

# Invesco Growth and Income SMA

## First quarter

Fact Sheet: Separately Managed Accounts  
Mar. 31, 2023



---

### Portfolio management team

---

#### Brian Jurkash

Portfolio Manager  
Industry since 2000  
B.B.A., Stephen F. Austin State University  
M.B.A., University of Houston

---

#### Sergio Marcheli

Portfolio Manager  
Industry since 1995  
B.B.A., University of Houston  
M.B.A., University of St. Thomas

---

#### Matthew Titus, CFA

Portfolio Manager  
Industry since 2002  
B.S., Luther College  
M.B.A., Ohio State University

---

### Current portfolio positioning

US equities delivered gains in the first quarter despite significant volatility and a banking crisis. A January rally gave way to a February sell-off as higher-than-expected inflation, a tight labor market and solid economic growth indicated that the Federal Reserve (Fed) monetary policy would remain tight for the foreseeable future, raising the risk of a deeper recession. The quarter's largest shock came in March as the failure of two US regional banks prompted steep losses in the sector. Fears that bank troubles would spread sent investors to safe-haven assets, sparking a bond rally, particularly among securities at the short end of the yield curve. The Fed continued its fight against inflation but raised the federal funds rate by just 0.25% each in February and March, a slower pace than in 2022. The Fed's actions to stabilize the banking system in March sent markets higher, so equities were surprisingly resilient despite the turmoil.

The portfolio underperformed the Russell 1000 Value Index for the quarter. Sector leadership within the index reflected a reversal of trends from 2022, with last year's laggards - communication services and information technology (IT) - leading in the first quarter. On the flipside, health care, financials, energy and utilities had negative returns.

Stock selection in financials was the largest detractor from relative performance, as regional bank failures weighed on shares of Citizens Financial. Other areas in financials were also affected by bank worries, specifically Charles Schwab and AIG. Stock selection and an underweight in communication services detracted from relative returns. Stock selection and an overweight in energy also detracted from relative returns. After posting strong gains in 2022, energy stocks reversed course amid declining oil and natural gas prices.

Security selection and an overweight in consumer discretionary was the largest contributor to relative returns, due to Amazon and Las Vegas Sands. An overweight in IT also aided relative returns, with Lam Research a top individual contributor. The portfolio also benefited from underweights in the more defensive utilities sector, which struggled in the first quarter after a strong 2022.

The team added holdings in industrials and energy, and sold a position in communication services. At quarter-end, the portfolio's largest overweights were consumer discretionary and health care, while the largest underweights were in communication services and utilities.

We believe volatility is likely to continue, given uncertainty about future rate increases and potential contagion from recent bank failures. Regardless of the environment, we seek to invest in companies with attractive valuations and strong fundamentals, qualities that we believe will ultimately be reflected in those companies' stock prices.

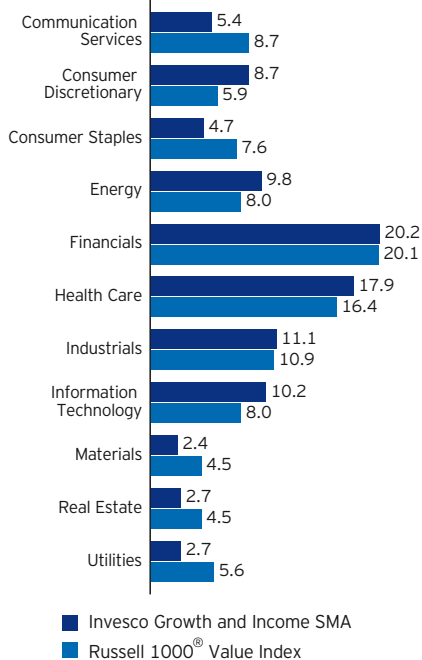
### FOR PUBLIC USE

#### Not a Deposit Not FDIC Insured Not Guaranteed by the Bank May Lose Value Not Insured by any Federal Government Agency

All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. This is not to be construed as an offer to buy or sell any financial instruments and should not be relied upon as the sole factor in an investment making decision. As with all investments there are associated inherent risks. This should not be considered a recommendation to purchase any investment product. This does not constitute a recommendation of any investment strategy for a particular investor. Investors should consult a financial professional before making any investment decisions if they are uncertain whether an investment is suitable for them. Please obtain and review all financial material carefully before investing.

