

# Invesco Long Municipal Income SMA — Q1 2023 Fact Sheet

## Invesco Managed Accounts: High Quality, Tax-Efficient and Tailored Fixed Income

### High Quality

- Primarily hold A-rated or better
- Maximum 30% BBB-rated bonds
- Ongoing rigorous credit analysis
- Historically, never had bond default

### Tax-Efficient

- Strategy offerings for all tax profiles
- State of residence
- Tax loss harvesting opportunities
- Inherited portfolio transitioning

### Tailored

- After-tax yield objective
- Duration objective
- Reoccurring distribution schedules
- ESG objective

## Investment Philosophy

We believe consistent outperformance can be achieved via active sector allocation and security selection while neutralizing duration, identifying high quality securities that maximize income potential and actively managing portfolio risks and mitigating the downside.

## Strategy

Long Term Municipal Income

## Strategy AUM

\$1 million

## Composite AUM

\$1 million

## Portfolio Manager

Eddie Bernhardt, CFA  
Tim Benzel, CFA  
Jack Connelly  
Tim O'Reilly  
Mark Paris  
James Phillips  
John Schorle, CPA  
Galen True, CFA  
Julius Williams

## Composite Inception

December 31, 2015

## Composite Benchmark<sup>1</sup>

S&P Municipal Bond 5+ Year Investment Grade Index

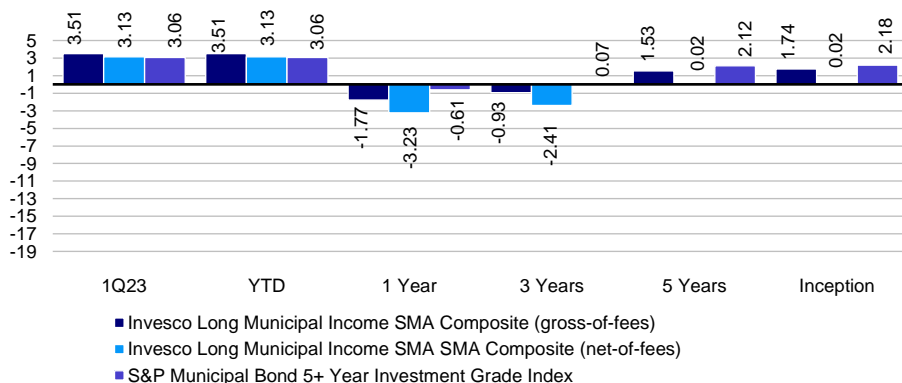
## Separate Account Minimum

\$250 thousand

## About the Team

Our investment team consists of 16 portfolio managers and 25 municipal credit research analysts with over 20 years of average industry experience. We seek monthly income by investing in short intermediate municipal bonds with the potential to deliver attractive yields with less interest rate risk compared to long-term bonds. For additional information, please visit our website at [www.invesco.com/IMA](http://www.invesco.com/IMA).

## Composite Performance (%)



## Portfolio Statistics (annualized)

	3-Year
Information Ratio	-1.07
Sharpe Ratio	-0.23
Beta	1.07
Tracking Error	0.94
Standard Deviation	8.17

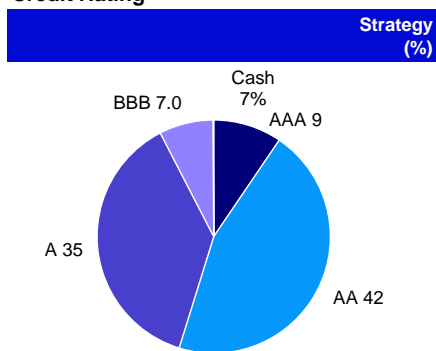
## Portfolio Characteristics

	Strategy	Benchmark
Targeted number of holdings	25	-
Yield to Worst (YTW)	3.90	3.43
Weighted Average Maturity (Years)	17.23	15.33
Effective Duration (Years)	8.78	7.88
Average Coupon	4.29	4.37
Average Credit Quality	AA-	AA-

## Sector Breakdown

	Strategy (%)	Benchmark (%)
Airport	4.79	4.80
Appropriation	4.62	3.57
Dedicated Tax	11.59	11.18
Health Care	13.57	8.94
Higher Education	0.00	7.59
Housing	9.50	3.58
IDR/Corporate	6.96	3.14
Local GO	13.75	22.76
Others	0.00	5.18
Pre-refunded	0.00	0.25
Public Power	9.19	2.96
State GO	0.00	9.03
Toll Roads	4.47	4.47
Transportation	0.00	3.09
Utilities	0.00	1.21
Water & Sewer	14.25	8.25
Cash	7.32	0.00

## Credit Rating



Totals may not equal 100% due to rounding.

