



Capital Cities

INSTITUTIONAL INVESTING MADE PERSONAL



CollegeBound Program Enhancements

February 26, 2020

Program Enhancements

Summary of Changes and Recommendations

— Age-Based Portfolios

- In keeping with the Age-Based Portfolios' philosophy/process, the 2019-2020 Portfolios will "roll" into the Today Portfolios, while 2039-2040 Portfolios will be launched, in June 2020.

— Age-Based Portfolios' Capital Preservation Enhancement*

- Recommendation: Replace the existing Invesco Short-Term Government & Agency Fund (AGPXX) with Invesco Treasury Collateral ETF (CLTL), within CollegeBound Saver's Age-Based Portfolios.

— Invesco Global Sustainable Equity Individual Portfolio*

- Recommendations: Eliminate Invesco Global Sustainable Equity Individual Portfolio in the CollegeBound Program. Map assets to a new Invesco MSCI World SRI Index Portfolio (CollegeBound 529)/Global Responsible Equity Portfolio (CollegeBound Saver). Utilize Invesco MSCI World SRI Index as the underlying fund of a new Invesco MSCI World SRI Index Portfolio (CollegeBound 529)/Global Responsible Equity Portfolio (CollegeBound Saver).

*SIC Voting Item

Age-Based Portfolios

Elimination of 2019-2020 Portfolios; Launch of 2039-2040 Portfolios

	CollegeBound Saver (Direct) Age-Based Portfolios	CollegeBound 529 (Advisor) Age-Based Portfolios
	CollegeBound Today Portfolio	Invesco CollegeBound Today Portfolio
Eliminated:	CollegeBound 2019-2020 Portfolio	Invesco CollegeBound 2019-2020 Portfolio
	CollegeBound 2021-2022 Portfolio	Invesco CollegeBound 2021-2022 Portfolio
	CollegeBound 2023-2024 Portfolio	Invesco CollegeBound 2023-2024 Portfolio
	CollegeBound 2025-2026 Portfolio	Invesco CollegeBound 2025-2026 Portfolio
	CollegeBound 2027-2028 Portfolio	Invesco CollegeBound 2027-2028 Portfolio
	CollegeBound 2029-2030 Portfolio	Invesco CollegeBound 2029-2030 Portfolio
	CollegeBound 2031-2032 Portfolio	Invesco CollegeBound 2031-2032 Portfolio
	CollegeBound 2033-2034 Portfolio	Invesco CollegeBound 2033-2034 Portfolio
	CollegeBound 2035-2036 Portfolio	Invesco CollegeBound 2035-2036 Portfolio
	CollegeBound 2037-2038 Portfolio	Invesco CollegeBound 2037-2038 Portfolio
New:	CollegeBound 2039-2040 Portfolio	Invesco CollegeBound 2039-2040 Portfolio

Upcoming Changes: In keeping with the Age-Based Portfolios' philosophy/process, the 2019-2020 Portfolios will "roll" into the Today Portfolios, while 2039-2040 Portfolios will be launched, in June 2020.

Capital Preservation Component

Enhancing the Capital Preservation Component

CollegeBound Saver:

	2037-2038	2035-2036	2033-2034	2031-2032	2029-2030	2027-2028	2025-2026	2023-2024	2021-2022	2019-2020	College Today
	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio	Portfolio
US Equities	50.0%	48.7%	42.7%	36.0%	30.7%	25.3%	22.7%	17.3%	9.3%	0.0%	0.0%
iShares Core S&P Total Stock Mkt ETF	33.3%	32.4%	28.4%	24.0%	20.4%	16.9%	15.1%	11.6%	6.2%	0.0%	0.0%
Invesco Equally-Weighted S&P 500	16.7%	16.2%	14.2%	12.0%	10.2%	8.4%	7.6%	5.8%	3.1%	0.0%	0.0%
International Equities	25.0%	24.3%	21.3%	18.0%	15.3%	12.7%	11.3%	8.7%	4.7%	0.0%	0.0%
Vanguard Total Intl Stock Idx	15.1%	14.7%	12.9%	10.9%	9.2%	7.6%	6.8%	5.2%	2.8%	0.0%	0.0%
Invesco FTSE RAFI Dev Mkts ex-US	7.5%	7.3%	6.4%	5.4%	4.6%	3.8%	3.4%	2.6%	1.4%	0.0%	0.0%
Vanguard Gbl X-US Re Est Index-IL	2.4%	2.3%	2.0%	1.7%	1.5%	1.2%	1.1%	0.8%	0.4%	0.0%	0.0%
Fixed Income	25.0%	27.0%	36.0%	46.0%	49.0%	53.0%	51.0%	55.0%	63.0%	40.0%	40.0%
Vanguard Short Term Infl-Prot Sec	2.0%	2.0%	9.0%	12.0%	14.0%	16.0%	16.0%	16.0%	19.0%	12.0%	12.0%
Vanguard Shrt Inv Grade-IL	2.0%	4.0%	6.0%	8.0%	9.0%	9.0%	9.0%	12.0%	16.0%	12.0%	12.0%
Vanguard Total Bond Market II Idx	21.0%	21.0%	21.0%	26.0%	26.0%	28.0%	26.0%	27.0%	28.0%	16.0%	16.0%
Capital Preservation	0.0%	0.0%	0.0%	0.0%	5.0%	9.0%	15.0%	19.0%	23.0%	60.0%	60.0%
Invesco Govnt & Agency Portfolio	0.0%	0.0%	0.0%	0.0%	5.0%	9.0%	15.0%	19.0%	23.0%	60.0%	60.0%

