

# Invesco Comstock SMA First quarter

Fact Sheet: Separately Managed Accounts  
Mar. 31, 2024



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## Portfolio management team

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### Kevin Holt, CFA

Senior Portfolio Manager  
Industry since 1989  
B.B.A., University of Iowa  
M.B.A., University of Chicago

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### Devin Armstrong, CFA

Senior Portfolio Manager  
Industry since 1997  
B.S., University of Illinois  
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### James Warwick

Portfolio Manager  
Industry since 1994  
B.B.A., Stephen F. Austin State University  
M.B.A., University of Houston

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### Umang Khetan, CFA

Portfolio Manager  
Industry since 2005  
B.S., University of California  
M.B.A. Columbia Business School

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## Current portfolio positioning

US equity markets rallied in the first quarter. In February, the S&P 500 Index closed above the 5,000 milestone for the first time. The US economy defied recession predictions, achieving a growth rate of 2.5% in 2023. The labor market continued with payroll gains and unemployment still historically low – below 4%. However, January and February increases in the Consumer Price Index were higher than expected, leading the Federal Reserve (Fed) to defer its proposed interest rate cuts to the second half of 2024. Still, investors were mostly pleased by corporate earnings growth, except for three of the so-called “Magnificent Seven” stocks. Apple, Alphabet and Tesla’s stock prices suffered due to disappointing earnings, sales and/or revenue or weak forward guidance. In this environment, the S&P 500 Index returned 10.56%, driven by strength in the communication services and energy sectors. Real estate was the only sector to decline for the quarter.

The portfolio outperformed the Russell 1000 Value Index for the quarter.

Stock selection in industrials was a key contributor, with Eaton, Caterpillar, FedEx and General Electric as absolute and relative contributors to returns. Within communication services, outperformance mostly came from owning Meta Platforms. An underweight to real estate also boosted returns as the sector continues to underperform on concerns about commercial real estate and higher interest rates.

Stock selection in health care hurt relative performance, with an overweight to CVS Health and owning Henry Schein key detractors. In consumer staples, Philip Morris International and Keurig Dr. Pepper hurt relative performance. Philip Morris underperformed after investor confidence was shaken by earnings that were below consensus estimates and anemic growth in shipments of heated tobacco units relative to peers. In financials, not owning Berkshire Hathaway was a large drain on relative returns.

Key overweights are in communication services, energy and information technology. Key underweights are in utilities, material, financials and consumer discretionary, along with no exposure to real estate.

Investors are focusing on the Fed’s response to inflation, hoping for rate cuts in 2024. Geopolitical risks from the Russia-Ukraine and Israel-Hamas wars are also major concerns, particularly if these wars spread to other countries in Eastern Europe and the Middle East. Given these factors, we believe stocks are likely to experience continued volatility for the foreseeable future. In our view, market volatility may create opportunities for patient, disciplined long-term investors.

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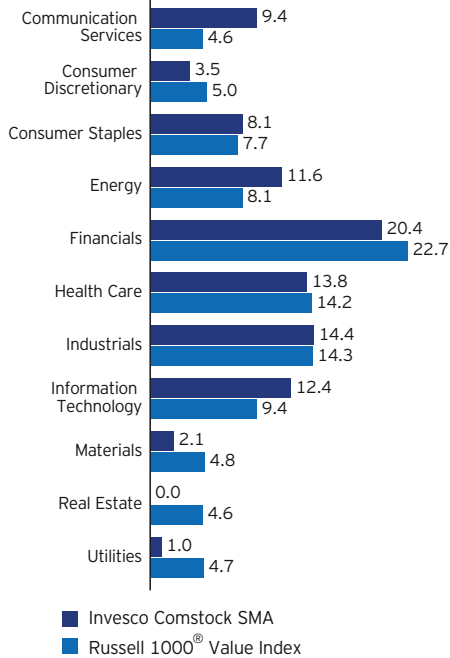
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The GIPS® Composite Report is located on the last page.

## Sector weightings (% of total net assets)

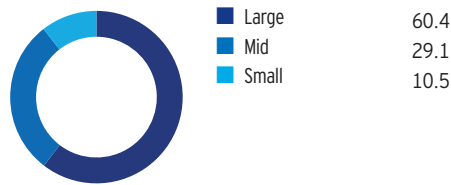


## Portfolio characteristics

	Portfolio	Russell 1000 Value Index
Number of Holdings	57	846
Median Market Cap (\$M)	\$71,390	\$13,602
Weighted Average Market Cap (\$M)	\$309,774	\$158,409
Weighted Average Price/Book	2.29	2.63
Weighted Harmonic Average 12-Month Forward P/E	14.17	16.47
Weighted Harmonic Average 12-Month Trailing P/E	14.75	16.97
Weighted Average Dividend Yield (Trailing 12 Months)	2.22%	2.16%
Weighted Average 12-Month Forward EPS Growth	10.61%	7.47%
Weighted Average Long-Term EPS Growth	10.57%	8.02%
Weighted Average Return on Equity	17.03%	15.02%
Weighted Average Long-Term Debt to Capital	35.45%	42.46%
Turnover (TTM)	18.27%	N/A

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

## Market capitalization breakdown (%)



## Asset allocation

	9/30/23	12/31/23	3/31/24
Stocks	96.60%	96.40%	96.65%
Cash/Other	3.40%	3.60%	3.35%

