

# Invesco Preferred Securities SMA

## Why invest in this strategy

- 1 Independent thinking**  
 Our high-conviction approach focuses on catalysts for capital appreciation in pursuit of long-term, risk-adjusted performance.
- 2 Rigorous search for inefficiencies**  
 We combine top-down macro analysis with bottom-up credit research to capitalize on opportunities across fixed income.
- 3 Technology automation**  
 Technology is at the core of our efficient portfolio management at scale. Our process allows for quicker and more seamless implementation on both sides of execution.

## What this strategy does

The main objective of the strategy is to provide an attractive yield profile by investing approximately 100% in USD denominated preferred/hybrid securities with allocations to both fixed-rate and floating-rate structures. The strategy targets approximately 30% in high-quality, below investment grade securities and a duration profile of 3-5 years.

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

Composite AUM	\$5 mil
Strategy AUM	\$5 mil
Type/sub category	Fixed Income   Corporate
Inception date	7/31/2022
Separate account minimum	\$250 thousand
Average number of holdings	30
Portfolio manager (Industry start date)	Michael Hyman (1991), Matthew Brill (2002), Chuck Burge (1993), Todd Schomberg (2000), Ryan Watts (2002), Tim Benzel, CFA (2006)
Investment Advisor	Invesco Managed Accounts, LLC
Benchmark <sup>1</sup>	ICE Variable Rate Preferred & Hybrid Securities Index

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

	Strategy	Benchmark
Yield to Worst (YTW)	6.89	7.07
Yield to Maturity	7.60	8.19
Weighted Average Maturity (Years)	50.18	49.93
Effective Duration (Years)	2.75	2.18
Average Coupon	5.33	5.76
Average Credit Quality <sup>3</sup>	BBB-	BBB-

## Quality breakdown

Net cash & equiv.	1.80
AAA	0.00
AA	0.00
A	0.00
BBB	61.49
BB	36.71

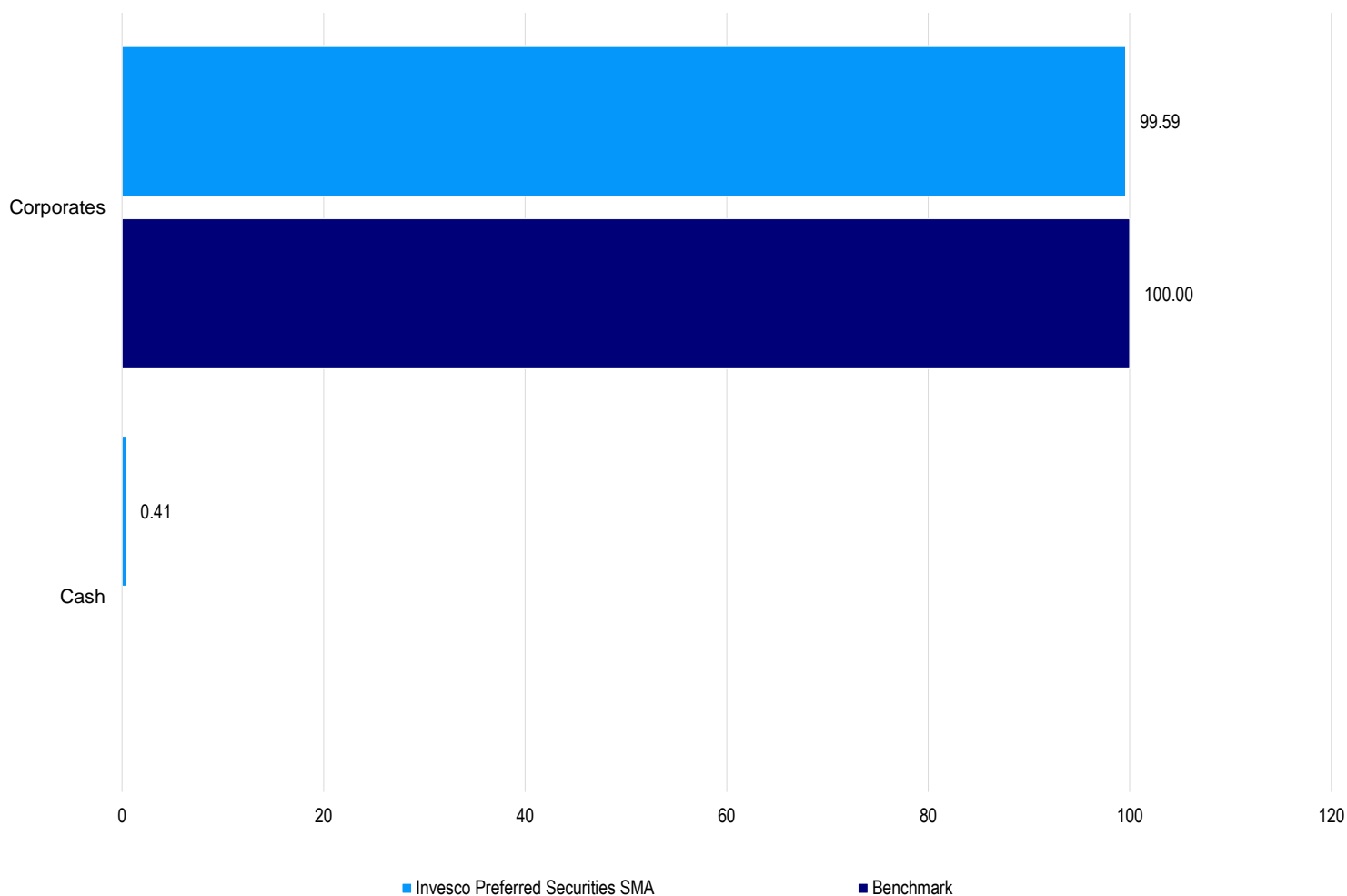
Source: Invesco, Investortools. These portfolio statistics are subject to change. Ratings source: Standard & Poor's, Moody's or Fitch, as applicable. If securities are rated differently by the rating agencies, the higher rating is applied. Data as of 6/30/24.

