



Strategy profile

Senior Secured Loans

Attractive income potential, interest rate risk protection and more

Invesco offers a range of senior secured loan portfolios that seek to help investors capture high current income across credit and interest rate cycles, broaden fixed income diversification and provide defensive attributes in rising interest rate climates.¹

Key features

- 1

Expertise from an industry-leading pure-play manager
- 2

Active risk positioning for changing credit cycles
- 3

Historical outperformance across market cycles

1

Expertise from an industry-leading pure-play manager

Senior secured loans have historically offered investors a high level of current income with low correlation to other asset classes and a floating rate yield structure that acts as a natural hedge to interest rate fluctuations. This helps to protect assets when rates rise. These holdings are also more senior in the capital structure than other lower-rated, high yield bonds, providing a degree of additional defense against credit risk.

Invesco's dedicated senior secured loan platform offers an effective way to invest in this compelling asset class with one of world's largest, most experienced investment management teams.

One of the world's largest senior secured loan managers with \$32.5B AUM



- **45 dedicated investment professionals** focused exclusively on the segment
- **27 years** of experience managing senior secured loan portfolios
- **Private-side access** to management and management-level financial information and projections
- **Global team** with local coverage in the US and Europe
- **Preferred access** to most new issues
- **A top trading counterparty** that can often secure favorable execution

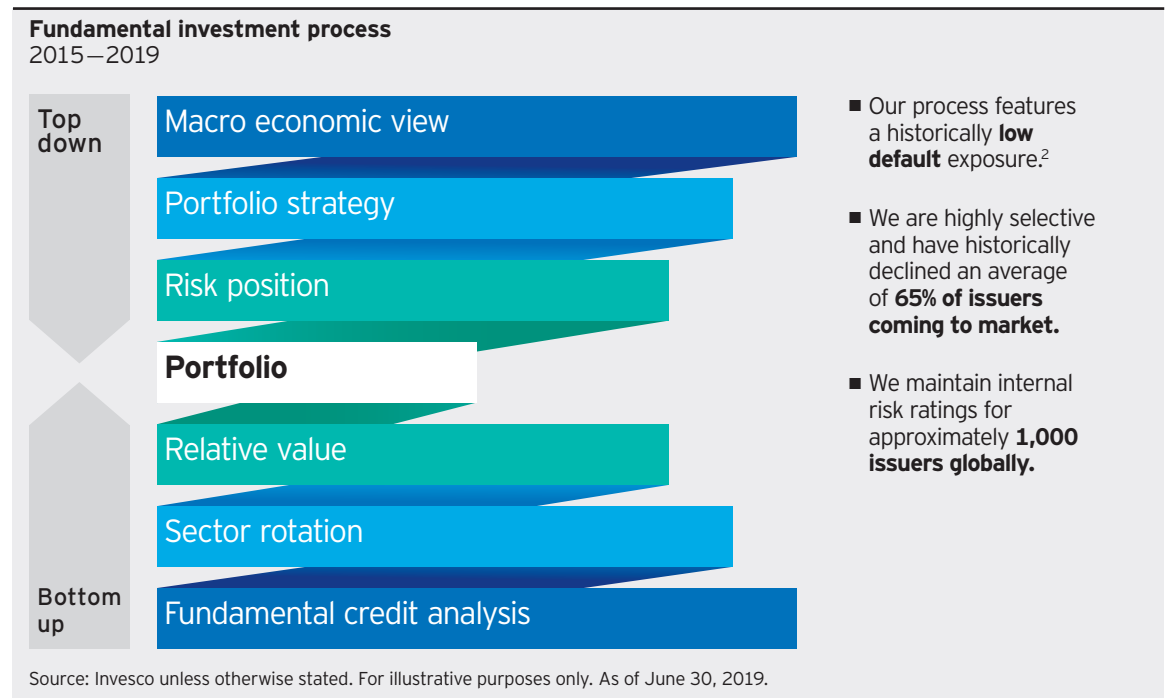
Source: Invesco as of June 30, 2019. Strategies listed are not all available in all jurisdictions or to all investors. Please consult your local Invesco representative for more information. \$ = US dollars. *Includes assets managed across Invesco Ltd.

