



Invesco CollegeBound Target Risk Portfolios

Quarterly Commentary

Portfolio description

Invesco CollegeBound 529 target-risk portfolios are allocated across US equities, global equities, fixed income and capital preservation seeking to reflect a specific level of risk: conservative, moderate or growth.

The portfolios utilize active investment options and smart beta products.

Investment objective

- The Invesco Conservative College Portfolio seeks to provide current income and some capital appreciation.
- The Invesco Moderate College Portfolio seeks to provide current income and some capital appreciation.
- The Invesco Growth College Portfolio seeks to provide capital appreciation.

Portfolio management

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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

- Target risk portfolios consist of allocations to equities, fixed income and capital preservation that seek to match a specific risk/reward profile – conservative, moderate or growth. All Invesco target risk portfolios posted positive performance for the third quarter. Invesco Conservative College Portfolio outperformed its custom benchmark, while Invesco Moderate College Portfolio and Invesco Growth College Portfolio slightly underperformed their respective benchmarks. Allocations to fixed income were the largest contributors to relative performance, while allocations to US equities with a value tilt were the leading detractors.
- 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

							Benchmark Indexes			
	Invesco Conservative College Portfolio		Invesco Moderate College Portfolio		Invesco Growth College Portfolio		Bloomberg Barclays U.S. Aggregate Bond Index	MSCI EAFE Index	Russell 1000 Value Index	Bloomberg Barclays 3-Month Treasury Bellwether Ind
Expense ratio (%)	0.83		0.84		0.84		-	-	-	-
Period	Load	NAV	Load	NAV	Load	NAV				
Inception	3.23	4.24	4.30	5.32	4.61	5.64	-	-	-	-
3 Years	2.28	3.70	2.53	3.93	2.09	3.48	5.24	0.62	2.63	1.70
1 Year	-0.17	4.01	-0.24	3.92	-1.87	2.19	6.98	0.49	-5.03	1.11
Quarter	-0.91	3.20	0.24	4.45	1.04	5.26	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.

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

Asset category/product name	Invesco Conservative College Portfolio	Invesco Moderate College Portfolio	Invesco Growth College Portfolio
US equities	23.95	40.38	54.40
Invesco Diversified Dividend Fund	3.98	9.44	14.98
Invesco Equally-Weighted S&P 500 Fund	8.91	9.04	11.47
Invesco FTSE RAFI US 1500 Small-Mid ETF	0.00	4.40	6.87
Invesco S&P 500 High Dividend Low Volatility ETF	2.03	1.55	0.00
Invesco S&P 500 Pure Growth ETF	8.04	13.49	18.07
Invesco S&P Midcap Low Volatility ETF	0.98	2.45	3.01
Global equities	9.93	19.34	30.52
Invesco FTSE RAFI Developed Markets ex-U.S. ETF	2.91	5.41	7.85
Invesco FTSE RAFI Emerging Markets ETF	0.00	1.47	2.99
Invesco Global Growth Fund	2.52	5.98	9.61
Invesco Global Real Estate Income Fund	2.98	1.91	3.01
Invesco S&P Emerging Markets Low Volatility ETF	0.00	1.52	3.03
Invesco S&P International Developed Low Volatility ETF	1.51	3.05	4.03
Fixed Income	51.60	40.28	15.08
Invesco Core Plus Bond Fund	19.98	22.54	7.94
Invesco Floating Rate Fund	9.50	5.55	1.04
Invesco Short Duration Inflation Protected Fund	10.58	5.10	4.05
Invesco Short Term Bond Fund	11.53	7.09	2.04
Capital preservation	14.52	0.00	0.00
Invesco Government and Agency Portfolio	5.00	0.00	0.00
Invesco Stable Value Portfolio	9.52	0.00	0.00

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 target risk 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.

Invesco CollegeBound 529 target risk 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.

An investment in exchange-traded funds (ETFs) may trade at a discount to net asset value, fail to develop an active trading market, halt trading on the listing exchange, fail to track the referenced index, or hold troubled securities. ETFs may involve duplication of management fees and certain other expenses. Certain of the ETFs the fund invests in are leveraged, which can magnify any losses on those investments.

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.

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 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.