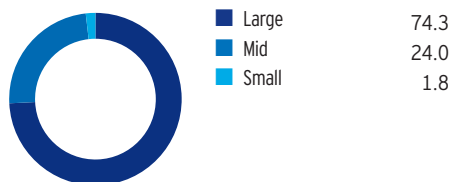
The investment strategies described herein are those of Invesco Advisers, Inc. These materials are being provided for informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified by the sponsor and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these Invesco Advisers, Inc. materials are preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents and/or materials, please speak to your Financial Advisor.

The GIPS® Composite Report is located on the last page.

**Sector weightings** (% of total net assets)

**Portfolio characteristics**

	Portfolio	Russell 1000 Value Index
Number of Holdings	49	849
Median Market Cap (\$M)	\$90,540	\$79,671
Weighted Average Market Cap (\$M)	\$127,148	\$154,730
Weighted Average Price/Book	2.05	2.44
Weighted Harmonic Average 12-Month Forward P/E	12.18	14.55
Weighted Harmonic Average 12-Month Trailing P/E	12.53	14.92
Weighted Average Dividend Yield (Trailing 12 Months)	2.44%	2.34%
Weighted Average 12-Month Forward EPS Growth	4.85%	3.20%
Weighted Average Long-Term EPS Growth	8.63%	6.73%
Weighted Average Return on Equity	19.01%	15.04%
Weighted Average Long-Term Debt to Capital	42.55%	42.29%
Turnover (TTM)	22.14%	N/A

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

**Market capitalization breakdown** (%)

**Asset allocation**

	9/30/22	12/31/22	3/31/23
Stocks	96.30%	95.99%	95.72%
Cash/Other	3.70%	4.01%	4.28%

**Performance characteristics** (Five year)

Alpha (vs. Russell 1000 Value Index)	-1.13
Beta (vs. Russell 1000 Value Index)	1.14
R <sup>2</sup> (vs. Russell 1000 Value Index)	0.96
Information Ratio (vs. Russell 1000 Value Index)	-0.15
Sharpe Ratio	0.24
Up/Down Capture Ratio (vs. Russell 1000 Value Index)	110.82/105.55
Standard Deviation	
Portfolio	21.85%
Benchmark	18.82%

**Quarterly returns**

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000 Value Index Total Return (%)
1Q23	-2.10	-2.84	1.01

**Annualized compound returns**

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000 Value Index Total Return (%)
1 Year	-7.22	-9.99	-5.91
3 Year	23.09	19.50	17.93
5 Year	6.73	3.58	7.50
10 Year	8.74	5.54	9.13
Since Inception (1/1/09)	10.34	7.10	10.93

Returns less than one year are not annualized.

\* "Pure" gross of fees returns reflect the deduction of trading costs but do not reflect any other expenses, and are supplemental to net returns. See note 5 on page 4.

**FOR PUBLIC USE**

All data as of Mar. 31, 2023

Sources: Invesco, Lipper Inc., StyleADVISOR, Thomson Financial, Compustat, Morningstar Inc., Frank Russell Co. ■ ©2021 Morningstar Inc. All Rights Reserved. The information contained herein: is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is not a guarantee of future results. ■ Russell 1000 Value Index is a trademark/service mark of the Frank Russell Co. Russell is a trademark of the Frank Russell Co. ■ The portfolio holdings are organized according to the Global Industry Classification Standard, which was developed by and is the exclusive property and service mark of MSCI Inc. and Standard & Poor's.

