Rhode Island Higher Education Savings Trust

(A Fiduciary Fund of the State of Rhode Island)

Basic Financial Statements
and
Management's Discussion and Analysis
June 30, 2025

(With Independent Auditor's Report Thereon)

Rhode Island Higher Education Savings Trust

(A Fiduciary Fund of the State of Rhode Island)

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LANDMARK
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INDEPENDENT AUDITOR'S REPORT

State of Rhode Island Office of the General Treasurer and
Ascensus College Savings Recordkeeping Services, LLC
Rhode Island Higher Education Savings Trust

Report on the Audit of the Basic Financial Statements

Opinion

We have audited the accompanying statement of fiduciary net position and statement of changes in fiduciary net position of the **Rhode Island Higher Education Savings Trust** (RIHEST) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise RIHEST's basic financial statements.

In our opinion, the basic financial statements present fairly, in all material respects, the fiduciary net position of RIHEST as of June 30, 2025, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Basic Financial Statements* section of our report. We are required to be independent of RIHEST and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Other

As disclosed in Note 1, RIHEST is included in the State of Rhode Island's financial reporting entity as a fiduciary fund. These basic financial statements present only the activities and balances of RIHEST and do not purport to, and do not, present fairly the fiduciary net position or changes in fiduciary net position of any other fiduciary funds of the state of Rhode Island as of and for the year ended June 30, 2025. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Basic Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with U.S. GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

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Report on the Audit of the Basic Financial Statements *(Continued)*

Responsibilities of Management for the Basic Financial Statements (Continued)

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RIHEST's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Basic Financial Statements

Our objectives are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the basic financial statements.

In performing an audit in accordance with U.S. GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the basic financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RIHEST's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RIHEST's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Report on the Audit of the Basic Financial Statements *(Continued)*

Required Supplementary Information

U.S. GAAP requires that management's discussion and analysis on pages 6 through 25 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board as it is considered to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, on our consideration of RIHEST's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RIHEST's internal control over financial reporting and compliance.



Little Rock, Arkansas
September 30, 2025

Management's Discussion and Analysis
(Unaudited)

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Rhode Island Higher Education Savings Trust

(A Fiduciary Fund of the State of Rhode Island)

Management's Discussion and Analysis
(Unaudited)
June 30, 2025

This management's discussion and analysis is intended to provide readers an objective discussion of the basic financial statements of the Rhode Island Higher Education Savings Trust (RIHEST) as of and for the years ended June 30, 2025 and 2024. This discussion and analysis, which is supplementary information required by the Governmental Accounting Standards Board (GASB), is intended to provide a highly summarized overview of RIHEST's assets, liabilities, fiduciary net position and changes in fiduciary net position and should be read in conjunction with the RIHEST's financial statements and notes thereto, which are included on pages 27 through 41.

* * * * *

RIHEST was created pursuant to Section 16-57-6.1 of the General Laws of Rhode Island and enables residents of Rhode Island and any other state to save money on a tax-advantaged basis to pay for qualified educational expenses through the Rhode Island Tuition Savings Program (the Program). The Program administered under RIHEST includes two savings plan options – CollegeBound 529, which is available exclusively through a financial professional or registered investment advisor, and CollegeBound Saver, which is available without the assistance of a financial professional or registered investment advisor. The Program is designed to comply with the requirements for treatment as a "qualified tuition program" under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued thereunder. Assets of the Program are held in trust for account owners and their beneficiaries.

The Program is administered by the State of Rhode Island Office of the General Treasurer (the Treasurer) in conjunction with the Rhode Island Office of the Postsecondary Commissioner (which includes the Rhode Island Division of Higher Education), the Rhode Island State Investment Commission (the SIC) and the Executive Director of the Rhode Island Student Loan Authority (collectively, the "State Administrators"). The Treasurer has administrative oversight of RIHEST and is responsible for implementing the Program, as well as establishing rules and regulations governing the Program. The SIC is responsible for oversight of the investment of the Program's assets.

The Treasurer may contract with third-party service providers to perform administrative duties and to manage the Program's investments. Ascensus College Savings Recordkeeping Services, LLC (ACSR) serves as Program Manager, responsible for the day-to-day operations of the Program, including recordkeeping and administrative services and marketing, as specified in the Program Management Agreement, as amended, executed by and between ACSR and the Treasurer, which expires in 2026.

Invesco Advisers, Inc. (Invesco), The Vanguard Group, Inc., BlackRock, Inc. and Charles Schwab Investment Management, Inc. provide investment management services in accordance with an asset allocation strategy recommended by Invesco and approved by the SIC. Invesco provides all investment advisory services for the Program, pursuant to a Services Agreement, as amended, executed by and between ACSR and Invesco that expires concurrently with the Program Management Agreement.

Rhode Island Higher Education Savings Trust

(A Fiduciary Fund of the State of Rhode Island)

Management's Discussion and Analysis
(Unaudited)
June 30, 2025

Overview of the Basic Financial Statements

RIHEST's basic financial statements comprise the statement of fiduciary net position, the statement of changes in fiduciary net position and the related notes to the financial statements. The statement of fiduciary net position presents information on RIHEST's assets and liabilities, with the difference between them representing net position held in trust for account owners and their beneficiaries. The statement of changes in fiduciary net position shows how RIHEST's fiduciary net position changed during the year. The notes to the financial statements provide additional explanatory information about the amounts presented in the financial statements. It is essential that readers of this report consider the information in the notes to obtain a full understanding of RIHEST's financial statements.

RIHEST is included in the financial reporting entity of the State of Rhode Island as a fiduciary fund. Assets are held in trust for account owners and beneficiaries and cannot be used to support other governmental programs.

RIHEST's basic financial statements are prepared in accordance with accounting and financial reporting standards for governmental entities set forth by the GASB. As required under generally accepted accounting principles applicable to fiduciary fund types, RIHEST's basic financial statements are prepared using the accrual basis of accounting. Mutual funds and exchange-traded funds (ETFs) are reported at fair value, and investment contracts, which are held in a separate account, are reported at contract value. All investment transactions are recorded on a trade-date basis. Realized and unrealized gains and losses are reported as "net increase (decrease) in the fair value of investments" on the statement of changes in fiduciary net position. Dividends and capital gain distributions are recorded on the ex-dividend date rather than when they are received. Contributions are recognized when they are received, provided enrollment in RIHEST has been successfully completed, and withdrawals are recognized when the withdrawal request has been received and approved for payment. Net administrative fees and expenses are recognized when the related services are provided, regardless of when cash is paid.

Financial Analysis

Fiduciary Net Position

The following condensed statements of fiduciary net position provide a "snapshot" of the overall financial position of RIHEST:

	June 30, 2025	June 30, 2024
Total assets	$ 4,035,498,764	$ 4,104,292,940
Total liabilities	8,609,812	10,621,214
Net position held in trust for account owners and beneficiaries	$ 4,026,888,952	$ 4,093,671,726

Financial Analysis *(Continued)*

Fiduciary Net Position *(Continued)*

The reported balance of net position held in trust for account owners and their beneficiaries represents the cumulative total of contributions since RIHEST's inception, increased (decreased) by net investment income (loss), and decreased by withdrawals and net administrative fees and expenses.

Investments, which totaled $4.0 billion and $4.1 billion at June 30, 2025 and 2024, respectively, represent over 99% of RIHEST's total assets. Account owners are able to direct investment of their contributions into one or more investment options and unit classes, each of which is invested in one or more mutual funds, ETFs or investment contracts (the Underlying Funds) in accordance with an asset allocation strategy approved by the SIC.

Other assets, which totaled $5.6 million at June 30, 2025, and $4.4 million at June 30, 2024, comprise amounts to be invested or distributed on behalf of account owners and their beneficiaries and receivables for proceeds from Underlying Fund sales transactions. RIHEST's liabilities, which totaled $8.6 million at June 30, 2025, and $10.6 million at June 30, 2024, comprise net accrued administrative fees and expenses, payables for withdrawals approved but not yet paid and payables for Underlying Fund purchase transactions.

Changes in Fiduciary Net Position

The following condensed statements of changes in fiduciary net position summarize how RIHEST's net position held in trust changed during the years presented:

	Year Ended June 30, 2025	Year Ended June 30, 2024
Contributions	$ 222,043,405	$ 218,877,182
Net investment income	349,637,855	345,464,159
Withdrawals	(624,730,117)	(668,784,530)
Net administrative fees and expenses	(13,733,917)	(14,303,533)
Net decrease	(66,782,774)	(118,746,722)
Net position held in trust for account owners and beneficiaries, beginning of year	4,093,671,726	4,212,418,448
Net position held in trust for account owners and beneficiaries, end of year	$ 4,026,888,952	$ 4,093,671,726

Rhode Island Higher Education Savings Trust

(A Fiduciary Fund of the State of Rhode Island)

Management's Discussion and Analysis
(Unaudited)
June 30, 2025

Investment Commentary

Global growth continued through the course of 2025, although policy and geopolitical uncertainty increased significantly with the return of the Trump administration. After steady economic growth and broad disinflation in 2024, the macro backdrop became more unsettled, driven by shifting United States (U.S.) trade policy, government spending cuts and diverging global responses. Tariff announcements and evolving trade dynamics further added to global volatility. Despite these challenges, global activity proved more resilient than expected, supported by earlier stimulus and easing trade tensions late in the second quarter.

