

# Invesco Investment Grade Taxable Short Term SMA

## Why invest in this strategy

- 1 Targeted active management**  
 We seek to enhance returns through an active approach to security selection and sector allocation, and a passive approach to managing interest rate risk.
- 2 Technology automation**  
 Technology fuels our efficient, scalable portfolio management process; this leads to faster, more seamless trade execution.
- 3 Customization**  
 We build portfolios that are customized to reflect clients' views, values, tax situation, and liquidity needs in a cost-efficient manner.

## What this strategy does

The strategy invests in a mix of investment grade corporate and taxable municipal bonds. It targets a weighted average portfolio duration of 2.5 years with individual bond maturities no greater than seven years. This short-duration strategy exhibits minimal sensitivity to changes in interest rates.

## Overview (as of 06/30/2024)

|   |   |
|---|---|
| Composite AUM                           | \$26 mil  |
| Strategy AUM                            | \$27 mil  |
| Type/sub category                       | Fixed Income   Investment Grade   |
| Inception date                          | 6/30/2015   |
| Separate account minimum                | \$250 thousand  |
| Average number of holdings              | 30  |
| Portfolio manager (Industry start date) | Eddie Bernhardt (1999), Tim Benzel (2006), Matt Brill (2002), Ryan Watts (2002), Todd Schomberg (2010)            |
| Investment Advisor                      | Invesco Managed Accounts, LLC   |
| Benchmark <sup>1</sup>                  | 70% ICE BofA 1-5 Year AAA-A U.S. Corporate Index<br>30% ICE BofA 1-5 Year U.S. Taxable Municipal Securities Index |

## Portfolio characteristics<sup>2</sup>

|                                     | Strategy | Benchmark |
|-------------------------------------|----------|-----------|
| Yield to Worst (YTW)                | 5.23     | 5.21      |
| Yield to Maturity                   | 5.27     | 5.28      |
| Weighted Average Maturity (Years)   | 2.72     | 3.48      |
| Effective Duration (Years)          | 2.35     | 2.47      |
| Average Coupon                      | 3.32     | 3.96      |
| Average Credit Quality <sup>3</sup> | A+       | A2        |

## Quality breakdown

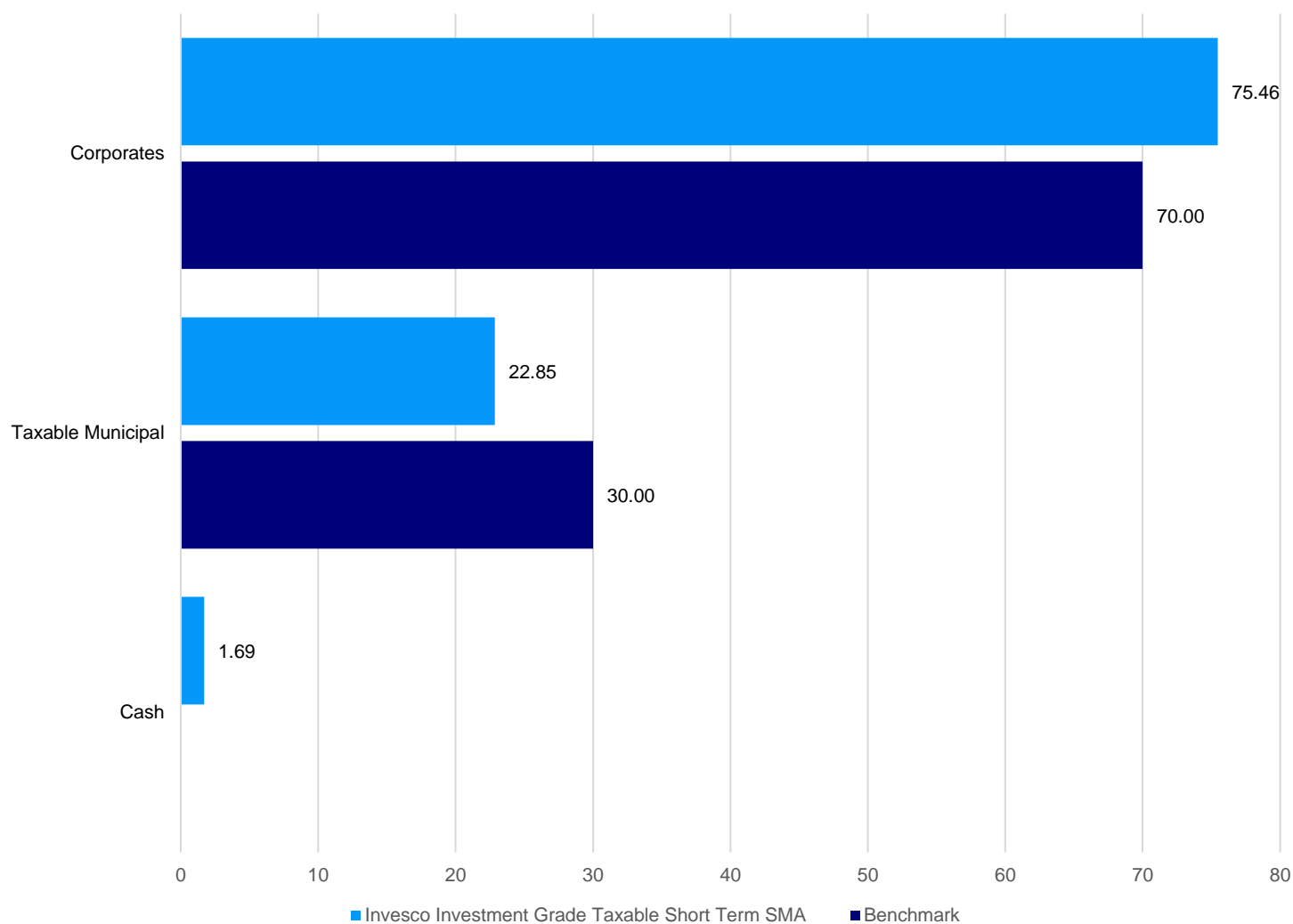
|                   |       |
|-------------------|-------|
| Net cash & equiv. | 1.69  |
| AAA               | 6.79  |
| AA                | 30.71 |
| A                 | 47.06 |
| BBB               | 13.75 |
| BB                | 0.00  |

