Capital Cities

INSTITUTIONAL INVESTING MADE PERSONAL

CollegeBound Saver and CollegeBound 529
Program Review

October 30, 2019

Program Review

Summary of Findings and Recommendations

Investment Menus

- CollegeBound Saver (Direct Plan) and CollegeBound 529 (Advisor Plan) offer comprehensive investment menus, including Age-Based, Target Risk and Individual Portfolios.
- No investment menu changes are currently recommended; however, the potential to further diversify and/or reduce CollegeBound 529 Age-Based and Target Risk Portfolios' fees, through Invesco's proprietary index products, will be investigated over the coming months.

Manager Due Diligence/Ongoing Monitoring

- The majority of the Portfolios offered within the Plans are in good to excellent standing from both a qualitative and quantitative perspective.
- CollegeBound 529: The Invesco Diversified Dividend, Global and International Growth Funds will remain closely monitored on Watchlist status, seeking continued improved short-term performance (last three-year time period).

Fees

- CollegeBound Saver and CollegeBound 529's fees are low relative to peers, making the Plans attractive solutions for Account Owners and Advisors.
- The competitiveness and appropriateness of the maximum initial sales charge will be assessed with Invesco in light of the changing 529 share class environment.

Investment Policy Statement

- The annual review of the Investment Policy Statement was completed in October 2019 (see separate attachment).

Investment Menu Review

Investment Menu

Confirming Each Plan's Investment Menu

Are the investment menus:

- ☑ Providing an investment solution for each type of Account Owner and Advisor?
- ☑ Offering the optimal number of Portfolios that provides sufficient diversification opportunity while minimizing Account Owner confusion?
- ☑ Appropriate in light of the current industry trends and regulations?
- ☑ Meeting the Rhode Island State Investment Commission's (SIC) unique objectives and preferences?

CollegeBound Saver Plan (Direct Plan)

Investment Menu Overview

Individual Portfolios (29% of Plan assets)	Target Risk Portfolios (13% of Plan assets)	Age-Based Portfolios (58% of Plan assets)
Capital Preservation:		
Stable Value Portfolio *(Invesco Custom Stable Value Separate Account)*	**Conservative Growth Portfolio** *(Vanguard LifeStrategy Conservative Growth)*	CollegeBound Today Portfolio
	Moderate Growth Portfolio *(Vanguard LifeStrategy Moderate Growth)*	CollegeBound 2019-2020 Portfolio
Fixed Income:		
Inflation-Protected Bond Portfolio *(Vanguard Short-Term Infl Protected Securities Index)*	**Growth Portfolio** *(Vanguard LifeStrategy Growth)*	CollegeBound 2021-2022 Portfolio
Bond Portfolio *(Vanguard Total Bond Market Index)*		CollegeBound 2023-2024 Portfolio
		CollegeBound 2025-2026 Portfolio
Equity:		
U.S. Stock Portfolio *(Vanguard Total Stock Market Index)*		CollegeBound 2027-2028 Portfolio
Equally-Weighted S&P 500 Portfolio *(Invesco Equally-Weighted S&P 500)*		CollegeBound 2029-2030 Portfolio
Global Sustainable Equity Portfolio *(Invesco Global Sustainable Equity)*		CollegeBound 2031-2032 Portfolio
International Stock Portfolio *(Vanguard Total International Stock Index)*		CollegeBound 2033-2034 Portfolio
U.S. Small-Mid Cap Portfolio *(Vanguard Extended Market Index)*		CollegeBound 2035-2036 Portfolio
		CollegeBound 2037-2038 Portfolio

The Plan totals $274 million in assets and over 16,000 funded accounts.

Note: Data is as of September 30, 2019

CollegeBound 529 Plan (Advisor Plan)

Investment Menu Overview

Individual Portfolios (16% of Plan assets)	Target Risk Portfolios (20% of Plan assets)	Age-Based Portfolios (64% of Plan assets)
Capital Preservation:		
Invesco Stable Value Portfolio	Invesco Conservative College Portfolio	Invesco CollegeBound Today Portfolio
Fixed Income:	Invesco Moderate College Portfolio	Invesco CollegeBound 2019-2020 Portfolio
Invesco Short Duration Inflation-Protected Portfolio	Invesco Growth College Portfolio	Invesco CollegeBound 2021-2022 Portfolio
Invesco Core Plus Bond Portfolio		Invesco CollegeBound 2023-2024 Portfolio
Balanced:		Invesco CollegeBound 2025-2026 Portfolio
Invesco Equity and Income Portfolio		Invesco CollegeBound 2027-2028 Portfolio
Equity:		Invesco CollegeBound 2029-2030 Portfolio
Invesco Equally Weighted S&P 500 Portfolio		Invesco CollegeBound 2031-2032 Portfolio
Invesco Diversified Dividend Portfolio		Invesco CollegeBound 2033-2034 Portfolio
Invesco Global Sustainable Equity Portfolio		Invesco CollegeBound 2035-2036 Portfolio
Invesco FTSE RAFI Developed Markets ex-US Portfolio		Invesco CollegeBound 2037-2038 Portfolio
Invesco International Growth Portfolio		
Invesco FTSE RAFI US 1500 Sm-Mid Portfolio		
Invesco Small Cap Growth Portfolio		

The Plan totals $5.2 billion in assets and nearly 196,000 funded accounts.

Note: Data is as of September 30, 2019

CollegeBound Saver's Individual Portfolios

Individual Portfolios' Menu

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

CollegeBound 529's Individual Portfolios

Individual Portfolios' Menu

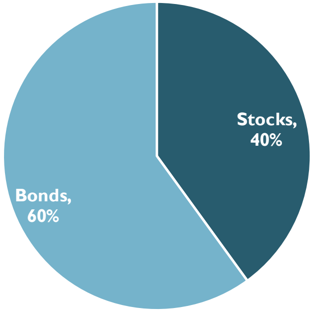
Basic Building Blocks	CollegeBound 529	Asset Class Coverage
Capital Preservation	Invesco Stable Value Portfolio	✓
Fixed Income	Invesco Core Plus Bond Portfolio	✓
U.S. Equity	Invesco Equally Weighted S&P 500 Portfolio Invesco FTSE RAFI US 1500 Sm-Mid Portfolio	✓
International Equity	Invesco FTSE RAFI Developed Markets ex-US Portfolio	✓
Specialty Styles:		
Inflation-Protected Index	Invesco Short Duration Inflation-Protected Portfolio	✓
Balanced	Invesco Equity and Income Portfolio	Not Required
Large Cap Value	Invesco Diversified Dividend Portfolio	Not Required
Socially Responsible Equity	Invesco Global Sustainable Equity Portfolio	Not Required
International Growth	Invesco International Growth Portfolio	Not Required
Small Cap Growth	Invesco Small Cap Growth Portfolio	Not Required