In the U.S., sentiment indicators softened due to aggressive government spending cuts and renewed concerns over trade policy. In April, the administration announced the "Liberation Day" tariff package, introducing a new 10% baseline tariff. While the most severe measures were delayed, the policy shift weighed on global sentiment. Outside the U.S., some developed markets benefited from targeted fiscal support, including increased infrastructure and defense spending. Economists revised global growth forecasts lower in response to heightened global risks, though near-term activity remained generally positive.

Interest Rates & Inflation

After notable disinflation across developed markets in 2024, inflation trends became more mixed in the course of 2025. In the U.S., disinflation stalled during the first quarter but resumed in the second. Elsewhere, modest inflation increases were observed in parts of Europe and Canada.

Central bank policy diverged meaningfully. The Federal Reserve held rates steady through the first half, citing persistent uncertainty around inflation and policy transmission. In contrast, the European Central Bank, Bank of Canada and Bank of England began rate-cutting cycles in response to softening growth and moderating inflation.

The 10-year U.S. Treasury yield declined in the first quarter amid rising policy concerns, then rose in the second quarter alongside shifting fiscal expectations and market sentiment. Despite regional divergence, the broader trend continued toward gradual global monetary easing.

Equities

Equity markets delivered mixed performance during the course of 2025, a notable shift from the broad-based strength seen in 2024. Last year's rally was led by U.S. large-cap growth stocks, supported by easing inflation and strong corporate earnings. In contrast, the 2025 environment has been shaped by a more unpredictable policy landscape, rising global tensions and shifting risk appetite.

U.S. equities declined early in the year, as concerns around fiscal tightening and renewed trade risks weighed on high-valuation sectors, particularly technology. Reports of artificial intelligence (AI) advances in China added pressure to U.S. growth stocks, which had been key performance drivers of 2024 returns.

Investment Commentary *(Continued)*

Equities *(Continued)*

Markets rebounded late in the second quarter of 2025 following the advancement of a major U.S. tax and spending package, which helped ease recession fears and supported risk assets. U.S. equity gains during the rebound were largely concentrated in a small group of megacap technology stocks. Investor enthusiasm around AI continued to drive performance, consistent with the themes that shaped market sentiment in 2024. Global equities rallied, led by European and emerging markets, excluding China. Meanwhile, Chinese equities lagged, reflecting softer economic momentum and limited policy visibility.

Compared to the more synchronized performance of 2024, the course of 2025 reflected greater dispersion across regions and sectors, driven by the uneven impact of shifting economic trends and policy actions.

Fixed Income

Returns across fixed income sectors were varied in the course of 2025. Long-dated government bonds came under pressure in the second quarter as yields rose, while high-yield credit outperformed due to strong fundamentals and continued investor demand for income. Emerging market bonds posted strong gains, with local currency EM debt reversing its prior weakness. Spreads between Treasuries and U.S. investment grade bonds widened after the initial tariff news but tightened near quarter end as markets recovered and investor confidence appeared to improve. The 2025 environment has been more fragmented, compared to 2024 when credit spreads broadly tightened amid global rate cuts.

Performance among alternative assets also varied. Real estate investment trusts remained under pressure in the course of 2025 due to elevated financing costs and muted transaction activity. Commodity markets were mixed. Crude oil prices declined in response to soft global demand, while gold rallied to new highs, supported by geopolitical uncertainty and inflation-hedging demand.

Outlook

Geopolitical and policy developments are likely to remain central market drivers in throughout 2025. Tariff uncertainty, fiscal tightening and monetary policy divergence are contributing to a complex investment landscape with regional and sector-level implications.

Economic data across developed markets remain broadly stable, supported by resilient consumer sentiment and improving manufacturing activity. While risk appetite has improved modestly, markets have yet to signal a sustained inflection point in global growth expectations. U.S. fiscal policy has become a key focus. Recently passed tax legislation is projected to raise federal debt by an estimated $4 trillion over the next decade, bringing long-term sustainability concerns to the forefront. Yet despite these risks, U.S. government bonds have remained resilient. Yields have declined modestly across the curve, and total returns year-to-date are positive, suggesting that markets continue to expect subdued growth and a patient Federal Reserve.

Invesco expect regional differences in economic performance to continue, as well as persistent volatility tied to policy shifts and fiscal headlines. Against this backdrop, thoughtful positioning grounded in fundamentals will remain key as markets recalibrate to shifting expectations.

Investment Commentary *(Continued)*

CollegeBound 529 Investment Options

Year of Enrollment Portfolios

- CollegeBound 529 offers eleven Year of Enrollment Portfolios that are designed to correspond with the expected date of college enrollment.
- The asset allocation of the Year of Enrollment Portfolios adjusts quarterly, becoming progressively more conservative as high school graduation and college enrollment approach.
- Each Year of Enrollment Portfolio invests in multiple Underlying Funds.

Year Ended June 30, 2025			
Portfolio Name	**Index Name**	**Portfolio Performance**	**+/- Index Performance**
Invesco CollegeBound Today Portfolio	Custom Invesco CollegeBound Today Index	5.25%	-1.34%
Invesco CollegeBound 2023-2024 Portfolio	Custom Invesco CollegeBound 2023-2024 Index	2.34%(1)	2.77%(1)
Invesco CollegeBound 2025-2026 Portfolio	Custom Invesco CollegeBound 2025-2026 Index	6.69%	-1.25%
Invesco CollegeBound 2027-2028 Portfolio	Custom Invesco CollegeBound 2027-2028 Index	7.73%	-1.29%
Invesco CollegeBound 2029-2030 Portfolio	Custom Invesco CollegeBound 2029-2030 Index	8.77%	-1.34%
Invesco CollegeBound 2031-2032 Portfolio	Custom Invesco CollegeBound 2031-2032 Index	9.55%	-1.54%
Invesco CollegeBound 2033-2034 Portfolio	Custom Invesco CollegeBound 2033-2034 Index	10.18%	-1.59%
Invesco CollegeBound 2035-2036 Portfolio	Custom Invesco CollegeBound 2035-2036 Index	10.98%	-1.70%
Invesco CollegeBound 2037-2038 Portfolio	Custom Invesco CollegeBound 2037-2038 Index	11.84%	-1.78%
Invesco CollegeBound 2039-2040 Portfolio	Custom Invesco CollegeBound 2039-2040 Index	12.70%	-1.86%
Invesco CollegeBound 2041-2042 Portfolio	Custom Invesco CollegeBound 2041-2042 Index	13.16%	-1.77%
Invesco CollegeBound 2043-2044 Portfolio	Custom Invesco CollegeBound 2043-2044 Index (Advisor)	6.20%(2)	-2.25%(2)

(1) The Invesco CollegeBound 2023-2024 Portfolio was closed as a Year of Enrollment Portfolio effective October 4, 2024, and account owner balances were transferred into the existing Invesco CollegeBound Today Portfolio. The performance for this portfolio and the corresponding index is for the period from July 1, 2024 through October 3, 2024.

(2) The Invesco CollegeBound 2043-2044 Portfolio was added as a Year of Enrollment Portfolio effective October 4, 2024. The performance for this portfolio and the corresponding index is for the period from October 4, 2024 through June 30, 2025.

Investment Commentary *(Continued)*

CollegeBound 529 Investment Options *(Continued)*

Year of Enrollment Portfolios *(Continued)*

Year Ended June 30, 2024			
Portfolio Name	**Index Name**	**Portfolio Performance**	**+/- Index Performance**
Invesco CollegeBound Today Portfolio	Custom Invesco CollegeBound Today Index	5.44%	-1.38%
Invesco CollegeBound 2023-2024 Portfolio	Custom Invesco CollegeBound 2023-2024 Index	6.31%	-0.11%
Invesco CollegeBound 2025-2026 Portfolio	Custom Invesco CollegeBound 2025-2026 Index	7.26%	0.24%
Invesco CollegeBound 2027-2028 Portfolio	Custom Invesco CollegeBound 2027-2028 Index	8.03%	-0.54%
Invesco CollegeBound 2029-2030 Portfolio	Custom Invesco CollegeBound 2029-2030 Index	8.86%	-1.29%
Invesco CollegeBound 2031-2032 Portfolio	Custom Invesco CollegeBound 2031-2032 Index	9.66%	-1.68%
Invesco CollegeBound 2033-2034 Portfolio	Custom Invesco CollegeBound 2033-2034 Index	10.14%	-2.25%
Invesco CollegeBound 2035-2036 Portfolio	Custom Invesco CollegeBound 2035-2036 Index	10.82%	-3.03%
Invesco CollegeBound 2037-2038 Portfolio	Custom Invesco CollegeBound 2037-2038 Index	11.40%	-3.78%
Invesco CollegeBound 2039-2040 Portfolio	Custom Invesco CollegeBound 2039-2040 Index	12.02%	-4.35%
Invesco CollegeBound 2041-2042 Portfolio	Custom Invesco CollegeBound 2041-2042 Index	12.03%	-4.44%

Investment Commentary *(Continued)*

CollegeBound 529 Investment Options *(Continued)*

Year of Enrollment Portfolios *(Continued)*

The Year of Enrollment Portfolios comprise different weightings of the Underlying Funds listed below:

U.S. Equities	International Equities
Invesco Discovery Mid Cap Growth Fund	Invesco Developing Markets Fund
Invesco Main Street Small Cap Fund	Invesco International Developed Dynamic Multifactor ETF
Invesco MSCI USA ETF	Invesco Oppenheimer International Growth Fund
Invesco Russell 1000 Dynamic Multifactor ETF	Invesco S&P Emerging Markets Low Volatility ETF
Fixed Income	
Invesco Core Plus Bond Fund	Invesco High Yield Fund
Invesco Equal Weight 0-30 Year Treasury ETF	Invesco Short Duration Inflation Protected Fund
Invesco Floating Rate ESG Fund	Invesco Short Term Bond Fund
Global REITs	**Capital Preservation**
Invesco Global Real Estate Income Fund	Invesco Government & Agency Portfolio
	Invesco Stable Value Separate Account

The Year of Enrollment Portfolios seek to achieve capital appreciation, income and preservation of capital, as appropriate, for proximity to their applicable target date. The target date is the year which corresponds to the potential college enrollment year of the beneficiary. The objectives of the Year of Enrollment Portfolios become more focused on capital preservation and income as they approach their applicable target dates.

