

Alternative opportunities

2026 outlook and methodology | USD

Invesco Solutions



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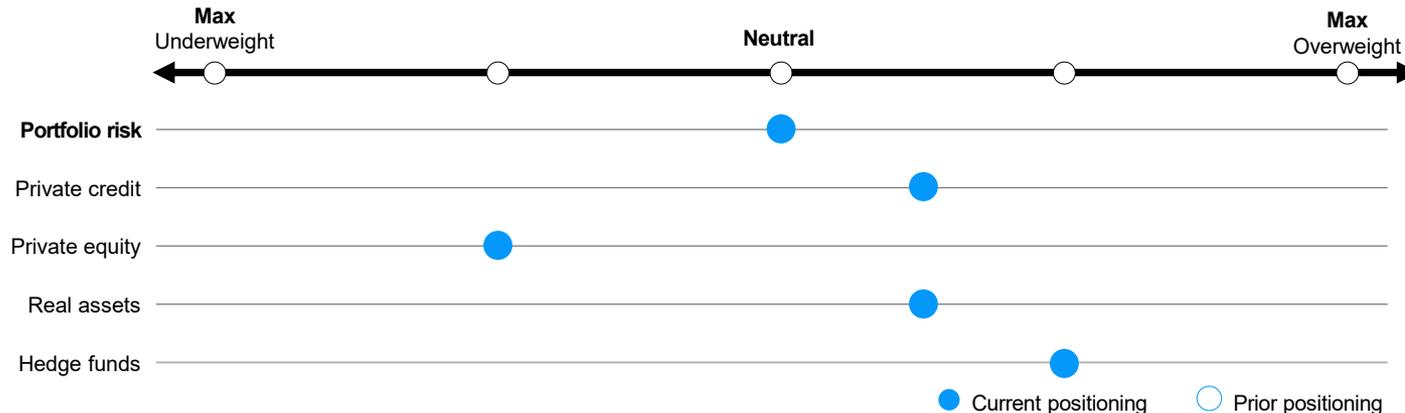
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Executive summary



Jeff Bennett, CFA
Head of Manager Selection
Invesco Solutions



Portfolio risk

We remain neutral on how we're allocating risk within our alternatives portfolio into the new year. We are encouraged by the stabilization of equity and credit markets, the revival of M&A activity, and a normalization of base rates. We favor defensive alternatives, favoring private debt, real assets, and hedged strategies.

Private credit

We are still overweight direct lending as all-in yields remain attractive for senior positioning, especially in the core middle market. Significant private equity dry powder and a backlog of exits point to a continuation of recently improved deal activity. We are overweight real estate credit given high levels of current income and a recovering real estate equity market.

Private equity

We remain underweight private equity (PE), but beneath the surface, we are beginning to normalize our views on leveraged buyouts versus growth strategies. The reopening of capital markets and aging of dry powder lead to a rapid deployment of PE capital in the second half of 2025.

Real assets

We're slightly increasing our exposure to real estate as our conviction for the outlook that valuations have bottomed is beginning to firm. Capital market activity in the U.S. real estate equity market improved meaningfully in 2025, though price growth has been mild and tenant demand continues to adjust to public policy shifts.

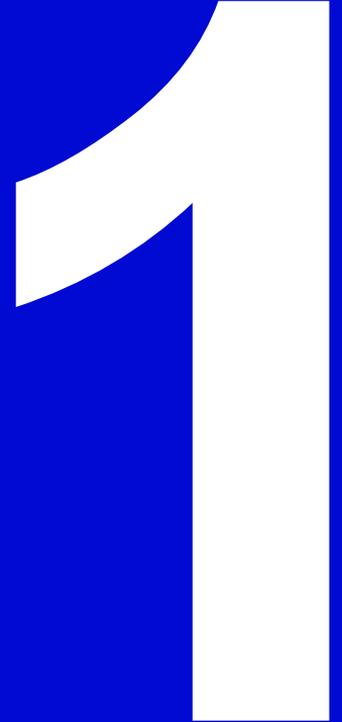
Hedge funds

We believe hedge funds with lower betas to market risk may be a valuable alternative within a portfolio. Our view is still attractive towards hedge funds, however it is moderating as the capital markets reopen and outlook for equity markets improves.

Source: Invesco Solutions, views as of Jan. 19, 2026. The opinions expressed are those of the author, are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals.

Private credit

Direct lending
and real asset debt



2026 alternative opportunities: Private credit



Jeff Bennett, CFA
Head of Manager Selection
Invesco Solutions

Presently overweight private credit as spreads begin to widen in public markets

Asset class	Overall	Valuations	Fundamentals	Secular trend
Direct lending	Overweight	Neutral	Neutral	Attractive
Real asset credit	Overweight	Attractive	Neutral	Attractive
Alternative credit	Overweight	Neutral	Neutral	Attractive



Ron Kantowitz
Head of Direct Lending
Invesco Private Debt

Direct lending

We are still overweight direct lending as all-in yields remain attractive for senior positioning, especially in the core middle market. Significant private equity dry powder and a backlog of exits point to a continuation of recently improved deal activity, despite competition from the broadly syndicated market. As clarity improves on rates, recession risk, and global tensions, we anticipate direct lending will continue to offer high single-digit to low double-digit returns, supported by floating-rate structures, strong demand from private equity sponsors, and a favorable credit outlook.

Distressed debt and special situations

Pockets of stress and uncertainty remain where we see opportunities for distressed debt and special situations to provide financing. Interest is growing in new-money and super-senior deals tied to amend-and-extend transactions. Capital solutions are increasing in volume and quality, driven by longer private equity (PE) holding

periods and high base rates. Stress is emerging in loans trading below par, while par credit has remained well bid. These dynamics should persist, potentially creating attractive, risk-adjusted returns for investors willing to navigate complexity.

Commercial real estate debt

We are overweight real estate credit given high Real estate capital markets have exhibited resiliency amid the volatility experienced last year, as evidenced by spread compression and by CMBS issuance volume that has already exceeded levels seen over the past several years. Rate cuts are expected to impact yields for alternative lenders; however, the Federal Reserve anticipates that benchmark rates will remain elevated over the long term. Overall, rate cuts will be beneficial for both lenders and borrowers, resulting in less pressure on credit metrics and more liquid capital markets — particularly for asset classes such as Life Science and Office, which continue to

experience headwinds, with Office performance varying by market and vintage. In addition to the cost of back leverage decreasing, the impact of rate cuts will also be partially mitigated by interest rate floors for alternative private lenders. Rate cuts are likely to spur transaction activity, driving greater demand for loans and potentially widening spreads — both favorable trends for alternative lenders heading into the new year.

Infrastructure debt

Spreads remain attractive, driven in part by secular infrastructure tailwinds* resulting, in large part, from the convergence of two powerful themes in digitization and energy transition.

Alternative credit

Absolute yields remain attractive relative to longer-term averages, and pockets of outsized return opportunities exist in areas such as venture lending.

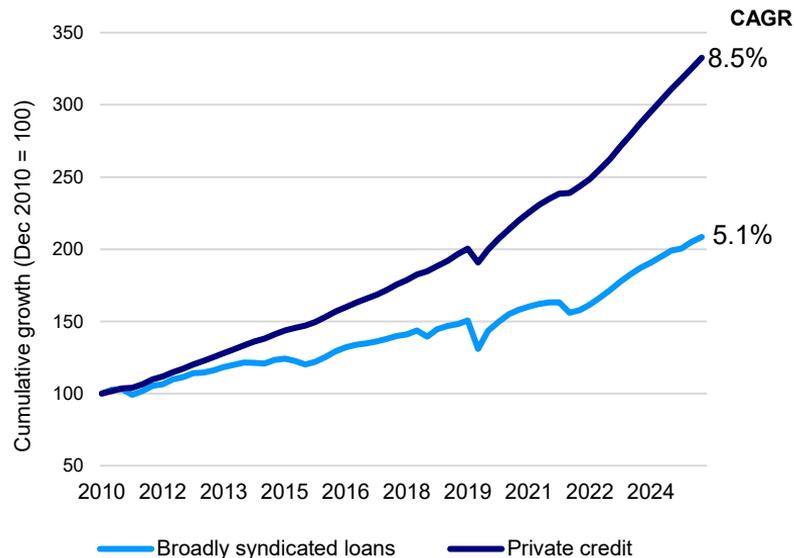


Charlie Rose
Global Head of Commercial
Real Estate Credit

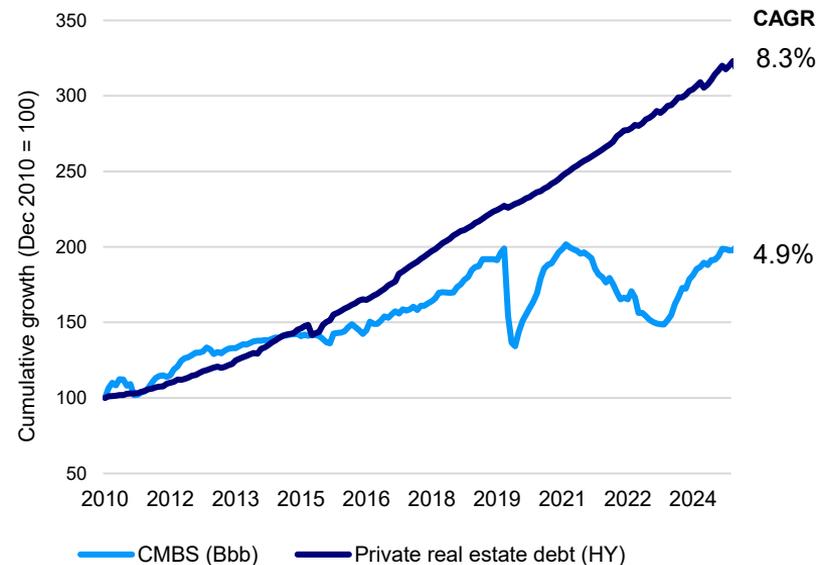
Sources: Invesco Solutions, Invesco Private Credit, Invesco Real Estate Credit, views as of Jan. 19, 2026. *See real assets section for more detail on the secular trends in infrastructure.

