



# Capital Cities

INSTITUTIONAL INVESTING MADE PERSONAL



**CollegeBound Saver and CollegeBound 529  
May 24, 2017 Program Review  
Summary of Recommendations**

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# CollegeBound Saver's Individual Portfolios

## Individual Portfolios' Menu

Basic Building Blocks	CollegeBound Saver	Asset Class Coverage
Capital Preservation	<b>Stable Value Portfolio</b> (Invesco Custom Stable Value Separate)	✓
Fixed Income	<b>Bond Portfolio</b> (Vanguard Total Bond Market Index)	✓
U.S. Equity	<b>U.S. Stock Portfolio</b> (Vanguard Total Stock Market Index)	✓
International Equity	<b>International Stock Portfolio</b> (Vanguard Total International Stock Index)	✓
Specialty Styles:		
Inflation-Protected Index	<b>Inflation-Protected Portfolio</b> (Vanguard Short-Term Infl Protected Securities)	✓
Equally-Weighted S&P 500 Equity	<b>Equally-Weighted S&amp;P 500 Portfolio</b> (Invesco Equally-Weighted S&P 500)	Not Required
Socially Responsible Equity	<b>Invesco Global Sustainable Equity Portfolio</b> (Invesco Global Sustainable Equity)	Not Required
Small/Mid Cap Equity Index	<b>U.S. Small-Mid Cap Portfolio</b> (Vanguard Extended Market Index)	Not Required

Capital Cities recommends the “Invesco Global Sustainable Equity Portfolio” be renamed “Global Sustainable Equity Portfolio” to follow the naming convention of the other Portfolios.

# CollegeBound Saver's Age-Based Portfolios

## Components

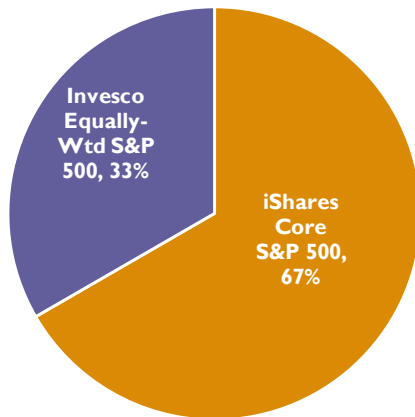
	2035-2036 Portfolio	2033-2034 Portfolio	2031-2032 Portfolio	2029-2030 Portfolio	2027-2028 Portfolio	2025-2026 Portfolio	2023-2024 Portfolio	2021-2022 Portfolio	2019-2020 Portfolio	2017-2018 Portfolio	College Today Portfolio
<b>US equities</b>	<b>50.0%</b>	<b>49.7%</b>	<b>45.7%</b>	<b>39.0%</b>	<b>31.7%</b>	<b>27.3%</b>	<b>24.7%</b>	<b>21.3%</b>	<b>14.3%</b>	<b>9.3%</b>	<b>0.0%</b>
iShares Core S&P 500 Equity	33.3%	33.1%	30.4%	26.0%	21.1%	18.2%	16.4%	14.2%	9.6%	6.2%	0.0%
Invesco Equally-Weighted S&P 500 Portfolio	16.7%	16.6%	15.2%	13.0%	10.6%	9.1%	8.2%	7.1%	4.8%	3.1%	0.0%
<b>International equities</b>	<b>25.0%</b>	<b>24.8%</b>	<b>22.8%</b>	<b>19.5%</b>	<b>15.8%</b>	<b>13.7%</b>	<b>12.3%</b>	<b>10.7%</b>	<b>7.2%</b>	<b>4.7%</b>	<b>0.0%</b>
Vanguard Total Intl Stock Idx	15.1%	15.0%	13.8%	11.8%	9.6%	8.2%	7.4%	6.4%	4.3%	2.8%	0.0%
PowerShares FTSE RAFI Dev Mkts ex-US ETF	7.5%	7.5%	6.9%	5.9%	4.8%	4.1%	3.7%	3.2%	2.2%	1.4%	0.0%
Vanguard Gbl X-US Re Est Index-IL	2.4%	2.4%	2.2%	1.9%	1.5%	1.3%	1.2%	1.0%	0.7%	0.4%	0.0%
<b>Fixed income</b>	<b>25.0%</b>	<b>25.5%</b>	<b>31.5%</b>	<b>41.5%</b>	<b>51.3%</b>	<b>51.5%</b>	<b>50.3%</b>	<b>50.5%</b>	<b>57.0%</b>	<b>61.0%</b>	<b>40.0%</b>
Vanguard Short Term Infl-Prot Sec	2.0%	2.0%	6.8%	10.5%	14.0%	15.3%	15.3%	15.3%	16.8%	18.0%	12.0%
Vanguard Shrt Inv Grade-IL	2.0%	2.5%	5.3%	7.3%	9.0%	9.0%	9.0%	9.8%	14.5%	18.0%	12.0%
Vanguard Total Bond Market Inst.	12.0%	12.0%	9.3%	11.5%	13.8%	14.0%	13.0%	13.3%	14.5%	16.0%	8.0%
iShares Core U.S. Aggregate Bond ETF	9.0%	9.0%	10.3%	12.3%	14.5%	13.3%	13.0%	12.3%	11.3%	9.0%	8.0%
<b>Capital preservation</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>1.3%</b>	<b>7.5%</b>	<b>12.8%</b>	<b>17.5%</b>	<b>21.5%</b>	<b>25.0%</b>	<b>60.0%</b>
Government & Agency Portfolio	0.0%	0.0%	0.0%	0.0%	1.3%	7.5%	12.8%	17.5%	21.5%	25.0%	60.0%

\*The asset allocation of the Age-Based Portfolios is as of March 31, 2017.

