

# Invesco Comstock SMA Fourth quarter

Fact Sheet: Separately Managed Accounts  
Dec. 31, 2023



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## Portfolio management team

### Kevin Holt, CFA

Senior Portfolio Manager  
Industry since 1989  
B.B.A., University of Iowa  
M.B.A., University of Chicago

### Devin Armstrong, CFA

Senior Portfolio Manager  
Industry since 1997  
B.S., University of Illinois  
M.B.A., Columbia University

### James Warwick

Portfolio Manager  
Industry since 1994  
B.B.A., Stephen F. Austin State University  
M.B.A., University of Houston

### Umang Khetan, CFA

Portfolio Manager  
Industry since 2005  
B.S., University of California  
M.B.A. Columbia Business School

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## Current portfolio positioning

US equity markets posted strong gains in the fourth quarter as investors anticipated a possible end to Federal Reserve (Fed) interest-rate hikes. Inflation slowed during the quarter as indicated by the Consumer Price Index 12-month headline inflation rate, which fell from 3.7% in September to 3.1% in November, significantly below its 2022 peak. The Fed kept the federal funds rate steady at its mid-December meeting and signaled three rate cuts for 2024, noting that rates are likely at or near its peak. Powell's comments prompted a rally in the stock market, and the S&P 500 Index returned 11.69% for the quarter. Within the index, real estate and information technology (IT) had the largest gains while energy was the only sector to decline. Value underperformed growth for the quarter, with the Russell 1000 Value Index returning 9.50%, compared to 14.16% for the Russell 1000 Growth Index.

The portfolio underperformed the Russell 1000 Value Index for the quarter.

Stock selection in financials, consumer staples and communication services boosted relative return. In financials, regional banks like Fifth Third Bancorp and Huntington Bancshares and the large money center bank Wells Fargo were some of the top performers. Banks generally performed well, with many reporting earnings that outpaced analyst estimates. Within communications services, Meta Platforms was a top performer. Meta continues to rationalize its cost structure and continues to make additional inroads into artificial intelligence (AI).

Stock selection in industrials, an underweight in real estate and an overweight in energy were key detractors from relative returns. Within the capital goods segment of the industrials sector, not owning Boeing and having an overweight in Emerson Electric were leading detractors in the group. Emerson Electric shares dropped after the company's fiscal fourth-quarter earnings and revenue fell short of analyst projections. Transportation giant FedEx also underperformed. Having no exposure to real estate stocks hurt relative performance as that was the quarter's best-performing sector. With energy being the only benchmark sector with negative returns, the portfolio's overweight there negatively affected relative performance.

The portfolio is overweight to communication services, energy and IT. The portfolio has no exposure to real estate and is underweight utilities, materials, financials and consumer staples.

Investors are focusing on the Fed's response to inflation, hoping for rate cuts in 2024. Geopolitical risks from the Russia-Ukraine and Israel-Hamas wars are also major concerns, particularly if these wars spread to other countries in Eastern Europe and the Middle East. Given these factors, we believe stocks are likely to experience continued volatility for the foreseeable future. In our view, market volatility may create opportunities for patient, disciplined long-term investors.

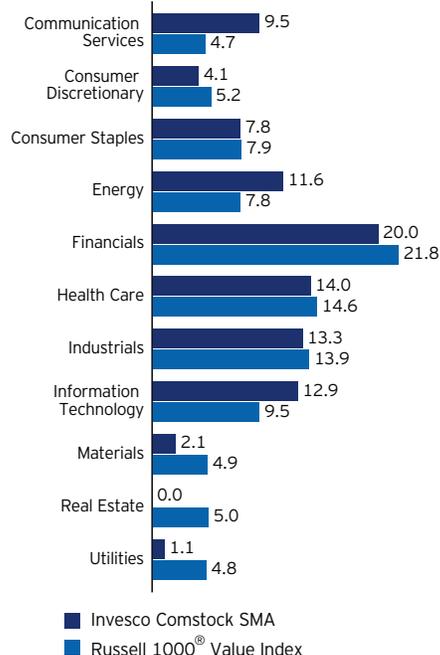
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### Sector weightings (% of total net assets)

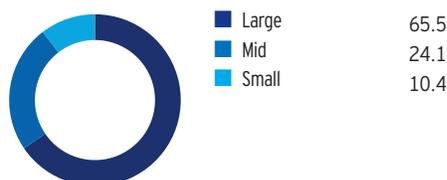


### Portfolio characteristics

	Portfolio	Russell 1000 Value Index
Number of Holdings	57	848
Median Market Cap (\$M)	\$66,998	\$13,006
Weighted Average Market Cap (\$M)	\$262,424	\$139,002
Weighted Average Price/Book	2.13	2.50
Weighted Harmonic Average 12-Month Forward P/E	12.23	15.26
Weighted Harmonic Average 12-Month Trailing P/E	13.11	16.53
Weighted Average Dividend Yield (Trailing 12 Months)	2.40%	2.32%
Weighted Average 12-Month Forward EPS Growth	9.69%	7.80%
Weighted Average Long-Term EPS Growth	8.26%	6.62%
Weighted Average Return on Equity	17.96%	15.41%
Weighted Average Long-Term Debt to Capital	38.75%	43.54%
Turnover (TTM)	15.71%	N/A

Portfolio characteristics are based on a representative account of the strategy and are subject to change.