**Sample portfolio****Top 10 holdings**

Ticker	Security	Sector	% of total net assets
1. PH	Parker-Hannifin Corp	Industrials	3.21
2. PM	Philip Morris International Inc	Consumer Staples	3.19
3. WFC	Wells Fargo & Co	Financials	3.12
4. SNY	Sanofi	Health Care	3.10
5. COP	ConocoPhillips	Energy	3.05
6. CBRE	CBRE Group Inc	Real Estate	2.72
7. AEP	American Electric Power Co Inc	Utilities	2.68
8. CVX	Chevron Corp	Energy	2.61
9. JCI	Johnson Controls International plc	Industrials	2.61
10. BMY	Bristol-Myers Squibb Co	Health Care	2.58

**Other sample holdings (continued)**

ELV	Elevance Health Inc	Health Care	
MCK	McKesson Corp	Health Care	
MDT	Medtronic PLC	Health Care	
MRK	Merck & Co Inc	Health Care	
CSX	CSX Corp	Industrials	
FERG	Ferguson PLC	Industrials	
RTX	Raytheon Technologies Corp	Industrials	
CSCO	Cisco Systems Inc	Information Technology	
CTSH	Cognizant Technology Solutions Corp	Information Technology	
INTC	Intel Corp	Information Technology	
LRCX	Lam Research Corp	Information Technology	
SPLK	Splunk Inc	Information Technology	
TEL	TE Connectivity Ltd	Information Technology	
GOLD	Barrick Gold Corp	Materials	
CTVA	Corteva Inc	Materials	

**Other sample holdings**

CHTR	Charter Communications Inc	Communication Services	
TMUS	T-Mobile US Inc	Communication Services	
DIS	Walt Disney Co/The	Communication Services	
AMZN	Amazon.com Inc	Consumer Discretionary	
GM	General Motors Co	Consumer Discretionary	
LVS	Las Vegas Sands Corp	Consumer Discretionary	
TJX	TJX Cos Inc/The	Consumer Discretionary	
DEO	Diageo PLC	Consumer Staples	
DVN	Devon Energy Corp	Energy	
XOM	Exxon Mobil Corp	Energy	
AIG	American International Group Inc	Financials	
BAC	Bank of America Corp	Financials	
SCHW	Charles Schwab Corp/The	Financials	
CFG	Citizens Financial Group Inc	Financials	

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. Top 10 holdings and percentages are listed above and represent 31% of total holdings. **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.**

**Top quarterly contributors to /detractors from performance**

Top 5 contributors	Average weight (%)	Top 5 detractors	Average weight (%)
Lam Research Corp.	2.04	Charles Schwab Corp.	1.78
Parker-Hannifin Corp.	3.21	American International Group, Inc.	2.53
Sanofi	2.67	Cigna Group	2.00
Intel Corp.	1.20	ConocoPhillips Company	3.26
Amazon.com, Inc.	1.72	Citizens Financial Group, Inc.	2.10

For more information on the calculation methodology and a complete list of each holding's contribution to the overall account's performance during this time period, please contact Invesco Advisers, Inc. at 800 349 0953. The holdings identified do not represent all of the securities purchased, sold or recommended for advisory clients. Past performance is not a guarantee of future results.

