



Rhode Island

State Investment
Commission

November 18, 2015

CollegeBoundfund®

Speaker introductions

- Ascensus College Savings
 - Jeff Howkins, Chief Executive Officer
 - Peg Creonte, Sr. VP, Business Development
 - Kevin Cox, Chief Operating Officer
- Invesco
 - Martin Flanagan, Chief Executive Officer
 - Brian Thorp, Director of Sales Strategy and Administration
 - Duy Nguyen, Chief Investment Officer, Invesco Solutions

Proposal Highlights, Commitment to Rhode Island

Jeff Howkins, CEO Ascensus College Savings

Martin Flanagan, CEO Invesco

CollegeBound*fund* management guiding principles

1. Provide a comprehensive range of world-class investment capabilities at a compelling cost to meet investors needs
2. Strive to deliver top-rated plans for investors
 - Select high quality mutual funds and ETFs
 - Provide low-cost investments for both Direct and Advisor plans, with lowest fees in the industry for the Direct plan
3. Execute on national and local growth strategy
 - Grow national Advisor Plan
 - Conduct local grassroots engagement to drive increased college savings for Rhode Island families
3. Engage the Rhode Island workforce
 - Promote direct deposit 529 contributions
 - Open a Rhode Island Ascensus College Savings office

Ascensus College Savings overview

- Leading provider of 529 plan services since 2002
 - \$69 billion* in assets under administration
 - 3.5 million* participant accounts under administration
 - Service provider to 31 plans across 17 states
- State-of-the-art Unite platform developed specifically for 529 industry
 - Simple investing for plan participants
 - Powerful distribution tool for advisors
- The most experience in 529 plan management in the industry
 - 300 associates focused exclusively on college savings
- Conversion expertise
 - Reputation for timely and precise conversion execution
 - Conversion is an opportunity to engage and energize participants
- Headquartered in Newton, MA, office in Kansas City, MO
 - Wholly-owned subsidiary of Ascensus, Inc.

*Assets and accounts as of 9/30/2015

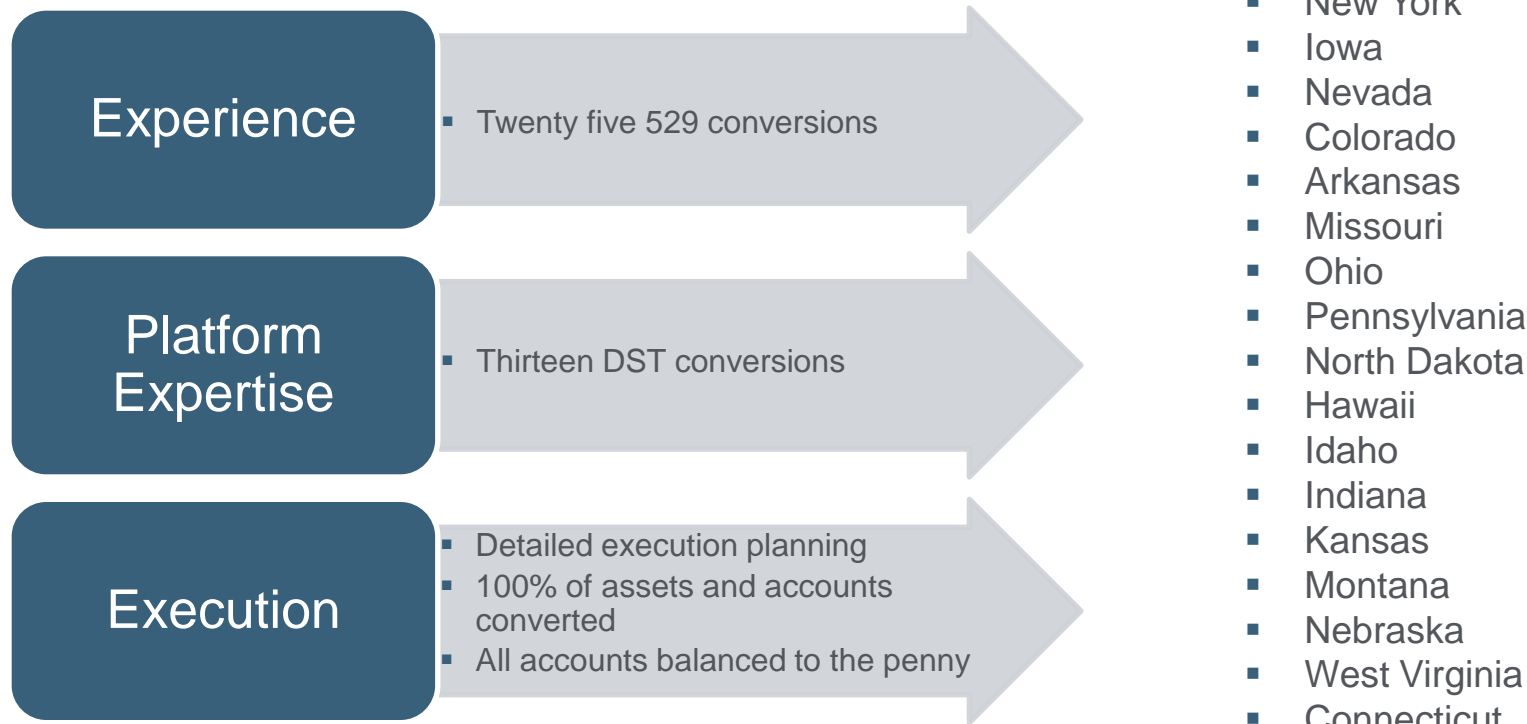
Ascensus College Savings service excellence