Target Risk Portfolios

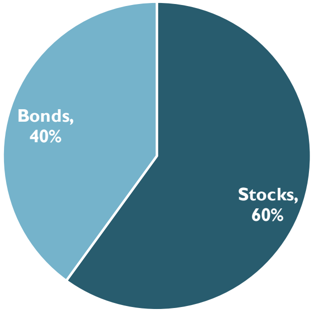
Target Risk Portfolios' Menu

CollegeBound Saver: (Direct)

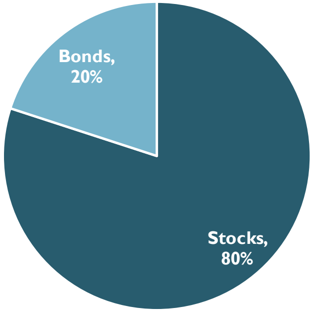
Conservative Growth Portfolio
(Vang LifeStrategy Cons Growth)



Moderate Growth Portfolio
(Vang LifeStrategy Moderate Growth)

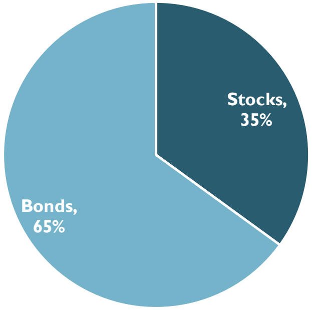


Growth Portfolio
(Vanguard LifeStrategy Growth)

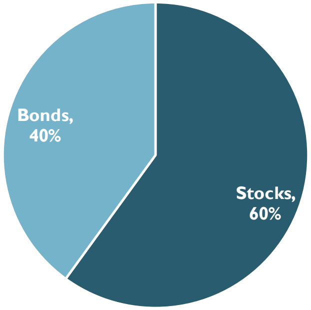


CollegeBound 529: (Advisor)

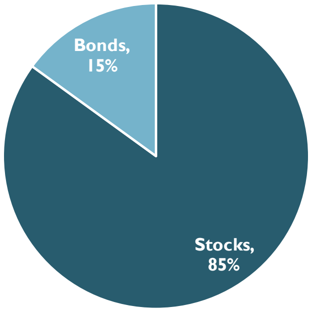
Invesco Conservative College Portfolio



Invesco Moderate College Portfolio



Invesco Growth College Portfolio



Age-Based Portfolios

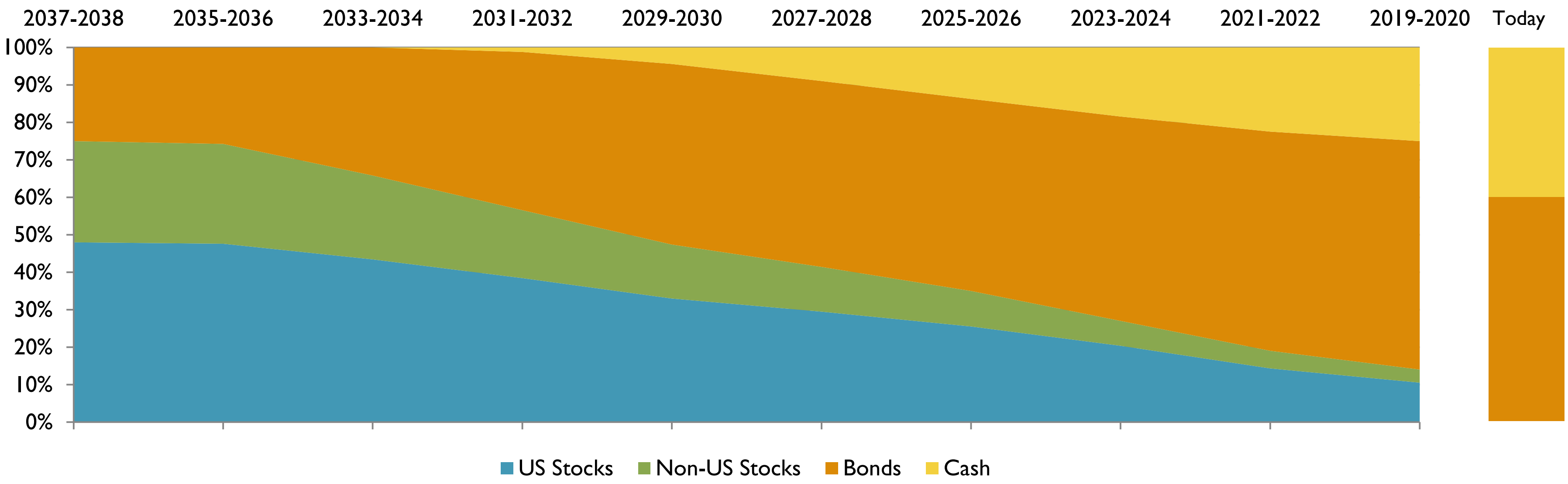
Age-Based Portfolios' Menu

CollegeBound Saver (Direct) Age-Based Portfolios	CollegeBound 529 (Advisor) Age-Based Portfolios
CollegeBound Today Portfolio	Invesco CollegeBound Today Portfolio
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

- Meeting participant demographics with two-year portfolio increments
- Mitigating market timing risk with a smooth, progressive glide path—quarterly roll downs and monthly rebalancing

