

# Invesco Intermediate Corporate Bond 100% SMA Fourth quarter

Fact Sheet: Separately Managed Accounts  
Dec. 31, 2024



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## Portfolio management team

### 24-member team

Average of 16 years

Experience spread throughout global financial centers

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The main objective of the strategy is to provide current income with potential capital appreciation for total return, while seeking to outperform the Bloomberg U.S. Credit Index over a complete market cycle.

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## Current portfolio positioning

Since September, the Federal Reserve (Fed) has reduced the federal funds rate by 1.00%, with expectations it will continue its rate-cutting cycle through 2025. The yield curve, measured by the yield differential between two- and 10-year Treasuries, normalized after inverting in 2023 and 2024. Throughout the quarter, the yield spread between investment grade bonds and Treasury bonds remained tight compared to past spread levels. Measured rate cuts by the Fed and global central banks are likely to create a favorable environment for credit and should bolster demand for investment grade bonds.

The US economy maintained solid growth and outpaced much of the global economy, supported by healthy wage growth, robust consumer spending and productivity momentum that has helped to tame inflationary pressures. In the US, we believe the resilient labor market and healthy household balance sheets should support growth in spending and the broader economy. Continued easing of financial conditions and real wage growth should help the US economy reaccelerate in 2025.

With the results of the US election and the upcoming change of administration, some volatility should be expected. Trade and immigration policies will be headlines that may impact medium-term fundamentals.

Our baseline expectation for the US economy remains a soft landing with resilient growth and ongoing disinflation. While there is still significant uncertainty about Trump administration policy, the macroeconomic backdrop and developments in financial conditions will likely drive markets in the near term, which should support global risk assets.

The US investment grade corporate sector outperformed duration-matched Treasuries, generating 0.72% of excess return for the quarter and -3.04% on a total return basis. All three primary corporate fixed income sectors posted positive excess returns for the quarter: financials 0.62%, industrials 0.89% and utilities 1.16%. Corporate bonds with maturities longer than 10 years led performance for the period, outperforming short- and intermediate-maturity securities.

All three of the primary corporate sectors posted negative returns on a total return basis, with financials posting returns of -2.22% on a total return basis. Excess returns across high-quality credit ratings were all positive, with AAA at 0.07% versus AA at 0.39%, A at 0.53% and BBB at 1.18%. The US high yield corporate bond market, as measured by the Bloomberg US Corporate High Yield Index, posted a total return of 0.17% for the quarter.

Gross and net performance for the Intermediate Corporate Bond 100% Investment Grade SMA was -0.70% and -1.08%, respectively, for the period. The benchmark returned -1.46% over the same period. Security selection in consumer staples was a key driver of positive performance for the period. Selection within financial institutions created a slight drag on performance for the quarter. The strategy maintained a short duration position compared to the benchmark throughout the quarter, which positively impacted total return.

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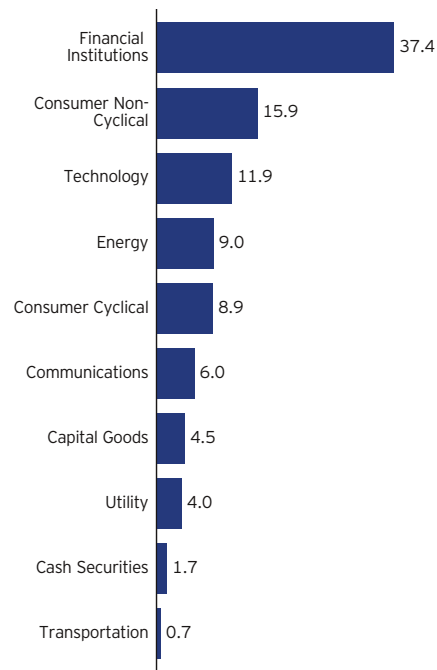
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**Please see the GIPS report located on the last page.**

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### Sector weightings (%)

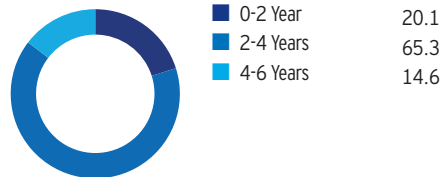


### Portfolio characteristics

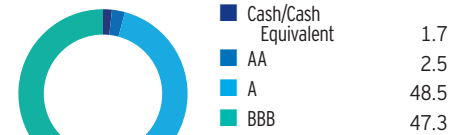
Portfolio characteristics	Portfolio
Number of Holdings	67
Yield-to-Worst (YTW)	4.92
Weighted Average Maturity (Years)	3.68
Weighted Average Life-to-Worst	3.37
Modified Duration (Years)	3
Effective Duration (Years)	2.98

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

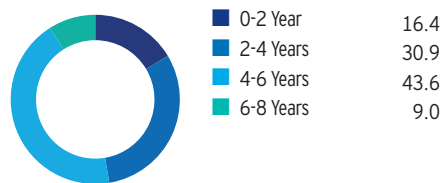
### Effective duration (%)



### Credit quality (%)



### Maturity (%)



Figures may not add up to 100% due to rounding. Cash and equivalents is deemed to have a 0% Maturity and Duration.