The Year of Enrollment Portfolios allocate their assets to Underlying Funds consisting of ETFs, mutual funds and a separate account consisting of investment contracts and a money market mutual fund, seeking to provide access to broad asset classes, including domestic U.S. stocks, international stocks, bonds and cash.

The Underlying Funds represent different investment objectives and strategies. The allocation to broad asset classes and weights in the Underlying Funds are expected to change — reducing exposure to stocks and increasing holdings in fixed income and cash equivalents — until the beneficiary enrolls in college. The asset class allocations and investment in Underlying Funds may periodically be rebalanced or modified.

Target Risk Portfolios

- CollegeBound 529 offers four Target Risk Portfolios, in which the asset allocation seeks to meet a specific investment goal and risk tolerance.
- The risk profile of each Target Risk Portfolio will be fixed over time.
- Each Target Risk Portfolio invests in multiple Underlying Funds.

Investment Commentary *(Continued)*

CollegeBound 529 Investment Options *(Continued)*

Target Risk Portfolios *(Continued)*

Year Ended June 30, 2025			
Portfolio Name	**Index Name**	**Portfolio Performance**	**+/- Index Performance**
Invesco Conservative College Portfolio	Custom Invesco Conservative College Index	8.69%	-1.24%
Invesco Moderate College Portfolio	Custom Invesco Moderate College Index	10.86%	-1.67%
Invesco Growth College Portfolio	Custom Invesco Growth College Index	13.22%	-1.74%
Invesco Aggressive College Portfolio	Custom Invesco Aggressive College Index	14.20%	-1.70%

Year Ended June 30, 2024			
Portfolio Name	**Index Name**	**Portfolio Performance**	**+/- Index Performance**
Invesco Conservative College Portfolio	Custom Invesco Conservative College Index	8.47%	-0.45%
Invesco Moderate College Portfolio	Custom Invesco Moderate College Index	10.32%	-2.34%
Invesco Growth College Portfolio	Custom Invesco Growth College Index	11.98%	-4.49%
Invesco Aggressive College Portfolio	Custom Invesco Aggressive College Index	12.61%	-5.35%

The Target Risk Portfolios comprise different weightings of the Underlying Funds listed below:

U.S. Equities	**International Equities**
Invesco Discovery Mid Cap Growth Fund	Invesco Developing Markets Fund
Invesco Main Street Small Cap Fund	Invesco International Developed Dynamic Multifactor ETF
Invesco MSCI USA ETF	Invesco Oppenheimer International Growth Fund
Invesco Russell 1000 Dynamic Multifactor ETF	Invesco S&P Emerging Markets Low Volatility ETF
Fixed Income	
Invesco Core Plus Bond Fund	Invesco High Yield Fund
Invesco Equal Weight 0-30 Year Treasury ETF	Invesco Short Duration Inflation Protected Fund
Invesco Floating Rate ESG Fund	Invesco Short Term Bond Fund
Global REITs	**Capital Preservation**
Invesco Global Real Estate Income Fund	Invesco Government & Agency Portfolio
	Invesco Stable Value Separate Account

Investment Commentary *(Continued)*

CollegeBound 529 Investment Options *(Continued)*

Target Risk Portfolios *(Continued)*

Invesco Conservative College Portfolio

The Invesco Conservative College Portfolio seeks to provide current income and some capital appreciation. This portfolio's indirect stock holdings are a diversified mix of U.S. and foreign large-, mid- and small-capitalization stocks. This portfolio's indirect bond and cash holdings are a diversified mix of short-, intermediate- and long-term U.S. government, U.S. agency and investment-grade U.S. corporate bonds; mortgage backed and asset-backed securities; and government, agency, corporate and securitized investment-grade foreign bonds issued in currencies other than the U.S. dollar (but hedged by Invesco to minimize foreign currency exposure).

Invesco Moderate College Portfolio

The Invesco Moderate College Portfolio seeks to provide current income and some capital appreciation. This portfolio's indirect stock holdings are a diversified mix of U.S. and foreign large-, mid- and small-capitalization stocks. This portfolio's indirect bond holdings are a diversified mix of short-, intermediate- and long-term U.S. government, U.S. agency and investment-grade U.S. corporate bonds; mortgage backed and asset-backed securities; and government, agency, corporate and securitized investment-grade foreign bonds issued in currencies other than the U.S. dollar.

Invesco Growth College Portfolio

The Invesco Growth College Portfolio seeks to provide capital appreciation. This portfolio's indirect stock holdings are a diversified mix of U.S. and foreign large-, mid- and small-capitalization stocks. This portfolio's indirect bond holdings are a diversified mix of short-, intermediate- and long-term U.S. government, U.S. agency and investment-grade U.S. corporate bonds; mortgage backed and asset-backed securities; and government, agency, corporate and securitized investment-grade foreign bonds issued in currencies other than the U.S. dollar.

Invesco Aggressive College Portfolio

The Invesco Aggressive College Portfolio seeks to provide capital appreciation. The portfolio's indirect stock holdings are a diversified mix of U.S. and foreign large-, mid- and small-capitalization stocks. The portfolio's indirect bond holdings are a diversified mix of short-, intermediate- and long-term U.S. government, U.S. agency and investment-grade U.S. corporate bonds; mortgage backed and asset-backed securities; and government, agency, corporate and securitized investment-grade foreign bonds issued in currencies other than the U.S. dollar.

Investment Commentary *(Continued)*

CollegeBound 529 Investment Options *(Continued)*

Individual Portfolios

- CollegeBound 529 offers twenty-two Individual Portfolios, in which the composition of investments remains fixed over time.

Year Ended June 30, 2025			
Portfolio Name	**Index Name**	**Portfolio Performance**	**+/- Index Performance**
Invesco American Franchise Portfolio	Russell 1000 Growth Index-TR	16.02%	-1.20%
Invesco Core Bond Portfolio	Bloomberg U.S. Aggregate Bond Index-TR	5.64%	-0.44%
Invesco Core Plus Bond Portfolio	Bloomberg U.S. Aggregate Bond Index-TR	5.84%	-0.23%
Invesco Developing Markets Portfolio	MSCI Emerging Markets Index-NR	6.61%	-8.68%
Invesco Discovery Mid Cap Growth Portfolio	Russell Midcap Growth Index-TR	15.51%	-10.98%
Invesco Diversified Dividend Portfolio	Russell 1000 Value Index-TR	13.43%	-0.27%
Invesco Equally-Weighted S&P 500 Portfolio	S&P 500 Index-TR	12.14%	-3.03%
Invesco Equity and Income Portfolio	Russell 1000 Value Index-TR	11.67%	-2.04%
Invesco Fundamental High Yield Corporate Bond Portfolio	Bloomberg U.S. Corporate High Yield Index-TR	3.57%[(1)]	-1.27%[(1)]
Invesco Global Focus Portfolio	MSCI ACWI Index-NR	13.74%	-2.43%
Invesco Global Real Estate Income Portfolio	Custom Global Real Estate Income Index	6.05%	-5.13%
Invesco High Yield Portfolio	Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index-TR	3.80%[(1)]	-1.13%[(1)]
Invesco International Developed Dynamic Multifactor Portfolio	FTSE Developed ex U.S. Invesco Dynamic Multifactor Index-TR	11.80%[(2)]	-0.61%[(2)]
Invesco Main Street Small Cap Portfolio	Russell 2000 Index-TR	10.52%	2.83%
Invesco MSCI World SRI Index Portfolio	MSCI World SRI Index-NR	14.03%	0.97%
Invesco NASDAQ 100 Index Portfolio	Nasdaq-100 Index-TR	15.38%	-0.73%
Invesco Oppenheimer International Growth Portfolio	MSCI ACWI ex USA Index-NR	7.78%	-9.94%

Investment Commentary *(Continued)*

CollegeBound 529 Investment Options *(Continued)*

Individual Portfolios *(Continued)*

Year Ended June 30, 2025			
Portfolio Name	**Index Name**	**Portfolio Performance**	**+/- Index Performance**
Invesco Russell 1000 Dynamic Multifactor Portfolio	Russell 1000 Index-TR	8.80%[(2)]	-0.37%[(2)]
Invesco S&P 500 Low Volatility Portfolio	S&P 500 Low Volatility Index-TR	3.37%	-1.06%
Invesco Short Duration Inflation Protected Portfolio	ICE BofA 1-5 Year U.S. Inflation-Linked Treasury Index-TR	6.10%	-0.79%
Invesco Small Cap Growth Portfolio	Russell 2000 Growth Index-TR	4.23%	-5.49%
Invesco Small Cap Value Portfolio	Russell 2000 Value Index-TR	11.13%	5.60%
Invesco Stable Value Portfolio	Bloomberg U.S. Treasury Bellwethers 3 Month Index-TR	2.22%	-2.51%

[(1)] The Invesco Fundamental High Yield Corporate Bond Portfolio was closed as an Individual Portfolio effective October 4, 2024, and account owner balances were transferred into the newly offered Invesco High Yield Portfolio. The performance for the Invesco Fundamental High Yield Corporate Bond Portfolio and the corresponding index is for the period from July 1, 2024 through October 3, 2024, and the performance for the Invesco High Yield Portfolio and the corresponding index is for the period from October 4, 2024 through June 30, 2025.

