



Strategy profile

Active Multi-Sector Credit

Dynamic multi-sector credit strategy to expand fixed income potential

The Invesco Active Multi-Sector Credit Strategy takes a discretionary approach across core credit asset classes to pursue attractive strategic beta, tactical beta, and security selection alpha opportunities that can potentially enhance overall income and total return potential.

Investment Scope

- Investment Grade
- Emerging Markets
- Bank Loans
- High Yield
- Opportunistic Credit and Risk Management
- Cash

Key features

- 1** **Broad bond portfolio** built around the economic cycle
- 2** **Enhanced return profile** similar to high yield with less volatility
- 3** **Active risk positioning** can potentially provide downside protection

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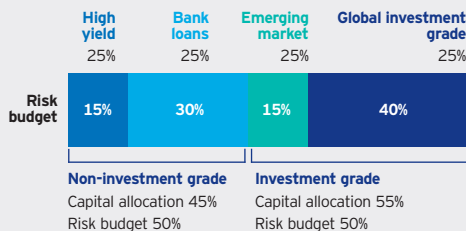
Broad bond portfolio built around the economic cycle

The strategy applies a disciplined, research-intensive process that combines top-down and bottom-up analysis. With changing market conditions, this process allows the investment team to actively implement a carefully constructed full-cycle strategic allocation that is diversified across four core global credit sectors: global investment grade, emerging market debt, bank loans, and global high yield.

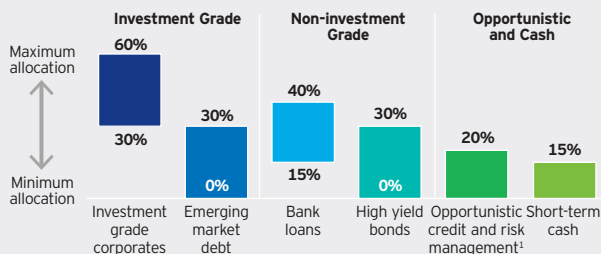
This full-cycle strategic allocation has historically outperformed over longer timeframes, and including well-defined tactical allocation ranges further allows the investment team to seek additional additive risk-adjusted performance. The team accomplishes this by positioning the portfolio opportunistically, driven by changes in the economy, market direction, and fundamentally based security selection prospects. These factors can differ in importance at various stages of the credit cycle. Individual holdings in each sector also focus on the team's highest conviction ideas to further enhance risk/return potential.

Combining structure and discretion across fixed income credit sectors

Full-cycle strategic allocation: Risk parity across sectors ensures return is driven by high-conviction tactical allocation and security selection decisions.



Tactical allocation bands: Well-defined ranges establish opportunity for portfolio managers to exercise discretion as markets evolve.



Subject to change without notice. There can be no assurance that actual investment allocations will be within the minimum/maximum allocation boundaries described above. Opportunistic Credit can consist of bonds from sectors including (but not limited to) RMBS, CMBS and convertible bonds.

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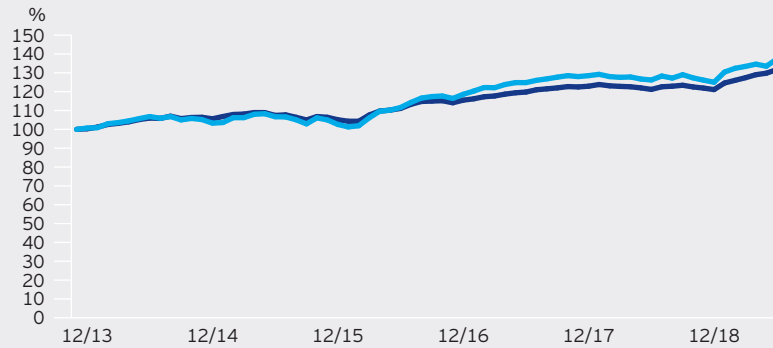
Enhanced return profile similar to high yield with less volatility

The strategy has been constructed to provide returns approaching those achieved in the global high yield market while exposing the portfolio to significantly less risk. This approach utilizes both specialist portfolio managers in each of the individual credit asset classes and a team of managers who monitor risk/return exposures at the overall portfolio level. The seamless integration of these collective insights has helped deliver an attractive performance profile since inception compared to global high yield, with higher risk-adjusted ratios and lower maximum drawdowns.