■ Best-in-Class performance

- Experienced client service staff dedicated to servicing the 529 industry for over 13 years
- 5-star rating from National Quality Review for 10 consecutive quarters
- Customer satisfaction measured through
 - Voice of client
 - Customer surveys
 - Real-time monitoring and feedback
- Multi-lingual call center capabilities
- Experience building out Customer Service centers



Ascensus College Savings: Industry leading conversion team



Ascensus College Savings and Invesco partnership

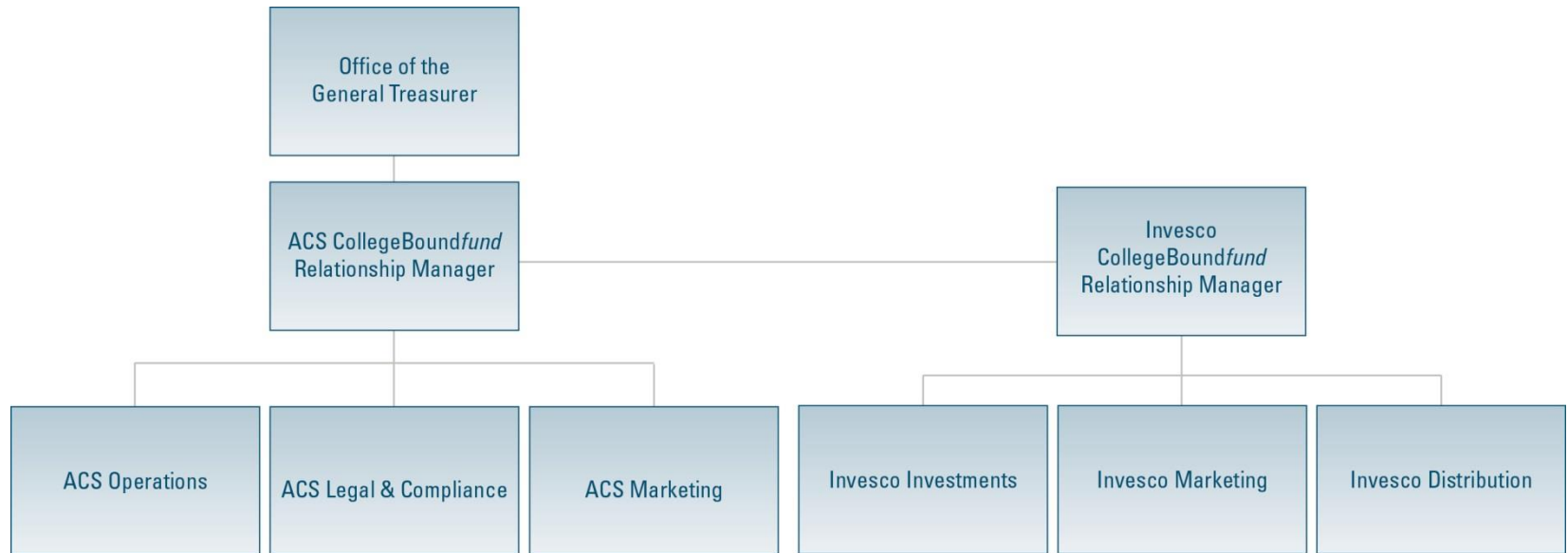
Industry leaders focused on core competencies



