

# Invesco US Corporate Bond SMA Second quarter

Fact Sheet: Separately Managed Accounts  
June 30, 2025



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## Portfolio management team

### 24-member team

Average of 16 years

Experience spread throughout global financial center

The main objective of the strategy is to provide current income with potential capital appreciation for total return, while seeking to outperform the Bloomberg U.S. Credit Index over a complete market cycle.

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## Current portfolio positioning

The global macroeconomic environment faced headwinds caused by trade tensions for much of the second quarter of 2025. The announcement of widespread tariffs sent markets into a frenzy, causing credit spreads across most fixed income asset classes to increase to their widest levels since the regional banking scare in 2023. As negotiations between the Trump administration and government leaders around the world proceeded, spreads began to retrace and markets saw positive returns. The probability of a recession decreased across most asset manager outlooks despite a potential standoff between the US and China.

Despite the pull-forward spending seen in response to the "Liberation Day" tariff announcement in April, US growth officially contracted 0.5% during the first quarter. US non-farm payrolls increased by 147,000 in April, 144,000 in May, and 147,000 in June. Job openings rose by 191,000 in April to 7.391 million, above expectations of 7.10 million and up from 7.2 million in March. Initial jobless claims declined a bit in June (5,000) to 245,000, which is the fifth highest reading since August 2023, and outstanding unemployment claims hit a three-year high during the last week of May at 1,951,000 and were 1,945,000 in mid-June, indicating that the US labor market is softening after showing signs of resilience in the first quarter of the year.

Yields steepened during the quarter as the long end of the curve sold off, signaling the anticipation of Federal Reserve (Fed) cuts toward the end of the year and greater market confidence in shorter-term bonds than longer-term bonds. The Fed maintained the current target range of interest rates at each Federal Open Market Committee meeting during the second quarter, citing a cautious approach due to tariff uncertainty.

We expect global yield curves to keep steepening. Risks are building in long-maturity bonds due to easy fiscal policy. The risk of larger US budget deficits going forward and worries about financing the deficit come at a time when global long-maturity government bonds have been performing poorly. This upward momentum in the US and global long-maturity yields may be exacerbated by fiscal concerns and increased issuance needs in the US.

Overall, we maintain a constructive outlook for bonds. Reduced tariff velocity has lowered recession risk and enabled positive asset performance. Elevated yields continued to attract buyers despite market volatility caused by policy uncertainty. Stability in rates, if it materializes, would likely be a positive factor further supporting demand for investment grade corporate bonds. However, we could see a deceleration of US growth, driven by tariffs that are likely to remain higher than recent history and lower levels of immigration that will likely weigh on labor force growth. Growth uncertainty has increased and is likely to contribute to market volatility going forward.

All three of the primary corporate sectors posted positive returns on a total return basis, led by financials' return of 2.11% on a total return basis. Excess returns across high-quality credit ratings were all positive, with AAA at 0.33%, AA at 0.70%, A at 1.02% and BBB at 1.16%. The US high yield corporate bond market, as measured by the Bloomberg US Corporate High Yield Index, posted a total return of 3.53% for the quarter.

Gross and net performance for the Invesco US Corporate Bond SMA was 2.38% and 2.00%, respectively, for the period. The benchmark returned 1.82% over the same period. Security selection within investment grade consumer cyclicals and communications, along with an overweight to high yield consumer cyclicals positively impacted performance on a relative basis for the period. An underweight to investment grade real estate investment trusts (REITs) and an overweight to investment grade technology detracted from overall performance during the quarter. During the quarter, a short duration position compared to the benchmark was maintained, which detracted from overall performance.

