

Invesco Growth Strategic Balanced SMA First quarter

Fact Sheet: Separately Managed Accounts
Mar. 31, 2020



Portfolio management team

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Supported by the Invesco Investment Solutions
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Market overview

The majority of global markets produced negative returns during the first quarter of 2020 amidst the first global pandemic in modern times. COVID-19 has rattled economies around the world and has led to unprecedented volatility across almost every asset class and geographic region. The US stock market, as measured by the S&P 500 Index, fell just shy of 20% over the quarter - the largest quarterly decline since 2008. International developed ex-US and emerging markets equities fell by a similar magnitude. As a result of strained equity markets, government bond yields fell and prices rose as investors sought safety in less risky assets. In an attempt to contain the spread of the virus, countries enacted varying degrees of lockdowns, which reduced economic activity dramatically during the quarter. By the end of the first quarter, economic activity in China started to improve while economies in Europe, the U.S. and Canada slowed radically and remained that way as the first quarter came to a close.

US Equities: US equities produced negative returns during the first quarter of 2020, falling about 20% and undoing gains from 2019, one of the best years for the S&P 500 Index over the past decade. All major factor indices were negative over the quarter as well, with value and low volatility underperforming momentum and quality. The effect on businesses was swift and dramatic as US jobless claims rose by over

three million in the last week of the quarter. The US policy response was a very significant \$2.2 trillion package, though it will likely need to be followed up with additional measures.

International Equities: International ex-US equities fell sharply in the first quarter due to the spread of COVID-19 and underperformed US equities. Italy and Spain were the most affected countries. Emerging markets equities also posted negative returns, slightly underperforming developed ex-US equities, due to sharp declines in economic activity across the globe.

Fixed Income: The yields on the 10-year and 30-year U.S. Treasury bonds fell to all-time lows as investors flocked to safer assets. Yields and prices of government bonds were volatile throughout the quarter as they dipped and then rose sharply as investors sold assets to raise cash. In terms of monetary policy, the U.S. Federal Reserve (the "Fed") lowered the federal funds rate a total of 150 basis points over the course of a month and implemented a package of policy tools. Corporate bonds also declined sharply and underperformed government bonds, driven by fears of prolonged government shutdowns and their impact on corporate profits. Higher yielding fixed income declined significantly given investors' aversion to riskier assets. High yield bonds related to travel and oil were especially affected.

Portfolio positioning

The Invesco Strategic Balanced SMAs consist of static long-term portfolios that offer access to smart beta¹ strategies diversified across global equity and US fixed income markets, targeting three levels of risk:

1. Smart beta exposure
 - Fundamentally weighted ETFs
 - Low volatility ETFs
2. Diversification across global equity and US fixed income markets
 - US large cap
 - US small cap
 - International developed markets
 - Emerging markets
 - US government treasuries and investment grade bonds
3. Targeted risk
 - Conservative - 40% equity/60% fixed income
 - Moderate - 60% equity/40% fixed income
 - Growth - 80% equity/20% fixed income

¹ Beta is a measure of risk representing how a security is expected to respond to general market movements. Smart Beta represents an alternative and selection index based methodology that seeks to outperform a benchmark or reduce portfolio risk, or both. Smart beta portfolios may underperform cap-weighted benchmarks and increase portfolio risk.

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Sample portfolio

Ticker	Security	% of total net assets
ISDX	Invesco RAFI Strategic Developed Ex US ETF	20.12
IUS	Invesco RAFI Strategic US ETF	19.16
IDLV	Invesco S&P International Developed Low Volatility ETF	11.85
IIGD	Invesco Investent Grade Defensive ETF	10.32
SPLV	Invesco S&P 500 Low Volatility ETF	9.56
BAB	Invesco Taxable Municipal Bond ETF	5.91
IIGV	Invesco Investent Grade Value ETF	5.23
ISEM	Invesco RAFI Strategic Emerging Market ETF	4.43
IUSS	Invesco RAFI Strategic US Small Co ETF	4.26
EELV	Invesco S&P Emerging Markets Low Volatility ETF	3.14
XMLV	Invesco S&P MidCap Low Volatility ETF	2.95