- Program management
 - Risk management
 - Recordkeeping
 - Client services
 - Transaction processing
 - 529 Direct Plan marketing/outreach
- Investment management
 - Asset allocation
 - Advisor sales
 - National distribution team of 200+ professionals
 - National marketing
 - Advisor services

CollegeBoundfund service team

Centralized service model supported by organizational depth:



35 Rhode Island jobs

- New Rhode Island Ascensus College Savings regional office
 - Relationship manager
 - Two Ascensus field representatives
 - Invesco sales professional
 - Marketing associate
 - Call center
 - Transaction processing
 - Inside sales support
 - Regional office of the CEO

Invesco: A leading independent global investment firm

Invesco Ltd. is well-positioned to meet client needs:

- US\$755.8 billion in assets under management around the globe.
- More than 750 investment professionals and more than 6,000 employees worldwide.
- On-the-ground presence in more than 20 countries, serving clients in more than 120 countries.

Our organizational stability supports investor confidence:

- Independent firm; dedicated to investment management; no competing lines of business
- Publicly traded on NYSE; S&P 500 constituent; market cap of approximately \$17 billion
- Solid financials, investment-grade debt rating, strong balance sheet
- Top 10 ranking in Forbes “America’s Most Trustworthy Financial Companies”

Source: Invesco Ltd. Client-related data, investment professional, employee data and AUM are as of Sept. 30, 2015, and include all assets under advisement, distributed and overseen by Invesco. Invesco PowerShares Capital Management LLC is the sponsor for the PowerShares QQQ and BLDRS products. ALPS Distributors, Inc. is the distributor of PowerShares QQQ, BLDRS Funds and the PowerShares DB Funds. Invesco PowerShares Capital Management LLC and Invesco Distributors, Inc. are indirect, wholly owned subsidiaries of Invesco Ltd. Invesco Distributors, Inc. is the US distributor for Invesco Ltd.’s retail products. Invesco Ltd. is not affiliated with ALPS Distributors, Inc. or Deutsche Bank. The entities listed are each indirect, wholly owned subsidiaries of Invesco Ltd., except ALPS Distributors Inc., Deutsche Bank and Invesco Great Wall in Shenzhen, which is a joint venture between Invesco and Great Wall Securities, and the Huaneng Invesco WLR Investment Consulting Company Ltd. in Beijing, which is a joint venture between Huaneng Capital Services and Invesco WLR Limited. Please consult your Invesco representative for more information.

Invesco's firm-wide strategic priorities help us deliver for our clients



Achieve strong investment performance

Be instrumental to our clients' success

Harness the power of our global platform

Perpetuate a high-performance organization

**Helping investors worldwide
achieve their
financial objectives**

We provide a comprehensive range of investment capabilities and outcomes, delivered through diverse vehicles

Our investment capabilities ...

Equity

**Fixed Income and
Liquidity**

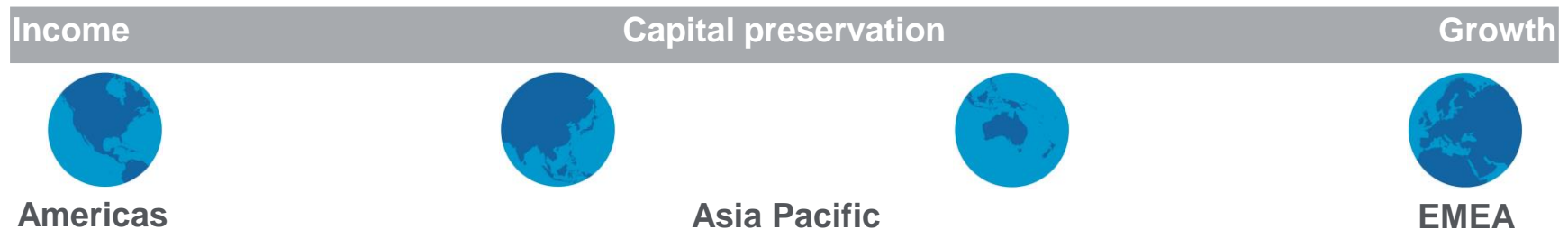
**Asset
allocation**

Alternatives

... are delivered through diverse investment vehicles ...