Compelling risk/reward attributes relative to global high yield

October 2013 (inception) — June 2019

— Invesco Active Multi-Sector Strategy — Bloomberg Barclays HY Corp USD Hedged



Since inception, the strategy has delivered **similar returns as global high yield markets...**

Since inception*	Return p.a. (%)	Volatility (%)	Sharpe ratio	Sortino ratio	Maximum drawdown (%)
Invesco Active Multi-Sector Credit	5.05	3.19	1.33	2.67	-4.21
Bloomberg Barclays Global HY Corp	5.81	4.92	1.01	1.99	-6.55

...with **less volatility, stronger risk-adjusted metrics** and a significantly **lower maximum drawdown.**

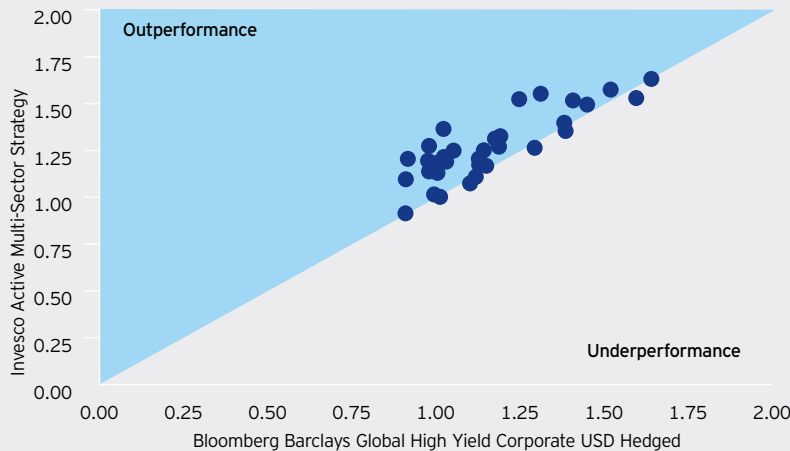
*Inception date: Oct. 31, 2013.

Source: Invesco and Bloomberg. Past performance is not indicative of future results. Gross of fee returns are before the deduction of management fees but after trading commissions. Net returns will be lower. An investment cannot be made directly into an index.

A strict focus on integrated risk management throughout the investment process has helped the strategy deliver a stronger three-year rolling Sharpe ratio compared to the Bloomberg Barclays Global High Yield Index.

Monthly rolling three-year Sharpe ratio

October 2016 — June 2019



The strategy has historically captured a stronger Sharpe ratio **76% of rolling three-year periods** since inception.

Source: Invesco and Bloomberg. Past performance is not indicative of future results.

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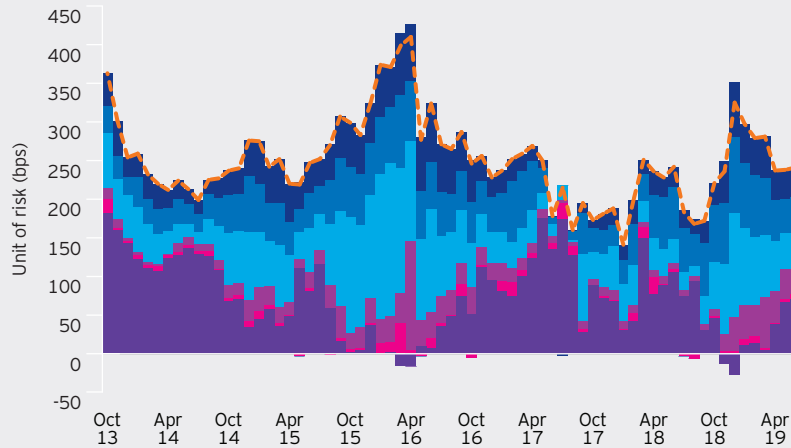
Active risk positioning can potentially provide downside protection

The investment team can make quick, tactical, cost-efficient adjustments as market conditions change to shift the portfolio's risk profile across asset class, sector, global duration, and individual security holdings. This, coupled with low correlations between asset classes, has significantly improved the portfolio's overall risk profile.