Cumulative growth of private credit vs. public credit

Senior direct lending and broadly syndicated loans



Real estate debt and CMBS



Sources: Investment growth of 100; Private credit represented by the Cliffwater Senior Direct Lending Index and broadly syndicated loans represented by the S&P UBS Leveraged Loan Total Return Unhedged index, quarterly from Dec. 31, 2010 to Sep. 30, 2025 or most recently available; CMBS (BBB) represented by Bloomberg Non-Agency Investment Grade CMBS: Bbb Total Return Unhedged Index and private real estate debt (HY) represented by the Giliberto-Levy High Yield Commercial Real Estate Debt Index (G-L 2), monthly, from Dec. 31, 2010 to Sept. 30, 2025 or most recently available. Private credit is net of normative fees, while loans are gross of fees. An investment cannot be made directly into an index. **Past performance is no guarantee of future results.**

Views on private assets: Private credit

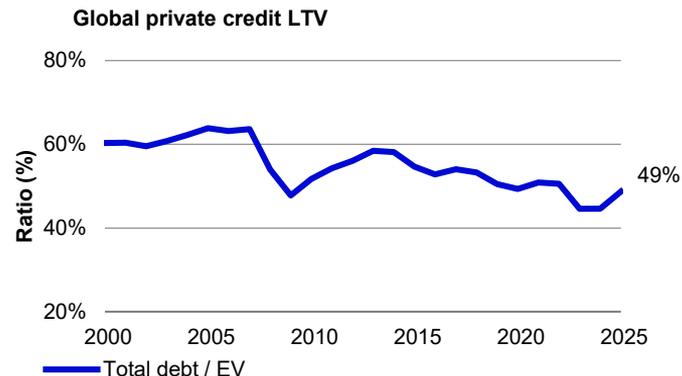
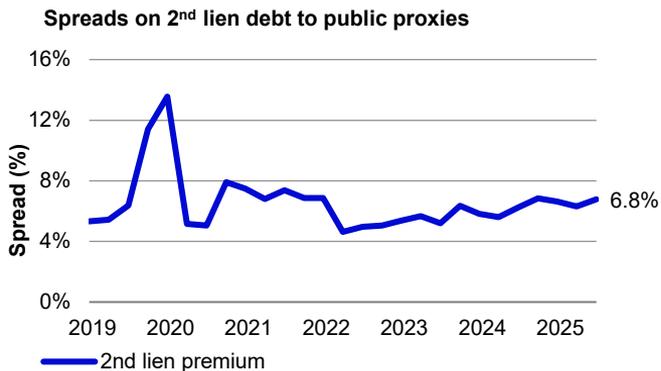
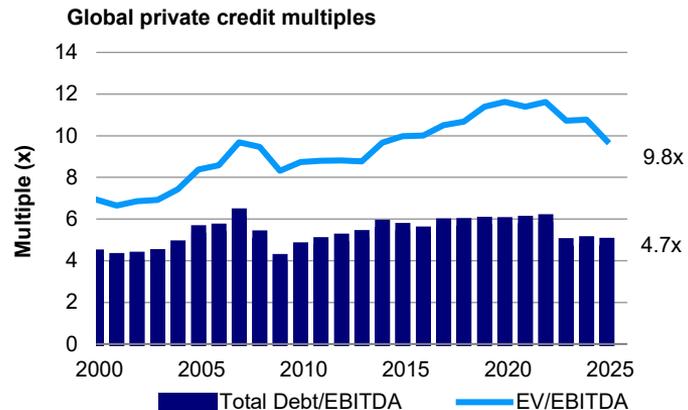
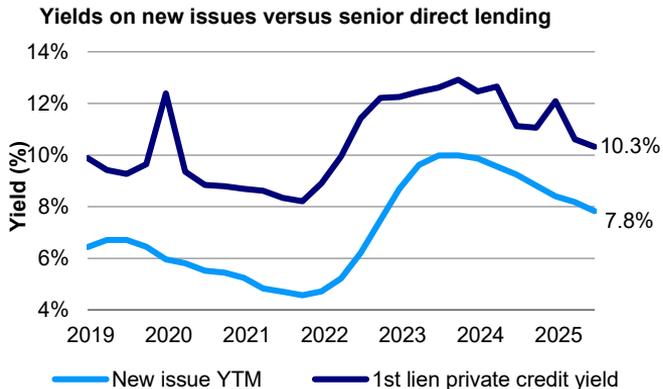
Investment type	Spread (SOFR+, bps*)	Allocation range			Comments
		Underweight	Neutral	Overweight	
Direct lending senior (1st lien)	500-600				<ul style="list-style-type: none"> Anchor for diversified private debt portfolios. Favorable environment for creditors, with strong covenants and call protections.
Direct lending junior (2nd lien/mezz)	750-950				<ul style="list-style-type: none"> Borrowing that occurs behind senior/1st lien private corporate debt. Potential for opportunistic financing with attractive risk/reward.
Real estate debt (Mezz)	550-750				<ul style="list-style-type: none"> Mortgage secured by a lien on a commercial property. High single-digit returns**. Low CMBS issuance and pullback from US regional banks have improved opportunity.
US infrastructure debt (HY)	500-600				<ul style="list-style-type: none"> Current environment allows for 1st lien secured Opco loans. Long-term contractual cash flows, CPI linkages, and lower defaults/higher recoveries. Secular trends driving growth in digital and renewables sectors and limited competition from regional banks drive favorable supply-demand dynamics.
Alternative credit	500-900				<ul style="list-style-type: none"> Non-traditional markets such as loans, leases and other receivables. Asset-backed nature of collateral and amortization schedules.
Venture debt (1st lien)	900+				<ul style="list-style-type: none"> Loans to well-capitalized venture-backed borrowers with LTVs typically below 20%. Limited access to IPO markets and increased cost of capital for venture equity drive favorable pricing and higher creditor protections.
Distressed debt/special situations	900+				<ul style="list-style-type: none"> Focus on capital solutions and special situations opportunities. We see many small companies pressured by higher rates and inflation looking for capital solutions.

Source: Invesco Solutions, views as of Jan. 19, 2026. *Spreads include OID. **See slide 6. For illustrative purposes only.

Spotlight: Private credit

1st lien private credit – new issue YTM and leverage ratios

Spreads on offer to 1st lien lenders are attractive on an absolute, relative, and risk-adjusted basis.

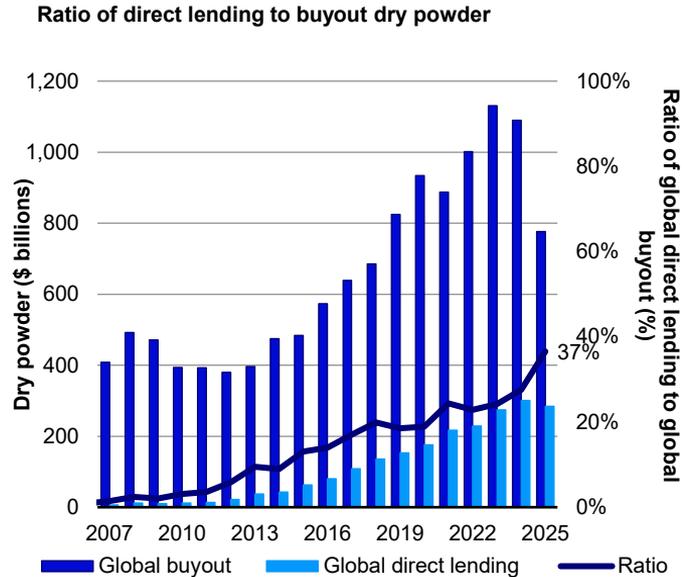


Sources: Pitchbook, LCD Leveraged Loan, SEC EDGAR, Bloomberg L.P., as of Sep. 30, 2025. Most recent global multiples and LTV data presented as a YTD figure as of Sep 30, 2025. New issues refer to broadly syndicated loans over \$200M issued within the quarter and presented as a 4Q moving average and are as of Sep 30, 2025. 2nd lien spread over LIBOR estimates based on SEC filings by a representative sample of BDCs and is calculated by subtracting an HY corporate bond yield based on Option-Adjusted Spread on BBG US Corp HY Index. **Past performance is no guarantee of future results.**

Supply-demand dynamics

Direct lending and buyout dry powder and loan issuance

Supply-demand dynamics support a robust environment for lenders with available dry powder. While still not at average levels, we have seen a notable uptick in broadly syndicated loan volume as markets reopened.

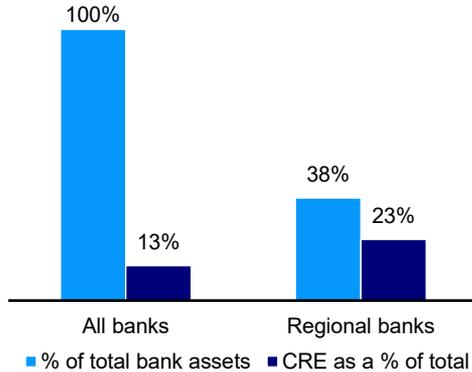


Sources: Invesco Solutions, Preqin, Pitchbook LCD, data as of Sep. 30, 2025.