Recommendation: Replace the existing Invesco Short-Term Government & Agency Fund (AGPXX) with Invesco Treasury Collateral ETF (CLTL), within CollegeBound Saver's Age-Based Portfolios.

Source: Invesco, as of December 31, 2019

Capital Preservation Component

Enhancing the Capital Preservation Component: Objectives

Invesco Govnt & Agency Portfolio:

The Fund provides current income consistent with preservation of capital and liquidity. The Fund pursues its objective by investing primarily in short-term, high-credit-quality money market instruments.

Inception: September 1, 1998
Total Net Assets: \$31.4 billion
Expense: 0.16%
Morningstar Rating: Not Rated



Invesco Treasury Collateral ETF:

The Fund is based on the ICE U.S. Treasury Short Bond Index. The Index measures the performance of US Treasury Obligations with a maximum remaining term of maturity of 12 months. The Fund utilizes a sampling methodology to achieve its investment objective.

Inception: January 12, 2017
Total Net Assets: \$595.1 million
Expense: 0.08%
Morningstar Rating: Bronze

The Invesco Short-Term Government & Agency Fund and Invesco Treasury Collateral ETF both provide a focus on short-term, high quality investments.

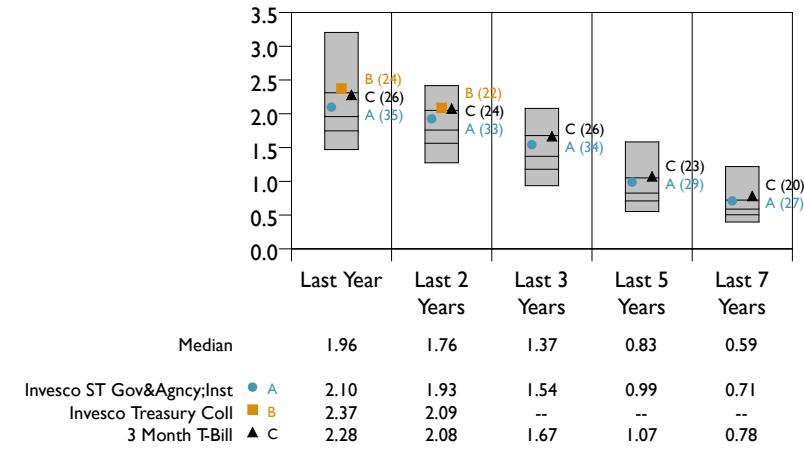
Capital Preservation Component

Enhancing the Capital Preservation Component: Comparison

CollegeBound Saver:

Additional Characteristics	2035-2036 Portfolio		2029-2030 Portfolio		2023-2024 Portfolio	
	Current	Proposed	Current	Proposed	Current	Proposed
Beta	1.03	1.02	1.05	1.04	1.03	1.03
Duration	5.39	5.39	4.51	4.51	4.36	4.36
Yield	2.3%	2.2%	2.5%	2.4%	2.5%	2.5%
Volatility	10.1%	10.0%	6.3%	6.2%	3.5%	3.5%
% ETF	39.8%	39.8%	25.1%	30.1%	14.2%	33.2%
Number of funds	8	8	9	9	9	9

Returns for Periods Ended December 31, 2019
Group: Callan Money Market Funds



There are no material anticipated changes to portfolio duration or credit, as a result of replacing Invesco Short-Term Government & Agency Fund with Invesco Treasury Collateral ETF.

Note: Invesco Treasury Collateral inception is January 12, 2017.

