



# Invesco Strategic Active Portfolios

February 7, 2024

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## Investment Strategy

The portfolios are designed using strategic long-term asset class allocations. With multiple risk levels in each suite, there are a range of potential solutions to suit an investor's risk profile and return objective.

## Portfolio positioning and commentary

After one of the worst performances on record in 2022, stocks and bonds bounced back in 2023, quieting growing worries about the prospects of popular balanced investment strategies. This backdrop has provided us with a great opportunity to rebalance our Model Portfolios in early 2024. These changes are largely driven by changes to our long-term asset allocation views, as well as a thorough review of the underlying holdings in the portfolios.

**The result of this strategic shift means the following for the Invesco Strategic ETF Portfolios:**

### US equity

- While our longer-term views on US small and mid-cap stocks remain favorable, we shift some weight to large cap US stocks to manage tracking error versus our benchmarks

### International developed and emerging markets equity

- From a strategic asset allocation standpoint, the Models slightly increased allocation to emerging markets relative to international developed, as our long-term risk and return expectations continue to look more favorable for the emerging markets

### Fixed income

- The Invesco Income Fund Class Y (ticker: AGVYX) was removed due to portfolio manager departure in 2023 and was replaced with Invesco Core Bond Fund Class Y (ticker: OPBYX). Due to this change, the Invesco Corporate Bond Class Y (ticker: ACCHX) was also removed, to consolidate active management in the fixed income sleeve



## Changes to holdings (%)

Underlying fund	Ticker	20/80	40/60	60/40	80/20	100/0
<b>US Equity</b>		-	-	<b>0.5</b>	-	-
Invesco Capital Appreciation Fund	OTCYX	0.5	1.0	1.3	2.5	3.0
Invesco Discovery Mid Cap Growth Fund	OEGYX	-	-1.3	-2.3	-2.8	-3.0
Invesco Diversified Dividend Fund	LCEYX	-	1.3	1.3	2.5	2.5
Invesco Global Fund	OGLYX	-	-	2.0	-	-
Invesco Main Street Small Cap Fund	OSCYX	-0.5	-1.0	-1.8	-2.3	-2.5
<b>International Equity</b>		-	-	<b>-0.5</b>	-	-
Invesco Developing Markets Fund	ODVYX	-	0.5	0.8	0.8	1.3
Invesco International Equity Fund	QIVYX	-	-	-	-	-
Invesco International Small-Mid Company Fund	OSMYX	-	-	-0.5	-	-
Invesco Oppenheimer International Growth Fund	OIGYX	-	-0.5	-0.8	-0.8	-1.3
<b>Fixed Income</b>		<b>-2.0</b>	<b>-2.0</b>	-	-	-
Invesco Core Bond Fund	OPBYX	40.5	30.0	19.5	9.5	-
Invesco Core Plus Bond Fund	CPBYX	-7.0	-12.5	-11.0	-2.3	-
Invesco Corporate Bond Fund	ACCHX	-28.5	-16.3	-6.5	-4.5	-
Invesco Conservative Income Fund	ICIYX	2.0	2.0	-	-	-
Invesco Floating Rate ESG Fund	AFRYX	1.5	0.5	-	-	-
Invesco Income Fund	AGVYX	-8.0	-4.0	-2.0	-2.8	-
Invesco International Bond Fund	OIBYX	-0.5	0.3	-	-	-
<b>Alternative</b>		-	-	-	-	-
Invesco Global Real Estate Income Fund	ASRYX	-	-	-	-	-
Invesco Macro Allocation Strategy Fund	GMSHX	-	-	-	-	-
<b>Cash</b>		-	-	-	-	-

Source: Invesco as of February 7, 2024. A dash represents no allocation change.

