

# Investment Philosophy and Process

## Invesco BulletShares Municipal Portfolios

### Team

The following individuals are jointly and primarily responsible for the day-to-day management of the strategy:



**Alessio de Longis, CFA**  
Head of Investments  
21 years industry exp.



**Jeffrey Bennett, CFA**  
Senior Portfolio Manager  
23 years industry exp.

Investment decisions for the strategy are made by the Invesco Solutions team, a tenured investment management team at Invesco Advisers. This team has extensive experience designing goal-oriented investment strategies across time horizons that seek to achieve enhanced risk-adjusted returns. The team consists of **150+ professionals** and **\$209 billion<sup>1</sup>** in total assets (as of September 30, 2025).

### Universe

BulletShares Municipal Bond ETFs

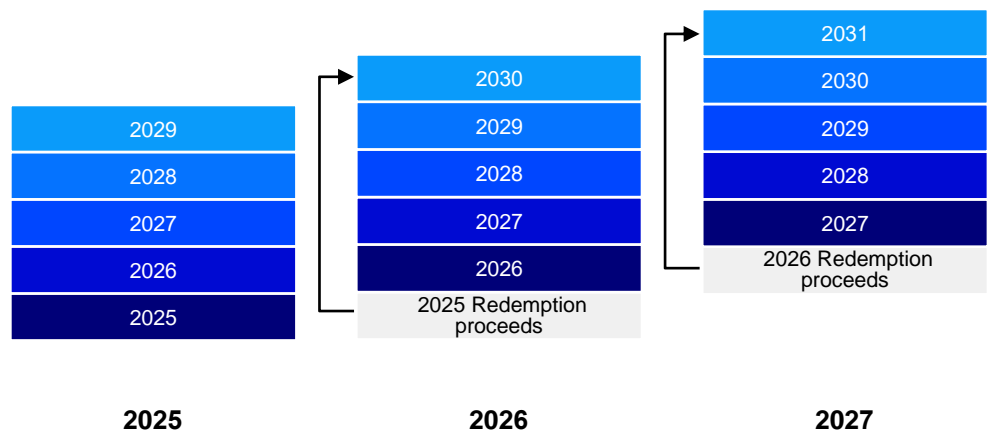
### Investment strategy

Invesco BulletShares Municipal Model portfolios invest in BulletShares Municipal Bond ETFs to create bond ladders, offering investors a tax-free, cost-effective, and convenient approach to portfolio laddering. These portfolios provide customized municipal bond portfolios tailored to specific maturity profiles, risk preferences, and investment goals. The portfolios are designed to be evergreen across four maturity bands: 0–3, 0–5, 0–7, and 0–10 tax-free years.

### How do these portfolios work?

- The investment team selects the appropriate number of single-maturity ETFs for each portfolio and equal weights the underlying Invesco BulletShares Municipal Bond ETFs within the respective maturity band, allowing for a 2% cash buffer.
- Invesco BulletShares Municipal Model Portfolios are rebalanced / reallocated annually in November. Upon the issuance of the furthest maturity ETF in the entire municipal series, an equal-weighted amount from the earliest maturing ETF will be invested in the furthest ETF in that maturity band (e.g., for five-year portfolio — maturity of 2025 ETF will result in the purchase of the 2030 ETF)<sup>2</sup>.
- Any excess across the remaining funds in the lineup will be prorated (to reduce overall account variance from the model weights).
- Maximum variance is 3%

### Illustrative example of a 0–5-year ladder



For illustrative purposes only

### Why invest in an Invesco BulletShares Municipal Model Portfolio?

- Investors are only subject to underlying ETF fees and transaction costs for rebalancing. No overlay fees will be applied by Invesco.
- Robust, institutional-level research scrutiny is applied to the securities in the underlying BulletShares Municipal Bond ETFs.
- Transparent<sup>3</sup>, scalable, and flexible architecture; all of the underlying ETFs hold a basket of individual issues, which helps diversify credit risk.
- Attractive way to generate potential tax-free income and manage interest rate risk.
- Can complement an existing allocation or act as a standalone municipal bond allocation.

<sup>1</sup> Includes assets under management and assets under advisement; there is overlap of assets with other areas.

<sup>2</sup> The funds do not seek to return any predetermined amount at maturity, and the amount an investor receives may be worth more or less than their original investment.

<sup>3</sup> ETFs disclose their full portfolio holdings daily.

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## **Invesco BulletShares Municipal Model Portfolios custom benchmarks**

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### **Invesco BulletShares Municipal 0–3-year portfolio:**

Bloomberg Municipal Bond: Muni Short (1-5) Total Return Unhedged USD

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### **Invesco BulletShares Municipal 0–5-year portfolio:**

Bloomberg Municipal Bond: Muni Short (1-5) Total Return Unhedged USD

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### **Invesco BulletShares Municipal 0–7-year portfolio:**

Bloomberg Municipal 1-10yr Total Return Index Unhedged USD

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### **Invesco BulletShares Municipal 0–10-year portfolio:**

Bloomberg Municipal 1-10yr Total Return Index Unhedged USD

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