Institutional separate accounts	Collective trusts	Mutual funds (open/closed end, on/offshore)	Exchange-traded funds (ETFs)	Unit investment trusts (UITs)
Private placements	Sub-advised	Separately managed accounts/unified managed accounts	Variable insurance funds	Customized solutions

... to provide key outcomes that help our clients around the world achieve their investment objectives



Invesco is recognized by Barron's and Morningstar for strong overall performance



The Best Fund Families of 2014

Rank	Family	Total Assets (\$B)*	Weighted Score	FUND RANKING				
				U.S. Equity	World Equity	Mixed Equity	Taxable Bond	Tax-Exempt Bond
1.	Vanguard Group	\$2343.40	73.48	3	27	4	4	24
2.	BMO Global Asset Mgmt	7.54	67.23	31	2	25	5	13
3.	Invesco	216.76	67.17	11	16	11	11	14
4.	SEI Group	80.73	63.56	13	19	31	7	42
5.	Principal Funds	141.16	63.29	12	21	20	21	11
6.	BlackRock	752.30	62.83	6	22	36	9	43
7.	Goldman Sachs Asset Mgmt	101.32	62.72	1	28	62	19	12
8.	American Century Invest Mgmt	112.26	62.25	8	48	8	25	48
9.	UBS Global Asset Management	12.42	61.26	25	7	12	39	34
10.	Legg Mason	113.42	60.78	38	41	23	2	19
11.	Lord Abbett	113.03	60.76	36	25	41	1	9

Best Fund Families Over Five Years

Rank	Family	Weighted Score
1.	Pimco	74.73
2.	Waddell & Reed Invest Mgmt	71.32
3.	Invesco	70.87
4.	Ivy Investment Management	69.13
5.	T. Rowe Price Associates	68.67
6.	Putnam Investment Mgmt	67.00
7.	Delaware Management	66.50
8.	TIAA-CREF	66.38
9.	Principal Funds	66.29
10.	Dimensional Fund Advisors	65.40

Best Fund Families Over Ten Years

Rank	Family	Weighted Score
1.	Waddell & Reed Invest Mgmt	81.78
2.	John Hancock Group	79.87
3.	Ivy Investment Management	79.57
4.	Invesco	75.90
5.	MFS Investment Management	74.22
6.	T Rowe Price Associates	72.71
7.	JPMorgan	71.68
8.	RidgeWorth Funds	71.20
9.	Eaton Vance Management	70.75
10.	Vanguard Group	69.95

- Invesco was the **only** fund family to rank as a Barron's top five fund family for overall asset-weighted performance across all time periods¹



- 90% Invesco open-end mutual funds' AUM with performance in top half of peer group²

1 and 2: See slide 32 for additional information

CollegeBound*fund* Investments

Duy Nguyen, CIO, Invesco Solutions

The Invesco Solutions team will oversee investments in the *CollegeBoundfund*

- Dedicated Invesco Solutions team of Chartered Financial Analysts
- Bolstered by extensive support resources and deep relationships with investment teams

Invesco Solutions



Duy Nguyen, CFA, CAIA
Chief Investment Officer
Senior Portfolio Manager
BA, University of Texas
MS, University of Houston
In the industry since 1993
With the firm since 2000



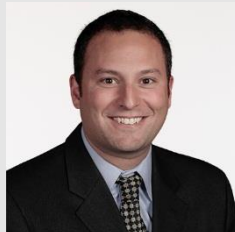
Jacob Borbidge, CFA, CAIA
Head of Research
BS, Lehigh University
MS, University of Houston
In the industry since 2004
With the firm since 2004



Jeffrey Nipp, CFA, CAIA
Investment Solutions Strategist
BBA, Mercer University
MBA, Duke University
In the industry since 1986
With the firm since 2014



Christopher Armstrong, CFA, CAIA
Head of Manager Selection
BBA, University of Iowa
In the industry since 1997
With the firm since 2013