### Market capitalization breakdown (%)



### Performance characteristics (Five year)

Alpha (vs. Russell 1000 Value Index)	2.09
Beta (vs. Russell 1000 Value Index)	1.1
R <sup>2</sup> (vs. Russell 1000 Value Index)	0.95
Information Ratio (vs. Russell 1000 Value Index)	0.58
Sharpe Ratio	0.56
Up/Down Capture Ratio (vs. Russell 1000 Value Index)	121.90/101.59
Standard Deviation Portfolio	21.33%
Benchmark	18.93%

### Asset allocation

	6/30/23	9/30/23	12/31/23
Stocks	96.61%	96.60%	96.40%
Cash/Other	3.39%	3.40%	3.60%

### Quarterly returns

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000 Value Index Total Return (%)
YTD	12.16	8.86	11.46
4Q23	7.03	6.24	9.50
3Q23	0.42	-0.33	-3.16
2Q23	4.59	3.82	4.07
1Q23	-0.23	-0.97	1.01

### Annualized compound returns

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000 Value Index Total Return (%)
1 Year	12.16	8.86	11.46
3 Year	14.82	11.45	8.86
5 Year	13.82	10.48	10.91
10 Year	9.21	6.00	8.40
Since Inception (6/1/01)	7.55	4.38	7.17

Returns less than one year are not annualized.

\* "Pure" gross of fees returns do not reflect the deduction of trading costs or any other expenses, and are supplemental to net returns. See note 5 on page 4.

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All data as of Dec. 31, 2023

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**Sample portfolio****Top 10 holdings**

Ticker	Security	Sector	% of total net assets
1. META	Meta Platforms Inc	Communication Services	3.25
2. MSFT	Microsoft Corp	Information Technology	2.93
3. AIG	American International Group Inc	Financials	2.78
4. WFC	Wells Fargo & Co	Financials	2.73
5. ELV	Elevance Health Inc	Health Care	2.66
6. BAC	Bank of America Corp	Financials	2.65
7. PM	Philip Morris International Inc	Consumer Staples	2.64
8. CVX	Chevron Corp	Energy	2.62
9. CAT	Caterpillar Inc	Industrials	2.62
10. NXPI	NXP Semiconductors NV	Information Technology	2.50

**Other sample holdings**

GOOGL	Alphabet Inc	Communication Services
CMCSA	Comcast Corp	Communication Services
TMUS	T-Mobile US Inc	Communication Services
DIS	Walt Disney Co/The	Communication Services
GM	General Motors Co	Consumer Discretionary
LVS	Las Vegas Sands Corp	Consumer Discretionary
SBUX	Starbucks Corp	Consumer Discretionary
KO	Coca-Cola Co/The	Consumer Staples
KDP	Keurig Dr Pepper Inc	Consumer Staples
KMB	Kimberly-Clark Corp	Consumer Staples
KHC	Kraft Heinz Co/The	Consumer Staples
SYT	Sysco Corp	Consumer Staples
LNG	Cheniere Energy Inc	Energy
COP	ConocoPhillips	Energy
XOM	Exxon Mobil Corp	Energy
HES	Hess Corp	Energy
MRO	Marathon Oil Corp	Energy
SU	Suncor Energy Inc	Energy
ALL	Allstate Corp/The	Financials
CFG	Citizens Financial Group Inc	Financials

**Other sample holdings (continued)**

FITB	Fifth Third Bancorp	Financials
GS	Goldman Sachs Group Inc/The	Financials
HBAN	Huntington Bancshares Inc/OH	Financials
JPM	JPMorgan Chase & Co	Financials
MET	MetLife Inc	Financials
MS	Morgan Stanley	Financials
STT	State Street Corp	Financials
BDX	Becton Dickinson & Co	Health Care
BMY	Bristol-Myers Squibb Co	Health Care
CVS	CVS Health Corp	Health Care
HSIC	Henry Schein Inc	Health Care
JNJ	Johnson & Johnson	Health Care
SNY	Sanofi SA	Health Care
UHS	Universal Health Services Inc	Health Care
ETN	Eaton Corp PLC	Industrials
EMR	Emerson Electric Co	Industrials
FDX	FedEx Corp	Industrials
GE	General Electric Co	Industrials
JCI	Johnson Controls International plc	Industrials
TXT	Textron Inc	Industrials
CSCO	Cisco Systems Inc	Information Technology
CTSH	Cognizant Technology Solutions Corp	Information Technology
DXC	DXC Technology Co	Information Technology
QCOM	QUALCOMM Inc	Information Technology
CF	CF Industries Holdings Inc	Materials
IP	International Paper Co	Materials
D	Dominion Energy Inc	Utilities

