Invesco Peak II Index (IIPEAK2)

Powered by high quality companies with adaptive asset allocation technology

Index facts

Bloomberg ticker	IIPEAK2
Index launch date	November 1, 2024
Asset class	Multi-asset
Geographical focus	US large cap
Index sponsor	Invesco Indexing LLC
Return type	Excess return
Volatility target	7.5%
Annual index performance reduction[2]	0.50%
Estimated replication cost[2]	0.65%

Invesco Peak II Index

The Invesco Peak II Index is a multi-asset, target volatility benchmark that provides access to high quality US companies with adaptive exposure to short and intermediate Treasury bonds. The index dynamically shifts to stock, bond, and cash allocations while aiming to maintain a 7.5% volatility level.

How it works

The Invesco Peak II Index is built on three key components in pursuit of risk-adjusted returns.

High quality equity component

Powered by high quality companies, which have historically outperformed the broader stock market.[1]

+

Responsive bond exposure

Utilizes a dynamic bond strategy to diversify equity exposure while responding to varying interest rates.

+

Dynamic asset allocation

Exposure to equities, bonds, and cash are adjusted daily with Salt Financial's truVol® technology.

=

Invesco Peak II Index

Seeks to deliver strong risk-adjusted returns over time.

1. The Invesco US Quality Index has returned 13.41% annualized, and the Invesco US Large Mid Cap Index has returned 11.08% annualized since Dec. 31, 2002 (as of June 30, 2024). The Invesco US Large Mid Cap Index was launched on Oct. 20, 2017, and the Invesco US Quality Index launched on Aug. 3, 2020. All data prior to launch dates is backtested (i.e., calculations of how the index might have performed over that time period had the index existed). Backtested performance is subject to inherent limitations because it reflects the retroactive application of an index methodology and selection of index constituents with the benefit of hindsight. Past performance, actual or backtested, is no guarantee of future performance.
2. The performance reduction is a return adjustment to facilitate higher crediting rates within annuity & insurance products. These adjustments are tailored to annuity and life insurance products with the aim of stabilizing crediting rates over time. Estimated Replication Costs will vary as index allocations change. Please see the Index Calculation section of the index methodology for more information on index cost calculations.

Exposure to high-quality companies

Focus on three key components to gauge company quality

For the equity exposure, the Index focuses on providing exposure to high quality US large- and mid-cap companies.

Factor	How is it measured?
Management quality	Companies with a strong track record of returning excess cash to their shareholders through stock buybacks rather than diluting existing ownership through new equity issuance demonstrate that company management is making efforts to act in the best interest of current shareholders.
Operating quality	Companies that generate higher levels of profit from their available assets demonstrate a superior ability to manage their resources efficiently and identify projects with higher rates of return that offer the potential to drive more value for their shareholders.
Earnings quality	Companies marked by high earnings quality are those that are able to generate higher-than-average cash flow from their business relative to their accounting earnings. Accounting measures may not always reflect the true dollars coming in and out of the firm, leading to earnings that may be less indicative of a company's health. Cash earnings, on the other hand, are real and may be a truer measure of an organization's strength.

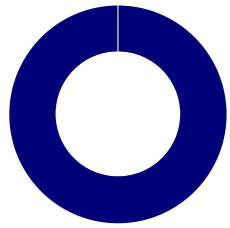
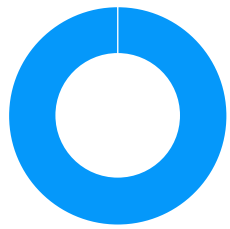
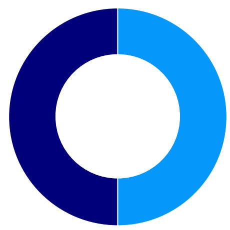
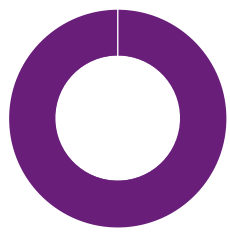
Responsive Bond Exposure

Dynamic bond strategy to diversify equity exposure

The Invesco Peak II Index provides exposure to bonds as an additional and complementary source of returns. Another attractive feature of bonds – in particular, US Treasury bonds – is that they often experience less dramatic swings in returns relative to stocks.[1]

In practice, a drop in price coupled with higher volatility in 10-year Treasuries may signal a rise in interest rates. When this happens, the index allocates a portion of the bond exposure away from 10-year Treasuries and into 2-year Treasuries, potentially offering more price stability under these conditions. The goal is to provide more defensive exposure and help cushion the impact of declining bond prices.

The fixed income segment examines momentum signals for both short- and long-term bond yields. Based on these signals, the illustration below highlights four potential scenarios for bond allocations:

Condition[2]	Fixed income allocation (adjusted daily)	
• Long-term yields stable or falling • Short-term yields not falling		**100%** 10-year US Treasuries
• Long-term yields rising • Short-term yields falling		**100%** 2-year US Treasuries
• Long-term yields stable or falling • Short-term yields falling		**50% /50%** 10-year 2-year US Treasuries
If the conditions above are not met		**100%** Non-remunerated cash[3]

1. For the 10-year period from September 30, 2014, to September 30, 2024, the annualized volatility of the S&P 500 Index and Bloomberg U.S. Trsy Bellwether 10-Year TR Index were 15.25% and 7.18%, respectively. Volatility is the standard deviation of returns. Standard deviation measures the degree to which the performance of a portfolio varies from its average performance during a specialized period.
2. The fixed income strategy observes changes in yields and compares recent changes to a moving average to assess whether yields are rising or falling substantially. The lookback period is longer for the 10-year Treasury yield calculations than for the 2-year Treasury yield calculations.
3. The cash position is non-remunerated, which means that the amount of readily available cash does not directly generate income or provide any financial return; it simply represents the current level of liquid funds on hand, not a source of earnings itself.