Marc Shmerling, CFA
Quantitative Analyst
BSE, MSE University of Michigan
MBA, University of Texas
In the industry since 2010
With the firm since 2009



Jung Hwang, PhD, CFA
Quantitative Analyst
BS, Ewha Womans University
MBA, Texas Tech University
PhD, University of Houston
In the industry since 2011
With the firm since 2011

Invesco Solutions builds and manages goal-oriented, multi-asset strategies

Expertise in evaluating investment strategies and constructing portfolios designed to meet specific client goals:

- Independent group within Invesco, reporting to Head of Product Development, Performance Measurement and Risk
- Not affiliated with any one investment team; flexibility to tap into Invesco's broad range of investment capabilities spanning both our active fund line-up and our smart beta ETF's provided by PowerShares
- Combines rigorous quantitative analysis and qualitative capabilities review with a pragmatic assessment of current market dynamics
- Substantial experience working across investment teams globally
- Significant access to investment team and resources dedicated to their evaluation

Team has access to a broad array of resources and investment capabilities around the world

Invesco Solutions

Substantial resources to support investment selection and ongoing monitoring¹

Product & Market Research (11)

Product Management (26)

US Product Development (9)

Global Performance Measurement & Risk (94)

Breadth of investment management expertise (More than 750 investment professionals)²

<p>Invesco Fixed Income (167)</p> <ul style="list-style-type: none"> Global liquidity Stable value Global and US broad fixed Global alternatives and bank loans 	<p>Invesco Global Core Equity (12)</p> <ul style="list-style-type: none"> Emerging markets International and global equity US equity 	<p>Invesco Perpetual (60)</p> <ul style="list-style-type: none"> Global and regional equity: UK, European, Asian, Japanese and emerging markets Multi-asset Fixed Income 	<p>Invesco Real Estate (238)</p> <ul style="list-style-type: none"> Global direct real estate Global public real estate 	<p>Invesco Private Capital (30)</p> <ul style="list-style-type: none"> Private equity funds of funds Customized portfolios 	<p>Invesco Global Asset Allocation (8)</p> <ul style="list-style-type: none"> Global macro Risk parity Commodities Active balanced solutions
<p>Invesco Quantitative Strategies (42)</p> <ul style="list-style-type: none"> Quantitative equity Enhanced Long/short strategies 	<p>WL Ross & Co. (30)</p> <ul style="list-style-type: none"> Distressed and restructuring private equity Energy private equity 	<p>Invesco Asia Pacific (73)</p> <ul style="list-style-type: none"> Asia Ex-Japan Greater China Japan Australia 	<p>Invesco Fundamental Equity (65)</p> <ul style="list-style-type: none"> US growth equity US value equity International and global growth Sector equity Balanced portfolios 	<p>Invesco Canada (33)</p> <ul style="list-style-type: none"> Canadian regional, sector and global equity Canadian and Global fixed Balanced Portfolios 	<p>Invesco PowerShares (13)</p> <ul style="list-style-type: none"> Index-based and actively managed ETFs Domestic and international Fixed income Commodities

Data as of September 30, 2015. Data subject to change. 1 Number in parentheses represents total number of team members. 2 Number in parentheses represents total number of investment professionals.

Invesco Solutions' approach to CollegeBoundfund

Consider college savings plan attributes

- Predetermined liquidation date
- Difficult to overcome challenging performance periods and still meet goals
- Need to keep pace with rising cost of education (Higher Education Price Index - HEPI)



Apply Invesco Solutions' investment design philosophy

- Focus on risk-adjusted returns in excess of education inflation vs. total returns
- Preserve capital and minimize shortfalls
- Intelligent "gliding"
- Cost-conscious design