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)



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

	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since inception (07/31/2022)
Invesco Preferred Securities SMA (gross)	1.52	6.53	14.59	-	-	-	7.02
Invesco Preferred Securities SMA (net)	1.25	5.86	13.03	-	-	-	5.50
Benchmark	1.90	6.51	14.25	-	-	-	8.19

Benchmark: ICE Variable Rate Preferred & Hybrid 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 Preferred Securities SMA

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 (1) (\$ billions)
2023	10.26	8.63	10.87	N/A	N/A	N/A	<5	5	900
2022*	-3.03	-3.64	-1.53	N/A	N/A	N/A	<5	4	865

\*Returns less than one year are not annualized. Returns are for a period from July 31, 2022 (inception) through December 31, 2022.

Custom Benchmark: ICE Variable Rate Preferred & Hybrid Securities Index

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

Period	"Pure" Gross return (%)	Net return (%)	Benchmark Return (%)
1 Year	10.26	8.63	10.87
Since Inception (07/31/2022)	4.83	3.28	6.39

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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 valuing investments, calculating performance, and preparing GIPS Reports are available upon request. All returns are expressed in U.S. dollars and are gross of nonreclaimable withholding tax, if applicable.
- The Invesco Preferred Securities SMA Composite includes all discretionary accounts styled after the Invesco Preferred Securities SMA Model Portfolio, which seeks to provide current income with potential capital appreciation for total return by investing primarily in US investment grade and high yield preferred/hybrid securities. The weighted average duration of the portfolios included in the composite is between 2 - 5 years. 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 7/31/2022. The composite was created in July 2022.
- "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. 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). 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.
- The ICE Variable Rate Preferred & Hybrid Securities Index tracks the performance of floating and variable rate investment grade and below investment grade U.S. dollar denominated preferred stock and hybrid debt publicly issued by corporations in the U.S. domestic market. Effective July 2022, the benchmark returns reflect the deduction of transaction costs that are calculated using the bid/offer spread for all new additions to the index, as well as any security whose weight increases in the index at each monthly rebalancing, beginning with the 30 June 2022 rebalancing. The beginning-of-month calculated transaction cost adjustment is applied to index returns daily for the following calendar month. Benchmark returns prior to July 2022 do not reflect the deduction of transaction 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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