[(2)] These portfolios were added as additional Individual Portfolios effective October 4, 2024. The performance for these portfolios and their corresponding index is for the period from October 4, 2024 through June 30, 2025.

Investment Commentary *(Continued)*

CollegeBound 529 Investment Options *(Continued)*

Individual Portfolios *(Continued)*

Year Ended June 30, 2024			
Portfolio Name	**Index Name**	**Portfolio Performance**	**+/- Index Performance**
Invesco American Franchise Portfolio	Russell 1000 Growth Index-TR	34.06%	0.58%
Invesco Core Bond Portfolio	Bloomberg U.S. Aggregate Bond Index-TR	3.31%	0.68%
Invesco Core Plus Bond Portfolio	Bloomberg U.S. Aggregate Bond Index-TR	5.09%	2.46%
Invesco Developing Markets Portfolio	MSCI Emerging Markets Index-NR	2.74%	-9.81%
Invesco Discovery Mid Cap Growth Portfolio	Russell Midcap Growth Index-TR	14.13%	-0.92%
Invesco Diversified Dividend Portfolio	Russell 1000 Value Index-TR	11.32%	-1.73%
Invesco Equally-Weighted S&P 500 Portfolio	S&P 500 Index-TR	11.15%	-13.41%
Invesco Equity and Income Portfolio	Russell 1000 Value Index-TR	11.91%	-1.14%
Invesco Fundamental High Yield Corporate Bond Portfolio	Bloomberg U.S. Corporate High Yield Index-TR	7.81%	-2.62%
Invesco Global Focus Portfolio	MSCI ACWI Index-NR	23.81%	4.43%
Invesco Global Real Estate Income Portfolio	Custom Global Real Estate Income Index	4.16%	-0.38%
Invesco Main Street Small Cap Portfolio	Russell 2000 Index-TR	10.53%	0.47%
Invesco MSCI World SRI Index Portfolio	MSCI World SRI Index-NR	13.38%	-1.62%
Invesco NASDAQ 100 Index Portfolio	Nasdaq-100 Index-TR	29.78%	-0.99%
Invesco Oppenheimer International Growth Portfolio	MSCI ACWI ex USA Index-NR	7.38%	-4.24%
Invesco S&P 500 Low Volatility Portfolio	S&P 500 Low Volatility Index-TR	5.46%	-0.76%
Invesco Short Duration Inflation Protected Portfolio	ICE BofA 1-5 Year U.S. Inflation-Linked Treasury Index-TR	4.56%	-0.68%
Invesco Small Cap Growth Portfolio	Russell 2000 Growth Index-TR	10.39%	1.25%
Invesco Small Cap Value Portfolio	Russell 2000 Value Index-TR	28.53%	17.64%
Invesco Stable Value Portfolio	Bloomberg Barclays U.S. Treasury Bellwethers 3 Month Index-TR	1.99%	-3.47%

Investment Commentary *(Continued)*

CollegeBound Saver Investment Options

Year of Enrollment Portfolios

- CollegeBound Saver offers eleven Year of Enrollment Portfolios that are designed to correspond with the expected date of college enrollment.
- The asset allocation of the Year of Enrollment Portfolios adjusts quarterly, becoming progressively more conservative as high school graduation and college enrollment approach.
- Each Year of Enrollment Portfolio invests in multiple Underlying Funds.

Year Ended June 30, 2025			
Portfolio Name	**Index Name**	**Portfolio Performance**	**+/- Index Performance**
CollegeBound Today Portfolio	Custom CollegeBound Today Portfolio Index	6.29%	-0.26%
CollegeBound 2023-2024 Portfolio	Custom CollegeBound 2023-2024 Index	2.53%(1)	2.57%(1)
CollegeBound 2025-2026 Portfolio	Custom CollegeBound 2025-2026 Index	7.62%	-0.16%
CollegeBound 2027-2028 Portfolio	Custom CollegeBound 2027-2028 Index	8.92%	0.05%
CollegeBound 2029-2030 Portfolio	Custom CollegeBound 2029-2030 Index	10.00%	0.09%
CollegeBound 2031-2032 Portfolio	Custom CollegeBound 2031-2032 Index	10.86%	0.00%
CollegeBound 2033-2034 Portfolio	Custom CollegeBound 2033-2034 Index	11.55%	0.00%
CollegeBound 2035-2036 Portfolio	Custom CollegeBound 2035-2036 Index	12.59%	0.10%
CollegeBound 2037-2038 Portfolio	Custom CollegeBound 2037-2038 Index	13.48%	0.04%
CollegeBound 2039-2040 Portfolio	Custom CollegeBound 2039-2040 Index	14.46%	0.06%
CollegeBound 2041-2042 Portfolio	Custom CollegeBound 2041-2042 Index	14.75%	-0.02%
CollegeBound 2043-2044 Portfolio	Custom CollegeBound 2043-2044 Index	8.00%(2)	8.15%(2)

(1) The CollegeBound 2023-2024 Portfolio was closed as a Year of Enrollment Portfolio effective October 4, 2024, and account owner balances were transferred into the existing CollegeBound Today Portfolio. The performance for this portfolio and the corresponding index is for the period from July 1, 2024 through October 3, 2024.

(2) The CollegeBound 2043-2044 Portfolio was added as a Year of Enrollment Portfolio effective October 4, 2024. The performance for this portfolio and the corresponding index is for the period from October 4, 2024 through June 30, 2025.

Investment Commentary *(Continued)*

CollegeBound Saver Investment Options *(Continued)*

Year of Enrollment Portfolios *(Continued)*

Year Ended June 30, 2024			
Portfolio Name	**Index Name**	**Portfolio Performance**	**+/- Index Performance**
CollegeBound Today Portfolio	Custom CollegeBound Today Portfolio Index	6.81%	-0.09%
CollegeBound 2023-2024 Portfolio	Custom CollegeBound 2023-2024 Index	6.09%	-0.33%
CollegeBound 2025-2026 Portfolio	Custom CollegeBound 2025-2026 Index	6.94%	-0.09%
CollegeBound 2027-2028 Portfolio	Custom CollegeBound 2027-2028 Index	8.28%	-0.16%
CollegeBound 2029-2030 Portfolio	Custom CollegeBound 2029-2030 Index	9.65%	-0.23%
CollegeBound 2031-2032 Portfolio	Custom CollegeBound 2031-2032 Index	10.85%	-0.18%
CollegeBound 2033-2034 Portfolio	Custom CollegeBound 2033-2034 Index	11.85%	-0.23%
CollegeBound 2035-2036 Portfolio	Custom CollegeBound 2035-2036 Index	13.21%	-0.33%
CollegeBound 2037-2038 Portfolio	Custom CollegeBound 2037-2038 Index	14.56%	-0.32%
CollegeBound 2039-2040 Portfolio	Custom CollegeBound 2039-2040 Index	15.72%	-0.37%
CollegeBound 2041-2042 Portfolio	Custom CollegeBound 2041-2042 Index	15.87%	-0.33%

Investment Commentary *(Continued)*

CollegeBound Saver Investment Options *(Continued)*

Year of Enrollment Portfolios *(Continued)*

The Year of Enrollment Portfolios comprise different weightings of the Underlying Funds listed below:

U.S. Equity	Fixed Income
iShares Core S&P Total U.S. Stock Market ETF	Invesco Short Term Treasury ETF
	Vanguard Short-Term Investment-Grade Fund
	Vanguard Total Bond Market II Index Fund
	Vanguard Short-Term Inflation-Protected Securities Index Fund
International Equity	**Global REIT**
Vanguard Total International Stock Index Fund	Vanguard Global ex-U.S. Real Estate Index Fund

The Year of Enrollment Portfolios seek to achieve capital appreciation, income and preservation of capital, as appropriate, for proximity to their applicable target dates. The target date is the year which corresponds to the potential college enrollment year of the beneficiary. The objectives of the Year of Enrollment Portfolios become more focused on capital preservation and income as they approach their applicable target dates.