Customize to distinct audience investing preferences

Rhode Island residents

- Meets my college savings needs
- Straightforward design
- Lowest cost

Financial advisors

- Meets my clients' needs
- Combines active and passive investments
- Lower cost

CollegeBoundfund Direct Plan

CollegeBoundfund Advisor Plan

CollegeBound*fund* Rhode Island Direct Plan

Peg Creonte, Ascensus College Savings

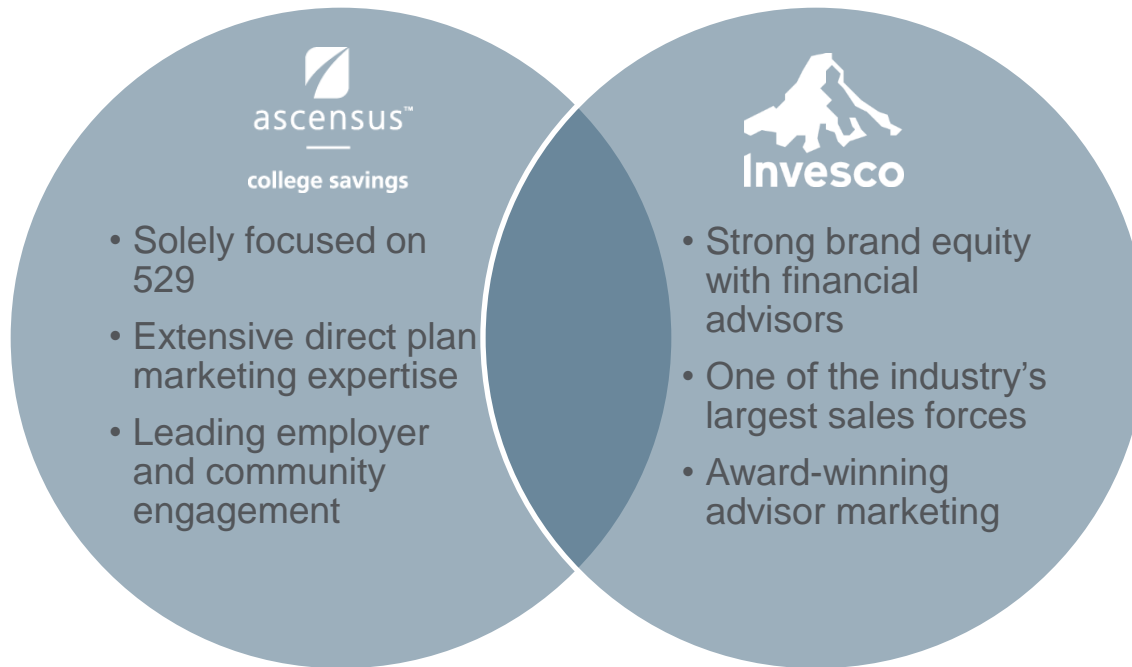
New CollegeBoundfund program structure: separate Direct and Advisor Plans

- RI direct investors have their own plan instead of a share class
- Separation removes confusion and allows:
 - Industry leading price
 - Distinct branding and dedicated web presence for each channel
 - Marketing focused on Rhode Island residents



Distributing two distinct products, marketing to two distinct audiences

- Allows optimal targeting
- Aligns with firm core competencies
- Collaboration on branding, budget

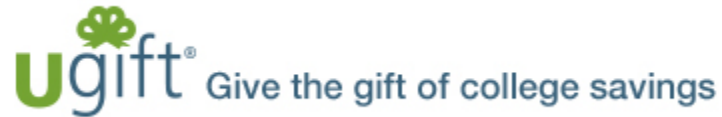


Ascensus College Savings community engagement

Two Rhode Island-based field representatives focused on in state engagement with the Direct Plan:

- Employer channel
 - ACS has 5,000 employers participating in payroll direct deposit, and will leverage that experience to drive increased college savings at work
- Local community groups
 - ACS builds partnerships with local organizations in states that it serves: YMCA, school organizations, unions, other
 - \$100,000 in community scholarships committed
- Child Savings Accounts
 - ACS is an innovator in the emerging CSA field, partnering both with clients and CSA leaders
 - CollegeBound*baby* program expansion opportunities

529 Industry Innovations



- Over \$200 million in gift contributions since launch
- Over \$250 million in loyalty rewards 'swept' into 529 accounts
- Over 65,000 Upromise members in Rhode Island
- Partnership with nation's leading Child Savings Account administrator

Ugift is a registered service mark of Ascensus Broker Dealer Services, Inc. Upromise and the Upromise logo are registered service marks of Upromise, Inc. All other marks are the exclusive property of their respective owners.