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All data as of Dec. 31, 2024

Source: Invesco ■ Ratings source: Standard & Poor's, Moody's or Fitch, as applicable. A credit rating is an assessment provided by a nationally recognized statistical rating organization (NRSRO) of the creditworthiness of an issuer with respect to debt obligations, including specific securities, money market instruments or other debts. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. NR indicates the debtor was not rated, and should not be interpreted as indicating low quality. ■ Weighted average maturity is a measure, as estimated by the portfolio managers, of the length of time the average security in a bond will mature or be redeemed by the issuer. It takes into account mortgage payments, puts, adjustable coupons and potential call dates. ■ Modified duration is a duration calculated which incorporates the expected duration-shortening effect of an issuer's embedded call provision. ■ Effective duration is a measure of the sensitivity of a bond's price to changes in interest rates. ■ Yield to worst is a measure of the lowest possible yield that can be received on a bond with an early retirement provision. ■ Weighted average life (WAL) to worst represents the weighted average number of years for which each dollar of unpaid principal on a fixed-income security remains outstanding.

**Sample portfolio**

<b>Top 10 holdings</b>			
<b>Security</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Weight</b>
1. Wells Fargo & Co	5.574	7/25/2029	2.58
2. Goldman Sachs Group Inc/The	6.484	10/24/2029	2.11
3. Charles Schwab Corp/The	6.196	11/17/2029	2.09
4. JPMORGAN CHASE & CO	5.012	1/23/2030	2.03
5. RTX Corp	5.750	1/15/2029	1.58
6. Oracle Corp	6.150	11/9/2029	1.58
7. Occidental Petroleum Corp	6.375	9/1/2028	1.57
8. Fifth Third Bancorp	6.361	10/27/2028	1.56
9. Bank of America Corp	5.819	9/15/2029	1.55
10. MORGAN STANLEY	5.449	7/20/2029	1.54

<b>Other sample holdings</b>			
AbbVie Inc	4.950	3/15/2031	
Altria Group Inc	2.350	5/6/2025	
American Express Co	5.532	4/25/2030	
American International Group Inc	2.500	6/30/2025	
Amgen Inc	5.250	3/2/2030	
Anheuser-Busch InBev Worldwide Inc	4.750	1/23/2029	
AT&T INC	1.700	3/25/2026	
Bank of America Corp	5.202	4/25/2029	
Bank of America Corp	3.593	7/21/2028	
Bank of New York Mellon Corp/The	4.975	3/14/2030	
Boeing Co/The	2.196	2/4/2026	
BP Capital Markets America Inc	3.410	2/11/2026	
Bristol-Myers Squibb Co	4.900	2/22/2029	
Broadcom Corp / Broadcom Cayman Finance Ltd	3.875	1/15/2027	
Capital One Financial Corp	3.800	1/31/2028	
CenterPoint Energy Inc	5.400	6/1/2029	
Cisco Systems Inc	4.950	2/26/2031	
CITIGROUP INC	4.450	9/29/2027	
CITIGROUP INC	5.174	2/13/2030	
Comcast Corp	5.100	6/1/2029	
DOC DR LLC	4.300	3/15/2027	
Dollar Tree Inc	4.200	5/15/2028	
DUKE ENERGY CORP	4.850	1/5/2029	