Age-Based Portfolios' Glide Path

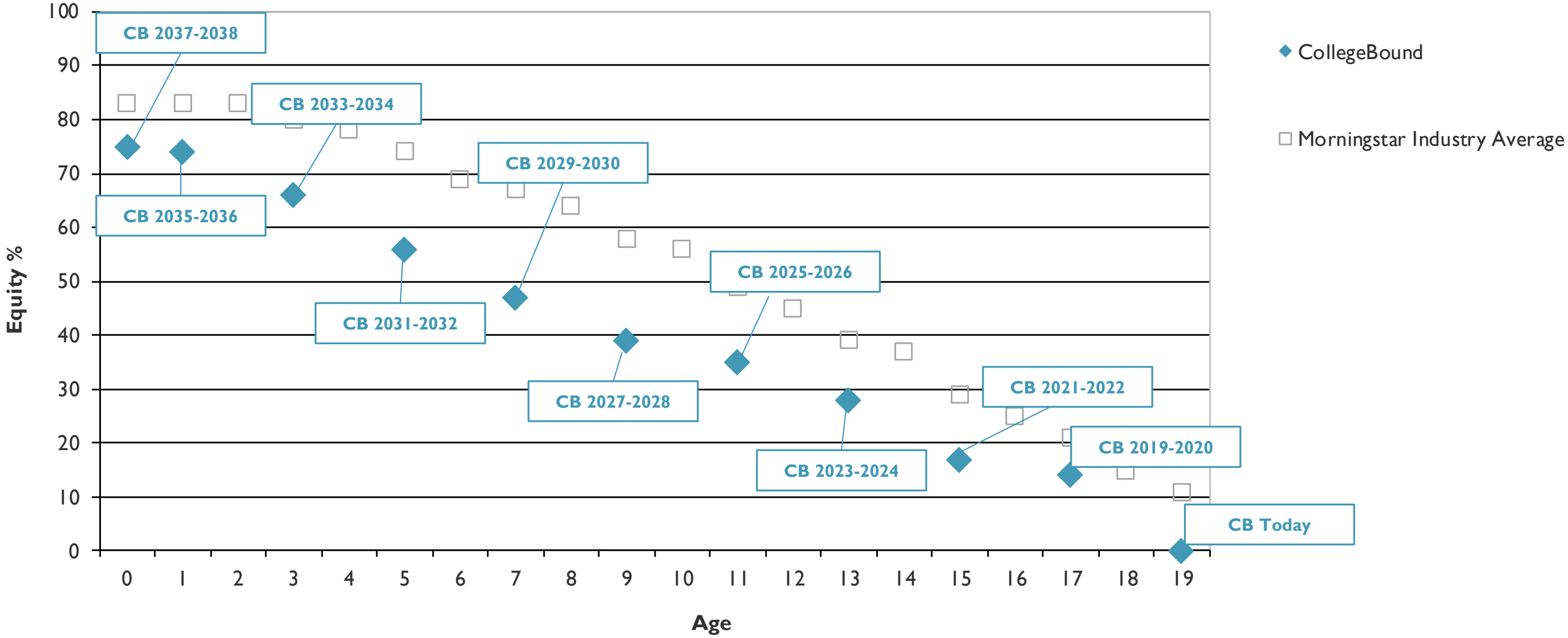
Glide Path Approach



Source: Invesco, as of June 30, 2019.

Age-Based Portfolios' Glide Path

Glide Path Peer Comparison



Sources: CollegeBound Glide Path—Invesco as of June 30, 2019.
Morningstar Industry Average: http://529.morningstar.com/529p/overview.action?state=RI&planID=5PUSA006B3

CollegeBound Saver's Age-Based Portfolios

Components

	2037-2038 Portfolio	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	College Today Portfolio
US Equities	**50.0%**	**49.0%**	**43.7%**	**37.0%**	**31.0%**	**26.0%**	**23.3%**	**18.7%**	**11.0%**	**9.3%**	**0.0%**
iShares Core S&P Total Stock Market ETF	33.3%	32.7%	29.1%	24.7%	20.7%	17.3%	15.6%	12.4%	7.3%	6.2%	0.0%
Invesco Equally-Weighted S&P 500 Portfolio	16.7%	16.3%	14.6%	12.3%	10.3%	8.7%	7.8%	6.2%	3.7%	3.1%	0.0%
International Equities	**25.0%**	**24.5%**	**21.8%**	**18.5%**	**15.5%**	**13.0%**	**11.7%**	**9.3%**	**5.5%**	**4.7%**	**0.0%**
Vanguard Total Intl Stock Idx	15.1%	14.8%	13.2%	11.2%	9.3%	7.8%	7.0%	5.6%	3.3%	2.8%	0.0%
Invesco FTSE RAFI Dev Mkts ex-US Portfolio	7.5%	7.4%	6.6%	5.6%	4.7%	3.9%	3.5%	2.8%	1.7%	1.4%	0.0%
Vanguard Glbl X-US Re Est Index-IL	2.4%	2.3%	2.1%	1.8%	1.5%	1.2%	1.1%	0.9%	0.5%	0.4%	0.0%
Fixed Income	**25.0%**	**26.5%**	**34.5%**	**44.5%**	**49.8%**	**52.5%**	**50.8%**	**53.5%**	**61.0%**	**61.0%**	**40.0%**
Vanguard Short Term Infl-Prot Sec	2.0%	2.0%	8.3%	11.5%	14.0%	15.8%	15.8%	15.8%	18.3%	18.0%	12.0%
Vanguard Shrt Inv Grade-IL	2.0%	3.5%	5.8%	7.8%	9.0%	9.0%	9.0%	11.3%	15.5%	18.0%	12.0%
Vanguard Total Bond Market II Idx	21.0%	21.0%	20.5%	25.3%	26.8%	27.8%	26.0%	26.5%	27.3%	25.0%	16.0%
Capital Preservation	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**3.8%**	**8.5%**	**14.3%**	**18.5%**	**22.5%**	**25.0%**	**60.0%**
Government & Agency Portfolio	0.0%	0.0%	0.0%	0.0%	3.8%	8.5%	14.3%	18.5%	22.5%	25.0%	60.0%

Source: Invesco, as of June 30, 2019

CollegeBound 529's Age-Based Portfolios

Construction Enhancements (effective April 1, 2019)

	16 Years (CB 2033-2034)		10 Years (CB 2029-2030)		4 Years (CB 2021-2022)	
Portfolio Characteristics	**Previous**	**New**	**Previous**	**New**	**Previous**	**New**
Beta	0.88	0.94	0.88	0.94	0.83	0.90
Fees (bps)	49.6	43.7	45.3	40.8	40.8	40.8
Yield	2.8%	2.7%	2.8%	2.8%	2.6%	2.6%
% Active Equity	43.5%	21.7%	21.0%	10.5%	8.0%	4.0%
% Factor-Weighted Equity	30.5%	52.3%	25.3%	35.7%	17.9%	21.8%
% Fixed Income	26.0%	26.0%	53.8%	53.8%	74.1%	74.0%
Number of Funds	11	15	14	18	14	15

- Reduced Active Positions: Invesco Diversified Dividend Fund and Invesco Global Growth Fund
- Added New Passive Positions: Invesco S&P 500 Pure Growth ETF, Invesco S&P 500 Low Volatility ETF, Invesco S&P Midcap Low Volatility ETF and Invesco S&P International Developed Low Volatility ETF
- Upcoming Considerations: The potential to further diversify and/or reduce the Portfolios' fees, through Invesco's proprietary index products, will be investigated over the coming months.

Source: Invesco as of April 2019. Subject to change without notice.