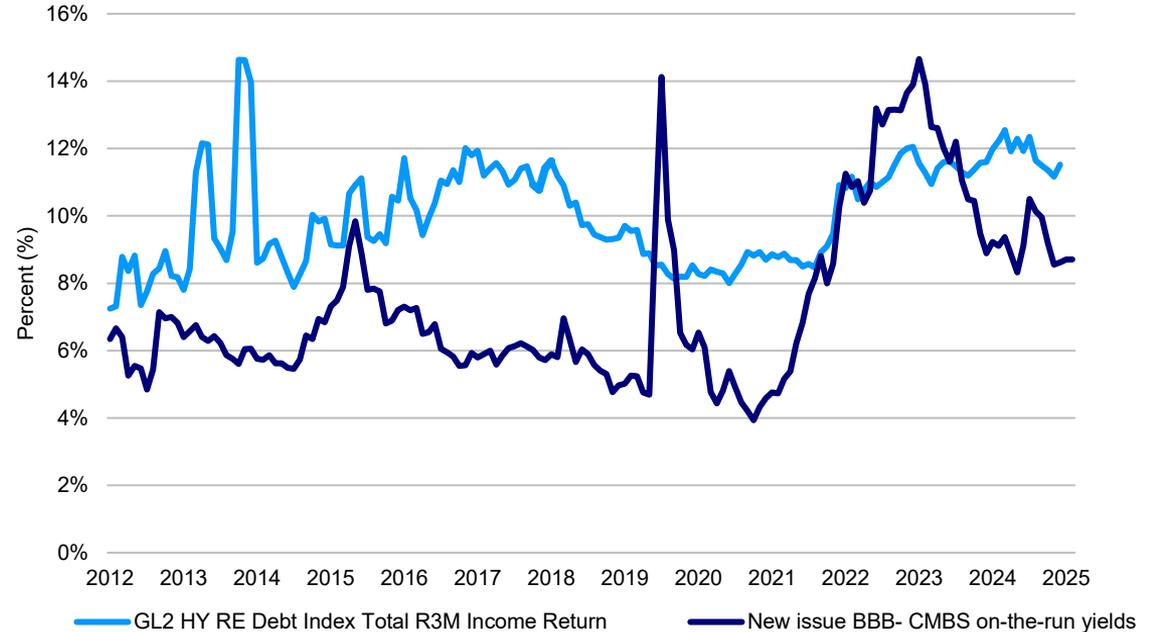
Real estate credit

High absolute yields and “illiquidity premium” supported by reduced supply of loans from regional banks.

Regional banks as a percentage of CRE loans



Real estate credit yields compared to proxy new issue BBB- CMBS new issue on-the-run yields



Sources: Invesco Solutions, Gilberto-Levy, FDIC, JP Morgan for BBB-CMBS new issue yields, Bloomberg L.P., as of Nov. 30, 2025. Regional bank data as of June. 30, 2025. Regional banks defined as “Assets \$1B - \$250B.” **Past performance is no guarantee of future results.**

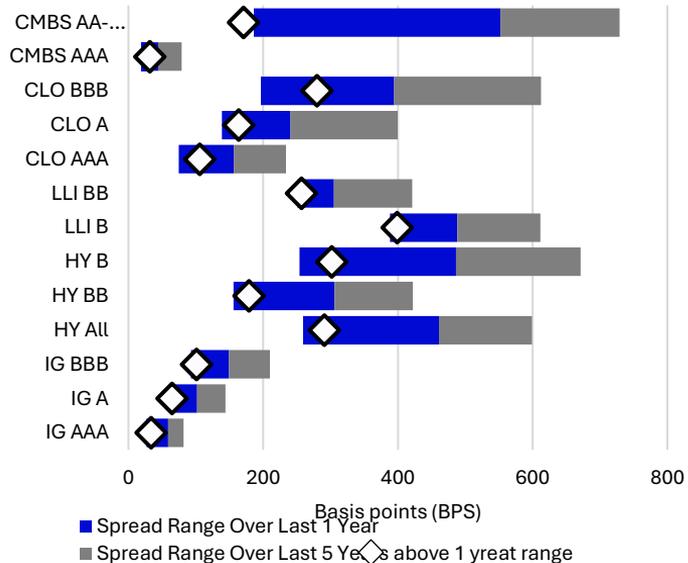
Spotlight: Alternative credit

Liquid alternative spreads and venture lending

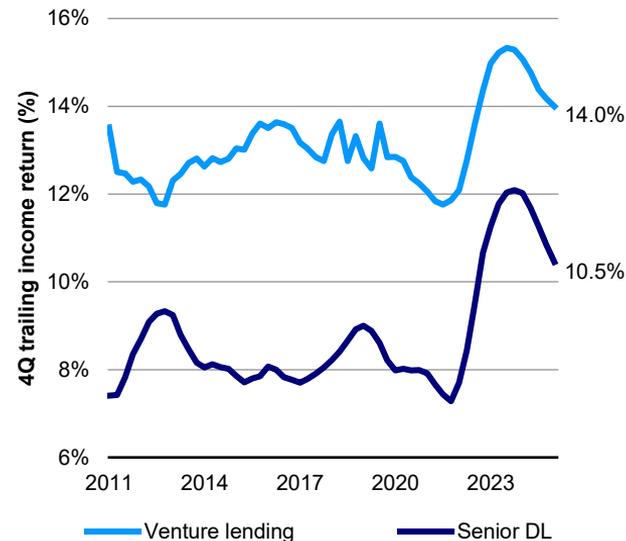
Spreads within alternative credit have returned to recent tightness following a short period of tariff related market volatility.

The more illiquid parts of the alternative credit market, such as venture lending, offer a spread premium over direct lending.

Liquid alternative spreads (current, 1-year and 5-year ranges)



Venture lending versus senior direct lending income return

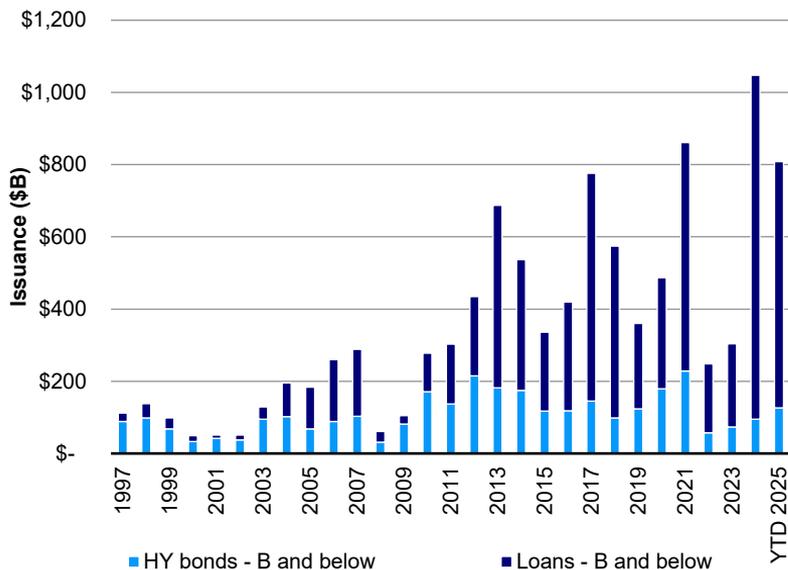


Sources: Invesco Solutions, Bloomberg L.P., ICE Bank of America, Morningstar, JPMorgan, as of Dec. 12, 2025. Cliffwater, as of Dec. 31, 2024. IG, HY, CMBS AAA spreads are OAS to spot treasury, CMBS AA-BBB is spread-to-worst over Government, LL is spread-to-maturity over base rate, and CLO is discount margin-to-worst. Please see appendix for index proxies. **Past performance is no guarantee of future results.**

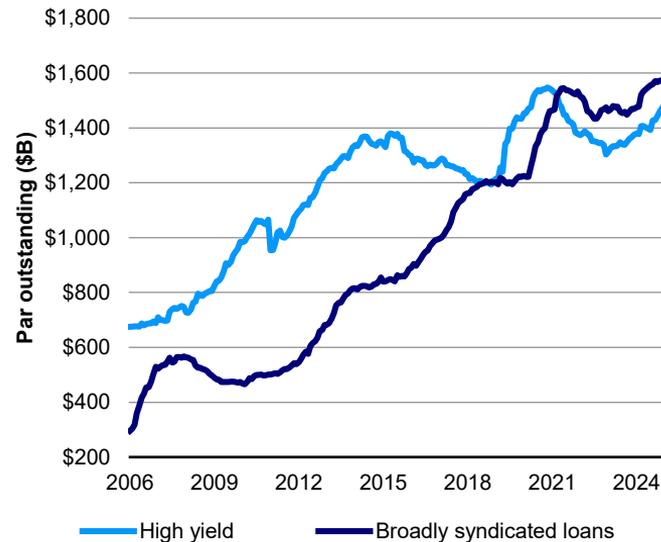
Distressed

Significant issuance in the loan market rated single B and below, showcasing the opportunity set relative to history.

HY and loan annual issuance



HY and loan par amount outstanding



Sources: Invesco Solutions, ICE BofA, Bloomberg L.P., JP Morgan, as of Dec. 8, 2025.

Private equity
Large buyout

2

2026 alternative opportunities: Private equity



Jeff Bennett, CFA
Head of Manager Selection
Invesco Solutions

Underweight private equity (PE) as valuations are moderating, with pockets of opportunity in private-to-private transactions

Asset class	Overall	Valuations	Fundamentals	Secular trend
Private equity	Underweight	Unattractive	Neutral	Neutral

Private equity outlook and positioning

We remain underweight private equity (PE) but, beneath the surface, we are beginning to normalize our views on leveraged buyouts versus growth strategies. The reopening of capital markets and aging of dry powder led to a rapid deployment of PE capital in the second half of 2025, totaling \$1.2 trillion in deal value, near the \$1.3T peak from 2021, and the second consecutive year of annual growth. Exits have also surpassed recent depressed levels post-2021, giving some much-needed hope for GPs looking to return capital to their investors through distributions. In this environment, we believe secondaries will continue to attract meaningful interest from investors as a release valve for those seeking

to transact their current stakes. Despite M&A activity improving meaningfully, IPO activity has been suppressed as growth-oriented companies with negative EBITDA are able to stay private longer. This trend may be a secular dynamic as firms justifiably prefer this to going public if they can continue to gain market share and raise capital.