CollegeBound*fund* National Advisor Plan

Brian Thorp, Invesco

Invesco will reinvigorate growth in CollegeBound*fund* national advisor plan

- ✓ Exclusive distribution of CollegeBound*fund* to financial advisors by one of the industry's most highly regarded sales forces
- ✓ Fifth largest advisor-sold fund family with a track record of growing US retail assets
- ✓ Access to new distribution channels through preferred partnerships with Edward Jones and Primerica and over 130,000 advisors doing business with Invesco
- ✓ Strong alignment between sales and award-winning marketing organization
- ✓ Integrated marketing and distribution strategy using proven advisor engagement tactics

Grow revenue for scholarship funding in Rhode Island

An experienced team will oversee Rhode Island relations and CollegeBoundfund distribution efforts

Sales Strategy



Brian Thorp
Director of Sales Strategy
& Administration

BA, University of Texas
In industry since 1995
Joined Invesco in 1997

Relationship Management¹



Ron Murphy
National Sales Director
Strategic Partner & RIA

BA, Boston College
In industry since 1988
Joined Invesco in 2012
Rhode Island native



Ben Orser
Account Executive

BBA, Texas Tech
University
In industry since 1998
Joined Invesco in 2000

Sales Leaders



Andy Laster
National Sales Manager

BA, University of Houston
In industry since 1996
Joined Invesco in 1996



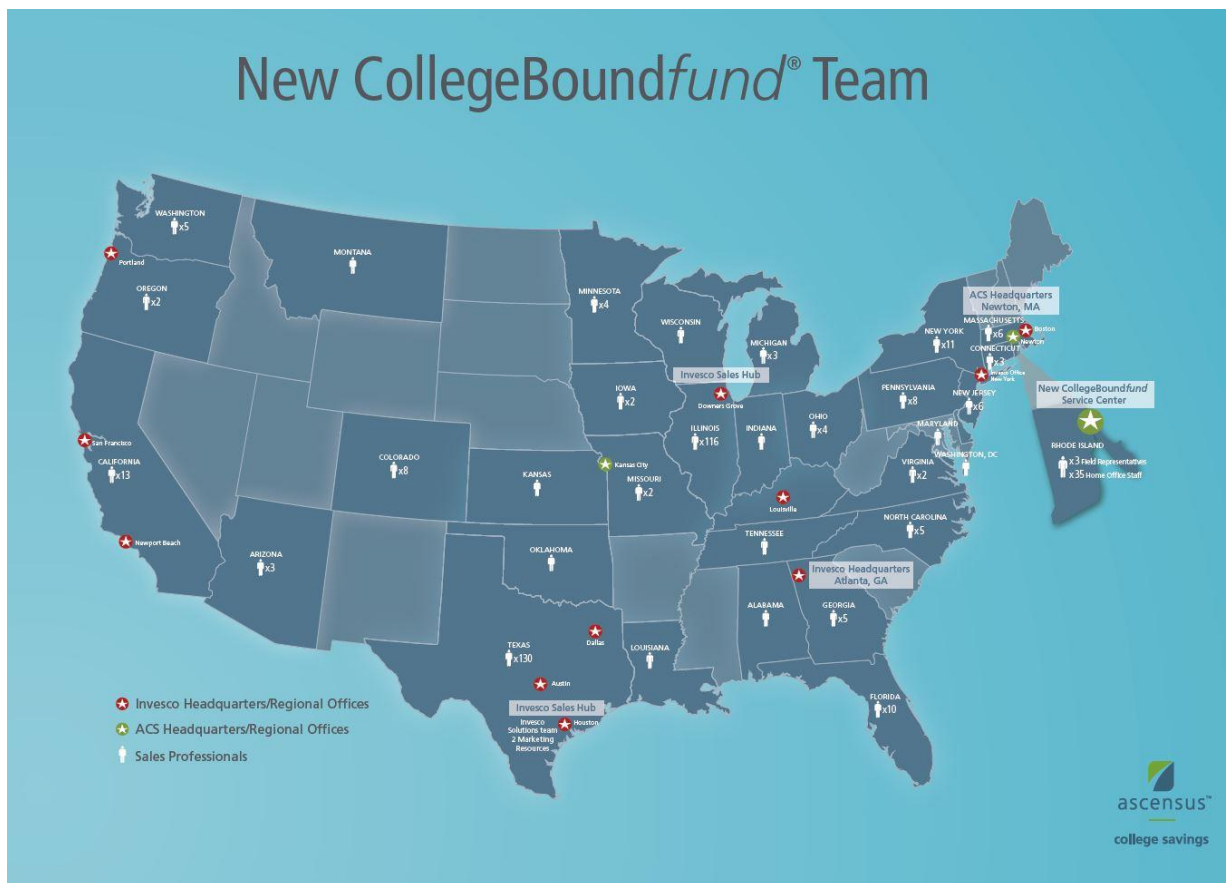
Robert Rodriguez
Internal Sales Director

BA, University of Houston
In Industry since 1998
Joined Invesco in 2001

¹ Ron Murphy will hire a dedicated, Rhode Island-based CollegeBoundfund sales professional.