CollegeBound 529's Age-Based Portfolios

Components

	2037-2038 Portfolio	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	College Today Portfolio
US Equities	**48.0%**	**47.8%**	**44.0%**	**39.1%**	**33.7%**	**29.9%**	**26.2%**	**21.0%**	**15.1%**	**10.5%**	**0.0%**
Invesco Diversified Dividend Class R6	13.5%	13.3%	11.3%	9.0%	7.0%	5.5%	4.2%	2.8%	2.0%	1.5%	0.0%
Invesco Eq. Weighted S&P 500 Fund Cl. R6	10.5%	10.5%	9.8%	8.8%	8.2%	8.8%	9.4%	9.1%	7.0%	5.0%	0.0%
Invesco S&P 500 Pure Growth ETF	15.0%	15.0%	14.3%	13.1%	11.4%	10.3%	9.1%	7.6%	5.6%	4.0%	0.0%
Invesco S&P 500 Low Volatility ETF	0.0%	0.0%	0.8%	1.7%	2.3%	2.5%	2.3%	1.3%	0.5%	0.0%	0.0%
Invesco S&P MidCap Low Volatility ETF	2.5%	2.5%	2.5%	2.3%	1.7%	1.5%	1.3%	0.3%	0.0%	0.0%	0.0%
Invesco FTSE RAFI US 1500 Sm.-Mid ETF	6.5%	6.5%	5.5%	4.2%	3.1%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Global Equities	**27.0%**	**26.8%**	**23.0%**	**18.6%**	**14.8%**	**12.2%**	**9.8%**	**7.0%**	**4.9%**	**3.5%**	**0.0%**
Invesco Global Growth Class R6	8.8%	8.7%	7.4%	5.7%	4.3%	3.5%	2.8%	1.8%	1.3%	1.0%	0.0%
Invesco FTSE RAFI Dev. Mkts ex-U.S. ETF	7.0%	7.3%	6.5%	5.3%	4.7%	4.0%	3.3%	2.7%	2.0%	1.5%	0.0%
Invesco S&P Intl Dev. Low Volatility ETF	3.9%	3.7%	3.3%	2.8%	2.2%	1.9%	1.7%	1.1%	1.0%	1.0%	0.0%
Invesco Global Real Estate Inc. Fund Cl. R6	2.4%	2.3%	2.1%	1.8%	1.5%	1.3%	1.1%	0.9%	0.4%	0.0%	0.0%
Invesco FTSE RAFI Emerging Markets ETF	2.5%	2.3%	1.8%	1.4%	1.1%	0.8%	0.5%	0.5%	0.3%	0.0%	0.0%
Invesco S&P Em. Mkts. Low Volatility ETF	2.6%	2.5%	2.1%	1.5%	1.1%	0.8%	0.4%	0.1%	0.0%	0.0%	0.0%
Fixed Income	**25.0%**	**25.5%**	**33.0%**	**41.5%**	**47.5%**	**49.5%**	**50.8%**	**54.2%**	**58.0%**	**61.0%**	**40.0%**
Invesco Core Plus Bond Class R6	17.5%	17.5%	20.0%	22.4%	22.1%	21.0%	19.9%	19.6%	19.3%	19.0%	12.5%
Invesco Short Term Bond Class R6	3.5%	3.5%	5.3%	7.5%	9.5%	10.5%	11.3%	12.7%	14.0%	15.0%	9.9%
Invesco Floating Rate Class R6	2.0%	2.5%	4.3%	6.0%	8.0%	8.8%	9.3%	10.7%	12.0%	13.0%	8.5%
Invesco Short Duration Inflation Protected Fund Class R6	2.0%	2.0%	3.5%	5.6%	7.9%	9.3%	10.3%	11.3%	12.8%	14.0%	9.2%
Capital Preservation	**0.0%**	**0.0%**	**0.0%**	**0.8%**	**4.0%**	**8.4%**	**13.2%**	**17.8%**	**22.0%**	**25.0%**	**60.0%**
Invesco Stable Value Fund	0.0%	0.0%	0.0%	0.6%	2.8%	5.7%	8.8%	12.0%	14.7%	16.7%	40.0%
Invesco Short Term Gov & Agency	0.0%	0.0%	0.0%	0.3%	1.3%	2.8%	4.4%	5.9%	7.3%	8.3%	20.0%

Source: Invesco, as of June 30, 2019

529 Trends

Recent Developments

- Enhancements to Age-Based/Year of Enrollment Portfolios
  - Moving from a step-down to a progressive/target date glide path approach
  - Incorporating more frequent "roll-downs" or steps
- Incorporation of the K-12 Expansion
  - Providing education
  - Repurposing existing Portfolios
- Adoption of Convertible C Shares (Advisor Plans)
- Examination of Capital Preservation Portfolios
- Implementation of Fee Reductions
- Responsible Investing

Manager Due Diligence/Ongoing Monitoring

Independent Oversight

Timeline

July 2018	August 2018	September 2018	October 2018	November 2018	December 2018
• July 2: Monthly Investments' Call • July 13: "Invesco Global Sustainable Equity Portfolio" renamed "Global Sustainable Equity Portfolio." 2017-2018 Portfolios "rolled" into the Today Portfolios, while 2037-2038 Portfolios were introduced. New Blmbg BC Agg Exposure to Reduce the Direct Plan's Age-Based Portfolios' fees. • July 30: Diversified Dividend Watchlist Review Call	• August 6: Monthly Investments' Call • Aug 7 & 9: Global Growth & Intl Growth Watchlist Review Call • Aug 22: SIC Meeting • 2Q18 Performance & Evaluation Report	• Sept 13: Morningstar Interview • Sept 19: Invesco Indexing and ETF Due Diligence • Sept 26: SIC Meeting	• Oct 4: Equity Portfolio Construction Discussion • Oct 7: Monthly Investments' Call • Oct 11: Annual Stable Value Onsite Visit and Due Diligence • Oct 24: SIC Meeting	• Nov 4: Monthly Investments' Call • Nov 30: Diversified Dividend, Global Growth & Intl Growth Watchlist Review Calls • 3Q18 Performance & Evaluation Report	• Dec 2: Monthly Investments' Call • Dec 12: SIC Meeting—SIC approved equity portfolio construction changes to the Advisor Age-Based and Target Risk Portfolios
January 2019	**February 2019**	**March 2019**	**April 2019**	**May 2019**	**June-Dec 2019**
• Jan 6: Monthly Investments' Call • Jan 11: Global Growth & Intl Growth Watchlist Review Call • Jan 23: SIC Meeting	• Feb 3: Monthly Investments' Call • Feb 6: Core Plus Review Call • Feb 27: SIC Meeting • 4Q18 Performance & Evaluation Report	• March 2: Monthly Investments' Call • May 20: Diversified Dividend Watchlist Review Call • March 27: SIC Meeting • May 29: Global Growth & Intl Growth Watchlist Review Call	• April 1: Implementation of equity portfolio construction changes to the Advisor Age-Based and Target Risk Portfolios • April 6: Monthly Investments' Call • April 24: SIC Meeting	• May 4: Monthly Investments' Call • May 20: Diversified Dividend Watchlist Review Call • May 29: SIC Meeting • May 29: Global Growth & Intl Growth Watchlist Review Call • 1Q19 Performance & Evaluation Report	• Monthly Investments' Calls • Monthly SIC Meetings • Annual Program Review Presentation (Investment Menus, Manager Due Diligence, Fees and IPS) • Annual Stable Value Onsite Visit and Due Diligence • Invesco Indexing and ETF Due Diligence • 2Q19 and 3Q19 Performance & Evaluation Reports

Note: Timeline provided above is not inclusive of all meetings/calls and due diligence conducted by Capital Cities.

Investment Manager Reviews

Comprehensive Ongoing Monitoring

Underlying Investment Managers

Quantitative Factors Evaluated

- Manager returns and risk compared to client objective, market indexes and peer groups over various time periods
- Fees relative to client preferences and peers

Qualitative Factors Evaluated

- Manager's adherence to client-specific guidelines
- An evaluation of each manager's organization, investment philosophy, product dynamics and people

When Evaluation Leads to Action

A manager should be replaced when an extraordinary event or a pattern of performance suggests that the manager has a low probability of delivering the expected style or performance in the future.