1. Please see Disclosure Statements for benchmark index description.

The strategy assets under management displayed above reflects multiple composites. Please refer to the GIPS Presentation at the end of this report for additional information.

Average Credit Quality (ACQ) is an internal measurement calculated by taking the highest rating of the 3 major rating agencies (S&P, Moody's & Fitch) at a security level. It is then changed into a numerical value, asset weighted and then calculated to be shown at the portfolio level in Moody's format. Non-rated securities are not included in the average quality calculation. Information on non-rated securities is provided in the Quality Distribution chart, if applicable. ACQ calculations may vary across the industry and should not be the only factor in analyzing a portfolio. Please review all information carefully before investing.

The portfolio characteristics are based on a representative account for the strategy.

Past performance is not a guarantee of future results. An investment cannot be made directly into an index.

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### Invesco Long Municipal Income SMA Composite

Year	"Pure" Gross Return* (%)	Net Return (%)	Benchmark 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	-11.97	-13.30	-10.05	N/A	7.80	7.47	<5	3	865	100
2021	1.54	0.03	1.86	N/A	4.03	4.33	<5	1.5	975	100
2020	5.15	3.59	5.84	N/A	4.02	4.78	<5	0.25	876	100
2019	8.66	7.06	8.47	N/A	2.95	2.82	<5	0.23	826	100
2018	-0.16	-1.64	0.89	N/A	4.86	4.01	<5	0.22	579	100
2017	6.67	5.09	6.45	N/A	N/A	N/A	<5	0.22	660	100
2016	0.62	-2.35	0.43	N/A	N/A	N/A	<5	0.20	599	100

### Annualized Compound Rates of Return Ending December 31, 2022

Period	"Pure" Gross Return (%)	Net Return (%)	Benchmark Return (%)
1 Year	-11.97	13.30	-10.05
3 Year	-2.04	-3.51	-1.02
5 Year	0.39	-1.10	1.20
Since Inception (12/31/2015)	1.30	-0.42	1.82

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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- A complete list and description of Firm composites, limited distribution pooled funds, broad distribution pooled funds and performance results is available upon request. Additional information regarding policies for calculating and reporting returns is available upon request. All returns are expressed in U.S. dollars and are gross of nonreclaimable withholding tax, if applicable.
- The Invesco Long Municipal Income SMA Wrap Composite includes all discretionary accounts styled after the Invesco Long Municipal Income SMA Model Portfolio, which seeks monthly income by investing in a portfolio of long-maturity municipal bonds. For all periods, the composite was composed of 100% non-fee paying discretionary wrap accounts. The composite is managed in comparison to, not duplication of, the benchmark. The composite was created in January 2016.
- "Pure" gross of fees returns do not reflect the deduction of trading costs or any other expenses, and are supplemental to net returns. Performance results are presented both net and gross of total wrap fees. For periods beginning January 1, 2017, the net returns reflect the deduction of the maximum total wrap fee, which is currently 1.50% per annum. On a monthly basis approximately 0.125% (based on the geometric calculation) is reduced from the "pure" gross return. A model fee is the highest wrap fee a client could pay (1.50% annually as charged by the program sponsor). Prior to January 1, 2017, the net returns reflect the deduction of the maximum total wrap fee of 3.00% per annum or 0.25% monthly, from the "pure" gross return. The total wrap fee includes all charges for trading costs, portfolio management, custody and other administrative fees. The standard wrap fee schedule currently in effect is as follows: 1.50% on total assets. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.

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6. The S&P Municipal Bond 5+ Year Investment Grade Index is composed of market value-weighted investment grade U.S. municipal bonds and seeks to measure the performance of U.S. municipals whose maturities are equal to or greater than five years. The benchmark is used for comparative purposes only and generally reflects the risk or investment style of the product. For comparison purposes the index is fully invested, which includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs.
7. The dispersion of annual returns is measured by the equal-weighted standard deviation of account 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.
8. The three-year annualized ex-post standard deviation measures the variability of the monthly 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.**

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