Moderating view on growth

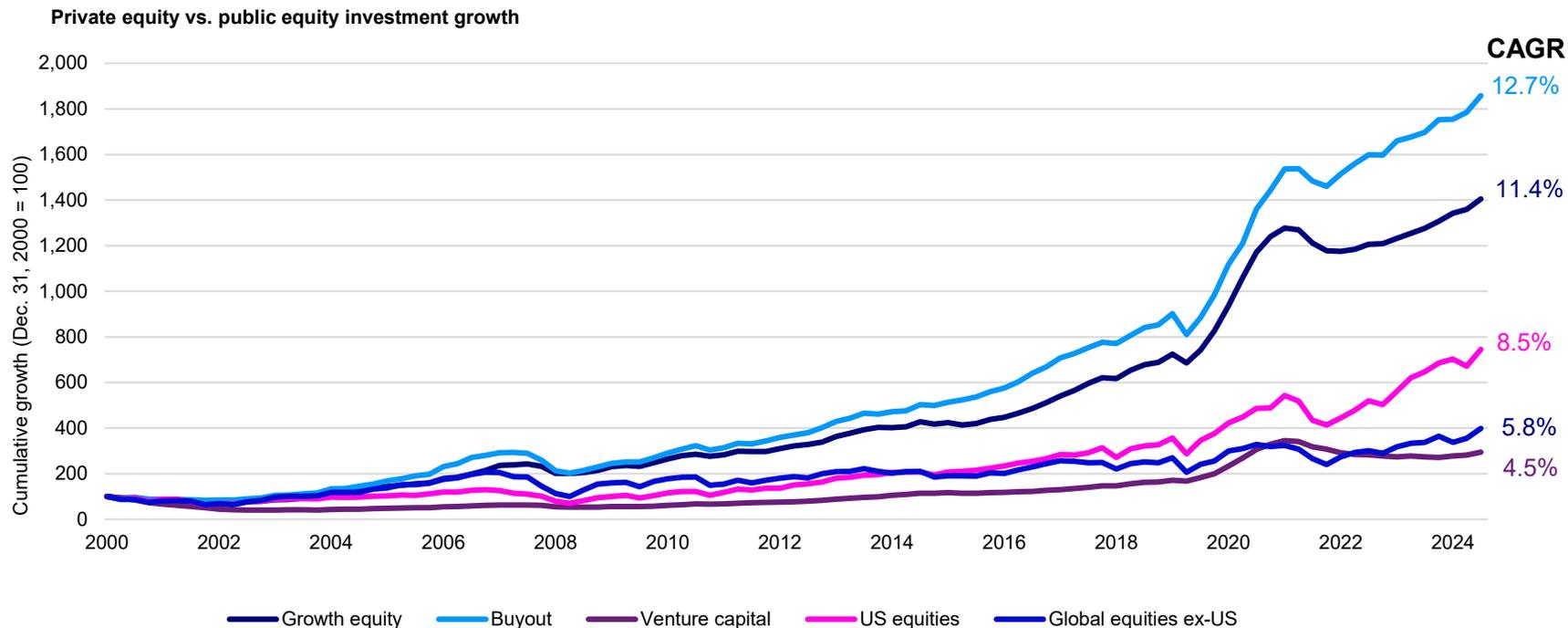
Returns for large buyouts have performed well despite the challenges facing the asset class*. We anticipate growth equity and expansion capital to outperform, given significant investor demand for equity-financed deals versus those that are backed by expensive debt. Venture capital (VC) has begun to recover as

valuations outside of AI have begun to expand.

Late-stage VC backed companies with post-money valuations of at least \$1 billion have continued to perform well in today's environment, outperforming broad VC funds and publicly traded technology companies. These "Unicorns" have returned a combined 19% over the past 10 years, nearly doubling the returns of broader VC at 10%**.

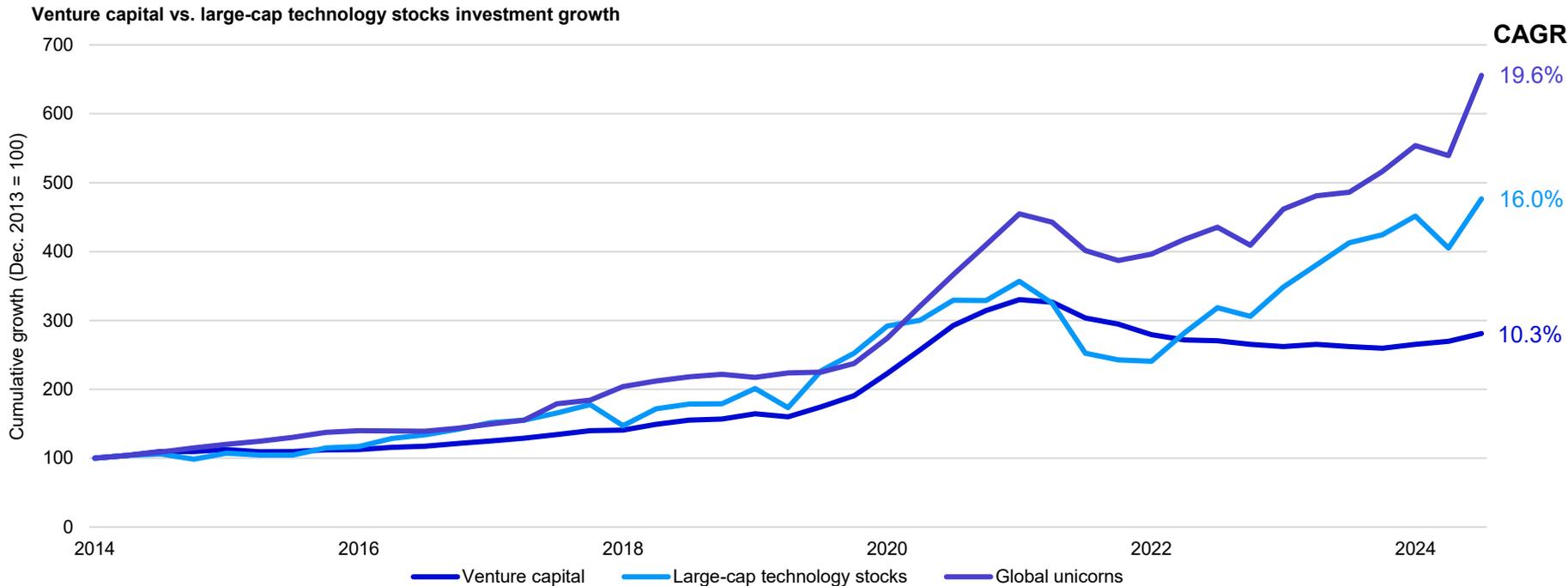
Sources: Invesco Solutions, Pitchbook, views as of Jan. 19, 2026. *See slide 15. **See slide 16.

Cumulative growth of private equity vs. public equity



Sources: Investment growth of 100; Private asset index return data: VC / growth equity from Preqin; large buyout index return data from Burgiss and are net of fees. US equity returns represented by Russell 3000 TR index; Global ex-US equity returns represented by MSCI ACWI ex USA net TR index are gross of fees. All data is quarterly from Dec. 31, 2000 to Jun. 30, 2025, or most recently available. **Past performance does not guarantee future results.** Please see appendix for index proxies.

Cumulative growth of VC, tech stocks, and unicorns



Sources: Investment growth of 100; Private asset index return data (VC) from Prequin and are net of fees, quarterly from Dec. 31, 2014 to Jun. 30, 2025; Technology stocks represented by Nasdaq Composite TR Index are gross of fees, quarterly from Dec. 31, 2014 to Jun. 30, 2025. Global unicorns are represented by the Morningstar PitchBook Global Unicorn Index which tracks privately held, late-stage venture capital-backed global companies with post-money valuations of at least \$1 billion. from Dec. 31, 2014 to Jun. 30, 2025.

Past performance does not guarantee future results.

Views on private assets: Private equity

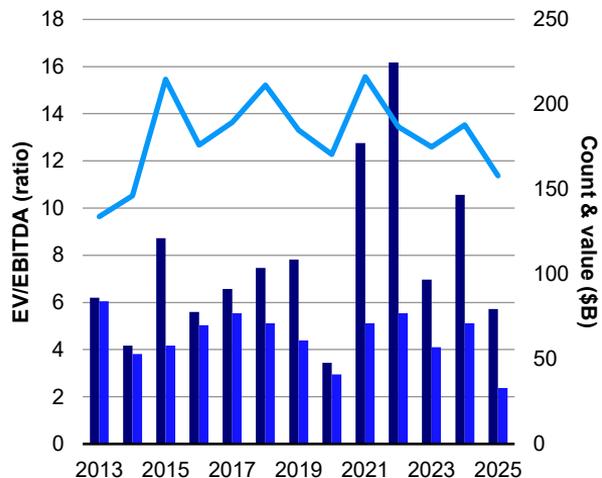
Investment type	Allocation range			Comments
	Underweight	Neutral	Overweight	
Large buyout				<ul style="list-style-type: none"> • Exposure to high quality companies backed by strong management teams. • Renewed opportunity for take-private transactions and private-to-private exits at favorable valuations balanced by headwinds from high cost of debt.
Growth/expansion equity				<ul style="list-style-type: none"> • Profitable franchises exposed to secular growth themes. • Less competition for deals from the IPO or SPAC markets. • Heightened focus on platforms.
Venture capital				<ul style="list-style-type: none"> • Exposure to a wide variety of disruptive technologies and secular growth themes at an early stage. • Challenging exit environment with the potential for a sustained period of "down rounds." • Valuations have corrected meaningfully in recent quarters.
Secondaries				<ul style="list-style-type: none"> • Robust volumes. • Attractive discounts, particularly in venture and real estate. • Secular tailwinds in GP-led space.

Source: Invesco Solutions, views as of Jan. 19, 2026. For illustrative purposes only.

US large buyout take-private volume and EV/EBITDA valuations

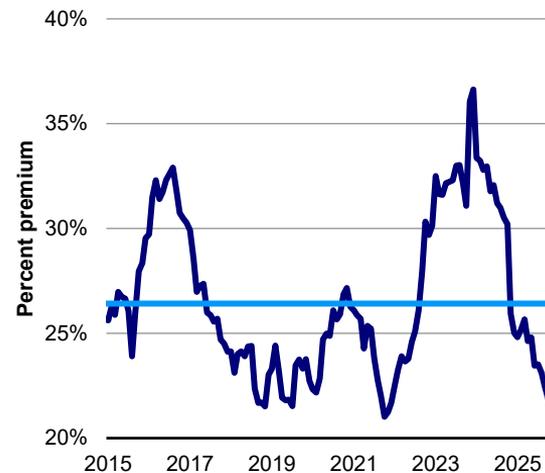
Transaction volume near pre-COVID-19 levels. Premiums have reverted to their long-term averages from recent peaks.