Examples of reasons to replace:

- Long-term underperformance
- Ownership changes
- Key people leave firm
- Change in original strategy
- Material litigation or fraud
- Material client-servicing problems
- Change in firm's financial condition
- Extreme short-term performance volatility

Actions Taken

- Further Review conducted
- Manager Alert issued; if necessary

Recommendation

- Retain
- Watchlist
- Terminate

Manager Due Diligence

Stoplight Grid Summary

College Bound Saver (Direct)

Criteria	CollegeBound Age-Based Portfolios	Growth Portfolio	Moderate Growth Portfolio	Conservative Growth Portfolio
Qualitative Review	🟢	🟢	🟢	🟢
Long Term Performance (5-Yr)	--	🟢	🟢	🟢
Short Term Performance (3-Yr)	--	🟢	🟢	🟢

Legend	
🟢	Everything is good to excellent in this area
🟡	Caution is warranted but action is not required at this time
WL	Watchlist Status
🔴	Action is required or is being taken
	White background indicates a Change in Status

Criteria	U.S. Stock Portfolio	Equally-Weighted S&P 500 Portfolio	U.S. Small-Mid Cap Portfolio	Global Sustainable Equity Portfolio	International Stock Portfolio	Bond Portfolio	Inflation-Protected Bond Portfolio	Stable Value Portfolio
Qualitative Review	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
Long Term Performance (5-Yr)	🟢	🟢	🟢	--	🟢	🟢	--	--
Short Term Performance (3-Yr)	🟢	🟢	🟢	--	🟢	🟢	🟢	--

College Bound Saver (Advisor)

Criteria	Invesco CollegeBound Age-Based Portfolios	Invesco CollegeBound Today Portfolio	Invesco Growth College Portfolio	Invesco Moderate College Portfolio	Invesco Conservative College Portfolio
Qualitative Review	🟢	🟢	🟢	🟢	🟢
Long Term Performance (5-Yr)	--	--	--	--	--
Short Term Performance (3-Yr)	--	--	--	--	--

Criteria	Invesco Diversified Dividend Portfolio	PowerShares FTSE RAFI US 1500 Small-Mid Portfolio	Invesco Small Cap Growth Portfolio	Invesco Global Sustainable Equity Portfolio	PowerShares FTSE RAFI Dev Mkts ex-U.S. Portfolio	Invesco International Growth Portfolio	Invesco Equity and Income Portfolio	Invesco Core Plus Bond Portfolio	Invesco Short Duration Infl Protected Portfolio	Invesco Stable Value Portfolio
Qualitative Review	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
Long Term Performance (5-Yr)	🟢	🟢	🟢	--	🟢	🟢	🟢	🟢	🟢	--
Short Term Performance (3-Yr)	*WL*	🟢	🟢	--	🟢	*WL*	🟢	🟢	🟢	--

Notes: Portfolios with a July, 2016 inception are denoted with a "–" for performance given the limited track record. Invesco Global Growth is an underlying component of CollegeBound 529's Age-Based and Target Risk Portfolios (not offered as an Individual Portfolio).

Invesco Funds on Watchlist (CollegeBound 529)

Background

- The Invesco Diversified Dividend, Global and International Growth Funds were placed on Watchlist status, in June 2018, due to short-term underperformance.
  - The Invesco Diversified Dividend (1.9%-15.0% weighting) and Global Growth (1.2%-9.5% weighting) Funds are underlying components of the Age-Based and Target Risk Portfolios.
    - Exposure to the Funds were reduced by ~50%, in April 2019, as part of a broader glide path construction analysis (as previously approved by the SIC in December 2018).
  - The Invesco Diversified Dividend Fund is also offered as an Individual Portfolio, along with the Invesco International Growth Fund.
- As part of the Watchlist process, the State of Rhode Island and Capital Cities have conducted quarterly update calls with the portfolio management team of the Funds.
  - Additionally, Capital Cities has developed and produced in-depth quarterly performance reports on the Funds.
- Performance has improved, over the Watchlist period, with all three Funds outpacing their stated benchmarks (see following pages).
- **The Invesco Diversified Dividend, Global and International Growth Funds will remain closely monitored on Watchlist status, seeking continued improved short-term performance (last three-year time period).**

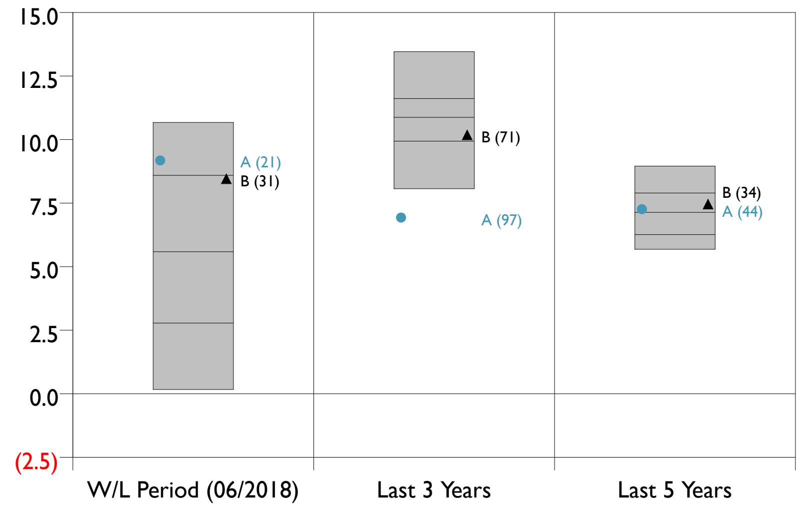
Invesco Diversified Dividend

Watchlist Update

- The Invesco Diversified Dividend Fund is an active strategy that seeks to deliver value through dividend investing by employing a total return approach—emphasizing appreciation, income and preservation over a full market cycle.
- The Fund has focused on identifying companies with healthy balance sheets, and strong free cash flow with the potential to generate sustainable earnings growth over a two- to three-year period. The process has resulted in an underweight to the Financials and Information Technology sectors, which were the top performing sectors during the first six quarters since the Fund's inclusion in the Plan. Additionally, the Fund experienced an elevated cash position as a result of M&A activity.
- As volatility has returned to the market over the last year, the Fund has performed well and ranked in the top quartile of peers, outpacing its Russell 1000 Value benchmark.