The Year of Enrollment Portfolios allocate their assets to Underlying Funds consisting of ETFs and mutual funds, seeking to provide access to broad asset classes, including domestic U.S. stocks, international stocks, bonds and cash.

The Underlying Funds represent different investment objectives and strategies. The allocation to broad asset classes and weights in the Underlying Funds are expected to change — reducing exposure to stocks and increasing holdings in fixed income and cash equivalents— until the beneficiary enrolls in college. The asset class allocations and investment in Underlying Funds may periodically be rebalanced or modified.

Target Risk Portfolios

- CollegeBound Saver offers three Target Risk Portfolios, in which the asset allocation seeks to meet a specific investment goal and risk tolerance.
- The risk profile of each Target Risk Portfolio will be fixed over time.
- Each Target Risk Portfolio invests in a single Underlying Fund.

Investment Commentary *(Continued)*

CollegeBound Saver Investment Options *(Continued)*

Target Risk Portfolios *(Continued)*

Year Ended June 30, 2025				
Portfolio Name	**Underlying Fund**	**Index Name**	**Portfolio Performance**	**+/- Index Performance**
Conservative Growth Portfolio	Vanguard LifeStrategy Conservative Growth Fund	Custom Conservative Growth Portfolio Index	10.49%	-0.09%
Moderate Growth Portfolio	Vanguard LifeStrategy Moderate Growth Fund	Custom Moderate Growth Portfolio Index	12.53%	-0.22%
Growth Portfolio	Vanguard LifeStrategy Growth Fund	Custom Growth Portfolio Index	14.51%	-0.35%

Year Ended June 30, 2024				
Portfolio Name	**Underlying Fund**	**Index Name**	**Portfolio Performance**	**+/- Index Performance**
Conservative Growth Portfolio	Vanguard LifeStrategy Conservative Growth Fund	Custom Conservative Growth Portfolio Index	8.98%	-0.32%
Moderate Growth Portfolio	Vanguard LifeStrategy Moderate Growth Fund	Custom Moderate Growth Portfolio Index	12.01%	-0.35%
Growth Portfolio	Vanguard LifeStrategy Growth Fund	Custom Growth Portfolio Index	15.09%	-0.38%

Conservative Growth Portfolio

The Conservative Growth Portfolio seeks to provide current income and low to moderate capital appreciation. This portfolio invests 100% of its assets in the Vanguard LifeStrategy Conservative Growth Fund. This Underlying Fund invests in other Vanguard mutual funds according to a fixed formula that reflects an allocation of approximately 60% of the underlying fund's assets to bonds and 40% to common stocks. The targeted percentage of assets in the Vanguard LifeStrategy Conservative Growth Fund is as follows:

- Vanguard Total Bond Market II Index Fund 41%
- Vanguard Total Stock Market Index Fund 25%
- Vanguard Total International Bond Index Fund 17%
- Vanguard Total International Stock Index Fund 17%

Investment Commentary *(Continued)*

CollegeBound Saver Investment Options *(Continued)*

Target Risk Portfolios *(Continued)*

Moderate Growth Portfolio

The Moderate Growth Portfolio seeks to provide capital appreciation and a low to moderate level of current income. This portfolio invests 100% of its assets in the Vanguard LifeStrategy Moderate Growth Fund. This Underlying Fund invests in other Vanguard mutual funds according to a fixed formula that reflects an allocation of approximately 60% of the underlying fund's assets to common stocks and 40% to bonds. The targeted percentage of assets in the Vanguard LifeStrategy Moderate Growth Fund is as follows:

- Vanguard Total Stock Market Index Fund 37%
- Vanguard Total Bond Market II Index Fund 27%
- Vanguard Total International Stock Index Fund 25%
- Vanguard Total International Bond Index Fund 11%

Growth Portfolio

The Growth Portfolio seeks to provide capital appreciation and some current income. This portfolio invests 100% of its assets in the Vanguard LifeStrategy Growth Fund. This Underlying Fund invests in other Vanguard mutual funds according to a fixed formula that reflects an allocation of approximately 80% of the underlying fund's assets to common stocks and 20% to bonds. The targeted percentage of assets in the Vanguard LifeStrategy Growth Fund is as follows:

- Vanguard Total Stock Market Index Fund 49%
- Vanguard Total International Stock Index Fund 33%
- Vanguard Total Bond Market II Index Fund 12%
- Vanguard Total International Bond Index Fund 6%

Investment Commentary *(Continued)*

CollegeBound Saver Investment Options *(Continued)*

Individual Portfolios

- CollegeBound Saver offers eight Individual Portfolios, in which the composition of investments within each portfolio remains fixed over time.
- Except for the Stable Value Portfolio, each portfolio invests in a single Underlying Fund.

Year Ended June 30, 2025				
Portfolio Name	**Underlying Fund**	**Index Name**	**Portfolio Performance**	**+/- Index Performance**
Bond Portfolio	Vanguard Total Bond Market Index Fund	Bloomberg Barclays U.S. Aggregate Float Adjusted Index	6.01%	-0.06%
S&P 500 Portfolio	Schwab S&P 500 Index	S&P 500 Index-TR	15.16%	0.00%
Inflation Protected Bond Portfolio	Vanguard Short-Term Inflation-Protected Securities Index Fund	Bloomberg Barclays U.S. Treasury TIPS 0-5 Year Index-TR	6.55%	0.06%
International Stock Portfolio	Vanguard Total International Stock Index Fund	FTSE Global All Cap ex-U.S. Index-NR	18.32%	0.46%
Global Responsible Equity Portfolio	Invesco MSCI World SRI Index Fund	MSCI World SRI Index-NR	14.44%	1.38%
Stable Value Portfolio	Invesco Stable Value Separate Account	Bloomberg Barclays US Treasury Bellwethers 3 Month Index-TR	2.81%	-1.92%
U.S. Small-Mid Cap Portfolio	Vanguard Extended Market Index Fund	S&P Completion Index-TR	15.61%	0.04%
U.S. Stock Portfolio	Vanguard Total Stock Market Index Fund	CRSP U.S. Total Market Index-TR	15.12%	-0.01%

Investment Commentary *(Continued)*

CollegeBound Saver Investment Options *(Continued)*

Individual Portfolios *(Continued)*

Year Ended June 30, 2024				
Portfolio Name	**Underlying Fund**	**Index Name**	**Portfolio Performance**	**+/- Index Performance**
Bond Portfolio	Vanguard Total Bond Market Index Fund	Bloomberg Barclays U.S. Aggregate Float Adjusted Index	2.74%	0.01%
S&P 500 Portfolio	Schwab S&P 500 Index	S&P 500 Index-TR	24.55%	0.00%
Inflation Protected Bond Portfolio	Vanguard Short-Term Inflation-Protected Securities Index Fund	Bloomberg Barclays U.S. Treasury TIPS 0-5 Year Index-TR	5.35%	-0.02%
International Stock Portfolio	Vanguard Total International Stock Index Fund	FTSE Global All Cap ex-U.S. Index-NR	11.00%	-0.68%
Global Responsible Equity Portfolio	Invesco MSCI World SRI Index Fund	MSCI World SRI Index-NR	13.80%	-1.20%
Stable Value Portfolio	Invesco Stable Value Separate Account	Bloomberg Barclays US Treasury Bellwethers 3 Month Index-TR	2.53%	-2.93%
U.S. Small-Mid Cap Portfolio	Vanguard Extended Market Index Fund	S&P Completion Index-TR	14.96%	0.30%
U.S. Stock Portfolio	Vanguard Total Stock Market Index Fund	CRSP U.S. Total Market Index-TR	23.22%	0.05%

Requests for Information

This financial report is designed to provide a general overview of the Program's financial status and changes in financial status. Additional information is available at www.collegeboundsaver.com and www.collegebound529.com. If you have any questions about the information provided, please call the Program's customer service representatives at 1-877-517-4829 (CollegeBound Saver) or 1-877-615-4116 (CollegeBound 529).

Basic Financial Statements

Rhode Island Higher Education Savings Trust

(A Fiduciary Fund of the State of Rhode Island)

Statement of Fiduciary Net Position
June 30, 2025

ASSETS	
Investments	$ 4,029,883,753
Cash and cash equivalents	4,507,831
Receivables from investments sold	1,107,180
Total Assets	4,035,498,764
LIABILITIES	
Payables for investments purchased	899,891
Withdrawals payable	5,293,246
Accrued administrative fees and expenses, net	2,416,675
Total Liabilities	8,609,812
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES	$ 4,026,888,952

Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2025

ADDITIONS	
Contributions	$ 222,043,405
Investment income:	
Dividends, capital gain distributions and interest	165,435,088
Net increase in the fair value of investments	184,202,767
Net investment income	349,637,855
Total Additions	571,681,260
DEDUCTIONS	
Withdrawals	624,730,117
Net administrative fees:	
Administrative fees and expenses	13,922,366
Fee waivers	(188,449)
Net administrative fees and expenses	13,733,917
Total Deductions	638,464,034
NET DECREASE	(66,782,774)
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, BEGINNING OF YEAR	4,093,671,726
NET POSITION HELD IN TRUST FOR ACCOUNT OWNERS AND BENEFICIARIES, END OF YEAR	$ 4,026,888,952

See accompanying notes to financial statements.