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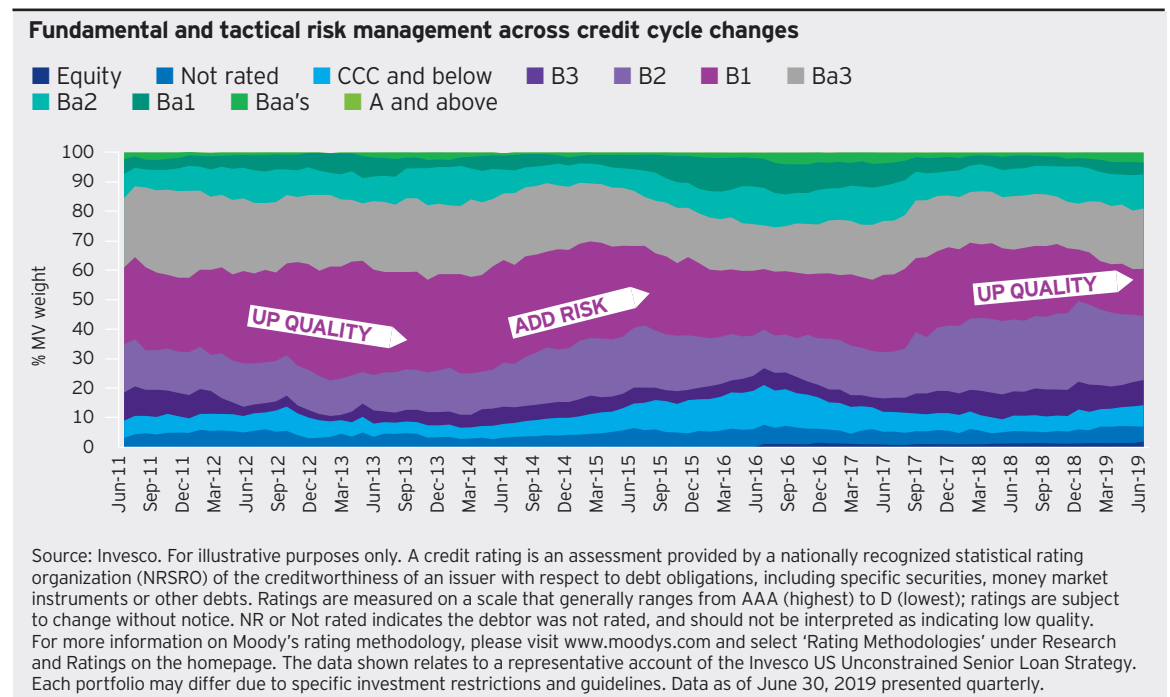
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Active risk positioning for changing credit cycles

Senior secured loans can provide both long-term strategic and tactical investment opportunities. The team applies a disciplined approach to investment management that combines fundamental, bottom-up individual issue research and internal risk ratings with top-down macro risk positioning based on broader economic trends. This time-tested investment process has added historical value over full market cycles.



The team strongly believes that detailed, fundamental issuer credit analysis is critical to generating strong investment performance. Sector rotation and credit-quality decisions have also helped further strengthen portfolio outcomes on a risk and reward basis. We strive to optimize our positioning toward areas of greater potential and away from heightened weakness depending on directional stages of the current credit cycle.



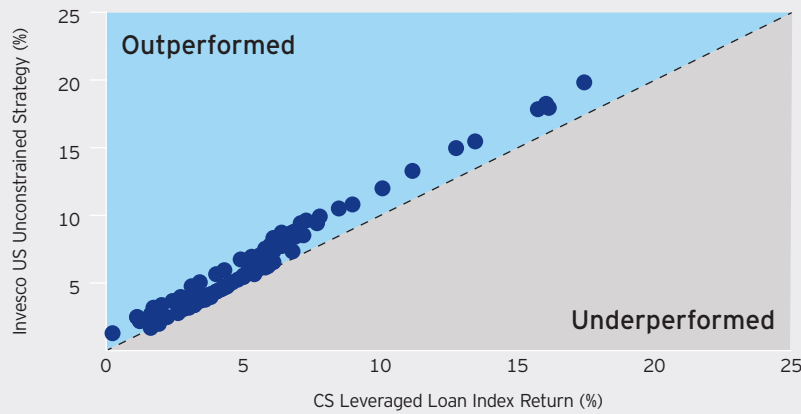
²Invesco and the S&P/LSTA Leveraged Loan Index.

3

Historical outperformance across market cycles

The team's focus on stability of returns and continuity of income has delivered impressive results as demonstrated by the historical outperformance of its flagship offering — the Invesco US Unconstrained Senior Loan Strategy.

Three-year rolling out-/underperformance vs. benchmark (%)
August 2006-June 2019



The Invesco US Unconstrained Senior Loan Strategy has historically outpaced its benchmark **98.3% of rolling three-year periods** since inception.

Sources: Invesco, in USD as of June 30, 2019, updated on a quarterly basis only. Performance refers to Invesco US Unconstrained Senior Loan Strategy. Performance is gross of fees and in US dollars. US Senior Loan Fund inception Aug. 31, 2006. An investment cannot be made directly in an index.

Past performance is not a guide to future returns.

Any reference to a ranking provides no guarantee for future performance results and is not constant over time.