Morningstar Medalist: Silver

Returns for Periods Ended June 30, 2019
Group: Callan Large Cap Value Mutual Funds



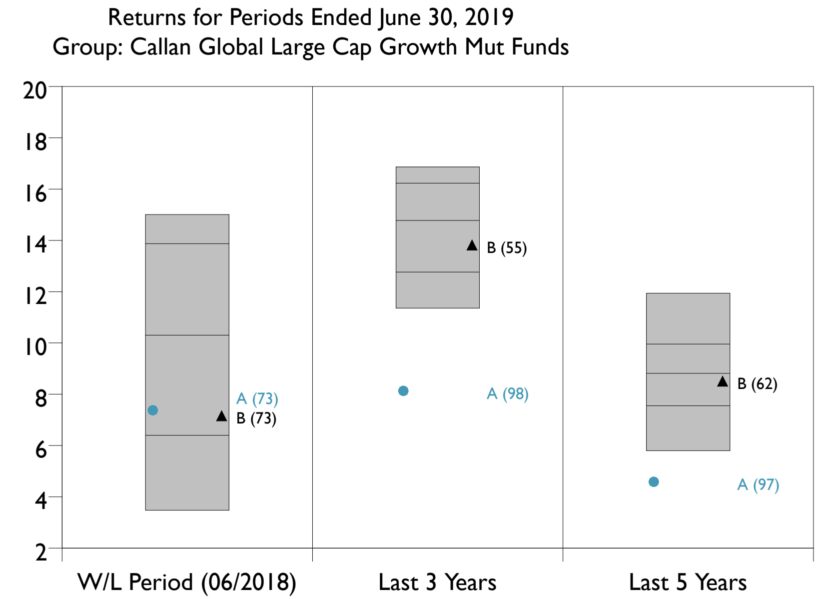
	W/L Period (06/2018)	Last 3 Years	Last 5 Years
Median	5.59	10.88	7.14
Invesco Dvsfd Div;R6 ● A	9.18	6.93	7.26
Russell:1000 Value ▲ B	8.46	10.19	7.46

Invesco Global Growth

Watchlist Update

- The Invesco Global Growth Fund utilizes a long-term investment strategy that seeks exposure to high-quality growth opportunities primarily in the global large-cap equity universe, across both developed and emerging markets.
- The Fund utilizes a proprietary earnings, quality and valuation methodology when evaluating companies. These factors had been out of favor in the market during the first six quarters of their inclusion in the Plan. During the period leading up to being placed on Watchlist status, the Fund also had a relative overweight to international stocks, which weighed on returns as U.S. markets outperformed.
- Since being placed on Watchlist status, the Fund has outperformed its MSCI ACWI Growth benchmark by 0.21%.

Morningstar Medalist: Neutral



	W/L Period (06/2018)	Last 3 Years	Last 5 Years
Median	10.31	14.78	8.82
Invesco Gl Gr;R6 ● A	7.37	8.13	4.59
MSCI:ACWI Growth ▲ B	7.16	13.82	8.51

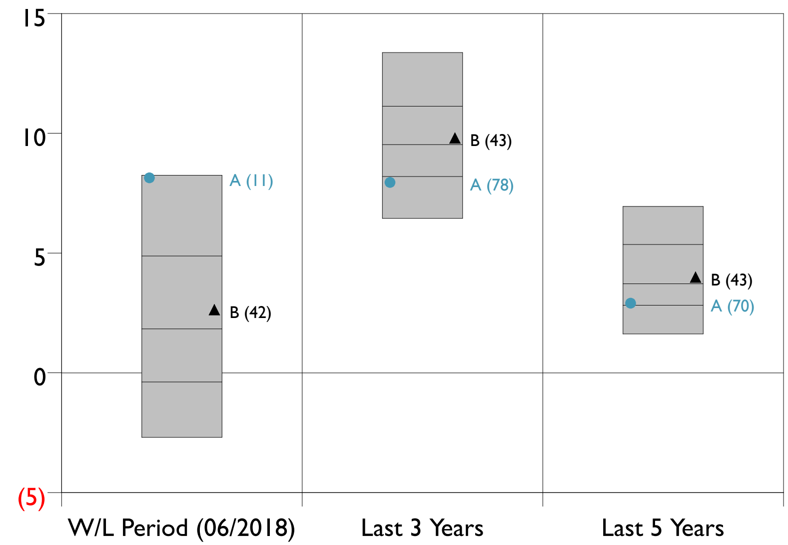
Invesco International Growth

Watchlist Update

- The Invesco International Growth Fund utilizes a long-term investment strategy that seeks exposure to high-quality growth opportunities in the international large- and mid-cap equity universe, across both developed and emerging markets.
- The Fund utilizes a proprietary earnings, quality and valuation methodology when evaluating companies. These factors were out of favor during the first six quarters of their inclusion in the Plan. In particular, the valuation factor resulted in the omission of Chinese e-commerce companies Tencent and Alibaba, which outperformed during the period.
- Since being placed on Watchlist status, the Fund has performed exceptionally well, outpacing the MSCI ACWI ex US Growth benchmark by 5.5% and ranking in the top 11% of International Large Cap Growth mutual fund peers.

Morningstar Medalist: Silver

Returns for Periods Ended June 30, 2019
Group: Callan Intl Large Cap Growth MFs



		W/L Period (06/2018)	Last 3 Years	Last 5 Years
Median		1.84	9.53	3.72
Invesco Intl Gr;R6	● A	8.14	7.95	2.91
MSCI:ACWI ex US Growth	▲ B	2.64	9.81	4.00

Fee Review

CollegeBound Program Fee Overview

Competitively Priced Portfolios

	CollegeBound Saver (Direct Plan)	Avg Share Class Fee-Morningstar Percentile Rank	CollegeBound 529 (Advisor Plan)	Avg Share Class Fee-Morningstar Percentile Rank
Age-Based Portfolios	Age-Based Portfolios	21-28	Age-Based Portfolios	19-30
Target Risk Portfolios	Target Risk Portfolios	27-34	Target Risk Portfolios	20-26
Individual Portfolios	Equally-Weighted S&P 500 Portfolio	42	Invesco Equally-Weighted S&P 500 Portfolio	11
	U.S. Stock Portfolio	22	Invesco Diversified Dividend Portfolio	28
	U.S. Small-Mid Cap Portfolio	20	Invesco FTSE RAFI US 1500 Sm-Mid Portfolio	25
	International Stock Portfolio	27	Invesco Small Cap Growth Portfolio	47
	Global Sustainable Equity Portfolio	N/A	Invesco Global Sustainable Equity Portfolio	41
	Bond Portfolio	24	Invesco International Growth Portfolio	72
	Inflation-Protected Bond Portfolio	28	Invesco Equity and Income Portfolio	30
	Stable Value Portfolio	N/A	Invesco FTSE RAFI Dev Mkts ex-US Portfolio	29
			Invesco Core Plus Bond Portfolio	45
			Invesco Short Duration Inflation-Protected Portfolio	25
			Invesco Stable Value Portfolio	N/A

Source: Morningstar Direct as of August 31, 2019.