<b>Other sample holdings (continued)</b>			
Eli Lilly & Co	4.500	2/9/2029	
Enbridge Inc	3.700	7/15/2027	
Energy Transfer LP	4.200	4/15/2027	
Equinix Inc	1.450	5/15/2026	
Fiserv Inc	4.750	3/15/2030	
General Motors Financial Co Inc	5.250	3/1/2026	
Georgia Power Co	4.650	5/16/2028	
Gilead Sciences Inc	2.950	3/1/2027	
GlaxoSmithKline Capital Inc	3.875	5/15/2028	
HCA Inc	5.450	4/1/2031	
Hewlett Packard Enterprise Co	4.850	10/15/2031	
Home Depot Inc/The	3.900	12/6/2028	
Ingersoll Rand Inc	5.314	6/15/2031	
Intercontinental Exchange Inc	4.000	9/15/2027	
JPMORGAN CHASE & CO	5.299	7/24/2029	
Kinder Morgan Inc	5.000	2/1/2029	
Lennar Corp	4.750	11/29/2027	
Lowe's Cos Inc	4.800	4/1/2026	
Meta Platforms Inc	4.600	5/15/2028	
Micron Technology Inc	5.300	1/15/2031	
MORGAN STANLEY	5.656	4/18/2030	
PayPal Holdings Inc	2.650	10/1/2026	
Pfizer Investment Enterprises Pte Ltd	4.450	5/19/2028	
Philip Morris International Inc	5.125	11/17/2027	
PNC Financial Services Group Inc/The	5.582	6/12/2029	
Royal Bank of Canada	4.900	1/12/2028	
T-Mobile USA Inc	4.800	7/15/2028	
Truist Financial Corp	4.873	1/26/2029	
Uber Technologies Inc	4.300	1/15/2030	
United Airlines 2020-1 Class A Pass Through Trust	5.875	10/15/2027	
UnitedHealth Group Inc	4.000	5/15/2029	
US Bancorp	5.775	6/12/2029	
Williams Cos Inc/The	5.400	3/2/2026	

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. To obtain a list of all recommendations made by Invesco Managed Accounts, LLC. in this investment style during the last year, please contact Invesco Managed Accounts, LLC. at 866 769 2773.

<b>Quarterly returns</b>			
<b>Period</b>	<b>"Pure" gross return* (%)</b>	<b>Net return (%)</b>	<b>BBG U.S. Intermediate Credit Index (%)</b>
YTD	4.54	2.99	4.01
4Q24	-0.70	-1.08	-1.46
3Q24	3.86	3.48	4.58
2Q24	0.95	0.69	0.73
1Q24	0.41	0.04	0.20

<b>Annualized compound returns as of Dec. 31, 2024</b>			
<b>Period</b>	<b>"Pure" gross return* (%)</b>	<b>Net return (%)</b>	<b>BBG U.S. Intermediate Credit Index (%)</b>
1 Year	4.54	2.99	4.01
Since Inception (06/01/22)	3.76	2.22	3.22

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.

**Invesco Intermediate Corporate Bond 100% SMA Wrap composite as of Dec. 31, 2023**

Year	"Pure" 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 (\$ billions)	% wrap assets
2023	6.58	5.00	6.94	0.06	N/A	N/A	136	105	900	100
2022**	-1.27	-2.13	-2.41	N/A	N/A	N/A	7	3	865	100

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

Period	"Pure" gross return* (%)	Net return (%)	Benchmark Return (%)
1 Year	6.58	5.00	6.94
Since Inception (06/01/2022)	3.27	1.73	2.73

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.

\*\* Returns are for the period from June 1, 2022 (inception) through December 31, 2022.

- 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 2023. 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.
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- The Invesco Intermediate Corporate Bond 100% SMA Composite includes all discretionary accounts styled after the Invesco Intermediate Corporate Bond 100% SMA Model Portfolio, which seeks to provide current income with potential capital appreciation for total return by investing primarily in US investment grade corporate debt securities. The weighted average duration of the portfolios included in the composite is between 3 - 5 years. For all periods, the composite was composed of 100% non-fee paying discretionary wrap accounts. The composite is managed in comparison to, not duplication of, the benchmark. The composite inception was 5/31/2022. The composite was created in May 2022.
- The Bloomberg US Intermediate Credit Index is an unmanaged index that measures the performance of investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related debt with less than ten years to maturity. It is composed of a corporate and a non-corporate component that includes non-US agencies, sovereigns, supranationals and local authorities. The benchmark is used for comparative purposes only and generally reflects the risk or investment style of the product. For comparison purposes the index is fully invested, which includes the reinvestment of income. The returns for the index do not include any transaction costs, management fees or other costs.
- "Pure" gross of fees returns do not reflect the deduction of trading costs or any other expenses and are supplemental to net returns. Performance results are presented both net and gross of total wrap fees. The net returns reflect the deduction of the maximum total wrap fee, which is currently 1.50% per annum. On a monthly basis approximately 0.125% (based on the geometric calculation) is reduced from the pure gross return. A model fee is the highest wrap fee a client could pay (1.50% annually as charged by the program sponsor). 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: 1.50% on total assets. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.
- The dispersion of annual gross returns is measured by the equal-weighted standard deviation of account's 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 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

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 Dec. 31, 2024

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