

Invesco Comstock SMA Third quarter

Fact Sheet: Separately Managed Accounts
Sept. 30, 2019



Portfolio management team

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Current portfolio positioning

Macro issues that concerned investors in the second quarter carried over into the third quarter. The US-China trade conflict worried investors and stifled business investment, even as the Federal Reserve (Fed) cut interest rates by 0.25% in both July and September. This environment, combined with evidence of slowing global economic growth, fueled volatility in August. The US Treasury yield curve inverted several times, raising fears of a US recession. As a result, August saw increased risk aversion, with investors crowding into asset classes perceived as safe havens, such as US Treasuries and gold. However, the Fed's accommodative tone provided some support for risk assets. Oil prices briefly spiked in September after a drone attack on Saudi Arabia's oil fields caused a supply shock. Prices retreated a bit after the US announced it would tap the national oil reserves to alleviate the supply shortage. Despite increased volatility, US equity markets delivered generally positive results, with the S&P 500 Index returning 1.67%.

In the third quarter, the portfolio performed in line with the Russell 1000 Value Index. Within the index, utilities and real estate had the strongest performance for the quarter, while energy, health care, materials and industrials posted declines.

Stock selection within health care and communication services were contributors to relative performance in the third quarter. Within health care, most of the performance came from not owning Pfizer within pharmaceuticals stocks, as the stock underperformed. Within communication services, not owning Walt Disney boosted performance as the stock posted negative performance.

Conversely, stock selection within energy companies and no exposure to utilities were detractors from relative performance. Utilities, along with other defensive/safe-haven sectors such as real estate and consumer staples, significantly outpaced the benchmark. Energy had the worst performance, declining almost 7%. Relative underperformance in the energy sector mainly came from holdings in the exploration and production and the integrated oil and gas industries.

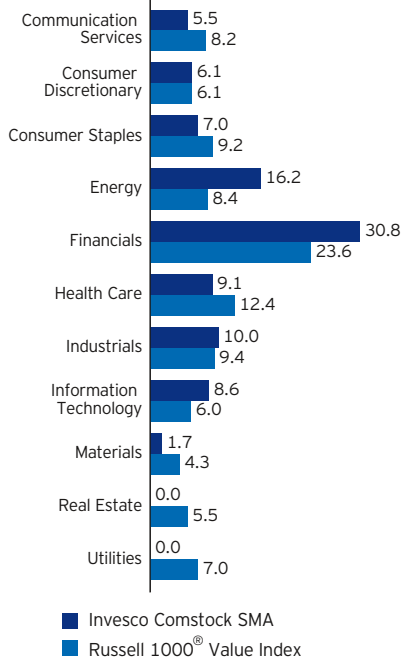
As of quarter-end, the portfolio's financials and energy weightings are overweight to the benchmark, as we have a favorable view of large banks within financials and are constructive on the long-term prospects for our energy holdings. Conversely, given the team's emphasis on finding the most attractively valued stocks, the portfolio is underweight communication services, with no exposure to utilities and real estate, as management believes these areas are overvalued.

Over the past quarter, investors weighed the prospects of additional tariffs, retaliatory actions by the Chinese (Chinese yuan devaluation) and the direction of interest rates. As such, the prospects for cyclically biased stocks, many of which are historically inexpensive, remain limited near term. Longer term, we remain highly convinced that the current portfolio positioning represents a balanced view of risk and reward based on the underlying fundamentals.

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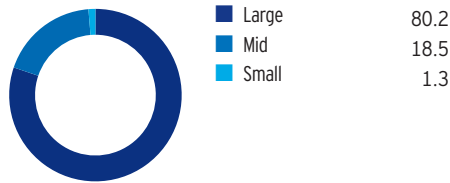
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Sector weightings (% of total net assets)

Portfolio characteristics

	Portfolio	Russell 1000 Value Index
Number of Holdings	49	765
Median Market Cap (\$M)	\$53,511	\$9,240
Weighted Average Market Cap (\$M)	\$129,502	\$121,370
Weighted Average Price/Book	2.30	2.68
Weighted Harmonic Average 12-Month Forward P/E	11.58	14.46
Weighted Harmonic Average 12-Month Trailing P/E	12.48	15.28
Weighted Average Dividend Yield (Trailing 12 Months)	3.07%	2.64%
Weighted Average 12-Month Forward EPS Growth	10.73%	6.71%
Weighted Average Long-Term EPS Growth	8.31%	8.16%
Weighted Average Return on Equity	14.74%	14.03%
Weighted Average Long-Term Debt to Capital	42.35%	40.80%
Annualized Turnover Ratio	22.43%	N/A

Portfolio characteristics are subject to change.

Market capitalization breakdown (%)

Asset allocation

	9/30/19	6/30/19	3/31/19
Stocks	94.90%	94.45%	95.00%
Cash/Other	5.1	5.55	5.01

Performance characteristics (Five year)

Alpha (vs. Russell 1000 Value Index)	1.00%
Beta (vs. Russell 1000 Value Index)	0.84
R ² (vs. Russell 1000 Value Index)	0.82
Information Ratio (vs. Russell 1000 Value Index)	-0.02
Sharpe Ratio	0.61
Up/Down Capture Ratio (vs. Russell 1000 Value Index)	81.29 / 77.01
Standard Deviation	
Portfolio	11.03%
Benchmark	11.92%

Quarterly returns

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000 Value Index Total Return (%)
YTD	14.33	11.82	17.81
3Q19	-0.05	-0.80	1.36
2Q19	2.13	1.37	3.84
1Q19	12.00	11.19	11.93

Annualized compound returns

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000 Value Index Total Return (%)
1 Year	-4.37	-7.21	4.00
3 Year	9.77	6.55	9.43
5 Year	6.37	3.24	7.79
10 Year	10.97	7.71	11.46
Since Inception (06/01/01)	6.36	3.22	6.83

Returns less than one year are not annualized.