CollegeBound Saver (Direct)

Rhode Island Residents' Fee Overview

RHODE ISLAND RESIDENT ACCOUNTS:							
Age-Based Portfolios	**Program Management Fee**	**Estimated Underlying Fund Fee**	**Total Annual Asset-Based Fee**	**Rhode Island Straight Average Fee**	**Morningstar Straight Average Peers**	**Rhode Island Asset-Weighted Fee**	**Morningstar Asset-Weighted Peers***
CollegeBound Portfolios	0.00%	0.08%-0.11%	0.08%-0.11%	0.09%	0.32%**	0.09%	0.26%
Target Risk Portfolios							
Conservative Growth Portfolio	0.00%	0.12%	0.12%	0.13%	0.36%*	0.13%	0.23%
Moderate Growth Portfolio	0.00%	0.13%	0.13%				
Growth Portfolio	0.00%	0.14%	0.14%				
Individual Portfolios							
Stable Value Portfolio	0.00%	0.33%	0.33%	0.47%	0.76%*	0.34%	0.87%
Invesco Global Sustainable Equity Portfolio	0.00%	0.60%	0.60%				
Bond Portfolio	0.00%	0.035%	0.035%	0.07%	0.36%*	0.06%	0.23%
Inflation Protected Bond Portfolio	0.00%	0.04%	0.04%				
U.S. Stock Portfolio	0.00%	0.03%	0.03%				
Equally-Weighted S&P 500 Portfolio	0.00%	0.16%	0.16%				
U.S. Small-Mid Cap Portfolio	0.00%	0.06%	0.06%				
International Stock Portfolio	0.00%	0.08%	0.08%				

*Morningstar 529 College-Savings Plan Landscape, May 26, 2016
**What's new with 529 Plans, Leo Acheson of Morningstar, May 25, 2017

CollegeBound Saver (Direct)

Non-Rhode Island Residents' Fee Overview

RHODE ISLAND NON-RESIDENT ACCOUNTS:							
Age-Based Portfolios	**Program Management Fee**	**Estimated Underlying Fund Fee**	**Total Annual Asset-Based Fee**	**Rhode Island Straight Average Fee**	**Morningstar Straight Average Peers**	**Rhode Island Asset-Weighted Fee**	**Morningstar Asset-Weighted Peers***
CollegeBound Portfolios	0.25%	0.08%-0.11%	0.33%-0.36%	0.34%	0.32%**	0.34%	0.26%
Target Risk Portfolios							
Conservative Growth Portfolio	0.25%	0.12%	0.37%	0.38%	0.36%*	0.38%	0.23%
Moderate Growth Portfolio	0.25%	0.13%	0.38%				
Growth Portfolio	0.25%	0.14%	0.39%				
Individual Portfolios							
Stable Value Portfolio	0.25%	0.33%	0.58%	0.72%	0.76%*	0.59%	0.87%
Invesco Global Sustainable Equity Portfolio	0.25%	0.60%	0.85%				
Bond Portfolio	0.25%	0.035%	0.285%	0.32%	0.36%*	0.31%	0.23%
Inflation Protected Bond Portfolio	0.25%	0.04%	0.29%				
U.S. Stock Portfolio	0.25%	0.03%	0.28%				
Equally-Weighted S&P 500 Portfolio	0.25%	0.16%	0.41%				
U.S. Small-Mid Cap Portfolio	0.25%	0.06%	0.31%				
International Stock Portfolio	0.25%	0.08%	0.33%				

*Morningstar 529 College-Savings Plan Landscape, May 26, 2016
**What's new with 529 Plans, Leo Acheson of Morningstar, May 25, 2017

CollegeBound 529 (Advisor)

Rhode Island Residents' Fee Overview

CLASS RA UNITS - RHODE ISLAND RESIDENT ACCOUNTS:									
Age-Based Portfolios	**Program Management Fee**	**Estimated Underlying Fund Fee**	**Distribution and Service Fee**	**Administrative Fee**	**Total Annual Asset-Based Fee**	**Rhode Island Straight Average Total Asset-Based Fee**	**Morningstar Straight Average Peers**	**Rhode Island Asset-Weighted Fee**	**Morningstar Straight Asset-Weighted Peers***
Invesco CollegeBound Portfolios	0.00%	0.19%	0.25%	0.00%	0.44%	0.44%	0.97%**	0.44%	1.22%
Target Risk Portfolios									
Invesco Conservative Growth Portfolio	0.00%	0.44%	0.25%	0.00%	0.69%	0.72%	1.41%*	0.73%	1.23%
Invesco Moderate Growth Portfolio	0.00%	0.47%	0.25%	0.00%	0.72%				
Invesco Growth Portfolio	0.00%	0.49%	0.25%	0.00%	0.74%				
Individual Portfolios									
Invesco Stable Value Portfolio	0.00%	0.33%	0.25%	0.00%	0.58%	0.76%	1.44%*	0.63%	1.07%
Invesco Short Duration Inflation Protected Portfolio	0.00%	0.27%	0.25%	0.00%	0.52%				
Invesco Core Plus Bond Portfolio	0.00%	0.45%	0.25%	0.00%	0.70%				
Invesco Small Cap Growth Portfolio	0.00%	0.71%	0.25%	0.00%	0.96%				
Invesco International Growth Portfolio	0.00%	0.90%	0.25%	0.00%	1.15%				
Invesco Diversified Dividend Portfolio	0.00%	0.42%	0.25%	0.00%	0.67%				
Invesco Equity and Income Portfolio	0.00%	0.39%	0.25%	0.00%	0.64%				
Invesco Global Sustainable Equity Portfolio	0.00%	0.60%	0.25%	0.00%	0.85%				
Invesco Equally-Weighted S&P 500 Portfolio	0.00%	0.16%	0.25%	0.00%	0.41%	0.58%	0.91%*	0.57%	0.92%
PowerShares FTSE RAFI US 1500 Small-Mid Portfolio	0.00%	0.39%	0.25%	0.00%	0.64%				
PowerShares FTSE RAFI Develped Markets ex-U.S. Portfolio	0.00%	0.45%	0.25%	0.00%	0.70%				

*Morningstar 529 College-Savings Plan Landscape, May 26, 2016
**What's new with 529 Plans, Leo Acheson of Morningstar, May 25, 2017

CollegeBound 529 (Advisor)