Take-private deal volume compared to EV/EBITDA



- Announced total value (\$B)
- Count
- Median target EV to trailing 12M EBITDA

M&A deal premium vs. long-term average

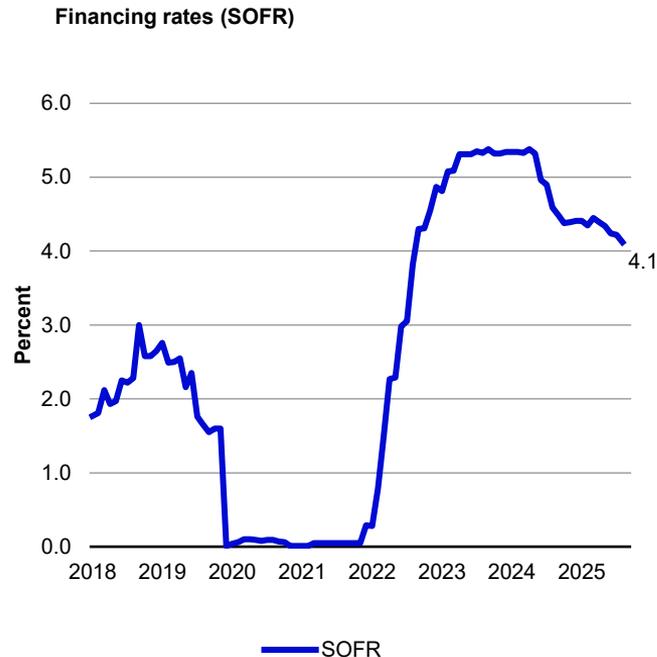
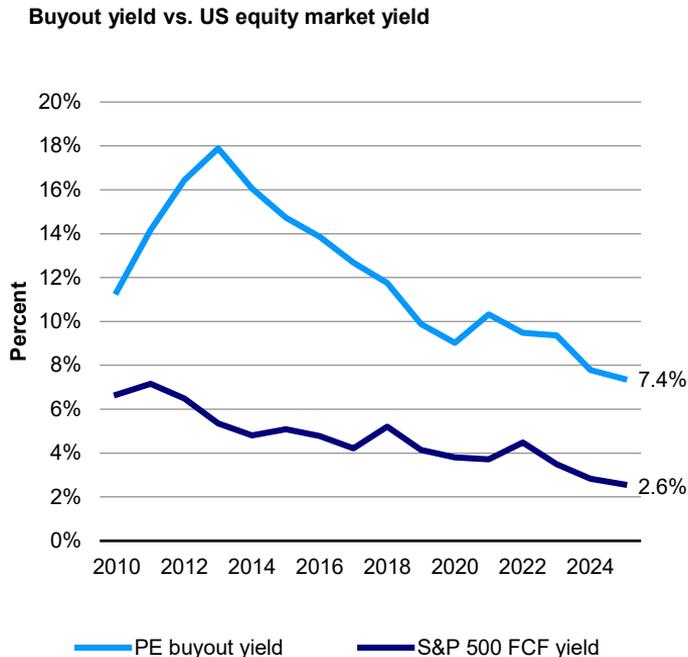


- T12M Average
- LTA

Sources: Invesco Solutions, Bloomberg L.P., as of Dec. 8, 2025. 2025 date in left-hand side is YTD.

US large buyout vs equity market yield

Purchase prices rebounded following tariff volatility. The environment for M&A has been made more challenging by elevated financing costs. We anticipate this pressure will ease as base rates are lowered.

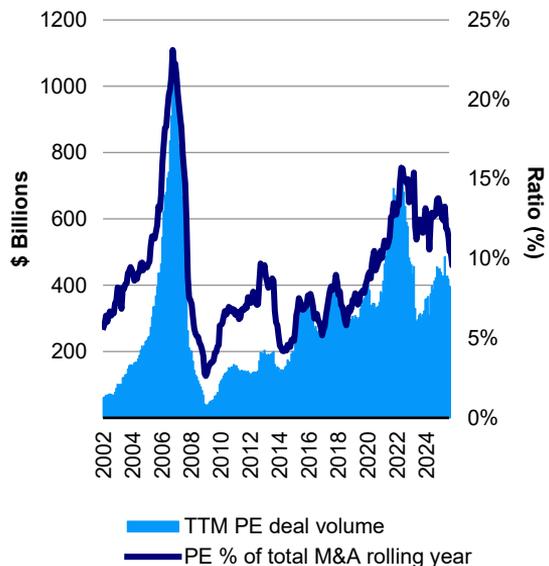


Sources: Invesco Solutions, Pitchbook LCD, Bloomberg L.P., as of Dec. 8, 2025. SOFR as of Dec. 8, 2025. PE buyout yield is calculated from Pitchbook LCD using their global PE LBO universe multiples weighted by LBO loan volume and subtracting maintenance capex (assumption of 1.25%) and financing costs (a 3-year average of leveraged loan spreads from Bloomberg multiplied by current Debt/Equity levels from Pitchbook LCD). **Past performance is no guarantee of future results.** An investment cannot be made into an index.

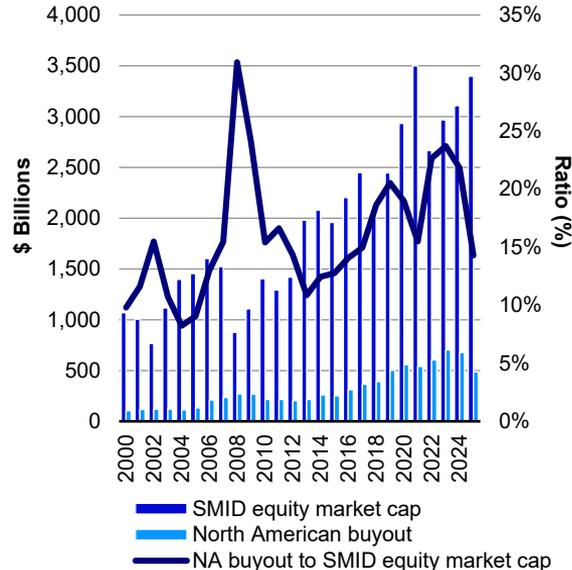
Buyout and IPO deal volume

Limited exit opportunities favor those with dry powder and should drive an increase in private-to-private deal activity

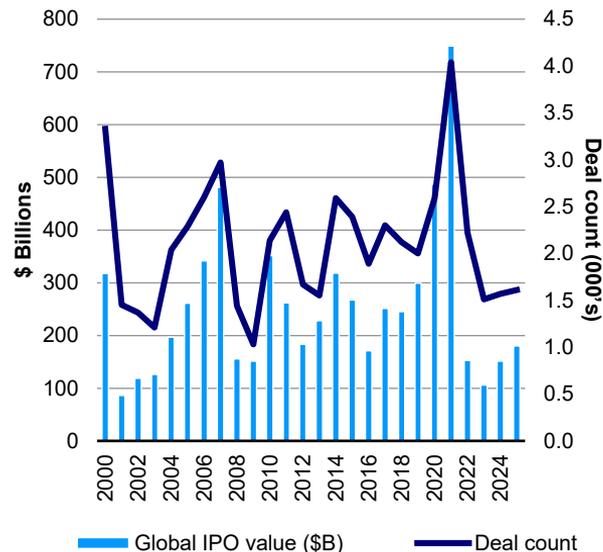
PE deal volume



PE dry powder to target's market cap



Trailing year IPO activity



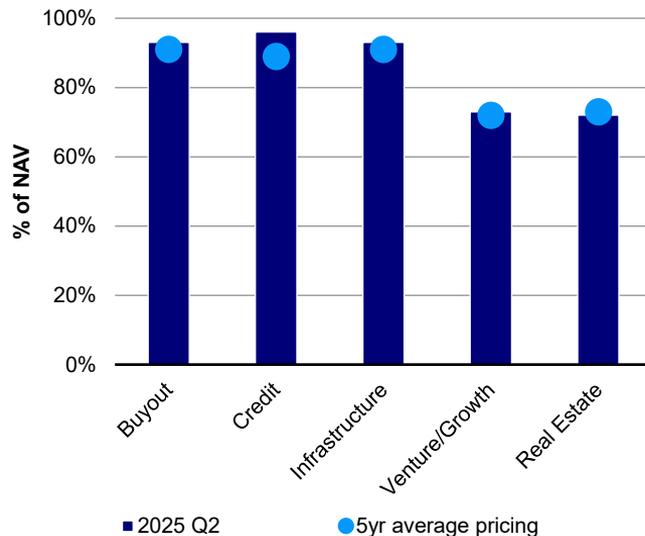
Sources: Invesco Solutions, Preqin, Bloomberg L.P., latest data available, as of Dec. 8, 2025. 2025 data in the middle chart, PE dry powder to target's market cap, is YTD.

Secondaries pricing and market dynamics

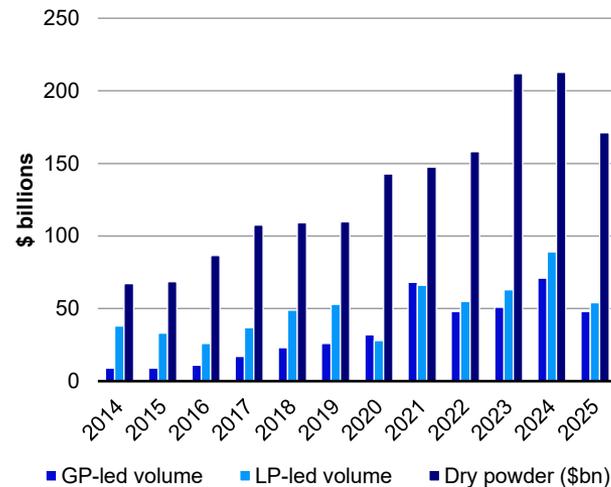
Outside of private credit, most secondaries are pricing near their post-COVID averages. Venture and Real Estate remain at significant discounts to NAV.

While secondary transaction volume has increased every year since 2022, dry powder is also growing rapidly.

Secondary market pricing



GP/LP transaction volume and dry powder



Sources: Invesco Solutions, PJT for secondaries pricing, Evercore for dry powder, as of Jun. 30, 2025. Latest dry powder figure is an H1' 25 estimate.