Invesco US Unconstrained Senior Loan composite — USD Schedule of investment performance as of December 31, 2018 Composite performance since inception (Aug. 31, 2006)

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 millions)	Composite dispersion (%)
2018	0.75	0.04	1.14	3.09	2.79	9	6,251.54	1.08	578.95	0.02
2017	4.46	3.68	4.25	3.06	2.67	9	7,371.05	1.12	660.32	0.07
2016	11.11	10.34	9.88	3.20	2.82	8	4,869.49	0.81	599.00	0.00
2015	(0.63)	(1.34)	(0.38)	2.35	2.10	6	3,522.04	0.61	575.06	0.00
2014	1.97	1.22	2.06	2.43	1.95	6	3,449.22	0.59	584.91	0.01
2013	6.91	6.06	6.15	3.97	3.56	6	2,526.04	0.44	572.83	0.00
2012	12.23	11.28	9.43	4.43	4.13	5	547.49	0.11	497.08	0.01
2011	3.47	2.57	1.82	8.03	7.63	4	194.51	0.04	479.79	0.02
2010	10.70	9.81	9.97	13.61	13.10	3	128.42	0.03	475.31	0.02
2009	50.52	49.37	44.87	13.59	13.12	4	125.50	0.06	207.41	0.04
2008	-28.62	-29.22	-28.75	n/a	n/a	4	113	0.0	313.1	0.00
2007	1.89	1.00	1.88	n/a	n/a	4	67	0.0	505.9	0.05
2006 (4 months)	2.69	2.39	2.56	n/a	n/a	4	54	0.0	463.2	0.05

Annualized compound rates of return ending December 31, 2018

	Gross rate of return (%)	Net rate of return (%)	Benchmark return (%)
1 Year	0.75	0.04	1.14
2 Year	2.59	1.84	2.68
3 Year	5.35	4.60	5.03
4 Year	3.83	3.08	3.65
5 Year	3.45	2.71	3.33
10 Year	9.38	8.54	8.30
Since Inception (08/31/2006)	5.02	4.20	4.16

Source: Invesco, schedule required for Global Investment Performance Standards (GIPS®). Data as of Dec. 31, 2018, disclosures presented quarterly.

Key facts

Objective

Objective is to outperform the benchmark by 50 bps per annum over a five-year period.

Inception

Aug. 31, 2006

Strategy assets

\$6.97 billion

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

The Invesco Unconstrained US Senior Loan Composite-USD includes all fee-paying, unleveraged, fully discretionary, senior loan accounts. These accounts may consist of, but are not limited to, investment in names trading below what the Management team believes are the proper technical levels, thereby offering above average yield opportunities, yield-to-call opportunities (two or fewer years to prepayment), primary issuances that the Management team believes are priced and structured to trade well in the secondary market, and may pursue opportunities in the mid-cap end of the loan market and accretive opportunities in other areas related to corporate credit including High Yield Bonds, Rated CLO Notes (other managers not Invesco) and, Secured Lease Transactions. The Invesco Unconstrained US Senior Loan Composite-USD is benchmarked to the CS Leverage Loan Index. This composite was created on July 5, 2010.

A complete list and description of the firm's composites as well as additional information regarding policies for calculating and reporting returns are available upon request.

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 1st January 2003 through 31st December 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.

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Separate Account Fee Schedule

50 basis points on the first \$150 million
45 basis points on the next \$100 million
42.5 basis points thereafter

The standard settlement date of senior loans is trade date plus seven business days. Actual settlement may extend beyond the stated settlement date. Interest earned between stated and the actual settlement date is not accrued but is recorded on a cash basis that may result in a timing difference between monthly rates of return.

General Information

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. 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 also affiliates of the Firm. Each is a 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. Their assets are excluded from total Firm assets. On May 24, 2019 Invesco acquired Massachusetts Mutual Life Insurance Company's asset management affiliate OppenheimerFunds. As a result of this transaction assets previously part of the OFI Global Asset Management (OFI Global) GIPS® firm will now be part of Invesco Worldwide (IWW) GIPS® firm.

Firm assets under management for OFI Global as of December 31, 2018 were \$214 billion. IWW historical firm assets have not been restated to reflect the acquisition. OFI Global was independently GIPS® verified through December 31, 2018.

During 2012 new guidance was issued requiring firm assets be calculated net of leverage. This guidance will be applied for years ending 2012 and forward.

Calculation Methodology

Gross returns are presented before the deduction of management fees, brokerage commissions, and administrative fees; are net of all transaction costs; and are supplemental to net returns. Net returns include the effect of the maximum annual advisory fee as noted in the accompanying fee schedule.

All information is expressed in U.S. dollars.

Portfolio returns are net of all foreign withholding taxes, as applicable.

Dispersion is calculated using the asset-weighted standard deviation of the annual returns of all portfolios that were included in the composite for the entire 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-month period. The standard deviation is not presented where there is less than 36 months of performance history.

The CS Leverage Loan Index is a total return index designed to mirror the investable universe of the U.S. \$-denominated leveraged loan market. The benchmark is used for comparative purposes only.

To receive a presentation that adheres to the GIPS standards, and/or to receive a complete list and description of the firm's composite, please contact Paige Dennison at 502 561-3283 or by email at Paige.Dennison@invesco.com.

Disclosure

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