Exclusive Distribution by Invesco

- 200+ person sales team will market only one 529 plan, the *CollegeBoundfund*



Invesco sales professionals are highly motivated and incentivized to grow *CollegeBoundfund*

Invesco's meritocracy sales culture attracts and retains top performers with a passion to excel—8 years average tenure

Adding *CollegeBoundfund* to the sales toolbox creates opportunities to more completely serve and deepen advisor relationships

Compensation plans are designed to reward individual efforts, with significant incentives to exceed sales targets

Invesco sales professionals strive for personal achievement while collaborating across teams, sharing ideas and best practices

Invesco is a leader in the US retail marketplace and well-positioned to grow *CollegeBoundfund*

CollegeBoundfund will be Invesco's exclusive 529 product

Specialized and deep field coverage

- 200+ sales and service professionals covering US advisors (10 covering financial advisors in Rhode Island)
- Team of 12 sales specialists partnering with generalist sales force to distribute *CollegeBoundfund*
- Dedicated *CollegeBoundfund* sales specialist residing in Rhode Island

Advisor engagement and support

- Investment/product specialists available to advisors in the field
- Invesco Consulting team of 20 professionals who specialize in developing and delivering practice management programs to help financial advisors get, keep and grow clients
- College savings spokesperson to engage with advisors
- Dedicated marketing budget will drive increased awareness of the *CollegeBoundfund* among financial advisors
- Fully integrated marketing approach encompassing print, digital, social and advertising, supported by 100+ marketing professionals, including a dedicated 529 plan marketer and a dedicated 529 plan digital business analyst
- Award-winning website, mobile app and digital tools

Summary

- Grow assets and accounts
 - Large scale exclusive national distribution by Invesco
 - Over 200 sales professionals distributing *CollegeBoundfund*
- Optimize investments
 - Low cost, highly rated fund line-up
- Engage Rhode Islanders
 - Lowest costs in U.S. for Rhode Island residents
 - Community engagement and collaboration
 - 35 permanent Rhode Island jobs with significant growth opportunity
- Expertly convert and manage *CollegeBoundfund*
 - Ascensus is the leading independent 529 program manager and record keeper in the U.S.
 - 25 successful 529 plan conversions in 12 years

Additional information

Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time. The funds may have experienced negative returns for the time periods shown. Please see invesco.com/fundperformance for most recent performance.

1 Barron's Best Fund Families of 2014 rankings are based on asset-weighted investment performance. Invesco's rankings include Invesco mutual funds and PowerShares exchange-traded funds. Barron's/Lipper 2014 one-year fund family ranking based on 65 qualifying US fund companies, five-year ranking based on 56 qualifying US fund companies and 10-year ranking based on 48 qualifying US fund companies. Rankings exclude sales charges and include fees and expenses. Each fund family must have at least three funds in Lipper's general U.S.-stock category, one world (global and international), one mixed-asset/balanced (stocks and bonds), two taxable bond and one tax-exempt bond fund. Past performance is no guarantee of future results. Learn more at invesco.com/Top5FundFamily2014. Invesco Distributors, Inc. is the US distributor for Invesco Ltd.'s retail products. PowerShares® is a registered trademark of Invesco PowerShares Capital Management LLC (Invesco PowerShares). Invesco PowerShares and Invesco Distributors, Inc. are indirect, wholly owned subsidiaries of Invesco Ltd. Barron's is a registered trademark of Dow Jones.

2 Source: ©Morningstar, Inc. Class A Shares based on total return at NAV for the 10-year time period as of September 30, 2015. Open-end mutual funds only. Open-end fund-of-funds are excluded to avoid double-counting of assets. Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time. The funds may have experienced negative returns for the time periods shown. Please see invesco.com/fundperformance for most recent performance.