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

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All data as of Sept. 30, 2019

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Sample portfolio**Top 10 holdings**

Ticker	Security	Sector	% of total net assets
1. C	Citigroup Inc.	Financials	5.15
2. BAC	Bank of America Corp.	Financials	4.67
3. JPM	JPMorgan Chase & Co.	Financials	3.66
4. PM	Philip Morris International Inc.	Consumer Staples	3.16
5. AIG	American International Group Inc.	Financials	2.78
6. JCI	Johnson Controls International PLC	Industrials	2.55
7. CVX	Chevron Corp.	Energy	2.41
8. GM	General Motors Co.	Consumer Discretionary	2.36
9. MSFT	Microsoft Corp.	Information Technology	2.33
10. BP	BP PLC	Energy	2.19

Other sample holdings

T	AT&T Inc.	Communication Services
CHTR	Charter Communications, Inc.	Communication Services
CMCSA	Comcast Corp.	Communication Services
CCL	Carnival Corp.	Consumer Discretionary
EBAY	eBay Inc.	Consumer Discretionary
ADM	Archer-Daniels-Midland Co.	Consumer Staples
KMB	Kimberly-Clark Corp.	Consumer Staples
DVN	Devon Energy Corp.	Energy
ECA	Encana Corp.	Energy
HES	Hess Corp.	Energy
RDS/A	Koninklijke Dutch Shell PLC	Energy
MRO	Marathon Oil Corp.	Energy
NBL	Noble Energy Inc.	Energy
SU	Suncor Energy Inc.	Energy
ALL	Allstate Corp.	Financials
BK	Bank of New York Mellon Corp.	Financials
CFG	Citizens Financial Group Inc.	Financials
FITB	Fifth Third Bancorp	Financials

Other sample holdings (continued)

GS	Goldman Sachs Group Inc.	Financials
MET	MetLife Inc.	Financials
MS	Morgan Stanley	Financials
PNC	PNC Financial Services Group Inc.	Financials
STT	State Street Corp.	Financials
WFC	Wells Fargo & Co.	Financials
ANTM	Anthem Inc.	Health Care
BMJ	Bristol-Myers Squibb Co.	Health Care
CAH	Cardinal Health Inc.	Health Care
CVS	CVS Health Corp.	Health Care
MCK	McKesson Corp.	Health Care
SNY	Sanofi SA	Health Care
CAT	Caterpillar Inc.	Industrials
ETN	Eaton Corp.	Industrials
EMR	Emerson Electric Co.	Industrials
GE	General Electric Co.	Industrials
TXT	Textron Inc.	Industrials
CSCO	Cisco Systems Inc.	Information Technology
INTC	Intel Corp.	Information Technology
QCOM	QUALCOMM Inc.	Information Technology
IP	International Paper Co.	Materials

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. For additional holdings disclosure, see the Global Industry Classification Standard disclosure on page 4. **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 (%)	Contribution (%)	Top 5 detractors	Average weight (%)	Contribution (%)
AT&T Inc.	1.68	0.24	Anthem Inc.	2.27	-0.37
CVS Health Corp.	1.31	0.21	Devon Energy Corp.	1.58	-0.27
JPMorgan Chase & Co.	3.54	0.21	Marathon Oil Corp.	1.76	-0.26
Bristol-Myers Squibb Co.	1.45	0.18	Cisco Systems Inc.	2.32	-0.25
Intel Corp.	2.08	0.18	Royal Dutch Shell PLC	2.48	-0.24

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 Comstock SMA Wrap composite

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
2018	-12.60	-15.21	-8.27	0.17	13.61	10.98	16	6	579	100
2017	19.99	16.49	13.66	0.14	13.23	10.34	11	5	660	100
2016	18.87	15.40	17.34	0.38	13.37	10.93	13	6	599	100
2015	-6.05	-8.85	-3.83	0.29	12.03	10.83	450	133	575	100
2014	7.91	4.74	13.45	0.17	9.41	9.33	485	153	585	100
2013	35.23	31.32	32.53	0.34	12.79	12.88	521	155	573	100
2012	19.84	16.34	17.51	0.35	15.54	15.73	592	142	500	100
2011	0.43	-2.54	0.39	0.30	19.85	20.98	683	137	480	100
2010	14.56	11.20	15.51	0.36	N/A	N/A	852	168	475	100
2009	25.32	21.67	19.69	0.68	N/A	N/A	1,081	194	224	100

Annualized compound returns as of Dec. 31, 2018

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000® Value Index Total Return (%)
1 Year	-12.60	-15.21	-8.27
3 Years	7.63	4.46	6.95
5 Years	4.80	1.71	5.95
10 Years	11.44	8.17	11.18
Since Inception (06/01/01)	5.83	2.71	6.13

Returns less than one year are not annualized.

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

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- Prior to January 1, 2010, the dispersion of annual returns is measured by the asset-weighted standard deviation of account returns included in the composite for the full year. For periods after January 1, 2010, the dispersion of annual returns is measured by the equal-weighted standard deviation of account returns included in the composite for the full year.
- 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.

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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All data as of Sept. 30, 2019

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