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NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS

(a) General

The Rhode Island Higher Education Savings Trust (RIHEST) was created pursuant to Section 16-57-6.1 of the General Laws of Rhode Island and enables residents of Rhode Island and any other state to save money on a tax-advantaged basis to pay for qualified educational expenses through the Rhode Island Tuition Savings Program (the Program). The Program administered under RIHEST includes two savings plan options – CollegeBound 529, available exclusively through a financial professional or registered investment advisor, and CollegeBound Saver, available without the assistance of a financial professional or registered investment advisor. The Program is designed to comply with the requirements for treatment as a "qualified tuition program" under Section 529 of the Internal Revenue Code of 1986, as amended, and any regulations and other guidance issued thereunder. Assets of the Program are held in trust for account owners and their beneficiaries.

The Program is administered by the State of Rhode Island Office of the General Treasurer (the Treasurer) in conjunction with the Rhode Island Office of the Postsecondary Commissioner (which includes the Rhode Island Division of Higher Education), the Rhode Island State Investment Commission (the SIC) and the Executive Director of the Rhode Island Student Loan Authority (collectively, the "State Administrators"). The Treasurer has administrative oversight of RIHEST and is responsible for implementing the Program, as well as establishing rules and regulations governing the Program. The SIC is responsible for oversight of the investment of the Program's assets. The Treasurer and the SIC may incur costs in providing administrative oversight with respect to the Program. These costs, which total approximately $338,500 for the year ended June 30, 2025, are not reported in the accompanying basic financial statements.

RIHEST is included in the reporting entity of the State of Rhode Island (the State) as a fiduciary fund. Fiduciary funds are used to report assets that are held in a trust or agency capacity for others and therefore cannot be used to support a government's own programs.

These financial statements present only the balances and transactions that are directly attributable to RIHEST. These financial statements are not intended to, and do not, represent a complete presentation of the financial position and changes in financial position of any other fiduciary funds of the State.

(b) Administration

The Treasurer may contract with third-party service providers to perform administrative duties and to manage the Program's investments. Ascensus College Savings Recordkeeping Services, LLC (ACSR) serves as Program Manager, responsible for the day-to-day operations of the Program, including recordkeeping and administrative services and marketing, as specified in the Program Management Agreement, as amended, executed by and between ACSR and the Treasurer, which expires in 2026.

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS (Continued)

(b) Administration *(Continued)*

Invesco Advisers, Inc. (Invesco), The Vanguard Group, Inc., BlackRock Inc. and Charles Schwab Investment Management, Inc. provide investment management services in accordance with an asset allocation strategy recommended by Invesco and approved by the SIC. Invesco provides all investment advisory services for the Program, pursuant to a Services Agreement, as amended, executed by and between ASCR and Invesco that expires concurrently with the Program Management Agreement.

Pursuant to the terms of their respective agreements, ACSR and Invesco are required to spend certain amounts on marketing the savings options offered through RIHEST. These marketing costs, which total approximately $2.5 million for the year ended June 30, 2025, are not reported in the accompanying basic financial statements.

The Services Agreement requires that Invesco pay $200,000 annually to the Treasurer to cover a portion of the cost of administering the Program. These administrative payments are not reported in the accompanying basic financial statements. In addition, the Program Management Agreement requires that ACSR spend the greater of $200,000 annually or $100 per eligible child (not to exceed $650,000) in support of CollegeBound Starter (formerly known as CollegeBound*baby*), a program administered by the Treasurer's Office that awards a one-time $100 grant for college savings to babies born or adopted as Rhode Island residents who meet certain eligibility criteria. Funding in support of these grant awards is included in contributions in the accompanying basic financial statements in the period during which the contribution is paid to RIHEST.

The Bank of New York Mellon Corporation (BNY) is the custodial agent for certain assets invested through the Program, responsible for maintaining a custody account to provide for safekeeping and recordkeeping.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

In accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to fiduciary fund types prescribed by the Governmental Accounting Standards Board (GASB), RIHEST's basic financial statements are prepared using the flow of economic resources measurement focus and accrual basis of accounting.

(b) Income Taxes

The Program has been designed to comply with the requirements for treatment as a "qualified tuition program" under Section 529 of the Internal Revenue Code, as amended, and any regulations and other guidance issued thereunder. RIHEST is exempt from federal and state income tax.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Estimates

The preparation of basic financial statements, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

(d) Investments

RIHEST's investments consist of mutual funds, exchange-traded funds (ETFs) and investment contracts, which are held in a separate account (collectively, the "Underlying Funds").

Mutual funds and ETFs are reported at fair value, based on the net asset value per share (mutual funds) or closing market prices (ETFs) at the close of the New York Stock Exchange (NYSE) on the reporting date. Net realized and unrealized gains (losses) are included in "net increase (decrease) in the fair value of investments" on the statement of changes in fiduciary net position. Purchases and sales of shares of mutual funds and ETFs, as well as investments into or withdrawals from the investment contracts, are recorded on a trade-date basis. Dividends and capital gain distributions are recorded on the ex-dividend date and are automatically reinvested in additional shares of the respective mutual fund or ETF.

The investment contracts, which include contracts issued by insurance companies, are fully benefit-responsive and are reported at contract value, which is equal to contributions, plus interest credited at a guaranteed rate, less withdrawals and any applicable fees and expenses. These contracts, also referred to as "wrap contracts," are backed by a diversified portfolio of high-quality bonds, including government securities, corporate bonds, mortgage-backed and asset-backed securities and cash equivalents. Each wrap contract represents a general obligation of the issuing company to pay account owner distributions at contract value, even if the market value of the assets associated with each contract is less than the contract value of the assets. Interest accrues as it is earned.

Accounting standards categorize fair value measurements according to a hierarchy that is based on valuation inputs that are used to measure fair value. Level 1 inputs are quoted prices for identical assets in active markets that can be accessed at the measurement date. Level 2 inputs are inputs other than quoted prices that are observable for an asset, either directly or indirectly. Level 3 inputs are unobservable. The fair values of RIHEST's mutual funds and ETFs are determined using Level 1 inputs. The fair value standards are not applicable to the investment contracts, as they are reported at contract value, rather than fair value.

RIHEST maintains investments in government money market mutual funds to ensure sufficient liquid resources are available to process account owner transactions and pay administrative fees when due. In addition, these government money market mutual funds are included in the underlying asset allocation of certain Year of Enrollment Portfolios and Target Risk Portfolios (see Note 2(f)). These funds are not subject to withdrawal restrictions. The government money market mutual funds are reported in RIHEST's basic financial statements based on the net asset value per share, as determined by the fund administrator.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Investments *(Continued)*

These funds seek to maintain a stable net asset value of $1 per share by using the amortized cost method to value the underlying portfolio of assets, which include cash, highly liquid U.S. government obligations and repurchase agreements that are fully collateralized by U.S. government obligations. The amortized cost method approximates fair value, based on the nature of the underlying assets. There is no guarantee that the net asset value will always remain at $1 per share. The fair value measurement hierarchy discussed above does not apply to these government money market mutual funds.

(e) Cash and Cash Equivalents

Cash and cash equivalents generally include contributions received that have not yet been invested in Underlying Funds and/or redemption proceeds from Underlying Funds for withdrawals that have not yet been distributed in accordance with account owners' instructions.

Contribution and withdrawal transactions are processed through non-interest-bearing accounts maintained for CollegeBound 529 and CollegeBound Saver at BNY. These accounts are registered in the name and taxpayer identification number of the State. The combined bank balances of these accounts at June 30, 2025, total $53,511. Balances in these accounts are insured by the Federal Deposit Insurance Corporation (FDIC), along with any other accounts maintained at BNY under the same taxpayer identification number, in the aggregate, up to the maximum amount allowed under federal law. Amounts in excess of FDIC insurance limits are not collateralized or covered by supplementary insurance.

Excess cash balances are swept daily from the BNY accounts described in the preceding paragraph and invested in a government money market mutual fund structured to maintain a net asset value per share equal to $1. The combined balance of these accounts at June 30, 2025, is $9,008,273.

(f) Contributions

Individuals or entities meeting eligibility requirements that have properly executed a participation agreement with the Program may establish an account to which cash contributions may be made, subject to certain minimum contribution requirements and limitations on the aggregate amount of contributions. Contributions received by ACSR prior to the close of the NYSE are recorded as increases in fiduciary net position on the date they are received, provided that all related documentation is found to be in good order and approved by ACSR.