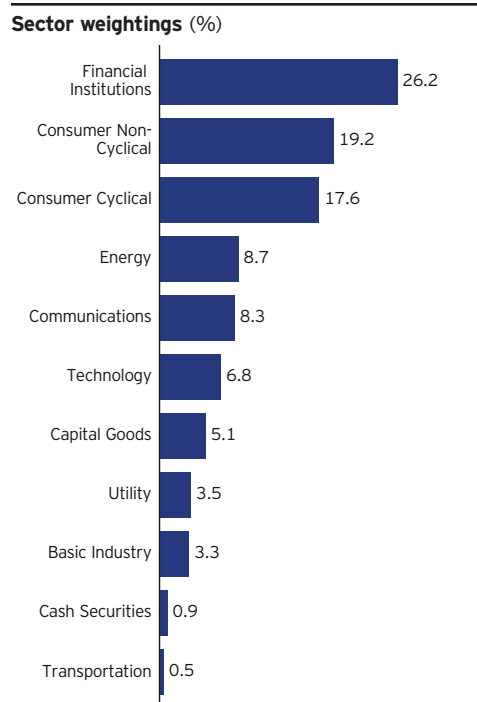
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**Please see the GIPS report located on the last page.**

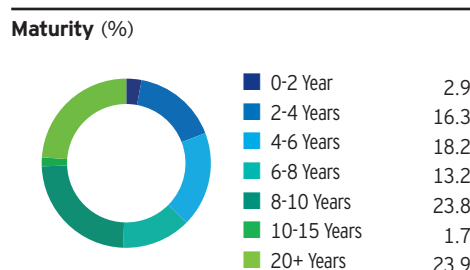
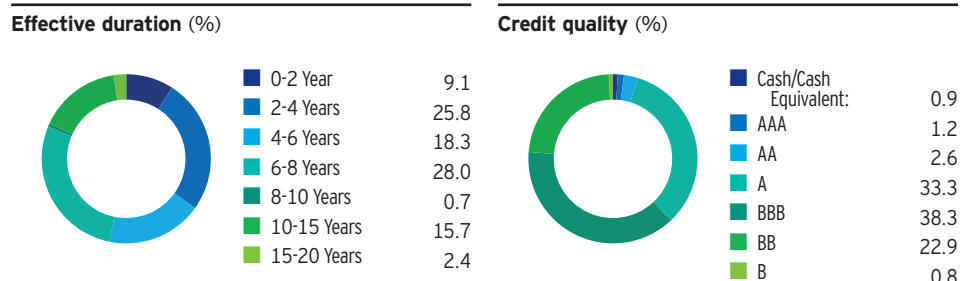
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Invesco Managed Accounts LLC (IMA) is the investment adviser and Invesco Advisers, Inc. is the sub-adviser of the strategy. Neither IMA, Invesco Advisers, Inc. or their affiliated investment advisers sell securities. Both entities are indirect, wholly owned subsidiaries of Invesco Ltd. These materials are being provided for informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified by the sponsor and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these materials are preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your Financial Professional.



Portfolio characteristics	Portfolio
Number of Holdings	78
Yield-to-Worst (YTW)	5.28
Weighted Average Maturity (Years)	12.91
Weighted Average Life-to-Worst	9.99
Modified Duration (Years)	6.40
Effective Duration (Years)	6.18

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



Figures may not add up to 100% due to rounding. Cash and equivalents is deemed to have a 0% Maturity and Duration.

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All data as of June 30, 2025

Source: Invesco ■ Ratings source: Standard & Poor's, Moody's or Fitch, as applicable. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations, including specific securities, money market instruments or other debts. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. NR indicates the debtor was not rated, and should not be interpreted as indicating low quality. ■ Weighted average maturity is a measure, as estimated by the portfolio managers, of the length of time the average security in a bond will mature or be redeemed by the issuer. It takes into account mortgage payments, puts, adjustable coupons and potential call dates. ■ Modified duration is a duration calculated which incorporates the expected duration-shortening effect of an issuer's embedded call provision. ■ Effective duration is a measure of the sensitivity of a bond's price to changes in interest rates. ■ Yield to worst is a measure of the lowest possible yield that can be received on a bond with an early retirement provision. ■ Weighted average life (WAL) to worst represents the weighted average number of years for which each dollar of unpaid principal on a fixed-income security remains outstanding.