## Portfolio holdings (%)

Underlying fund	Ticker	20/80	40/60	60/40	80/20	100/0
<b>US Equity</b>		<b>13.0</b>	<b>31.0</b>	<b>46.5</b>	<b>64.5</b>	<b>77.0</b>
Invesco Capital Appreciation Fund	OTCYX	6.5	10.5	17.0	22.5	27.0
Invesco Discovery Mid Cap Growth Fund	OEGYX	0.0	2.3	3.3	4.5	5.5
Invesco Diversified Dividend Fund	LCEYX	4.5	11.0	17.0	23.0	27.0
Invesco Global Fund	OGLYX	0.0	5.0	6.0	10.0	12.0
Invesco Main Street Small Cap Fund	OSCYX	2.0	2.3	3.3	4.5	5.5
<b>International Equity</b>		<b>4.0</b>	<b>6.0</b>	<b>10.5</b>	<b>12.5</b>	<b>15.0</b>
Invesco Developing Markets Fund	ODVYX	2.0	4.0	6.5	8.0	10.0
Invesco International Small-Mid Company Fund	OSMYX	0.0	0.0	2.0	2.0	2.5
Invesco Oppenheimer International Growth Fund	OIGYX	2.0	2.0	2.0	2.5	2.5
<b>Fixed Income</b>		<b>73.0</b>	<b>53.0</b>	<b>35.0</b>	<b>15.0</b>	<b>0.0</b>
Invesco Core Bond Fund	OPBYX	40.5	30.0	19.5	9.5	0.0
Invesco Core Plus Bond Fund	CPBYX	23.0	17.5	11.5	5.5	0.0
Invesco Conservative Income Fund	ICIYX	2.0	2.0	0.0	0.0	0.0
Invesco Floating Rate ESG Fund	AFRYX	5.5	2.5	2.0	0.0	0.0
Invesco International Bond Fund	OIBYX	4.0	3.0	2.0	0.0	0.0
<b>Alternative</b>		<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>
Invesco Global Real Estate Income Fund	ASRYX	2.0	2.0	2.0	2.0	2.0
Invesco Macro Allocation Strategy Fund	GMSHX	4.0	4.0	4.0	4.0	4.0
<b>Cash</b>		<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
<b>Total</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Invesco, as of February 7, 2024. This table illustrates the composition of model portfolios 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. Holdings may vary depending on program sponsor restrictions or specific client guidelines. Holdings may not equal 100% due to rounding. Where cash is shown, it is for the model level. It does not include possible amounts held within each underlying fund. 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.

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## Glossary

Active Management - Active funds are directly managed by a manager, or team of managers, seeking to beat market returns.

Credit Rating - Refers to the quality of a company's credit, as determined and assigned by a recognised credit ratings agency.

Duration – A bond's price sensitivity to changes in interest rates.

Factor - An investment approach in which securities are grouped into categories, and portfolio allocation is based on selection among "factors" rather than among individual securities. These targeted factors, such as low volatility, momentum, or quality give investors a set of tools to tailor exposures.

Spread – The difference between the quoted rate of return on different debt instruments which often have varying maturities, credit ratings, and risk.

Spread Duration – A bond's price sensitivity to changes in spreads.

Style - An investment approach in which securities are grouped into categories, and portfolio allocation is based on selection among "styles" rather than among individual securities.

Strategic Asset Allocation – An asset allocation that is constructed on the basis of long-term asset class forecasts with targets to maintain a set combination of asset classes.

Tactical Asset Allocation - An asset allocation that is constructed on the basis of shorter-term asset class forecasts seeking to capitalize on changing market prices.

Tracking Error – The volatility of portfolio's returns versus benchmark returns. Also known as active risk.

There can be no assurance that any investment process or strategy will achieve its investment objective. Asset allocation and diversification does not guarantee a profit or eliminate the risk of loss.

Some of the risks involved with equities include the possibility that the value of the stocks may fluctuate in response to events specific to the companies or markets, as well as economic, political or social events in the U.S. or abroad. Bonds are subject to interest rate, inflation, and credit risks. Investments in high-yield bonds may be subject to greater market fluctuations and risk of loss of income and principal than securities in higher rated categories. Investments in foreign securities (including ADRs) involve special risks, including foreign currency risk and the possibility of substantial volatility due to adverse political, economic, or other developments. These risks are magnified for investments made in emerging markets. Investments in a certain industry or sector may pose additional risk due to lack of diversification and sector concentration. Investments in real estate securities can be subject to fluctuations in the value of the underlying properties, the effect of economic conditions on real estate values, changes in interest rates, and risk related to renting properties, such as rental defaults. There are special risks associated with an investment in commodities, including market price fluctuations, regulatory changes, interest rate changes, credit risk, economic changes, and the impact of adverse political or financial factors. Mutual Fund Risk Considerations: Mutual funds are subject to investment risks, including possible loss of the principal amount invested. Investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

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