Source: Invesco, Investortools. These portfolio statistics are subject to change. Ratings source: Standard & Poor's, Moody's or Fitch, as applicable. If securities are rated differently by the rating agencies, the higher rating is applied. Data as of 6/30/24.

1. Please see Disclosure Statement for benchmark index description.
2. The portfolio characteristics are based on a representative account for the strategy and are subject to change without notice.
3. Average credit quality (ACQ) is an internal measurement calculated by taking the highest rating of the three 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. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. If securities are rated differently by the rating agencies, the higher rating is applied. Not Rated indicates the debtor was not rated and should not be interpreted as indicating low quality.

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.

## Sector breakdown (% of total net assets)



## Portfolio statistics (annualized)

### 3 Years

|                    |       |
|--------------------|-------|
| Information Ratio  | 0.61  |
| Sharpe Ratio       | -0.83 |
| Beta               | 0.93  |
| Tracking Error     | 0.37  |
| Standard Deviation | 3.22  |

Information is based on a representative account of the composite.

## Standardized performance (%) as of June 30, 2024

|   | QTD  | YTD  | 1 Year | 3 Years | 5 Years | 10 Years | Since inception (06/30/2015) |
|---|------|------|--------|---------|---------|----------|------------------------------|
| Invesco Investment Grade Taxable Short Term SMA (gross) | 0.83 | 1.47 | 5.45   | 0.50    | 1.77    | -        | 2.25                         |
| Invesco Investment Grade Taxable Short Term SMA (net)   | 0.74 | 1.30 | 5.10   | 0.17    | 1.41    | -        | 1.92                         |
| Benchmark   | 0.93 | 1.48 | 5.51   | 0.28    | 1.61    | -        | 2.10                         |

Benchmark: 70% ICE BofA 1-5 Year AAA-A U.S. Corporate Index, 30% ICE BofA 1-5 Year U.S. Taxable Municipal Securities Index  
Performance returns less than one year are not annualized.

**Past performance is not indicative of future results. An investment cannot be made directly in an index.**

## Invesco Investment Grade Taxable Short Term SMA

| Year  | 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 (1) (\$ billions) |
|-------|------------------|----------------|----------------------|--------------------------|--|--|--------------------|--------------------------------|-------------------------------------|
| 2023  | 5.59             | 5.25           | 5.77                 | 0.20                     | 3.14   | 3.35   | 60                 | 31                             | 900                                 |
| 2022  | -4.80            | -5.12          | -5.51                | 0.36                     | 3.35   | 3.23   | 43                 | 25                             | 865                                 |
| 2021  | -0.46            | -0.83          | -0.31                | 0.16                     | 2.53   | 2.17   | 43                 | 26                             | 975                                 |
| 2020  | 5.69             | 5.35           | 5.15                 | 0.21                     | 3.20   | 3.42   | 17                 | 16                             | 876                                 |
| 2019  | 5.80             | 5.34           | 5.96                 | 0.16                     | 1.32   | 1.28   | 6                  | 4                              | 826                                 |
| 2018  | 1.65             | 1.26           | 1.47                 | N/A                      | 1.34   | 1.25   | <5                 | 2                              | N/A                                 |
| 2017  | 2.54             | 2.30           | 2.20                 | N/A                      | N/A  | N/A  | <5                 | 8                              | N/A                                 |
| 2016  | 2.53             | 2.30           | 2.48                 | N/A                      | N/A  | N/A  | <5                 | 7                              | N/A                                 |
| 2015* | 0.71             | 0.59           | 0.73                 | N/A                      | N/A  | N/A  | <5                 | 7                              | N/A                                 |