Account owners may elect to invest their contributions in one or more investment options, including Year of Enrollment Portfolios, Target Risk Portfolios and Individual Portfolios. The Year of Enrollment Portfolios allow account owners to choose a predetermined investment strategy based on the beneficiary's expected date of college enrollment. Over time, assets will transition from a heavier weight in equities in earlier years to more conservative investments in fixed-income securities and cash as the beneficiary approaches college enrollment. The Target Risk Portfolios allow account owners to invest based on risk tolerance and investment goals. The risk profile of each Target Risk Portfolio will be fixed over time. The Individual Portfolios are structured for exposure to a single type of asset class.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Contributions *(Continued)*

In addition to the various investment options, account owners investing in CollegeBound 529 must select from several classes of units, including Class A, Class C and Class I. Class RA and Class RZ units were available to eligible Rhode Island residents prior to June 25, 2021, but are no longer available to new account owners after that date. Existing account owners holding Class RA and Class RZ units are still permitted to make additional contributions in those unit classes. Account owners investing in Class A and Class RZ units of CollegeBound 529 are generally subject to an initial charge of up to 3.50% and 1.25%, respectively, on amounts contributed. Individual contribution transactions that equal or exceed $500,000 are not subject to initial sales charges. In addition, there are certain limited circumstances, as more fully described in the *CollegeBound 529 Program Description* and related supplements, where these initial sales charges do not apply. Contributions are presented on the statement of changes in fiduciary net position net of initial sales charges, which total approximately $1.9 million for the year ended June 30, 2025. Account owners investing in Class C units of CollegeBound 529 and $500,000 or more in Class A units of CollegeBound 529 may be assessed a contingent deferred sales charge of 1.00% for Class C and 0.40% for Class A of the amount invested if the account owner withdraws the contribution within twelve months of making the contribution. All or a portion of these sales charges are paid to the financial advisors through whom account owners invest in CollegeBound 529. Class RA and Class I are not subject to initial sales charges or contingent deferred sales charges.

In exchange for contributions, account owners receive full and/or fractional interests, or units, issued by RIHEST. These units are municipal fund securities. Although money contributed is invested in investment options that hold mutual funds, ETFs or investment contracts, the units themselves are not direct investments in the mutual funds, ETFs or investment contracts. These units are not insured by the FDIC or the State, nor have they been registered with the Securities and Exchange Commission or any state commission.

In addition, although account owners can select the investment options in which their contributions are invested, they cannot direct the selection or allocation of the Underlying Funds composing each investment option.

(g) Withdrawals

Account owners may request withdrawals for qualified or non-qualified expenses. It is the responsibility of the account owner to determine whether or not the withdrawal is for qualified educational expenses and to calculate the applicable amount of federal or state tax or penalties for non-qualified withdrawals, if any. Withdrawals are recorded as deductions from fiduciary net position on the date the withdrawal request is found to be in good order and approved by ACSR.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Withdrawals *(Continued)*

Withdrawals include annual account fees and other transaction fees. Annual account fees are assessed annually in the anniversary month of the account opening for all non-Rhode Island resident accounts in CollegeBound 529. In addition, this fee is waived if the account balance is at least $25,000, there is an active recurring contribution to the account or a payroll direct deposit is made at least 90 days before the annual account fee is charged. In addition to the annual account fees, account owners may be subject to service fees for certain transactions, such as returned checks, outgoing wire transfers, overnight delivery charges and requests for historical statements. Annual account fees and service fees total approximately $1.5 million for the year ended June 30, 2025, and are paid to ACSR.

In addition, as explained in Note 2(f), certain withdrawals of contributions from CollegeBound 529 may be subject to contingent deferred sales charges, a portion of which is paid to the financial advisors through whom account owners invest in CollegeBound 529. Contingent deferred sales charges total approximately $43,000 for the year ended June 30, 2025.

(h) Exchanges, Conversions and Transfers

Subject to certain limitations and restrictions, account owners may generally direct that their account balance be reinvested in one or more different investment options twice per calendar year. Transfers of funds between investment options are referred to as “exchanges.”

In general, for accounts in CollegeBound 529, Class C units automatically convert to Class A units in the fifth year after purchase. These transactions are referred to as “conversions.”

Under certain conditions, account assets may be transferred from one beneficiary to another or from one account owner to another. These transactions are referred to as “transfers.”

The amounts of contributions and withdrawals reported on the statement of changes in fiduciary net position do not include exchanges, conversions or transfers, as these types of transactions have no impact on the overall financial position of RIHEST.

(i) Unit Valuation

Each account owner’s full and/or fractional interest in an investment option is evidenced by a unit. The net asset value of a unit is calculated daily based on the value of the Underlying Funds, adjusted for the effects of transactions such as accrued administrative fees and accrued investment income. The value of any individual account is determined by multiplying the number of units in an investment option attributable to that account owner by the net asset value per unit of that investment option.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Indemnification

Neither the State Administrators, ACSR, Invesco nor any other person or entity, indemnifies any account owner or designated beneficiary against losses or other claims arising from the official or unofficial acts, negligent or otherwise, of management of RIHEST. The State Administrators, ACSR and Invesco enter into contracts related to the operation and administration of RIHEST that contain a variety of representations and warranties that provide general indemnifications. The maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the State Administrators, ACSR or Invesco that have not yet occurred. However, neither the State Administrators, ACSR nor Invesco have experienced any prior claims or losses pursuant to these contracts, and the risk of loss is expected to be remote.

NOTE 3: INVESTMENTS

(a) Investments by Type

The Underlying Funds held by RIHEST at June 30, 2025, are as follows:

	Category / Designation	Value
Mutual Funds, at fair value		
Invesco American Franchise Fund	Large Growth	$ 16,263,048
Invesco Core Bond Fund	Intermediate Core Bond	4,712,930
Invesco Core Plus Bond Fund	Intermediate Core-Plus Bond	218,277,211
Invesco Developing Markets Fund	Diversified Emerging Markets	83,007,996
Invesco Discovery Mid Cap Growth Fund	Mid-Cap Growth	62,915,567
Invesco Diversified Dividend Fund	Large Value	139,420,679
Invesco Equally-Weighted S&P 500 Fund	Large Blend	146,849,401
Invesco Equity and Income Fund	Moderate Allocation	40,877,738
Invesco Floating Rate ESG Fund	Bank Loan	73,788,106
Invesco Global Focus Fund	Global Large-Stock Growth	2,784,769
Invesco Global Real Estate Income Fund	Global Real Estate	23,113,671
Invesco High Yield Fund	High Yield Bond	234,216,303
Invesco Main Street Small Cap Fund	Small Blend	110,116,974
Invesco MSCI World SRI Index Fund	Global Large-Stock Blend	11,103,110
Invesco NASDAQ 100 Index Fund	Large Growth	31,675,731
Invesco Oppenheimer International Growth Fund	Foreign Large Growth	122,155,356
Invesco Short Duration Inflation-Protected Fund	Inflation-Protected Bond	206,457,730
Invesco Short-Term Bond Fund	Short-Term Bond	154,997,268
Invesco Small Cap Growth Fund	Small Growth	18,871,550
Invesco Small Cap Value Fund	Small Value	5,802,286

(Continued)

NOTE 3: INVESTMENTS (Continued)

(a) Investments by Type *(Continued)*

	Category / Designation	Value
Mutual Funds, at fair value		
Schwab S&P 500 Index Fund	Large Blend	$ 39,232,908
Vanguard Extended Market Index Fund	Domestic Mid Blend	15,209,226
Vanguard Global ex-U.S. Real Estate Index Fund	Global Real Estate	2,425,158
Vanguard LifeStrategy Conservative Growth Fund	Global Moderately Conservative Allocation	7,183,348
Vanguard LifeStrategy Growth Fund	Global Moderately Aggressive Allocation	37,769,897
Vanguard LifeStrategy Moderate Growth Fund	Global Moderately Allocation	21,468,929
Vanguard Short-Term Inflation-Protected Securities Index Fund	Inflation-Protected Bond	21,091,324
Vanguard Short-Term Investment-Grade Fund	Short-Term Bond	12,792,576
Vanguard Total Bond Market Index Fund	Intermediate-Term Bond	6,382,219
Vanguard Total Bond Market II Index Fund	Intermediate-Term Bond	95,408,505
Vanguard Total International Stock Index Fund	Foreign Large Blend	38,970,142
Vanguard Total Stock Market Index Fund	Large Blend	69,656,161
Total Mutual Funds		2,074,997,817
ETFs, at fair value		
Invesco Equal Weight 0-30 Year Treasury ETF	Long Government	312,083,264
Invesco International Developed Dynamic Multifactor ETF	Foreign Large Blend	67,546,608
Invesco MSCI USA ETF	Large Blend	313,134,229
Invesco Russell 1000 Dynamic Multifactor ETF	Large Blend	325,235,319
Invesco S&P 500® Low Volatility ETF	Large Value	7,023,244
Invesco S&P Emerging Markets Low Volatility ETF	Diversified Emerging Markets	30,555,252
Invesco Short Term Treasury ETF	Ultrashort Bond	35,514,259
iShares Core S&P Total U.S. Stock Market ETF	Large Blend	73,919,168
Total ETFs		1,165,011,343
Other Investments		
Investment contracts, at contract value (see Note 3(b))		569,661,588
Government money market funds		220,213,005
Total Other Investments		789,874,593
Total Investments		$ 4,029,883,753

NOTE 3: INVESTMENTS (Continued)

(b) Investment Contracts

RIHEST maintains a stable value separate account managed by Invesco. This account invests in guaranteed investment contracts issued by insurance companies and bank investment contracts issued by financial institutions. The contract values, by issuer, of each contract outstanding at June 30, 2025, are as follows:

American General Life Insurance Company	$ 95,379,010
Nationwide Life Insurance	93,006,541
Pacific Life Insurance	95,282,736
Prudential Insurance Company	95,082,445
Reinsurance Group of America	97,306,242
Voya Retirement and Annuity	93,604,614
Total investment contracts, at contract value	$ 569,661,588

Crediting interest rates on these contracts range from 2.59% to 3.48% during the year ended June 30, 2025. These rates may reset periodically.