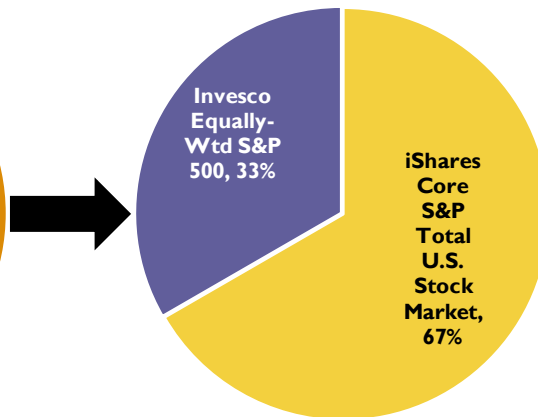
# CollegeBound Saver's Age-Based Portfolios

## U.S. Equity Component

Current Domestic Equity



Proposed Domestic Equity



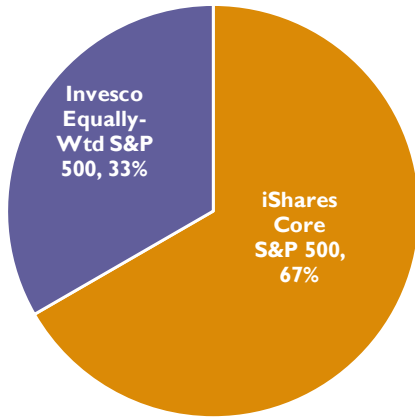
Market Capitalization	iShares Core S&P 500	iShares Core S&P Total U.S. Stock Mkt	Invesco Equally Wtd S&P 500
<b>Size</b>	<b>% of Portfolio</b>		
<b>Giant</b>	50%	41%	12%
<b>Large</b>	36%	31%	40%
<b>Medium</b>	14%	19%	47%
<b>Small</b>	0%	7%	1%
<b>Micro</b>	0%	2%	0%

Capital Cities recommends enhancing the Age-Based Portfolios' Domestic Equity component by replacing iShares Core S&P 500 with iShares Core S&P Total U.S. Stock Market.

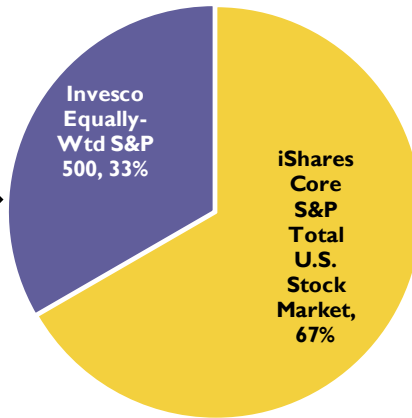
# CollegeBound Saver's Age-Based Portfolios

## U.S. Equity Component's Risk/Return Profile

**Current Domestic Equity**

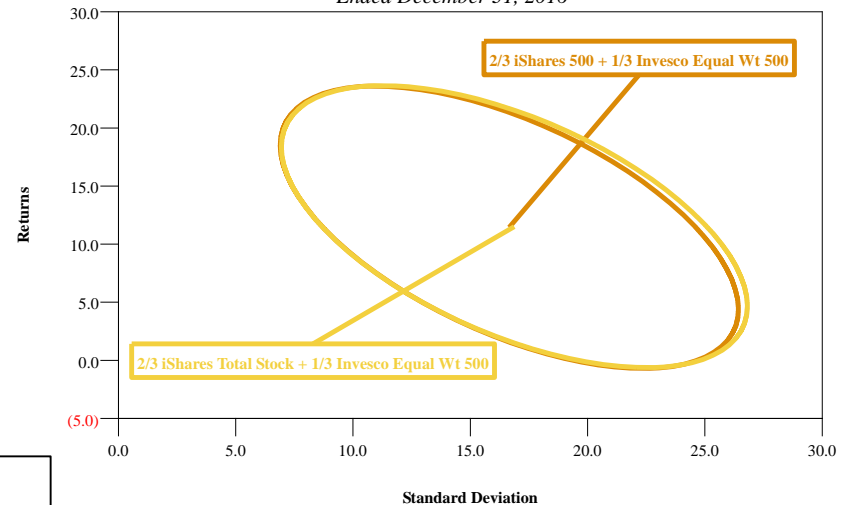


**Proposed Domestic Equity**



**Rolling 12 Quarter Scatter Chart for 7 Years**

*Ended December 31, 2016*



**Returns for Periods Ended December 31, 2016**

	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
2/3 iShares 500 + 1/3 Invesco Equal Wt 500	12.77	8.71	14.81	13.08	7.28
2/3 iShares Total Stock + 1/3 Invesco Equal Wt 500	13.23	8.64	14.81	13.15	7.37