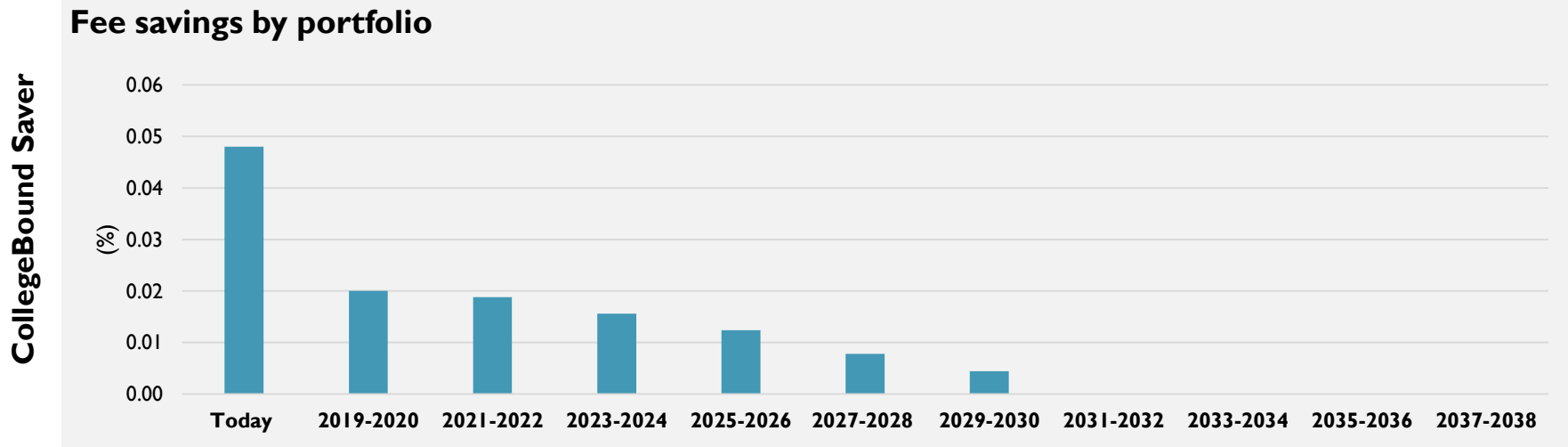
Source: Invesco as of Nov. 2019. Duration and credit are calculated through bottom-up analysis of the holdings of the underlying funds.

Age-Based Portfolios' Fees

Enhancing the Capital Preservation Component: Fee Comparison

CollegeBound Saver Age-Based Portfolios' Underlying Fund Fees

Fees (%)	Today Portfolio	2019-2020 Portfolio	2021-2022 Portfolio	2023-2024 Portfolio	2025-2026 Portfolio	2027-2028 Portfolio	2029-2030 Portfolio	2031-2032 Portfolio	2033-2034 Portfolio	2035-2036 Portfolio	2037-2038 Portfolio
Current	0.11	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09
Proposed	0.06	0.06	0.06	0.07	0.07	0.07	0.07	0.08	0.08	0.09	0.09



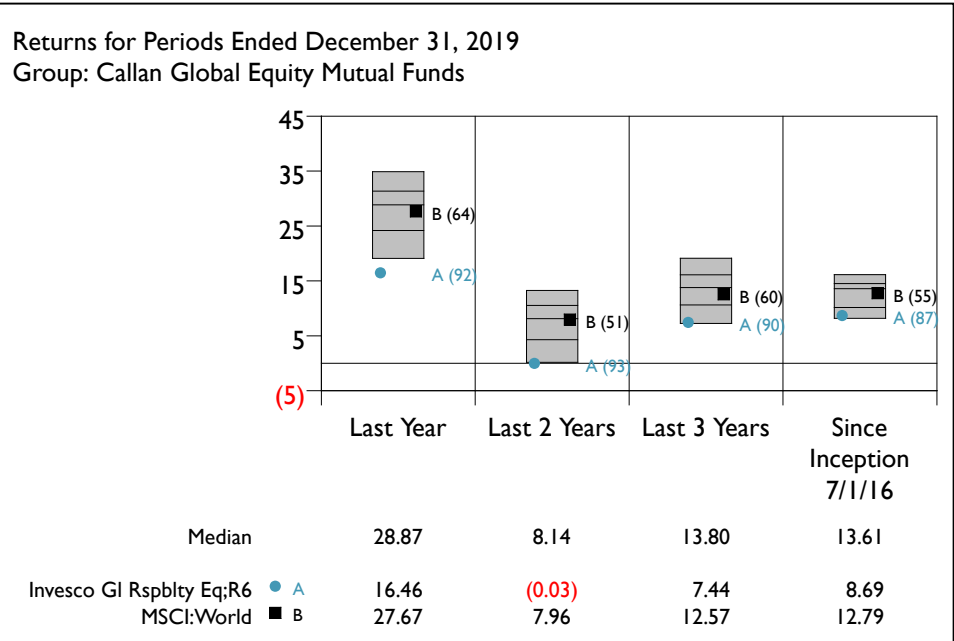
The Invesco Treasury Collateral ETF reduces the capital preservation component of CollegeBound Saver's Age-Based Portfolios' fee in half, while also meaningfully decreasing the overall Portfolios' total expenses within the Today through the 2029-2030 Portfolios.