The contracts are wrap contracts. The underlying assets held in the wrap accounts are set forth in the related agreements and are the Invesco RI 529 Custom Short Fund, Jennison RI 529 SV Intermediate Fund, Invesco RI 529 Core Fund and the Loomis Sayles RI 529 SV Intermediate Fund.

The aggregate fair value of these contracts is estimated by Invesco to be $539,285,114 at June 30, 2025. While the individual contracts are not rated by a nationally recognized statistical rating organization, the credit ratings of the contract issuers range from A+ to AA- (Standard & Poor's) at June 30, 2025.

(c) Net Increase in the Fair Value of Investments

The following table calculates the net increase in the fair value of investments during the year ended June 30, 2025:

Investments, end of year	$ 4,029,883,753
Less cost of investments purchased and investment income reinvested during the year	(1,901,627,670)
Plus proceeds from investments sold during the year	2,155,842,898
Less investments, beginning of year	(4,099,896,214)
Net increase in the fair value of investments	$ 184,202,767

NOTE 3: INVESTMENTS (Continued)

(d) Investment Risk

The mutual funds and ETFs in which RIHEST assets are invested include various investment securities in their asset holdings, such as corporate debt and equity securities, obligations of the U.S. government and government agencies and international securities. These securities are exposed to interest rate, market and credit risk, and it is at least reasonably possible that changes in their fair values could occur in the near term, materially affecting account owner balances and the amounts reported in RIHEST's basic financial statements.

U.S. GAAP requires that certain disclosures be made related to RIHEST's investment policy and its exposure to credit risk, interest rate risk and foreign currency risk, which are included in the paragraphs that follow.

Investment Policy

The SIC has set forth investment objectives and performance monitoring requirements applicable to RIHEST in an investment policy statement. The overarching objective is to provide account owners with a range of investment options, allowing for diverse levels of risk tolerance, return expectations and time horizons. The policy requires analysis of investment managers to assess investment manager performance and to determine adherence to investment policy guidelines. There are no provisions of the policy that specifically address credit risk, interest rate risk, concentrations of credit risk or foreign currency risk.

Credit Risk

Certain Underlying Funds invest in bonds issued by corporations, foreign governments, the U.S. government and its agencies and instrumentalities. As a result of its investment in these Underlying Funds, RIHEST is indirectly exposed to credit risk, which is the risk that a bond issuer will fail to pay interest and principal, when due, as a result of adverse market or economic conditions.

None of the mutual funds or ETFs in which RIHEST invests are rated as to credit rating by a nationally recognized statistical rating organization. The government money market mutual funds (Invesco Government & Agency Portfolio) are rated AAAm (Standard & Poor's) at June 30, 2025.

RIHEST's mutual funds, ETFs and government money market mutual funds are not subject to classification by custodial credit risk, which is the risk that RIHEST will not recover the value of investments that are in the possession of an outside party.

Interest Rate Risk

Certain Underlying Funds invest primarily in short- and intermediate-term bonds and are exposed to interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely impact the fair value of an investment. Average maturity, which is a measure of interest rate risk, is the average length of time until fixed-income securities held by a fund reach maturity and will be repaid, taking into consideration the possibility that the issuer may call a bond before its maturity date. In general, the longer the average maturity, the more a fund's share price will fluctuate in response to changes in interest rates.

NOTE 3: INVESTMENTS (Continued)

(d) Investment Risk *(Continued)*

Interest Rate Risk *(Continued)*

As of June 30, 2025, the average maturity of holdings in each of the bond funds in which RIHEST is invested is as follows:

	Average Maturity
Invesco Core Bond Fund	8.2 years
Invesco Core Plus Bond Fund	12.2 years
Invesco Equal Weight 0-30 Year Treasury ETF	10.2 years
Invesco Floating Rate ESG Fund	44 days
Invesco Government & Agency Portfolio	11 days
Invesco High Yield Fund	8.9 years
Invesco Short Duration Inflation-Protected Fund	2.9 years
Invesco Short-Term Bond Fund	4.5 years
Invesco Short Term Treasury ETF	0.3 years
Vanguard Short-Term Inflation-Protected Securities Index Fund	2.5 years
Vanguard Short-Term Investment-Grade Fund	2.9 years
Vanguard Total Bond Market Index Fund	8.2 years
Vanguard Total Bond Market II Index Fund	8.2 years

Foreign Currency Risk

Certain Underlying Funds invest in non-U.S. stocks and fixed income securities representing the major developed and emerging equity markets (see Note 3(a)), which may indirectly expose RIHEST to foreign currency risk, which is the risk that changes in exchange rates will adversely affect the fair value of an investment. There are certain inherent risks involved when investing in international securities that are not present with investments in domestic securities, such as foreign currency exchange rate fluctuations, adverse political and economic developments and the possible prevention or delay of currency exchange due to foreign governmental laws or restrictions.

NOTE 4: ADMINISTRATIVE FEES, EXPENSES AND WAIVERS

(a) Administrative Fees and Expenses

Administrative fees and expenses include Program management fees, State administrative fees and distribution and service fees, as described below. All administrative fees are accrued daily and calculated based on the aggregate net position attributable to each applicable investment option. Administrative fees do not include annual account fees or transaction services fees charged directly to the account owners, which are included in withdrawals, as disclosed in Note 2(g).

Program Management Fee

All non-Rhode Island resident accounts and Rhode Island resident accounts opened in CollegeBound 529 after June 25, 2021, are assessed a Program management fee, which is paid to ACSR to cover the costs of administering and managing the Program.

NOTE 4: ADMINISTRATIVE FEES, EXPENSES AND WAIVERS (Continued)

(a) Administrative Fees and Expenses *(Continued)*

State Administrative Fees and Expenses

All non-Rhode Island resident accounts and Rhode Island resident accounts opened after June 25, 2021, invested in CollegeBound 529 are assessed a State administrative fee, which is paid to the State Administrators to support the administration and operation of CollegeBound 529 and the establishment and marketing of educational activities and scholarship funds in the state of Rhode Island. The amount of State administrative fees includes 0.005% accrued on all investment options in CollegeBound 529, which is remitted to the Treasurer to cover administrative costs, and 0.015% accrued on all investment options in CollegeBound 529, which is contributed to the Student Fund managed by the Rhode Island Office of the Postsecondary Commissioner to be used to fund Rhode Island Promise scholarships. For the year ended June 30, 2025, State administrative fees total $170,606, and Student Fund contributions total $505,941.

In addition to the 0.015% paid to the Student Fund from the Program's assets, Invesco is required to contribute 0.095% to the Student Fund. Such contributions, which total $3,213,055 for the year ended June 30, 2025, are paid directly by Invesco and are not included in State administrative fees and expenses in RIHEST'S basic financial statements.

Distribution and Service Fee

All non-Rhode Island resident accounts, Rhode Island resident accounts invested in Class RA units and Rhode Island resident accounts opened after June 25, 2021 in CollegeBound 529 are subject to an annual distribution and service fee, which is paid to Invesco and financial advisors for the performance of certain distribution and account servicing functions.

Administrative fees and expenses for the year ended June 30, 2025 are as follows:

Program management fees	$ 4,793,408
State administrative fees and expenses	676,547
Distribution and service fees	8,452,411
Total administrative fees and expenses	$ 13,922,366

(b) Underlying Fund Expenses

Fees and expenses incurred by the investment managers related to management of the Underlying Funds (Underlying Fund Expense) reduce the amount of income available for distribution to RIHEST in the form of dividends and capital gain distributions. These Underlying Fund Expenses are not direct expenses paid from RIHEST assets, and therefore, are not included in administrative fees and expenses in RIHEST's basic financial statements.

NOTE 4: ADMINISTRATIVE FEES, EXPENSES AND WAIVERS (Continued)

(b) Underlying Fund Expenses *(Continued)*

The Underlying Fund Expense on certain Underlying Funds may not exceed certain amounts as specified in the *CollegeBound 529 Program Description* and the *CollegeBound Saver Program Description* and related supplements. In the event that the Underlying Fund Expense exceeds the maximum limit, Invesco is required to reimburse RIHEST for the excess. Such reimbursements, referred to as "fee waivers," total $188,449 for the year ended June 30, 2025, and are netted against administrative fees and expenses for purposes of presentation on the statement of changes in fiduciary net position.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

State of Rhode Island Office of the General Treasurer and
Ascensus College Savings Recordkeeping Services, LLC
Rhode Island Higher Education Savings Trust

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **Rhode Island Higher Education Savings Trust** (RIHEST), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise RIHEST's basic financial statements, and have issued our report thereon dated September 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered RIHEST's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of RIHEST's internal control. Accordingly, we do not express an opinion on the effectiveness of RIHEST's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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State of Rhode Island Office of the General Treasurer and
Ascensus College Savings Recordkeeping Services, LLC (Program Manager)
Rhode Island Higher Education Savings Trust

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether RIHEST's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and agreements, noncompliance with which could have a direct and material effect on the basic financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of RIHEST's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering RIHEST's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Little Rock, Arkansas
September 30, 2025