

Invesco Tax-Free Enhanced Cash SMA

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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 entirely in investment grade tax-exempt municipal bonds and targets a weighted average portfolio duration of 1.25 years with individual bond maturities of no greater than three years. This low-duration strategy is designed to exhibit minimal sensitivity to interest rate changes.

Overview (as of 03/31/2024)

Composite AUM	\$207 mil
Strategy AUM	\$499 mil
Type/sub category	Fixed Income Investment Grade
Inception date	12/31/2014
Separate account minimum	\$250 thousand
Average number of holdings	20
Portfolio manager (Industry start date)	Eddie Bernhardt (1999), Tim Benzel (2006), Mark Paris (1990), Galen True (2009), Joshua Cooney (1998) , Rebecca Setcavage (2004)
Investment Advisor	Invesco Managed Accounts, LLC
Benchmark ¹	ICE BofA 9-12 Month U.S. Treasury Index

Portfolio characteristics²

	Strategy	Bench- mark
Yield to Worst (YTW)	3.78	5.13
Yield to Maturity	3.82	5.13
Weighted Average Maturity (Years)	1.03	0.85
Effective Duration (Years)	0.89	0.82
Average Coupon	4.27	2.38
Average Credit Quality ³	AA+	AA1

Quality breakdown

Net cash & equiv.	1.75
AAA	44.65
AA	32.40
A	19.96
BBB	1.24
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 3/31/24.

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.



Portfolio statistics (annualized)

	3 Years
Information Ratio	-0.69
Sharpe Ratio	-1.12
Beta	1.31
Tracking Error	1.01
Standard Deviation	1.38

Information is based on a representative account of the composite.

Standardized performance (%) as of March 31, 2024

	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since inception (12/31/2014)
Invesco Tax-Free Enhanced Cash SMA (gross)	0.47	0.47	2.96	1.16	1.35	-	1.26
Invesco Tax-Free Enhanced Cash SMA (net)	0.44	0.44	2.82	0.98	1.14	-	1.05
Benchmark	0.97	0.97	4.77	1.85	1.86	-	1.49

Benchmark: ICE BofA 9-12 Month U.S. Treasury 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 Tax-Free Enhanced Cash 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	3.47	3.32	5.05	0.19	1.38	0.95	123	138	900
2022	-0.58	-0.78	-0.32	0.23	1.13	0.78	60	119	865
2021	0.28	0.03	0.02	0.15	0.67	0.67	38	58	975
2020	1.58	1.34	1.64	0.12	0.68	0.61	43	48	876
2019	2.33	2.12	2.86	0.18	0.56	0.37	41	42	826
2018	1.74	1.48	1.92	N/A	N/A	N/A	5	8	N/A
2017	1.19	0.95	0.75	N/A	N/A	N/A	<5	3	N/A
2016	0.25	0.03	0.83	N/A	N/A	N/A	<5	1	N/A
2015	1.01	0.83	0.21	N/A	N/A	N/A	<5	1	N/A

Benchmark: ICE BofA 9-12 Month U.S. Treasury Index

Annualized Compound Rates of Return Ending December 31, 2023

Period	Gross return (%)	Net return (%)	Benchmark Return (%)
1 Year	3.47	3.32	5.05
3 Year	1.04	0.84	1.55
5 Year	1.41	1.20	1.83
Since Inception (12/31/2014)	1.25	1.03	1.43

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- The Invesco Tax-Free Enhanced Cash SMA Composite includes every fully representative portfolio managed in the strategy. The composite is a subset of the Invesco Enhanced-Cash Composite and includes portfolios that generally hold at least 80% of assets in federally tax-exempt securities. All the portfolios included in the composite are actively managed. All holdings within the portfolios are investment grade, dollar denominated. Eligible securities include those in the U.S. Treasury, government-related, corporate, securitized and municipal sectors of the investment-grade bond market. The duration of the portfolios included in the composites are limited to between .5 – 1.5 years. The composite is managed in comparison to, not duplication of the benchmark. The composite inception was 12/31/2014. The composite was created in July 2020.
- 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 Tax-Free Enhanced Cash SMA product range up to 0.25% 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 ICE Bank of America Merrill Lynch 9-12 Month U.S. Treasury Index is an unmanaged index that is a subset of the ICE Bank of America Merrill Lynch 0-1 Year U.S. Treasury Index including all securities with a remaining term to final maturity greater than or equal to 9 months and less than 12 months. The benchmark includes only U.S. dollar denominated securities and is market-value weighted. 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.
- 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.

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.

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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