## Sample portfolio

### Top 10 holdings

Security	Coupon	Maturity	Weight
1. MORGAN STANLEY	5.449	7/20/2029	2.41
2. JPMORGAN CHASE & CO	5.336	1/23/2035	2.40
3. Kroger Co/The	5.000	9/15/2034	2.03
4. Dollar General Corp	4.125	5/1/2028	2.01
5. SBA Communications Corp	3.875	2/15/2027	2.00
6. Philip Morris International Inc	4.875	4/30/2035	2.00
7. AbbVie Inc	5.400	3/15/2054	1.99
8. Tenet Healthcare Corp	4.250	6/1/2029	1.95
9. Gilead Sciences Inc	5.250	10/15/2033	1.80
10. Amgen Inc	5.250	3/2/2033	1.79

### Other sample holdings

Advance Auto Parts Inc	3.900	4/15/2030
Amazon.com Inc	3.100	5/12/2051
American Express Co	4.420	8/3/2033
Apache Corp	4.250	1/15/2030
APPLE INC	4.850	5/10/2053
Asbury Automotive Group Inc	4.750	3/1/2030
AT&T INC	6.050	8/15/2056
Ball Corp	6.000	6/15/2029
Bank of America Corp	6.625	
Bank of America Corp	2.482	9/21/2036
Bank of America Corp	5.288	4/25/2034
Bristol-Myers Squibb Co	6.250	11/15/2053
Broadcom Inc	5.200	4/15/2032
Capital One Financial Corp	5.700	2/1/2030
CenterPoint Energy Inc	5.400	6/1/2029
Cigna Group/The	5.400	3/15/2033
CITIGROUP INC	7.125	
CITIGROUP INC	4.910	5/24/2033
Coca-Cola Co/The	5.000	5/13/2034
Comcast Corp	6.050	5/15/2055
Comcast Corp	3.200	7/15/2036
Commercial Metals Co	3.875	2/15/2031
ConocoPhillips Co	5.550	3/15/2054
Crown Americas LLC	5.250	4/1/2030
DUKE ENERGY CORP	5.000	8/15/2052
Energy Transfer LP	5.750	2/15/2033
Enterprise Products Operating LLC	7.733	8/16/2077
Expand Energy Corp	5.375	2/1/2029
Fifth Third Bancorp	4.337	4/25/2033
Ford Motor Co	3.250	2/12/2032
Freeport-McMoRan Inc	5.000	9/1/2027

### Other sample holdings (continued)

Goldman Sachs Group Inc/The	5.851	4/25/2035
Goldman Sachs Group Inc/The	3.691	6/5/2028
HCA Inc	5.625	9/1/2028
Hilton Domestic Operating Co Inc	4.875	1/15/2030
Intercontinental Exchange Inc	4.950	6/15/2052
JPMORGAN CHASE & CO	7.413	
Kinder Morgan Inc	5.400	2/1/2034
Lamar Media Corp	3.625	1/15/2031
Lowe's Cos Inc	5.750	7/1/2053
Macy's Retail Holdings LLC	4.500	12/15/2034
MICROSOFT CORP	2.525	6/1/2050
Newell Brands Inc	6.625	5/15/2032
Occidental Petroleum Corp	5.375	1/1/2032
Oracle Corp	6.900	11/9/2052
Penske Automotive Group Inc	3.750	6/15/2029
Pfizer Investment Enterprises Pte Ltd	4.750	5/19/2033
Philip Morris International Inc	5.250	2/13/2034
PNC Financial Services Group Inc/The	5.939	8/18/2034
Royal Caribbean Cruises Ltd	7.500	10/15/2027
RTX Corp	6.100	3/15/2034
State Street Corp	6.700	
T-Mobile USA Inc	5.050	7/15/2033
Toronto-Dominion Bank/The	4.783	12/17/2029
Truist Financial Corp	7.161	10/30/2029
Twilio Inc	3.625	3/15/2029
Uber Technologies Inc	4.800	9/15/2034
United Airlines 2020-1 Class A Pass Through Trust	5.875	10/15/2027
United Rentals North America Inc	5.250	1/15/2030
UnitedHealth Group Inc	4.750	5/15/2052
US Bancorp	5.678	1/23/2035
VERIZON COMMUNICATIONS INC	2.875	11/20/2050
Virginia Electric and Power Co	4.625	5/15/2052
Walmart Inc	4.500	4/15/2053
Wells Fargo & Co	4.750	12/7/2046
Williams Cos Inc/The	5.650	3/15/2033
Yum! Brands Inc	3.625	3/15/2031