**Invesco Growth and Income SMA Wrap composite as of Dec. 31, 2022**

Year	"Pure" gross return* (%)	Net return (%)	Russell 1000® Value Index total return (%)	Composite dispersion (%)	Composite 3-year annualized standard deviation (%)	Benchmark 3-year annualized standard deviation (%)	Number of accounts	Composite assets (\$ millions)	Total firm assets (\$ billions)	% wrap assets
2022	-3.39	-6.26	-7.54	N/A	24.69	21.55	<5	0.21	865	0
2021	30.98	27.18	25.16	N/A	23.04	19.33	<5	0.22	975	0
2020	1.89	-1.14	2.80	N/A	24.03	19.90	<5	0.17	876	0
2019	23.81	20.20	26.54	N/A	14.49	12.02	<5	0.16	826	0
2018	-13.26	-15.86	-8.27	N/A	13.69	10.98	<5	0.13	579	0
2017	16.11	12.71	13.66	N/A	12.52	10.34	<5	0.15	660	0
2016	18.68	15.21	17.34	N/A	12.90	10.93	<5	0.13	599	0
2015	-3.99	-6.84	-3.83	N/A	11.51	10.83	<5	0.63	575	100
2014	7.70	4.53	13.45	N/A	9.30	9.33	<5	0.66	585	100
2013	33.83	29.96	32.53	N/A	12.48	12.88	<5	1.26	573	100

**Annualized compound returns as of Dec. 31, 2022**

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000® Value Index Total Return (%)
1 Year	-3.39	-6.26	-7.54
3 Year	8.84	5.63	5.96
5 Year	6.72	3.58	6.67
10 Year	10.20	6.96	10.29
Since Inception (1/1/09)	10.70	7.45	11.06

Returns less than one year are not annualized.

\* "Pure" gross of fees returns reflect the deduction of trading costs but do not reflect any other expenses, and are supplemental to net returns. See note 5.

- 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 2021. 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.
- 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. Invesco Canada Ltd. was added to the firm effective December 31, 2021.
- For periods beginning April 1, 2016, the Invesco Growth and Income SMA Wrap Composite is composed of 100% non-fee paying discretionary institutional accounts styled after the Invesco Growth and Income SMA Model Portfolio, which seeks capital growth and income by emphasizing a value style of investing seeking well-established, undervalued companies believed to possess the potential for capital growth and income as defined by the Russell 1000® Value Index Total Return (TR). For all periods prior to April 1, 2016, the Invesco Growth and Income SMA Wrap Composite was composed of 100% non-fee-paying discretionary wrap accounts. The performance results beginning April 1, 2016 are those of the Invesco Growth and Income SMA Institutional Composite. The composite is managed in comparison to, not duplication of, the benchmark. The composite was created in January 2009.
- The Russell 1000 Value Index is an unmanaged index considered representative of large-cap value stocks.
- "Pure" gross of fees returns reflect the deduction of trading costs but do not reflect 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 3.00% per annum or 0.25% monthly, from the "pure" gross return. A model fee is the highest wrap fee a client could pay (3.00% annually as charged by the program sponsor, inclusive up to a maximum investment advisory fee of 0.75%). 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: 3.00% on total assets. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.
- The dispersion of annual "pure" gross returns is measured by the equal-weighted standard deviation of account's "pure" 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 "pure" 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.
- All returns are expressed in U.S. dollars and are gross of nonreclaimable withholding tax, if applicable.
- 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 Mar. 31, 2023

**Invesco Advisers, Inc. is the investment adviser for the separately managed accounts (SMA); it provides investment advisory services to individual and institutional clients and does not sell securities. It is an indirect, wholly owned subsidiary of Invesco Ltd.**

The Investment Advisers Act of 1940 requires investment advisory firms, such as Invesco Advisers, Inc., to file and keep current with the Securities and Exchange Commission a registration statement of Form ADV. Part II of Form ADV contains information about the background and business practices of Invesco Advisers, Inc. Under the Commission's rules, we are required to offer to make available annually Part II of Form ADV to our clients along with our privacy policy. Accordingly, if you would like to receive a copy of this material, please write to Invesco Advisers, Inc., Managed Accounts Operations Department, 11 Greenway Plaza, Suite 1000, Houston, Texas 77046. For more complete information about our separately managed portfolios, please contact your financial advisor.

Invesco Advisers, Inc. ■ 11 Greenway Plaza, Suite 1000 ■ Houston, Texas 77046-1188 ■ 713 626 1919

invesco.com/us

SMAGRI-PC-1-E

04/23

20230427-2868794-NA