\*Returns less than one year are not annualized. Returns for the period from June 30, 2015 (inception) through December 31, 2015. Benchmark: 70% ICE BofA 1-5 Year AAA-A U.S. Corporate Index, 30% ICE BofA 1-5 Year U.S. Taxable Municipal Securities Index

### Annualized Compound Rates of Return Ending December 31, 2023

| Period                       | Gross return (%) | Net return (%) | Benchmark Return (%) |
|------------------------------|------------------|----------------|----------------------|
| 1 Year                       | 5.59             | 5.25           | 5.77                 |
| 3 Year                       | 0.02             | -0.32          | -0.13                |
| 5 Year                       | 2.27             | 1.91           | 2.11                 |
| Since Inception (06/30/2015) | 2.21             | 1.88           | 2.05                 |

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- The Invesco Investment Grade Taxable Short Term SMA Composite (formerly named SNW Credit Short Composite) includes every fully representative portfolio managed in the strategy. The composite includes portfolios that generally hold at least 80% of assets in corporate or taxable municipal securities. All portfolios included in the composite are actively managed. All holdings within the portfolios are investment grade and dollar denominated. Eligible securities include those in the municipal, U.S. Treasury, government-related, and corporate sectors of the investment-grade bond market. The weighted average duration of the portfolios included in the composite is between two and three years, and the weighted average credit rating of member portfolios is single A or above. The composite is managed in comparison to, not duplication of the benchmark. The composite inception date was 6/30/2015. The composite was created in July 2016.
- The Composite gross-of-fee returns reflect the reinvestment of income and the impact of transaction costs, but do not include the deduction of investment advisory fees, distribution expenses or any other account expenses, such as custodial fees. Composite net-of-fee returns are calculated by deducting actual management fees from the underlying portfolios' gross returns. Annual fees for the Invesco Investment Grade Taxable Short Term SMA product range up to 0.75% of the market value of the assets under management. Minimum account size is \$250,000. Actual fees may vary depending on, among other things, the vehicle type, applicable fee schedule and portfolio size.
- The Custom Benchmark is an unmanaged index that is a custom-weighted blend of 70% of the ICE Bank of America Merrill Lynch 1-5 Year AAA-A U.S. Corporate Index (a subset of the ICE BofA Merrill Lynch U.S. Corporate Index including all securities with a remaining term to final maturity less than 5 years and rated AAA through A3, inclusive; ICE acquired BofAML's indexes in October 2017) and 30% of the ICE Bank of America Merrill Lynch 1-5 Year U.S. Taxable Municipal Securities Index (a subset of the ICE Bank of America Merrill Lynch U.S. Taxable Municipal Securities Index including securities with a remaining term to final maturity less than 5 years). The custom benchmark is calculated by weighting the respective index returns on a monthly basis. 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.
- 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.
- 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.

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9. Prior to September 1, 2019, performance represents results achieved by the respective investment team while it was part of OppenheimerFunds, Inc. Invesco acquired Massachusetts Mutual Life Insurance Company's asset management affiliate OppenheimerFunds on May 24, 2019. Composite assets and returns prior to August 2019 represent results while it was part of OppenheimerFunds. OFI Global was GIPS verified by another firm through December 31, 2018. Effective December 31, 2019, the composite name changed from the SNW Credit Short Composite to the Invesco Investment Grade Taxable Short Term SMA Composite.

**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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#### Definitions

**Beta** (cash adjusted) is a measure of relative risk and the slope of regression.

**Information Ratio** measures the risk-adjusted returns of a financial asset or portfolio relative to a certain benchmark.

**Sharpe Ratio** is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio indicates better risk-adjusted performance.

**Standard Deviation** measures a fund's range of total returns and identifies the spread of a fund's short-term fluctuations.

**Tracking Error** is defined as the expected standard deviation of a portfolio's excess returns over the benchmark index return.

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