Non-Rhode Island Residents' Fee Overview

CLASS A UNITS - NON-RHODE ISLAND RESIDENT ACCOUNTS:									
Age-Based Portfolios	**Program Management Fee**	**Estimated Underlying Fund Fee**	**Distribution and Service Fee**	**Administrative Fee**	**Total Annual Asset-Based Fee**	**Rhode Island Straight Average Total Asset-Based Fee**	**Morningstar Straight Average Peers**	**Rhode Island Asset-Weighted Fee**	**Morningstar Straight Asset-Weighted Peers***
Invesco CollegeBound Portfolios	0.15%	0.38%-0.43%	0.25%	0.02%	0.80%-0.85%	0.83%	0.97%**	0.81%	1.22%
Target Risk Portfolios									
Invesco Conservative Growth Portfolio	0.15%	0.44%	0.25%	0.02%	0.86%	0.89%	1.41%*	0.90%	1.23%
Invesco Moderate Growth Portfolio	0.15%	0.47%	0.25%	0.02%	0.89%				
Invesco Growth Portfolio	0.15%	0.49%	0.25%	0.02%	0.91%				
Individual Portfolios									
Invesco Stable Value Portfolio	0.15%	0.42%	0.25%	0.02%	0.84%	0.94%	1.44%*	0.85%	1.07%
Invesco Short Duration Inflation Protected Portfolio	0.15%	0.27%	0.25%	0.02%	0.69%				
Invesco Core Plus Bond Portfolio	0.15%	0.45%	0.25%	0.02%	0.87%				
Invesco Small Cap Growth Portfolio	0.15%	0.71%	0.25%	0.02%	1.13%				
Invesco International Growth Portfolio	0.15%	0.90%	0.25%	0.02%	1.32%				
Invesco Diversified Dividend Portfolio	0.15%	0.42%	0.25%	0.02%	0.84%				
Invesco Equity and Income Portfolio	0.15%	0.39%	0.25%	0.02%	0.81%				
Invesco Global Sustainable Equity Portfolio	0.15%	0.60%	0.25%	0.02%	1.02%				
Invesco Equally-Weighted S&P 500 Portfolio	0.15%	0.16%	0.25%	0.02%	0.58%	0.75%	0.91%*	0.74%	0.92%
PowerShares FTSE RAFI US 1500 Small-Mid Portfolio	0.15%	0.39%	0.25%	0.02%	0.81%				
PowerShares FTSE RAFI Develped Markets ex-U.S. Portfolio	0.15%	0.45%	0.25%	0.02%	0.87%				

*Morningstar 529 College-Savings Plan Landscape, May 26, 2016
**What's new with 529 Plans, Leo Acheson of Morningstar, May 25, 2017

CollegeBound 529 (Advisor)

Other Fees & Minimum Contributions

Maximum Initial Sales Charge:

Five Largest 529 Advisor Programs Age-Based Portfolios	Maximum Initial Sales Charge
CollegeBound 529 (RI) (<$500k)	**4.0%**
CollegeAmerica (VA)	4.25% (<$100k)/ College Enrollment Portfolio: 2.5% (<$500k)
NextGen College Investing Program (ME) (<$400k)	0% (C shares)*
Advisor Guided College Savings Program (NY)	5.25% (<$50k) 15-16, 17 , 18+ Portfolios: 4.5% (<$100k)
BlackRock CollegeAdvantage 529 (OH) (<$25K)	5.25% 2020 Portfolio: 4.0% College Portfolio: 3.0%
Bright Directions College Savings Program (IL) (<$250k)	3.5%

Minimum Initial & Subsequent Contributions:

Five Largest 529 Advisor Programs	Minimum Initial Contribution	Minimum Subsequent Contributions
CollegeBound 529 (RI)	**None**	**None**
CollegeAmerica (VA)	$250	$50
NextGen College Investing Program (ME)	None AIP / $25	$25
Advisor Guided College Savings Program (NY)	$1,000	$25
BlackRock CollegeAdvantage 529 (OH)	$25	$25
Bright Directions College Savings Program (IL)	None	None

- The Plan charges an annual account fee of $20; however, Account Owners have many opportunities to have this fee waived (e.g., account > $25k, recurring contribution, payroll direct deposit).
- The Plan also implements a C share conversion to A shares at NAV after five years, which mitigates risk of Account Owners paying excessive fees.
- The competitiveness and appropriateness of the maximum initial sales charge will be assessed with Invesco in light of the changing 529 share class environment.

*See Program Description.

Investment Policy Statement Review

Investment Policy Statement

IPS Review

An Investment Policy Statement fulfills the most important function a Fiduciary performs.

To set investment policy and implementation guidelines.

Additional Benefits of an IPS

- Supports the "Paper Trail" and Provides the Best Defense in Litigation
- Provides Continuity During Personnel Turnover
- Keeps Investment Process Intact During Periods of Market Upheaval
- Reassures Account Owners and Advisors of Investment Stewardship

Sections of a Well-Written IPS

1. Purpose
2. Program Summary
3. Statement of Objectives
4. Responsibilities
5. Guidelines and Investment Policy
6. Securities Guidelines
7. Selection of Investment Managers
8. Control Procedures
9. Monitoring of Investment Managers
10. Signatures
11. Appendix with Key Detail

The annual review of the Investment Policy Statement was completed in October 2019 (see separate attachment).

Appendix

CollegeBound 529 Target Risk Portfolios

Construction

	Growth College Portfolio	Moderate College Portfolio	Conservative College Portfolio
Equities	**85.0%**	**60.0%**	**34.0%**
Invesco Diversified Dividend Class R6	15.0%	9.5%	4.0%
Invesco Equally Weighted S&P 500 Fund Class R6	11.5%	9.1%	9.0%
Invesco S&P 500® Pure Growth ETF	18.0%	13.5%	8.0%
Invesco S&P 500 Low Volatility ETF	0.0%	1.5%	2.0%
Invesco S&P MidCap Low Volatility ETF	3.0%	2.5%	1.0%
Invesco FTSE RAFI US 1500 Small-Mid ETF	7.0%	4.5%	0.0%
Invesco Global Growth Class R6	9.5%	6.0%	2.5%
Invesco FTSE RAFI Developed Markets ex-U.S. ETF	8.0%	5.5%	3.0%
Invesco S&P International Developed Low Volatility ETF	4.0%	3.0%	1.5%
Invesco Global Real Estate Income Fund Class R6	3.0%	1.9%	3.0%
Invesco FTSE RAFI Emerging Markets ETF	3.0%	1.5%	0.0%
Invesco S&P Emerging Markets Low Volatility ETF	3.0%	1.5%	0.0%
Fixed Income	**15.0%**	**40.0%**	**51.5%**
Invesco Core Plus Bond Class R6	8.0%	22.5%	20.0%
Invesco Short Term Bond Class R6	2.0%	7.0%	11.5%
Invesco Floating Rate Class R6	1.0%	5.5%	9.5%
Invesco Short Duration Inflation Protected Fund Class R6	4.0%	5.0%	10.5%
Capital Preservation	**0.0%**	**0.0%**	**14.5%**
Invesco Stable Value Portfolio	0.0%	0.0%	9.5%
Government & Agency Portfolio	0.0%	0.0%	5.0%

CollegeBound Saver Target Risk Portfolios

Construction

	Growth Vanguard LifeStrategy Growth Fund	**Moderate** Vanguard LifeStrategy Moderate Growth Fund	**Conservative** Vanguard LifeStrategy Conservative Growth Fund
Equities	**80%**	**60%**	**40%**
Vanguard Total Stock Market Index	48%	36%	24%
Vanguard International Stock Index	32%	24%	16%
Fixed Income	**20%**	**40%**	**60%**
Vanguard Total Bond Market II Index	14%	28%	42%
Vanguard Total International Bond Index	6%	12%	18%