Invesco Investment Grade Floating Rate Bond SMA
Second quarter

Fact Sheet: Separately Managed Accounts
June 30, 2025

Portfolio management team

24-member team
Average of 16 years
Experience spread throughout global financial centers

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

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.

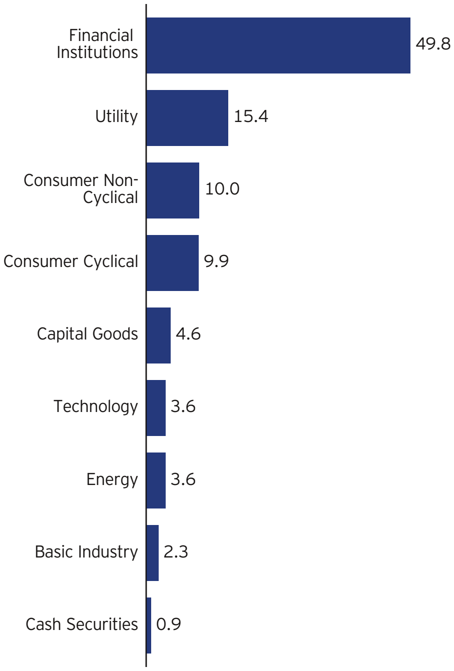
Overall, we maintain a constructive outlook for bonds. Reduced tariff velocity has lowered recession risk and enabled positive asset performance. Elevated yields continued to attract buyers despite market volatility caused by policy uncertainty. Stability in rates, if it materializes, would likely be 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.

For the first half of 2025, issuance in the US investment grade corporate floating-rate note (FRN) market was $68.4 billion. The overall FRN market (measured by the Bloomberg US FRN Corporates Index) was 7.4% of total issuance year-to-date. The Bloomberg US Corporate 1-3 Year Index gained 1.48% and longer-dated corporates with five- to seven-year maturities were up 2.54% during the quarter.

Gross and net performance for the Investment Grade Floating Rate Bond SMA was 1.12% and 0.74%, respectively, for the period. The benchmark returned 1.18%. All three corporate sectors posted positive excess returns for the quarter. Security selection within capital goods was a key driver of performance for the period. Security selection within banking detracted from relative performance.

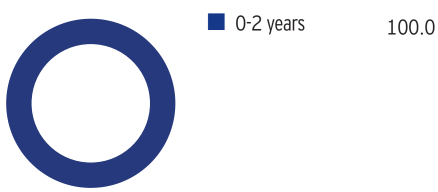
Sector weightings (%)



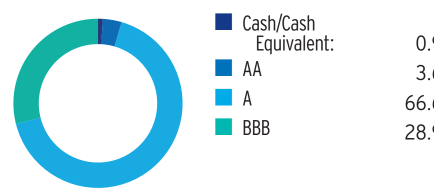
Portfolio characteristics	Portfolio
Number of Holdings	35
Yield-to-Worst (YTW)	5.23
Weighted Average Maturity (Years)	7.29
Weighted Average Life-to-Worst	3.24
Modified Duration (Years)	0.21
Effective Duration (Years)	0.12

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

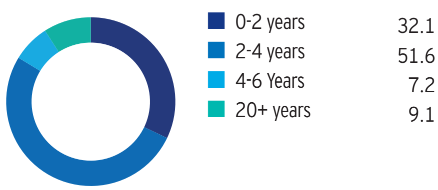
Effective duration (%)



Credit quality (%)



Maturity (%)



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

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. National Rural Utilities Cooperative Finance Corp	5.250	2/5/2027	4.56
2. John Deere Capital Corp	5.050	4/19/2027	4.54
3. Philip Morris International Inc	5.280	4/28/2028	4.53
4. Bank of America Corp	6.125		3.69
5. JPMORGAN CHASE & CO	5.650	1/23/2028	3.65
6. Oracle Corp	5.210	8/3/2028	3.62
7. NextEra Energy Capital Holdings Inc	5.115	2/4/2028	3.62
8. Wells Fargo & Co	5.230	1/24/2028	3.62
9. Keurig Dr Pepper Inc	5.178	3/15/2027	3.62
10. Goldman Sachs Group Inc/The	5.570	2/24/2028	3.62