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. To obtain a list of all recommendations made by Invesco Managed Accounts, LLC. in this investment style during the last year, please contact Invesco Managed Accounts, LLC. at 866 769 2773.

### Quarterly returns

Period	"Pure" gross return* (%)	Net return (%)	Bloomberg U.S. Credit Index Total Return (%)
YTD	4.56	3.78	4.22
2Q25	2.38	2.00	1.82
1Q25	2.13	1.75	2.36

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.

### Annualized compound returns

as of Jun. 30, 2025

Period	"Pure" gross return* (%)	Net return (%)	Bloomberg U.S. Credit Index Total Return (%)
1 Year	6.91	5.33	6.83
3 Year	5.80	4.23	4.19
5 Year	1.94	0.44	0.12
Since Inception (08/01/17)	3.30	1.78	2.27

**Invesco US Corporate Bond SMA Wrap composite as of Dec. 31, 2024**

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
2024	2.95	1.42	2.03	0.09	8.37	9.31	439	240	948	100
2023	9.75	8.13	8.18	0.11	7.94	8.88	178	97	900	100
2022	-11.74	-13.07	-15.26	0.38	8.88	8.93	56	39	865	100
2021	0.22	-1.16	-1.08	0.12	7.15	6.58	48	22	975	100
2020	9.20	7.67	9.35	0.23	7.21	6.50	34	21	876	100
2019	15.25	13.55	13.80	0.08	N/A	N/A	29	18	826	100
2018	-2.80	-4.25	-2.11	0.05	N/A	N/A	15	10	579	100
2017**	1.14	0.47	1.66	N/A	N/A	N/A	<5	6	660	100

**Annualized compound returns as of Dec. 31, 2024**

Period	"Pure" Gross return* (%)	Net return (%)	Benchmark Return (%)
1 Year	2.95	1.42	2.03
3 Year	-0.09	-1.58	-2.20
5 Year	1.77	0.29	0.23
Since Inception (7/31/17)	2.91	1.40	1.85

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.

\*\* Returns are for the period from August 1, 2017 (inception) through December 31, 2017.

1. 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 2024. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. GIPS is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.
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3. The Invesco US Corporate Bond SMA Wrap Composite includes all discretionary accounts styled after the Invesco US Corporate Bond SMA Model Portfolio, which seeks total return, comprised of current income and capital appreciation by investing in investment grade and high yield credit securities. 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 inception was 7/31/2017. The composite was created in August 2017.
4. The Bloomberg U.S. Credit Index Total Return (TR) is an unmanaged index considered representative of publicly issued, SEC-registered U.S. corporate and specified foreign debentures and secured notes. 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.
5. "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. Net returns reflect the deduction of the maximum total wrap fee, which is currently 1.50% per annum or 0.125% monthly, 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). 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.
6. The dispersion of annual gross returns is measured by the equal-weighted standard deviation of account's 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 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.
7. All returns are expressed in U.S. dollars and are gross of nonreclaimable withholding tax, if applicable.
8. 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 Jun. 30, 2025

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