	0.62	4.80	5.59	0.04

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 A unit performance at load is shown as the max load of 4.00%. Performance shown at NAV for Class A 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) (continued)**

Asset category/product name	Invesco CollegeBound 2033-2034 Portfolio	Invesco CollegeBound 2035-2036 Portfolio	Invesco CollegeBound 2037-2038 Portfolio	Invesco CollegeBound 2039-2040 Portfolio
<b>US equities</b>	<b>41.23</b>	<b>45.93</b>	<b>48.30</b>	<b>48.12</b>
Invesco Diversified Dividend Fund	9.79	12.13	13.53	13.58
Invesco Equally-Weighted S&P 500 Fund	9.16	10.14	10.50	10.53
Invesco FTSE RAFI US 1500 Small-Mid ETF	4.68	6.01	6.53	6.49
Invesco S&P 500 High Dividend Low Volatility ETF	1.40	0.38	0.00	0.00
Invesco S&P 500 Pure Growth ETF	13.80	14.80	15.27	15.02
Invesco S&P Midcap Low Volatility ETF	2.40	2.46	2.47	2.50
<b>Global equities</b>	<b>19.95</b>	<b>24.54</b>	<b>26.79</b>	<b>27.00</b>
Invesco FTSE RAFI Developed Markets ex-U.S. ETF	5.62	6.95	6.91	6.96
Invesco FTSE RAFI Emerging Markets ETF	1.49	1.80	2.43	2.52
Invesco Global Growth Fund	6.28	8.05	8.81	8.78
Invesco Global Real Estate Income Fund	1.88	2.12	2.30	2.35
Invesco S&P Emerging Markets Low Volatility ETF	1.65	2.26	2.53	2.56
Invesco S&P International Developed Low Volatility ETF	3.04	3.36	3.81	3.82
<b>Fixed Income</b>	<b>38.81</b>	<b>29.53</b>	<b>24.91</b>	<b>24.88</b>
Invesco Core Plus Bond Fund	22.20	18.78	17.45	17.42
Invesco Floating Rate Fund	5.22	3.63	1.98	1.99
Invesco Short Duration Inflation Protected Fund	4.71	2.76	2.00	1.99
Invesco Short Term Bond Fund	6.69	4.36	3.49	3.48
<b>Capital preservation</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Invesco Government and Agency Portfolio	0.00	0.00	0.00	0.00
Invesco Stable Value Portfolio	0.00	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.

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## 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 fund 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](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.***

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

All data provided by Invesco unless otherwise noted.