This table illustrates the composition of a model portfolio as of the date listed and should not be considered as a recommendation to purchase or sell a particular security; additionally, there is no assurance that the securities purchased remain in the portfolio or that securities sold have not been repurchased. Past performance does not guarantee future results. Holdings may vary depending on program sponsor restrictions or specific client guidelines. Top 10 holdings and percentages are listed above and represent 28% of total holdings. **To obtain a list of all recommendations made by Invesco Advisers, Inc. in this investment style during the last year, please contact Invesco Advisers, Inc. at 800 349 0953.**

**Top quarterly contributors to /detractors from performance**

Top 5 contributors	Average weight (%)	Top 5 detractors	Average weight (%)
Meta Platforms, Inc.	3.47	Chevron Corp.	2.82
Bank of America Corp.	2.42	Exxon Mobil Corp.	1.30
Microsoft Corp.	2.93	Sanofi	1.99
Wells Fargo & Company	2.53	Marathon Oil Corp.	1.62
Qualcomm Incorporated	1.71	Bristol-Myers Squibb Company	1.28

The holdings identified do not represent all of the securities purchased, sold or recommended for advisory clients. Past performance is not a guarantee of future results. Top 5 contributors and detractors are sorted and shown in order of the security's contribution to, or deduction from, the overall performance of the portfolio for the quarter. The average weight is also shown for each of these top 5 holdings.

**Invesco Comstock SMA Wrap composite as of Dec. 31, 2022**

Year	"Pure" gross return* (%)	Net return (%)	Russell 1000® Value Index total return (%)	Composite dispersion (%)	Composite 3-year annualized standard deviation (%)	Benchmark 3-year annualized standard deviation (%)	Number of accounts	Composite assets (\$ millions)	Total firm assets (\$ billions)	% wrap assets
2022	0.43	-2.55	-7.54	0.27	24.28	21.55	8	5	865	100
2021	34.38	30.49	25.16	0.41	22.39	19.33	8	5	975	100
2020	0.55	-2.43	2.80	0.30	23.14	19.90	15	5	876	100
2019	25.51	21.86	26.54	0.26	14.82	12.02	19	20	826	100
2018	-12.60	-15.21	-8.27	0.17	13.61	10.98	16	6	579	100
2017	19.99	16.49	13.66	0.14	13.23	10.34	11	5	660	100
2016	18.87	15.40	17.34	0.38	13.37	10.93	13	6	599	100
2015	-6.05	-8.85	-3.83	0.29	12.03	10.83	450	133	575	100
2014	7.91	4.74	13.45	0.17	9.41	9.33	485	153	585	100
2013	35.23	31.32	32.53	0.34	12.79	12.88	521	155	573	100

**Annualized compound returns as of Dec. 31, 2022**

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000® Value Index Total Return (%)
1 Year	0.43	-2.55	-7.54
3 Year	10.71	7.45	5.96
5 Year	8.28	5.09	6.67
10 Year	11.28	8.01	10.29
Since Inception (6/1/2001)	7.34	4.18	6.98

Returns less than one year are not annualized.

\* "Pure" gross of fees returns do not reflect the deduction of trading costs or any other expenses, and are supplemental to net returns. See note 5.

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- The Invesco Comstock SMA Wrap Composite includes all discretionary, fee-paying wrap accounts styled after the Invesco Comstock SMA Model Portfolio, which seeks capital growth and income by emphasizing a value style of investing seeking well-established, undervalued companies believed to possess the potential for capital growth and income as defined by the Russell 1000® Value Index Total Return (TR). The composite is managed in comparison to, not duplication of, the benchmark. The composite was created in June 2001.
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- The dispersion of annual "pure" gross returns is measured by the equal-weighted standard deviation of account's "pure" gross returns included in the composite for the full year. For periods with five or fewer accounts included for the entire year, dispersion is not presented as it is not considered meaningful. The three-year annualized ex-post standard deviation measures the variability of the monthly "pure" gross returns of the composite and the benchmark over the preceding 36 months. The standard deviation is not presented where there is less than 36 months of performance history. Past performance is not indicative of future results. As with any investment vehicle there is always the potential for gains as well as the possibility of losses.
- All returns are expressed in U.S. dollars and are gross of nonreclaimable withholding tax, if applicable.
- The following are available on request: Policies for valuing investments, calculating performance and preparing GIPS reports; List of composite descriptions; List of limited distribution pooled fund descriptions; List of broad distribution pooled funds.

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All data as of Dec. 31, 2023

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