## Performance characteristics (Five year)

Alpha (vs. Russell 1000 Value Index)	2.43
Beta (vs. Russell 1000 Value Index)	1.10
R <sup>2</sup> (vs. Russell 1000 Value Index)	0.95
Information Ratio (vs. Russell 1000 Value Index)	0.64
Sharpe Ratio	0.54
Up/Down Capture Ratio (vs. Russell 1000 Value Index)	123.87/101.59
Standard Deviation Portfolio	21.10%
Benchmark	18.79%

## Quarterly returns

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000 Value Index Total Return (%)
YTD	10.38	9.58	8.99
1Q24	10.38	9.58	8.99

## Annualized compound returns

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000 Value Index Total Return (%)
1 Year	24.08	20.47	20.27
3 Year	12.81	9.50	8.11
5 Year	13.49	10.16	10.32
10 Year	10.10	6.86	9.01
Since Inception (6/1/01)	7.93	4.75	7.49

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 Mar. 31, 2024

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Sample portfolio						
Top 10 holdings				Other sample holdings (continued)		
Ticker	Security	Sector	% of total net assets			
1. WFC	Wells Fargo & Co	Financials	3.44	FITB	Fifth Third Bancorp	Financials
2. MSFT	Microsoft Corp	Information Technology	2.99	GS	Goldman Sachs Group Inc/The	Financials
3. META	Meta Platforms Inc	Communication Services	2.89	HBAN	Huntington Bancshares Inc/OH	Financials
4. BAC	Bank of America Corp	Financials	2.72	MTB	M&T Bank Corp	Financials
5. ELV	Elevance Health Inc	Health Care	2.66	MET	MetLife Inc	Financials
6. PM	Philip Morris International Inc	Consumer Staples	2.62	MS	Morgan Stanley	Financials
7. CVX	Chevron Corp	Energy	2.53	STT	State Street Corp	Financials
8. NXPI	NXP Semiconductors NV	Information Technology	2.45	BDX	Becton Dickinson & Co	Health Care
9. FDX	FedEx Corp	Industrials	2.44	CVS	CVS Health Corp	Health Care
10. AIG	American International Group Inc	Financials	2.36	HSIC	Henry Schein Inc	Health Care
Other sample holdings				HUM	Humana Inc	Health Care
GOOGL	Alphabet Inc	Communication Services		JNJ	Johnson & Johnson	Health Care
CMCSA	Comcast Corp	Communication Services		SNY	Sanofi SA	Health Care
TMUS	T-Mobile US Inc	Communication Services		UHS	Universal Health Services Inc	Health Care
DIS	Walt Disney Co/The	Communication Services		CAT	Caterpillar Inc	Industrials
EBAY	eBay Inc	Consumer Discretionary		ETN	Eaton Corp PLC	Industrials
LVS	Las Vegas Sands Corp	Consumer Discretionary		EMR	Emerson Electric Co	Industrials
SBUX	Starbucks Corp	Consumer Discretionary		GE	General Electric Co	Industrials
KO	Coca-Cola Co/The	Consumer Staples		JCI	Johnson Controls International plc	Industrials
KDP	Keurig Dr Pepper Inc	Consumer Staples		TXT	Textron Inc	Industrials
KMB	Kimberly-Clark Corp	Consumer Staples		CSCO	Cisco Systems Inc	Information Technology
KHC	Kraft Heinz Co/The	Consumer Staples		CTSH	Cognizant Technology Solutions Corp	Information Technology
SYN	Sysco Corp	Consumer Staples		DXC	DXC Technology Co	Information Technology
LNG	Cheniere Energy Inc	Energy		QCOM	QUALCOMM Inc	Information Technology
COP	ConocoPhillips	Energy		CF	CF Industries Holdings Inc	Materials
XOM	Exxon Mobil Corp	Energy		IP	International Paper Co	Materials
HES	Hess Corp	Energy		D	Dominion Energy Inc	Utilities
MRO	Marathon Oil Corp	Energy				
SU	Suncor Energy Inc	Energy				
ALL	Allstate 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 28% 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 (%)	
Meta Platforms, Inc.		3.51	
Eaton Corporation plc		2.18	
Wells Fargo & Company		3.06	
General Electric Company		1.64	
Caterpillar Inc.		2.32	
Top 5 detractors		Average weight (%)	
DXC Technology Company		1.10	
Keurig Dr Pepper Inc.		1.04	
Cheniere Energy, Inc.		0.94	
Humana Inc.		0.69	
Starbucks Corporation		1.04	

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 as of Dec. 31, 2023**

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
2023	12.16	8.86	11.46	0.17	18.17	16.74	8	5	900	100
2022	0.43	-2.55	-7.54	0.27	24.28	21.55	8	5	865	100
2021	34.38	30.49	25.16	0.41	22.39	19.33	8	5	975	100
2020	0.55	-2.43	2.80	0.30	23.14	19.90	15	5	876	100
2019	25.51	21.86	26.54	0.26	14.82	12.02	19	20	826	100
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

**Annualized compound returns as of Dec. 31, 2023**

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000® Value Index Total Return (%)
1 Year	12.16	8.86	11.46
3 Year	14.82	11.45	8.86
5 Year	13.82	10.48	10.91
10 Year	9.21	6.00	8.40
Since Inception (6/1/2001)	7.55	4.38	7.17

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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- The Invesco Comstock SMA Wrap Composite includes all discretionary, fee-paying wrap accounts styled after the Invesco Comstock 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). The composite is managed in comparison to, not duplication of, the benchmark. The composite was created in June 2001.
- The Russell 1000 Value Index is an unmanaged index considered representative of large-cap value stocks.
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- 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.

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All data as of Mar. 31, 2024

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