Nimble risk management

October 2013 – June 2019

■ Global Investment Grade Credit
 ■ Emerging Markets Debt
 ■ High Yield Debt
■ Bank Loans
 ■ Opportunistic
 ■ Duration
 — Total Risk



The strategy dynamically adjusts its risk exposure based on changing market conditions.

Sources: Invesco Fixed Income Multi-Sector Research, BlackRock Aladdin.

Key facts

Objective

Objective is to deliver returns approaching those of the high yield bond market, while targeting a lower risk profile and lower correlation to equities than those of high yield.

Inception

10/31/2013

Strategy assets

\$820.9 million as of 06/30/2019

Schedule of investment performance as of Dec. 31, 2018

Composite performance since inception Oct. 31, 2013

Year	Gross rate of return (%)	Net rate of return (%)	Benchmark return (%)	Composite 3-year annual standard deviation (%)	Benchmark 3-year annual standard deviation (%)	Number of portfolios	Composite assets (USD millions)	Percentage of firm assets (%)	Total firm assets (USD billions)	Composite dispersion (%)
2018	(1.46)	(1.95)	(0.62)	2.97	2.57	2	260.32	0.04	578.95	-
2017	6.46	5.93	5.79	3.39	2.90	1	310.59	0.05	660.32	-
2016	9.89	9.35	9.09	3.67	-	1	325.30	0.05	599.00	-
2015	(0.53)	(1.03)	(0.28)	-	-	1	256.89	0.04	575.06	-
2014	5.30	4.77	4.71	-	-	1	263.01	0.04	584.91	-
2013	0.71	0.63	0.09	-	-	1	101.47	0.02	572.83	-

(2 months)

Annualized compound rates of return ending Dec. 31, 2018

	Gross rate of return (%)	Net rate of return (%)	Benchmark return (%)
1 year		(1.46)	(0.62)
2 year		2.42	2.53
3 year		4.85	4.67
4 year		3.48	3.41
5 year		3.84	3.67
Since inception (10/31/2013)		3.86	3.57

Invesco Worldwide claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards.

Composite notes

Invesco Worldwide claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Invesco Worldwide has been independently verified for the periods Jan. 01, 2003 through Dec. 31, 2017. The legacy firms that constitute Invesco Worldwide have been verified since 2001 or earlier. The verification reports are available upon request. Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS standards on a Firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Invesco Worldwide, the Firm, is defined as follows: Invesco Worldwide ("The Firm") manages a broad array of investment strategies around the world. The Firm comprises U.S.-based Invesco Advisers, Inc. (excluding Unit Investment Trusts) and all wholly owned Invesco firms outside of North America (excluding Invesco India and Source Investment Management Limited). All entities within the Firm are directly or indirectly owned by Invesco Ltd. Invesco Canada Ltd. is also a GIPS-compliant firm whose assets are managed by a subsidiary of Invesco Ltd. Invesco Senior Secured Management, Inc., Invesco Private Capital, Inc., and Invesco Capital Management LLC are affiliates of the Firm. Each is an SEC-registered investment adviser and is marketed as a separate entity. Invesco Great Wall Fund Management Co. Ltd is a fund management company established under China Securities Regulatory Commission's approval, and its assets are excluded from total Firm assets.

