

# Invesco Tax-Optimized Total Market Equity SMA

## Why invest in this strategy

- 1 Tax optimization**  
 We seek to efficiently deliver tax alpha through a process that uses proprietary technology to continuously monitor tax-loss harvesting opportunities.
- 2 Customization**  
 We use a fully systematic research-driven investment process that allows us to efficiently incorporate client-specific customizations and preferences in a cost-efficient manner.
- 3 High touch client service**  
 We provide high-touch service at every step of the client experience, from onboarding to reporting to ongoing support.

## Portfolio characteristics

Total number of holdings	283
Weighted average market cap	854,527

## Asset mix (%)

Equity	97.66
Cash	2.34

Portfolio characteristics and holdings are based on a representative account of the portfolio.

## What this strategy does

The strategy provides investors with broad exposure to all-cap US equities and seeks to deliver tax alpha using a highly systematic, quantitative research-driven investment process. Through a state-of-the-art portfolio management platform, the team incorporates tax-optimized investing with client-specific customization capabilities.

## Overview (as of 6/30/24)

Composite AUM	\$18 mil
Strategy AUM <sup>1</sup>	\$136 mil
Type/sub category	Equity   US All Cap
Inception date	12/31/2021
Separate account minimum	\$250 thousand
Portfolio manager (Industry start date)	Tarun Gupta, PhD (2009), Timur Sahin (2011)
Investment Advisor	Invesco Managed Accounts, LLC
Benchmark <sup>2</sup>	Russell 3000 Index

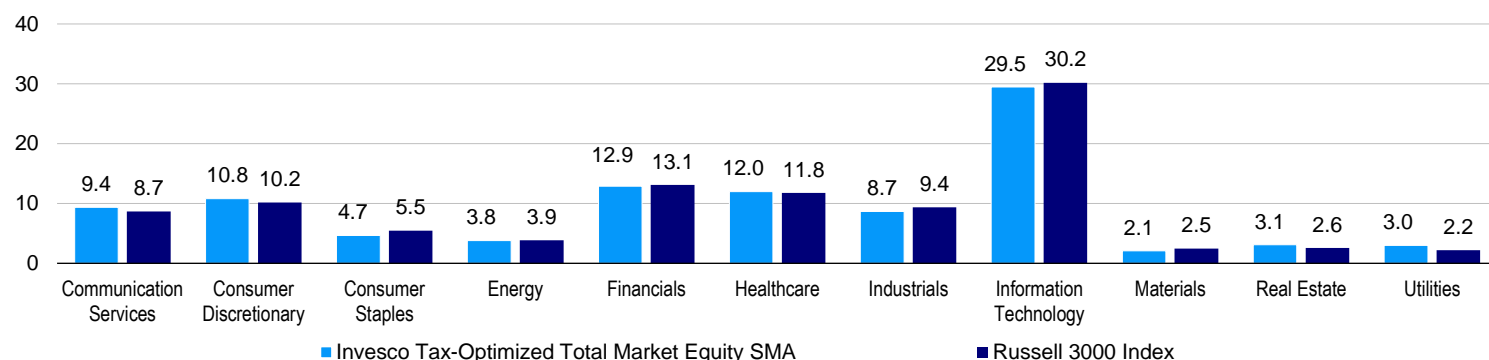
## Top issuers (% of total net assets)

Microsoft Corp	5.99
Apple Inc	5.47
NVIDIA Corp	5.21
Amazon.com Inc	3.31
Meta Platforms Inc Cl A	2.68
Tesla Inc	1.95
Alphabet Inc Cl C	1.68
Alphabet Inc Cl A	1.66
Eli Lilly and Co	1.53
McKesson Corp	1.43

Holdings are subject to change and are not buy/sell recommendations.

1. Strategy AUM represents assets of all vehicles of the strategy and may include accounts that are not reflected in the GIPS composite performance.  
 2. Please see Disclosure Statement for benchmark index description.  
 3. GIPS composite information can be found on page 3.

## Sector breakdown (% of total net assets)



Information is based on a representative account of the composite.