Real assets

Real estate and
infrastructure

3

2026 alternative opportunities: Real assets



Jeff Bennett, CFA
Head of Manager Selection
Invesco Solutions

Slight overweight to real assets as valuations approach trough, starting to appear attractive in real estate equity

Asset class	Overall	Valuations	Fundamentals	Secular trend
Real estate	Overweight	Attractive	Neutral	Neutral
Infrastructure	Overweight	Unattractive	Attractive	Attractive

Real estate

We remain convinced that the recovery in the real estate equity market is well underway, however challenges, such as tight cap rates and potential weakness in certain sectors, persist.

Capital market activity in the U.S. real estate equity market improved meaningfully in 2025, though year-over-year price growth has been mild and tenant demand continues to adjust to public policy shifts. Historically, income has driven over 80% of long-term returns in U.S. core and core-plus real estate equity. That contribution has tended to decline during periods of strong economic growth and low interest rates and rise when growth slowed and rates increased. Today, sweeping changes in U.S. federal policies suggest a shift toward slower growth and a steeper yield curve. Core and core-plus strategies are likely to perform better when focused on assets with

higher, sustainable income yields and resilient NOI* growth capable of outpacing inflation. Properties with income yields above financing costs and with structural growth drivers less tied to the broader economic cycle are positioned to outperform the broader market over the next few years. Higher risk/return strategies may find opportunities in areas where pricing reflects dislocation (e.g., top-tier office), arbitrage (e.g., residential, retail, and MOB** in secondary markets with growth comparable to primary markets).

Infrastructure

Our outlook for infrastructure is positive following the correction in valuations along with strong fundamentals and powerful secular tailwinds, driven primarily by trends in the digital space and their follow-on impacts upon power generation and transmission infrastructure. We consider

infrastructure a defensive real asset, which fits well into our current favored allocations. While reversal of the Inflation Reduction Act may reduce some capital available for green infrastructure projects, the long-term trend should be supported by needs driven by expansion in the digital space and the improvement in unit economics which no longer requires government subsidy for most projects. Data center and digital infrastructure power demands will likely continue from the AI theme, so there is potential for extra capacity to come from oil and gas sectors. For context, the current estimated demand for data centers may double capital expenditure we have seen in prior infrastructure booms like telecom in late 90's to early 2000's or shale oil in 2008-2012.

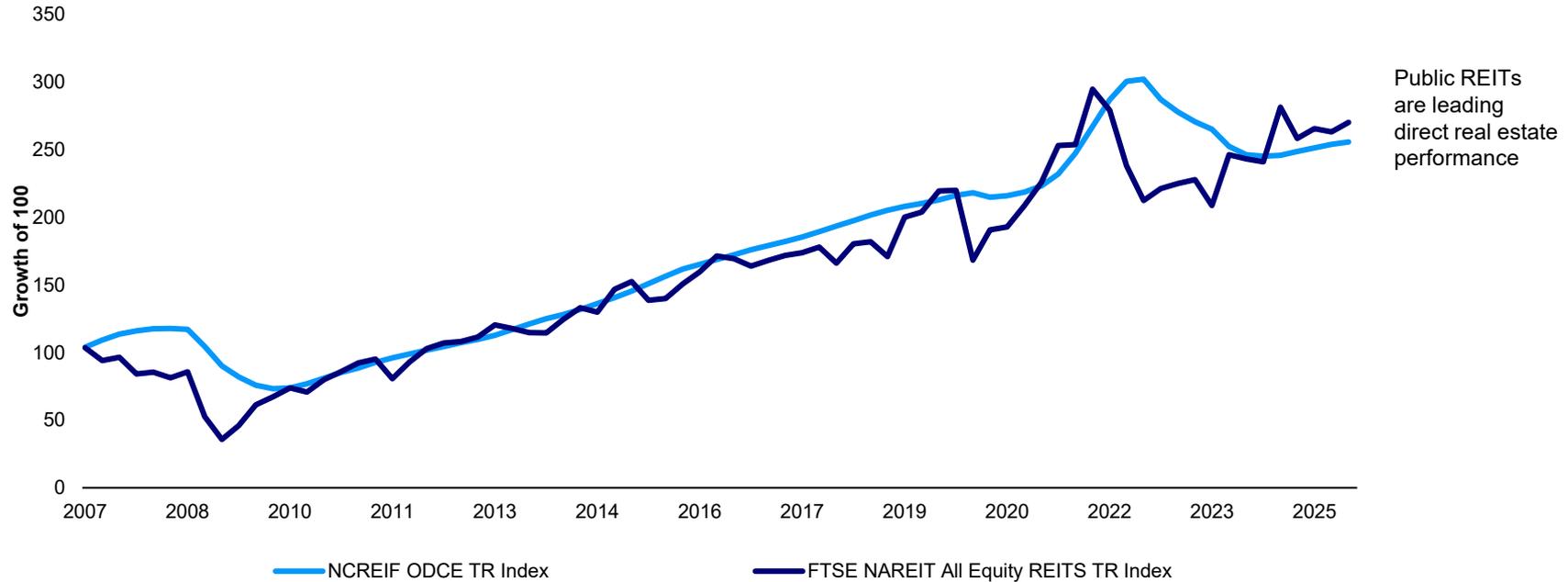


Mike Bessell, CFA
MD, Investment Strategist
Invesco Global Real Estate

Sources: Invesco Solutions, Invesco Real Estate, views as of Jan. 19, 2026. *Net operating income. **Medical office buildings.

Cumulative growth of listed vs. unlisted real estate

Listed and unlisted real estate performance 2006-2025, Dec. 2006=100



Source: Invesco Solutions, based on data from NCREIF ODCE TR Index representing unlisted real estate performance, as of Sep. 30, 2025, and FTSE NAREIT All Equity REITS TR Index representing listed real estate performance as of Sep. 30, 2025. Listed real estate is gross of fees while unlisted is net of fees. **Past performance does not guarantee future results.**

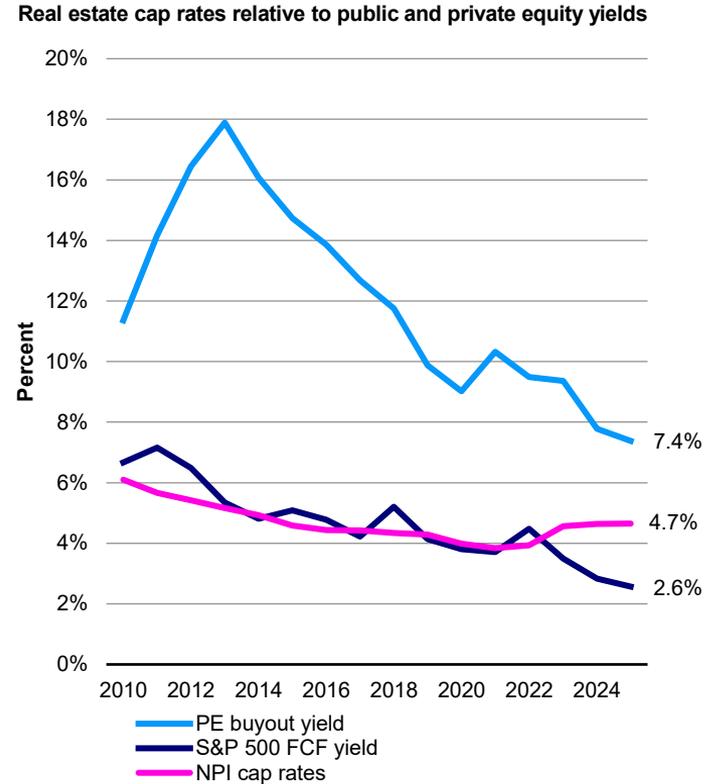
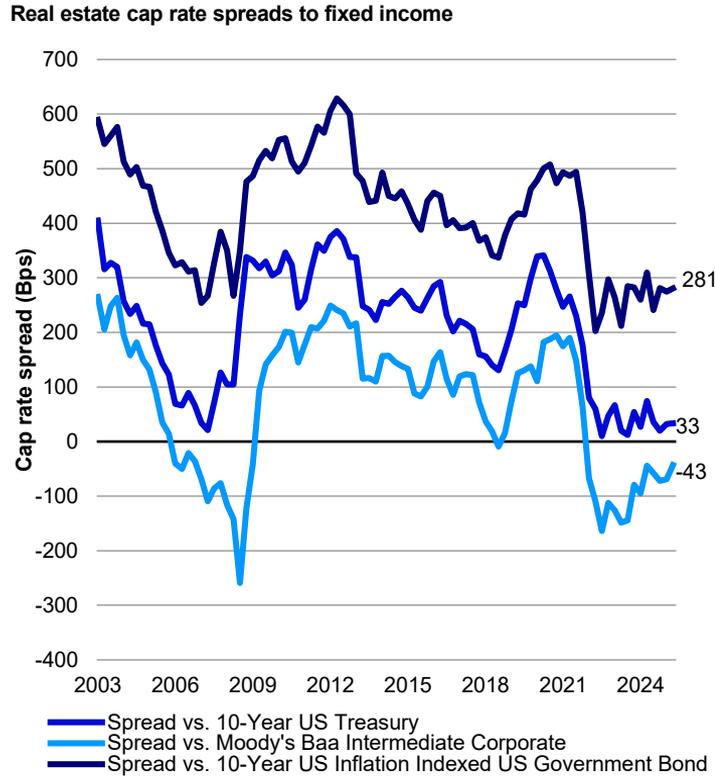
Views on private assets: Real assets

Investment type	Allocation range			Comments
	Underweight	Neutral	Overweight	
Real estate core				<ul style="list-style-type: none"> Public and private valuations have converged, and we expect the trough in valuations is imminent. Exposure to high quality real estate assets with stable current income*. Potential headwinds to existing cap rates resulting from rapid rise in interest rates. Mixed outlook varies by sub-sector.
Real estate value add/opportunistic				<ul style="list-style-type: none"> Focus on dislocations in credit markets. High levels of economic and market volatility may create attractive opportunities.
Infrastructure core				<ul style="list-style-type: none"> Exposure to current inflation-linked income backed by long-term contracts and/or concessions. Broad-based fundamental tailwinds across sub-sectors balanced by high valuations.
Infrastructure value add/opportunistic				<ul style="list-style-type: none"> Includes exposure to brownfield and greenfield projects. Tailwind from secular growth themes (renewables, digital) and increased government support (IIJA).