The objective of the Invesco Active Multi-Sector Credit strategy is to provide benchmark agnostic credit exposure for return-seeking investors. The strategy seeks to achieve this objective primarily through sector positioning both within and across investments in Sector Funds, including active security selection within the Sector Funds, and up to a 10% opportunistic allocation into other credit related assets. The Sector Funds are managed pools of credit-related assets principally consisting of corporate bonds, emerging market debt, bank loans and high yield bonds. The strategy intends to invest a substantial amount of total assets of the strategy in the Sector Funds. Investment allocations in the Sector Funds will be determined in a manner believed to produce favorable returns across a full credit cycle. The strategy utilizes an affiliate as sub-advisor for one of the Sector Funds.

Effective 10/1/2015, the composite is benchmarked to a strategic asset allocation (SAA) comprised of 40% Bloomberg Barclays Global Aggregate Credit Hedged USD Index, 15% Bloomberg Barclays EM Hard Currency Aggregate Hedged USD Index, 30% S&P/LSTA Leveraged Loan Index and 15% Bloomberg Barclays Global High Yield Corporate Hedged USD Index, rebalanced monthly. The prior benchmark was 42% Barclays Global Aggregate Credit Hedged USD Index, 15% Barclays EM Hard Currency Aggregate Hedged USD Index, 29% S&P/LSTA Leveraged Loan Index and 14% Barclays Global High Yield Hedged USD Index. The custom benchmark is a baseline asset allocation derived by applying risk parity principles and is used as a reference for managing portfolios in the Composite. The strategic asset allocation is intended to represent a stable, diversified asset allocation over the long term against which the performance of the fund manager's active decision-making in tactical asset allocation and issue selection can be measured. Investments made for the strategy may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of the benchmark. Accordingly, investment results and volatility will differ from those of the benchmark.

The minimum size for a separate account is \$100 million.

The strategy may invest in derivatives for the purpose of hedging against currency, duration and other risk exposures or managing cash balances pending the direct acquisition of an asset or investment in a fund. The strategy may also invest in derivatives in order to obtain exposure for purposes other than hedging, including opportunistic investments. Types of derivatives instruments that may be employed by the strategy are (i) Swap Contracts (including, without limitation, Credit Default Swaps, Credit Default Swap Indices, Total Return Swaps, Interest Rate Swaps, Foreign Currency Swaps and Volatility Swaps), (ii) Futures Contracts (including, without limitation, Interest Rate Futures

Contracts), (iii) options (including, without limitation, Credit Default Swap Index options and options on Futures Contracts), (iv) Swaptions, (v) Forward Contracts and (vi) credit-linked notes, and/or other derivative instruments. Derivatives exposure is also permitted with in the Sector Funds. Derivatives held may have the economic effect of financial leverage by creating additional investment exposure, as well as the potential for greater gain or loss.

Gross-of-fee performance results are presented before management and custodial fees but after all trading commissions and withholding taxes on dividends, interest and capital gains, when applicable. Net-of-fee performance results are calculated by subtracting the highest tier of our published fee schedule for the product from the monthly returns. The management fee schedule for a separate account is as follows: 50 basis points on first \$150 million, 45 basis points on the next \$150 million, 40 basis points on the next \$200 million, 35 basis point thereafter.

Composite dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year. It is considered not meaningful for composites with fewer than three portfolios during the year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36 months. The standard deviation is not presented when there is less than 36 months.

Valuations and portfolio total returns are computed and stated in U.S. Dollars. The Firm consistently values all portfolios each day on a trade date basis. Portfolio level returns are calculated as time-weighted total returns on daily basis. Accrual accounting is used for all interest and dividend income. Past performance is not an indication of future results.

The composite creation date is Oct. 31, 2013. As of Dec. 31, 2013, 2014, 2015, 2016, 2017, and 2018, proprietary and non-fee paying assets were 51%, 38%, 36%, 10%, and 9% of the composite, respectively.

A complete list of composite descriptions is available upon request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request.

Disclosure

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