Source: Invesco, as of January 29, 2020.

Invesco Global Sustainable Equity Portfolio

Overview

- The Invesco Global Responsibility Equity Fund was created for the CollegeBound Program in July 2016.
- The Fund serves as the Sustainable Equity Individual Portfolio in both CollegeBound Saver and CollegeBound 529.
- The Fund is an actively managed strategy that seeks to provide long-term capital growth by investing in companies selected from a universe of stocks that meet certain environmental and social criteria.
- The Fund has displayed underperformance since inception.
- Underperformance can primarily be attributed to the Fund's Value factor exposure and security selection.
- **Recommendations:** Eliminate Invesco Global Sustainable Equity Individual Portfolio in the CollegeBound Program. Map assets to a new Invesco MSCI World SRI Index Portfolio (CollegeBound 529)/Global Responsible Equity Portfolio (CollegeBound Saver).



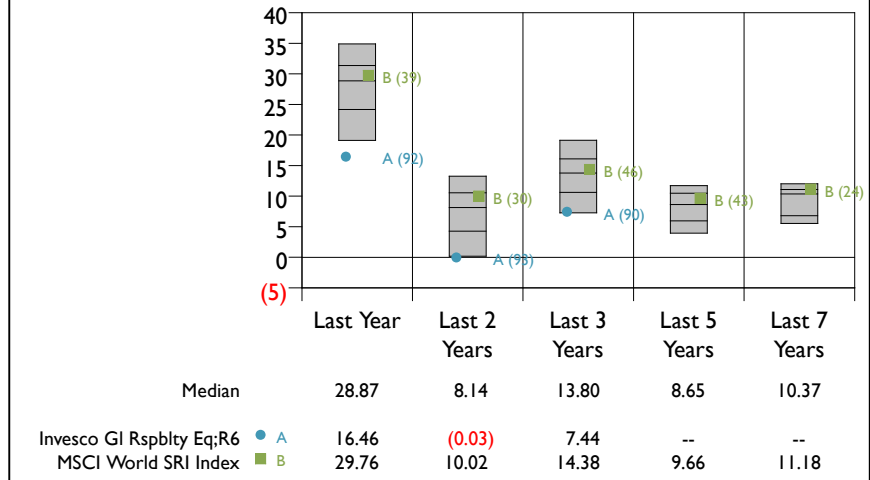
Invesco Global Responsibility Equity Exposure			
Plan	12/31/19 Market Value	% of Plan Assets	# of Accounts
CollegeBound Saver	\$479,714	0.2%	240
CollegeBound 529	\$5,155,359	0.1%	927

MSCI World SRI Index

Recommendation

	Invesco Global Responsibility Equity	MSCI World SRI Index
Asset Class	Global Equity	Global Equity
Style	Active	Passive (Sampling Methodology)
# of Holdings	147	385
Fee	0.60%	0.19%

Returns for Periods Ended December 31, 2019
Group: Callan Global Equity Mutual Funds



- Invesco has proposed transitioning their active Invesco Global Responsibility Equity Fund to a passive strategy that seeks to track the MSCI World SRI Index.
 - The Fund will be renamed “Invesco MSCI World SRI Index,” following Invesco’s Board approval in May.
- The MSCI World SRI Index includes large and mid-cap stocks across 23 Developed Markets countries. The Index is a capitalization weighted index that provides exposure to companies with outstanding Environmental, Social and Governance (ESG) ratings and excludes companies whose products have negative social or environmental impacts.
 - Values-Based Exclusions include: alcohol, gambling, tobacco, nuclear power, conventional weapons, nuclear weapons, controversial weapons, civilian firearms, adult entertainment, genetically modified organisms, and thermal coal.
- **Recommendation: Utilize Invesco MSCI World SRI Index as the underlying fund of a new Invesco MSCI World SRI Index Portfolio (CollegeBound 529)/Global Responsible Equity Portfolio (CollegeBound Saver).**

Notes: Invesco Global Responsibility Equity Fund inception is July, 2016. MSCI World SRI Index is gross of an investment management fee.