Source: Invesco Solutions, views as of Jan. 19, 2026. For illustrative purposes only. *Per NCREIF “The term Diversified Core Equity style typically reflects lower risk investment strategies utilizing low leverage and generally represented by equity ownership positions in stable U.S. operating properties.”

Real estate cap rate spreads

Direct real estate valuations remain elevated relative to other income-generating alternatives; however, they appear to have bounced from recent lows and stabilized. Cap rates relative to public equity yields are the most attractive they've been post-GFC.



Sources: Invesco Solutions, NCREIF, Moody's Analytics, S&P, Pitchbook LCD, as of Sep. 30, 2025 or most recently available. Right-hand side is year to date.

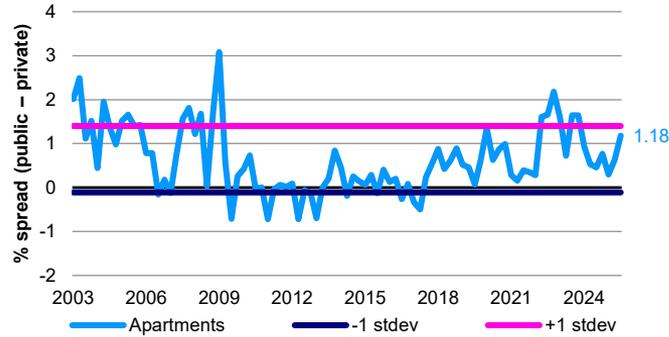
VALUATIONS

Public - private real estate cap rate spreads

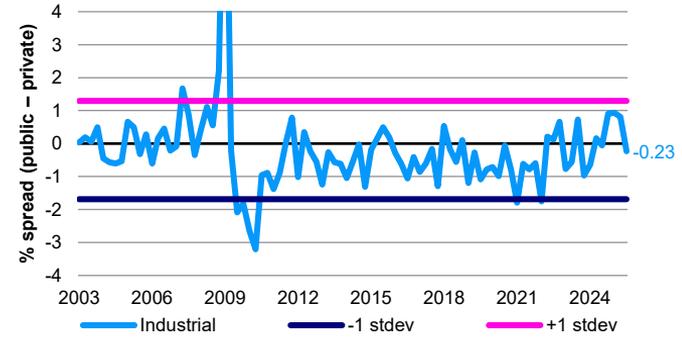
The spread between public and private cap rates remain in line with historical normal standard deviation bands for most major sectors.

This spread indicates a relative value differential in the public or private real estate markets.

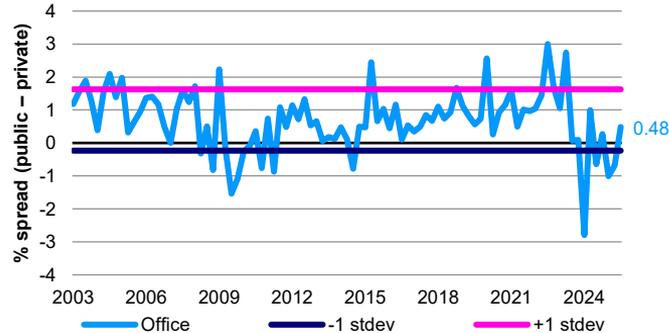
Apartments



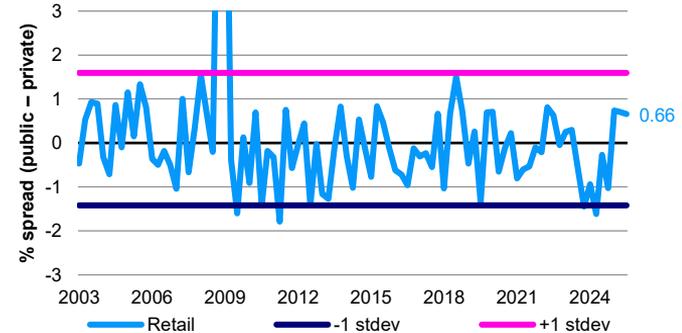
Industrial



Office



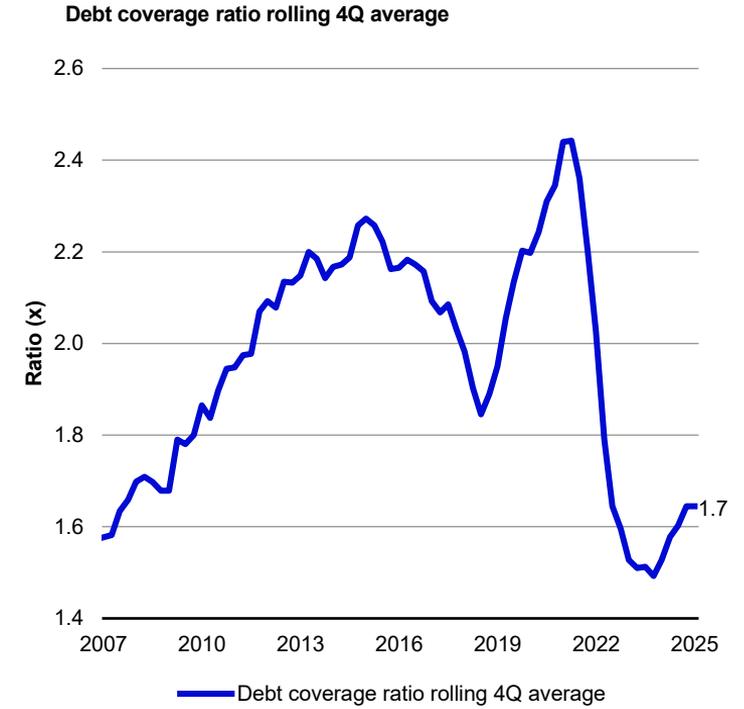
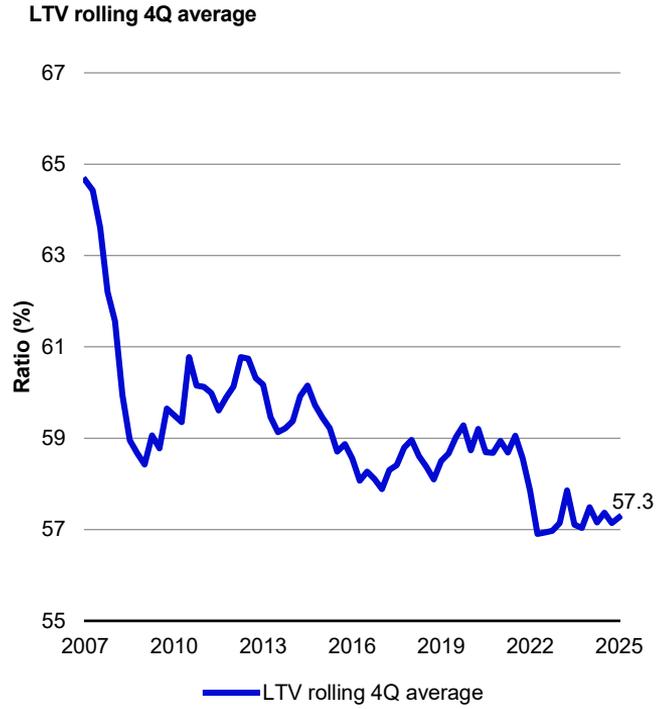
Retail



Sources: Invesco, NARIET, NCREIF, as of Sept. 30, 2025. Public cap rates are implied cap rates and sourced from NARIET, which are the ratio of NOI to Public Market Enterprise Value at a given time. Private cap rates are transaction cap rates and are sourced from NCREIF NPI, which are the value weighted average of the cap rate at the time of a transaction within the quarter.

Real estate leverage (loan-to-value, LTV) and debt coverage ratio

Modest levels of leverage in the system post-GFC should moderate systemic risk. We are currently monitoring interest coverage ratios.

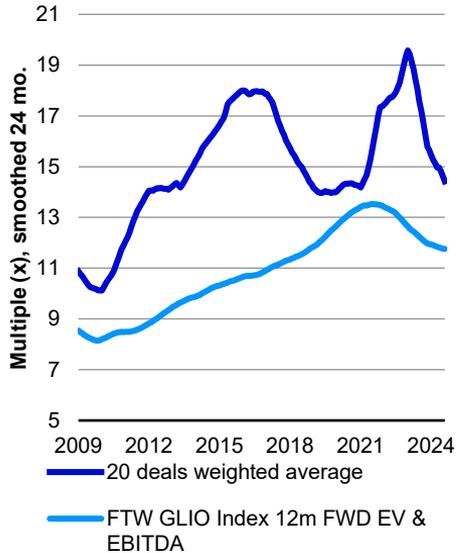


Sources: Invesco Solutions, NCREIF, Moody's Analytics, as of Sep. 30, 2025.