Other sample holdings

American Express Co	5.470	1/30/2031
American Honda Finance Corp	5.270	3/3/2028
American Honda Finance Corp	5.160	7/9/2027
Bank of America Corp	5.460	1/24/2031
Bank of Montreal	5.111	6/4/2027
Bank of Nova Scotia/The	5.450	9/8/2028
Bank of Nova Scotia/The	5.081	6/4/2027
Chevron USA Inc	4.776	2/26/2028
CITIGROUP INC	5.320	3/4/2029
Consolidated Edison Co of New York Inc	4.826	11/18/2027
General Motors Financial Co Inc	5.490	2/26/2027
Goldman Sachs Group Inc/The	6.629	10/28/2027
HCA Inc	5.320	3/1/2028

Other sample holdings (continued)

JPMORGAN CHASE & CO	7.413	
Marsh & McLennan Cos Inc	5.008	11/8/2027
Pinnacle West Capital Corp	5.270	6/10/2026
PNC Financial Services Group Inc/The	6.000	
Rio Tinto Finance USA PLC	5.138	3/14/2028
Royal Bank of Canada	5.034	1/21/2027
Royal Bank of Canada	5.184	10/18/2028
Royal Bank of Canada	5.152	1/24/2029
Toronto-Dominion Bank/The	5.180	4/5/2027
Toyota Motor Credit Corp	5.160	5/14/2027
US Bancorp	3.700	

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 (%)	BBG US FN Corporates Index(%)
YTD	2.31	1.55	2.46
2Q25	1.12	0.74	1.18
1Q25	1.18	0.80	1.26
1 Year	5.37	3.81	5.52

Annualized compound returns — as of Jun. 30, 2025

Period	"Pure" gross return* (%)	Net return (%)	BBG US FN Corporates Index (%)
3 Year	6.48	4.90	6.12
5 Year	4.28	2.72	3.82
Since Inception (04/01/19)	3.95	2.40	3.55

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.

Invesco Investment Grade Floating Rate 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 (%)	3 Month Libor Index (%)	Number of accounts	Composite assets ($ millions)	Total firm assets ($ billions)	% wrap assets
2024	6.71	5.13	6.69	0.12	1.55	1.10	2296	1,312	948	100
2023	7.23	5.64	7.06	0.10	1.58	1.15	1942	1,182	900	100
2022	1.20	-0.32	1.33	0.09	5.70	2.69	1238	762	865	100
2021	1.10	-0.40	0.57	0.04	N/A	N/A	98	50	975	100
2020	2.12	0.58	0.65	0.09	N/A	N/A	18	8	876	100
2019**	4.16	3.00	1.66	N/A	N/A	N/A	8	6	826	100

Annualized Compound Returns **as of Dec. 31, 2024**

Period	"Pure" Gross Return*	Net Return	Benchmark Return (%)
1 Year	6.71	5.13	6.69
3 Year	5.01	3.45	4.99
5 Year	3.64	2.09	3.39
Since Inception (03/31/19)	3.89	2.34	3.43

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 April 1, 2019 (inception) through December 31, 2019.

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.

2. For purposes of compliance with Global Investment Performance Standards (GIPS®), "Invesco Worldwide" refers collectively to all direct or indirect subsidiaries of Invesco Ltd. that provide discretionary investment advice with the exception of the following entities: Invesco Investment Management Ltd., Invesco Investment Advisers LLC, Invesco Asset Management Australia (Holdings) Ltd., Invesco Global Real Estate Asia Pacific, Inc., IRE (Cayman) Ltd., Invesco Senior Secured Management, Inc., Invesco Private Capital, Inc., and Invesco Capital Management LLC. Invesco Great Wall Fund Management Company Limited is compliant with GIPS but is not part of Invesco Worldwide.

3. The Invesco Investment Grade Floating Rate Bond SMA Wrap Composite includes all discretionary accounts styled after the Invesco Investment Grade Floating Rate Bond SMA Model Portfolio, which seeks to provide current income with potential capital appreciation for total return by primarily investing in investment grade floating rate corporate debt securities. The strategy can also invest up to 20% of its net assets in preferred 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 date was 3/31/2019. The composite was created in April 2019.

4. The Bloomberg US Corporate FRN Index is an unmanaged index that measures the performance of USD denominated, investment-grade, floating-rate notes across corporate-only sectors and issuers. Prior to October 1, 2021 the London Inter-Bank Offered Rate (LIBOR) 3 Month USD Index was the benchmark for the composite. 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.

FOR PUBLIC USE All data as of Jun. 30, 2025