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

		QTD	YTD	1 Year	Since inception (12/31/2021)
Pre-tax	Gross	2.99	14.20	22.89	4.95
	Net	2.97	14.15	22.78	4.80
	Benchmark <sup>1</sup>	3.22	13.56	23.13	5.96
Post-tax	Net	3.36	14.83	26.15	14.48
	Benchmark <sup>1</sup>	3.10	13.23	22.51	5.37
Tax alpha	Net	0.51	1.01	3.99	10.27

**Tax Alpha** is calculated as the difference between pre-tax excess returns and the post-tax excess returns.

Inception date is 12/31/2021. **Past performance is not a guarantee of future results.**

Source: Invesco. As of 6/30/24. The information above is supplemental to the Composite's Global Investment Performance Standards (GIPS<sup>®</sup>) report contained on the following page, which is an essential part of this strategy material. The Invesco Tax-Optimized Total Market Equity SMA composite includes all taxable portfolios managed by the Portfolio Management team. The investment objective of this strategy is to maintain similar risk and return characteristics to the stated benchmark, while minimizing the tax consequences of the strategy by employing a multifaceted tax optimization process. Cash funded accounts employing client directed restrictions, accounts funded with securities, and accounts with large contributions or withdrawals may be excluded from the composite. The composite returns are calculated as a dollar weighted average of all accounts included in the composite. All after-tax calculations assume maximum individual federal tax rates and also maximum state tax rate based on each investor's state of domicile. The federal tax rates used for the current period are 40.8% on short-term gains, 23.8% on long-term gains and 23.8% on dividend income. The maximum state tax rates used for the current period would reflect an additional tax rate of 13.3% (California's maximum individual state tax rate) in addition to all federal rates listed above. The accounting method used to determine after-tax returns is specific to each client account but is limited to exact lot selection (ELS), FIFO, HIFO or minimum tax methods for performance calculation purposes. Each client's actual circumstances and tax rates may differ from the tax rates used in this analysis, so the reported after-tax returns may not equal the actual after-tax returns for each specific client. The after-tax returns shown are subject to the limitations of the specific calculation methodology applied. The after-tax performance reported above is an estimate, and actual client after-tax returns may vary. Invesco does not provide tax advice. Investors should consult a tax advisor when considering tax-aware investment products.

1. Russell 3000 Index.

The pre-tax benchmark returns referenced on this page represent the actual returns of the stated benchmark. To calculate the post-tax benchmark returns, a post-tax benchmark composite is compiled. Each account in the composite is tied to a corresponding shadow benchmark which is made up of a single synthetic holding that incorporates daily index price movements and distributions. Account level cashflows (buy/sell) are applied to this single holding through time and generate a parallel benchmark account reflecting account level activity. After-tax returns are calculated for each shadow benchmark of each account in the composite and are then asset weighted to create the post-tax benchmark included above.

The Russell 3000 Index is a trademark of the Frank Russell Company. Russell<sup>®</sup> is a trademark of the Frank Russell Company.

## Invesco Tax-Optimized Total Market Equity 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	22.89	22.76	25.96	N/A	N/A	N/A	8	8.20	900
2022	-19.60	-19.76	-19.21	N/A	N/A	N/A	8	0.83	865

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

Period	Gross return (%)	Net return (%)	Benchmark Return (%)
1 Year	22.89	22.76	25.96
Since Inception (12/31/2021)	-0.60	-0.75	0.88

Performance less than 1 year is not annualized.

- 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.
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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 Tax-Optimized Total Market Equity SMA Composite includes every fully representative portfolio managed in the strategy. The composite includes portfolios with long-only exposures to US all-cap common stocks. A custom tax-management overlay is applied to the portfolios. All portfolios included in the composite are actively managed. The composite is managed in comparison to, not duplication of the benchmark. The composite inception date was 12/31/2021. The composite was created in January 2022.
- 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-Optimized Total Market Equity SMA product range up to 0.20% 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 benchmark of this composite is 100% Russell 3000 Index.
- 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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## Definitions

**Weighted mkt cap** is calculated by taking the average market value of all companies outstanding securities within the portfolio and weighting them based on their respective allocation within the portfolio.

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Investment strategies that seek to enhance after-tax performance may be unable to fully realize strategic gains or harvest losses due to various factors. Market conditions may limit the ability to generate tax losses or to generate dividend income taxed at favorable tax rates. A tax-managed strategy may cause a client portfolio to hold a security in order to achieve more favorable tax treatment or to sell a security in order to create tax losses. The ability to utilize various tax-management techniques may be curtailed or eliminated in the future by tax legislation, regulation, or guidance issued by the Internal Revenue Service. The benefit of tax-managed investing to an individual investor is dependent upon the tax liability of that investor. Over time, the ability of an investor in a tax-managed strategy to harvest losses may decrease and gains may build up in a securities portfolio.

This portfolio is actively managed. Portfolio holdings and characteristics are subject to change. It should not be assumed that an investment in the securities identified was or will be profitable. Actual holdings will vary for each client and there is no guarantee that a particular client's account will hold any or all of the securities listed. Past performance is no guarantee of future results.

All information presented is sourced from Invesco as of June 30, 2024 unless otherwise noted.

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