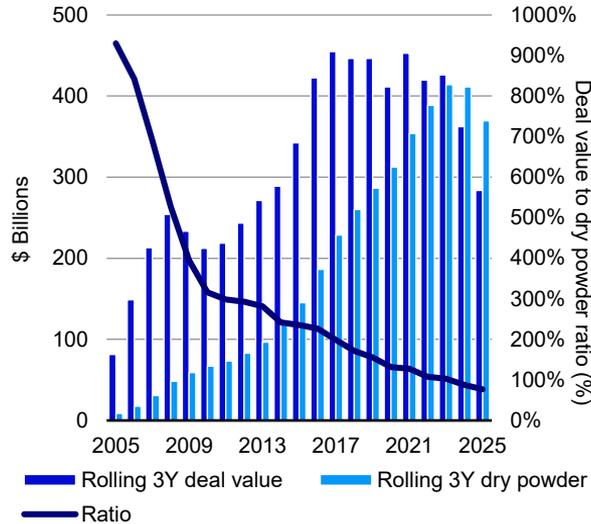
Infrastructure

Elevated valuations combined with robust dry powder are offset by an expanding opportunity set with long-term secular tailwinds

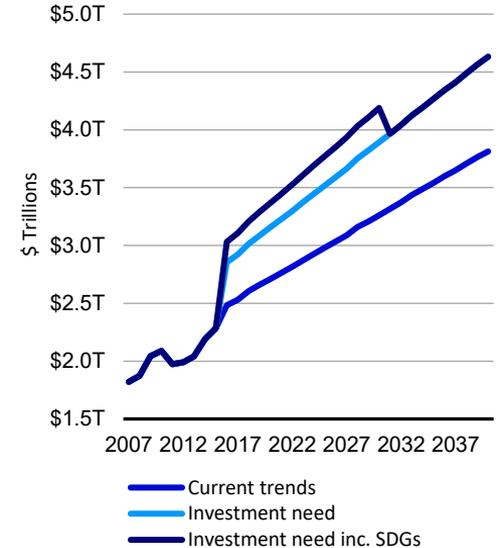
Infrastructure EV/EBITDA



Deal value to dry powder ratio



Investment need in infrastructure



Sources: Invesco Solutions, Preqin, Global Infrastructure Hub, as of Sep. 30, 2025.

Hedge funds

Event-driven and
systematic trend

4

2026 alternative opportunities: Hedge funds



Jeff Bennett, CFA
Head of Manager Selection
Invesco Solutions

Overweight hedge funds, given current levels of arbitrage spreads and a central bank easing cycle

Asset class	Overall	Valuations	Fundamentals	Secular trend
Event-driven and arbitrage	Overweight	Neutral	Neutral	Attractive
Systematic trend	Overweight	Neutral	Neutral	Attractive

Hedge funds

Hedge funds had one of their best years ever last year, driven by high base rates and alpha generated from volatile equity and credit markets. We continue to find hedge funds attractive, however it is moderating as the capital markets' activity picks up and the outlook for equity markets improves.

With low correlations to traditional assets* and the possibility for higher-for-longer interest rates, we believe hedge funds are particularly attractive. Since hedge funds operate off a spread, elevated base rates provide a generous tailwind. While not our base case, a

deeper market correction due to a recession or inflation resurgence may prove hedge funds to be a valuable alternative within a portfolio.

Event-driven and arbitrage

As we have seen signs of a recent improved corporate action environment due to aging private equity capital, lower interest rates, and a potentially easier, albeit volatile, regulatory environment, these strategies may have tailwinds into 2026.

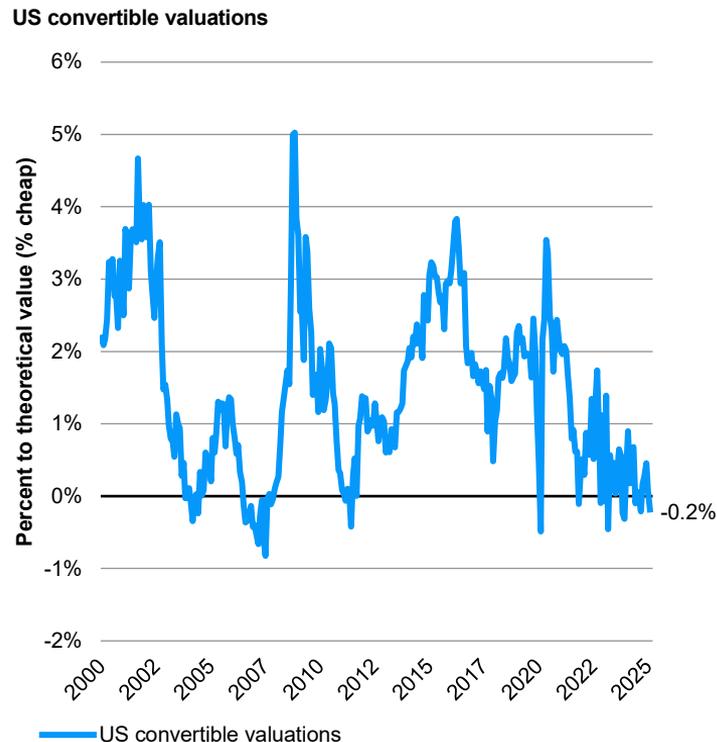
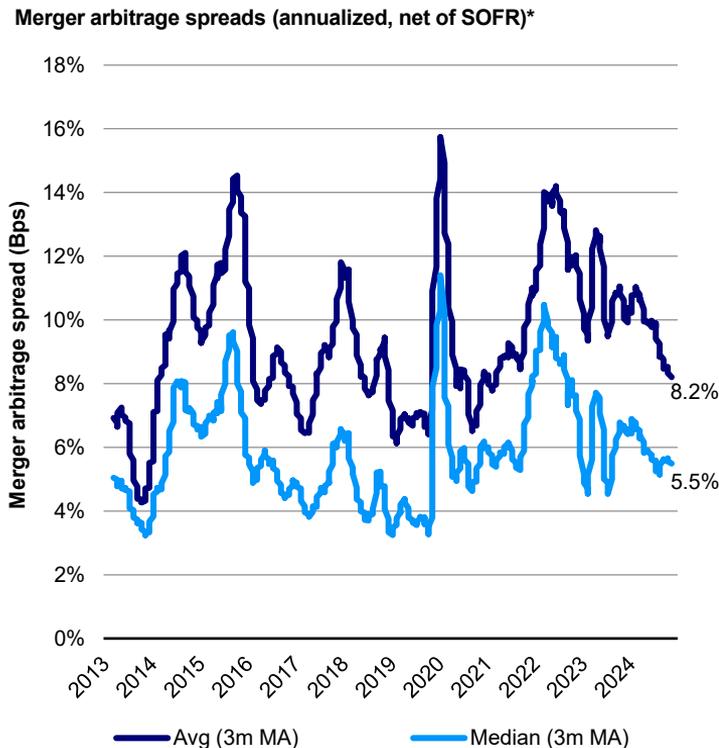
Systematic trend

With the Federal Reserve (Fed) continuing to cut interest rates from elevated levels, we analyzed how systematic trend strategies perform in this market environment. Our first finding is that trend strategies outperform when base rates are above average and falling. Additionally, the correlation of systematic trend funds to US equities is significantly negative as the fed funds rate is lowered, allowing for diversification benefits within asset allocations*.

Source: Invesco Solutions, views as of Jan. 19, 2026. *See slide 33.

Merger arbitrage and convertible arbitrage

Spreads are wide on a variety of measures within merger arbitrage. Convertible valuations relative to theoretical value are slightly below average.

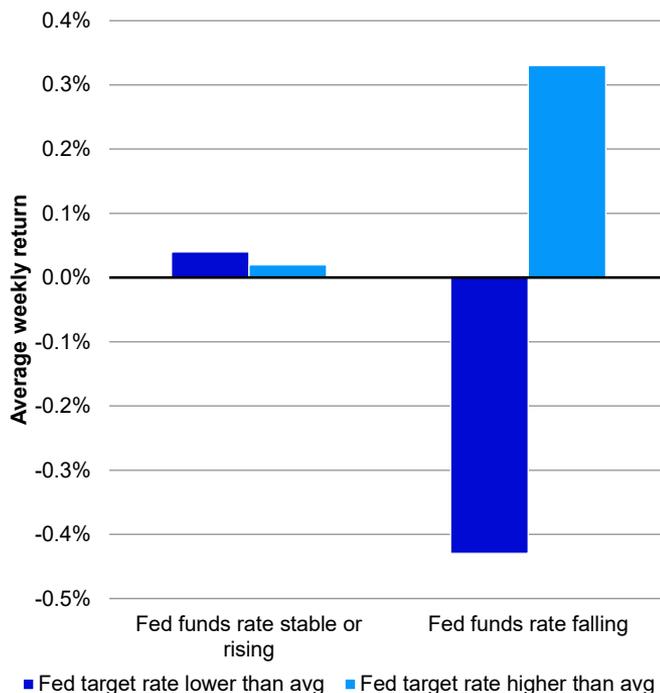


Sources: Invesco Solutions, UBS, Moody's Analytics, S&P, ICE Bank of America, latest data available as of Mar. 7, 2025. *Merger arbitrage averages and medians are only for definitive deals with more than 5 days to expected closing and impose a 0% floor and 50% cap.

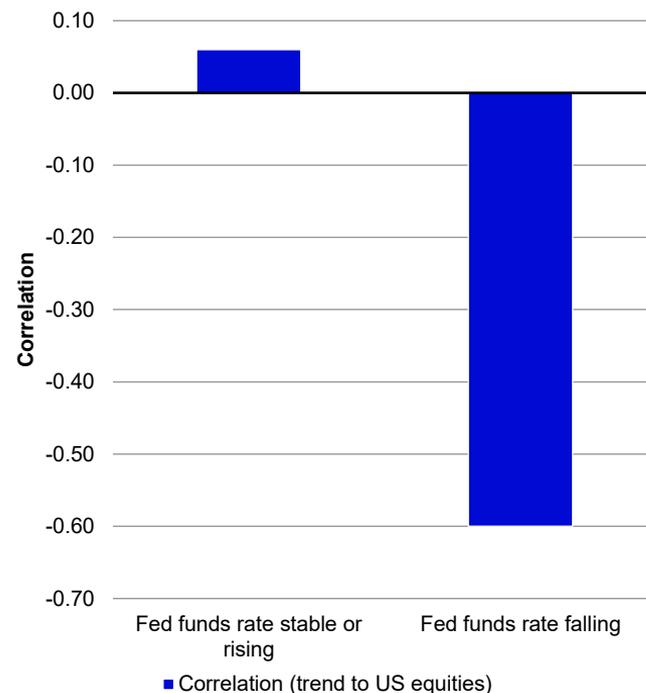
Systematic trend

Trend strategies tend to outperform when base rates are above average and falling. Further, their correlations to US equities are significantly negative as the Fed funds rate is lowered.

Trend category returns during different Fed cycles



Correlation of systematic trend with US equities



Sources: Invesco Solutions, Morningstar, Bloomberg L.P., as of Dec. 8, 2025. **Past performance is no guarantee of future results.**

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