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 Advisers, Inc. in this investment style during the last year, please contact Invesco Advisers, Inc. at 800 349 0953.**

Quarterly returns

Period	"Pure" gross return* (%)	Net return (%)	Invesco Growth Balanced Custom Index Return (%)
1Q20	-19.92	-20.35	-16.61

Annualized compound returns

as of Mar. 31, 2020

Period	"Pure" gross return* (%)	Net return (%)	Invesco Growth Balanced Custom Index Return (%)
1 Year	-12.35	-14.11	-7.06
3 Year	-0.31	-2.29	2.40
5 Year	1.67	-0.69	3.16
Since Inception (4/1/15)	1.67	-0.69	3.16

Returns less than one year are not annualized.

* "Pure" gross of fees returns reflect the deduction of trading costs but do not reflect any other expenses, and are supplemental to net returns. See note 5 on page 3.

Invesco Growth Strategic Balanced SMA Wrap composite

Year	"Pure" gross return* (%)	Net return (%)	Invesco Growth Balanced Custom Index 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
2019	19.21	16.88	22.94	N/A	8.48	9.04	<5	0.02	826	0
2018	-6.63	-8.49	-7.47	N/A	7.47	8.47	<5	0.02	579	0
2017	16.57	14.29	19.63	N/A	N/A	N/A	<5	0.02	660	0
2016	9.95	6.72	6.97	N/A	N/A	N/A	<5	0.02	599	0
2015**	-4.91	-7.04	-3.74	N/A	N/A	N/A	<5	0.01	575	0

Annualized compound returns as of Dec. 31, 2019

Period	"Pure" gross return* (%)	Net return (%)	Invesco Growth Balanced Custom Index Return (%)
1 Year	19.21	16.88	22.94
3 Year	9.07	6.92	10.82
Since Inception (4/1/15)	6.63	4.14	7.36

Returns less than one year are not annualized.

* "Pure" gross of fees returns reflect the deduction of trading costs but do not reflect any other expenses, and are supplemental to net returns. See note 5.

** Returns are for the period from April 1, 2015 (inception) through December 31, 2015.

- 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), Invesco Managed Accounts, LLC., 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. 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.
- 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 January 1, 2003 through December 31, 2018. 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.
- A complete list and description of Firm composites 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 Growth Strategic Balanced SMA Wrap Composite includes all discretionary accounts styled after the Invesco Growth Strategic Balanced SMA Model Portfolio, which seeks broad diversification across asset classes and investment factors through smart beta exchange-traded funds. It offers strategic, long-term allocations between equity and fixed income that are pre-set and weighted in proportion to the appropriate level of risk. The strategy targets 80% Equity and 20% Fixed Income. For all periods, the composite was composed of 100% non-fee paying discretionary institutional accounts. The historical performance results are those of the Invesco Growth Strategic Balanced SMA Institutional Composite. The composite is managed in comparison to, not duplication of, the benchmark. The composite was created in April 2015.
- "Pure" gross of fees returns reflect the deduction of trading costs but do not reflect 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 2.00% per annum or 0.1667% monthly, from the "pure" gross return. A model fee is the highest wrap fee a client could pay (2.00% 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: 2.00% on total assets. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.
- The Invesco Growth Balanced Custom Index is comprised of 80% of the MSCI All Country World Index (ACWI) Net Return (NR) and 20% of the Bloomberg Barclays U.S. Aggregate Total Return (TR) Index Unhedged and is rebalanced daily. The MSCI ACWI captures large and mid-cap securities exhibiting overall growth style characteristics across Developed Markets countries and Emerging Markets countries. The Bloomberg Barclays U.S. Aggregate Index covers U.S. investment-grade fixed-rate bonds with component for government and corporate securities, mortgage-pass throughs, and asset-backed securities. 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.
- 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.

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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All data as of Mar. 31, 2020

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