Adaptive Asset Allocation

Responsive volatility control with truVol® Technology

The index aims to maintain a 7.5% volatility level by utilizing Salt Financial's truVol proprietary methodology and shifting its exposure daily to stocks, bonds, and cash based on the riskiness of those asset classes.

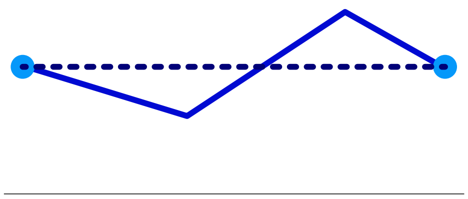
The truVol® Risk Control Engine (RCE) from Salt Financial is designed to help manage the volatility of the index using a process rooted in academic research. Powered by higher frequency data for more accuracy and responsiveness, the RCE is designed to be more reactive than traditional risk control mechanisms using only daily closing prices.

Traditional indices employing volatility targets that only use daily observations or one data point tend to react slowly to changes in risk regimes, thereby reducing risk too slowly as markets decline and adding risk too slowly when markets recover. The truVol® RCE aims to address that by harnessing the power of more than 20 intraday data points to drive better-informed risk forecasts and, ultimately, more accurate asset allocations.

While many volatility metrics rely on a single daily data point, the truVol® Risk Control Engine utilizes intraday data to help provide a richer and more nuanced understanding of historical volatility and trends.

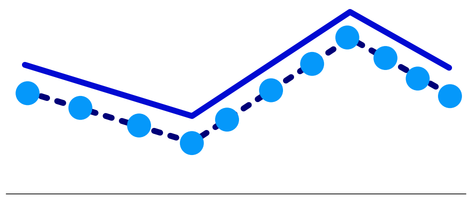
In periods of high volatility, it may be possible for the index to be comprised heavily or fully of bonds and/or cash, which may persist as volatility is elevated. Due to excess return index construction, cash allocations in the index are non-remunerated.

Traditional risk control



One data point
Limited to daily closing prices adds and reduces risk too slowly.

truVol® Risk Control Engine



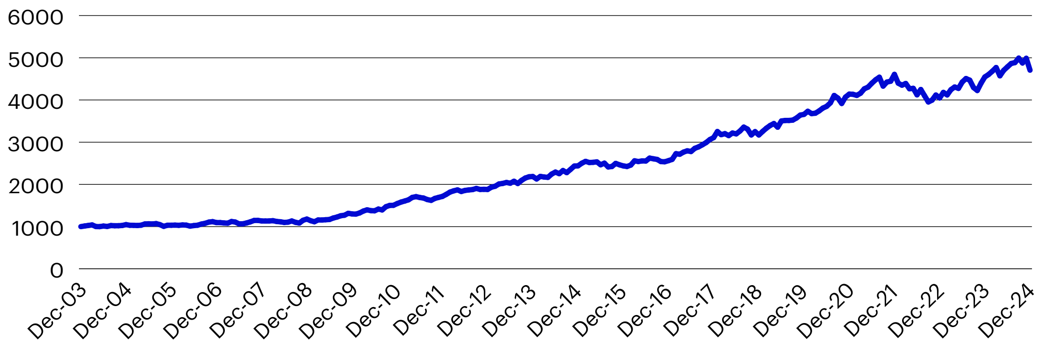
Multiple data points
truVol® risk control engine uses many data points to drive better-informed and more accurate asset allocations.

For illustrative purposes only.

Invesco Peak II Index performance through time

Attractive returns delivered through a smoother ride by dynamically adjusting between stocks, bonds, and cash.

Cumulative performance through December 31, 2024



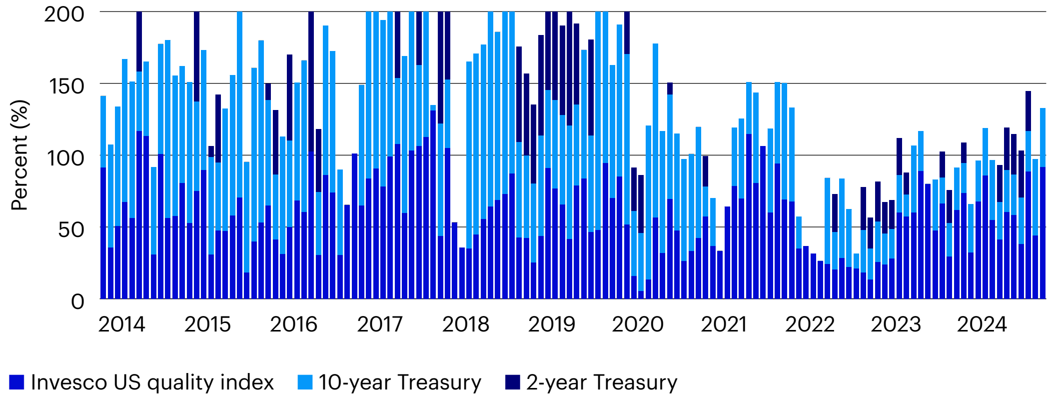
Source: Invesco Indexing. December 31, 2003, to December 31, 2024. The Invesco Peak II Index was launched on November 1, 2024. All data prior to a launch date is back-tested (i.e., calculations of how the index might have performed over that time period had the index existed). Back-tested performance is subject to inherent limitations because it reflects retroactive application of an index methodology and selection of index constituents with the benefit of hindsight. **Past performance, actual or back-tested, is no guarantee of future performance.**

Annualized returns as of December 31, 2024

	1 month	3 months	1 year	3 years	5 years	10 years	Inception
Invesco Peak II Index	-5.66	-5.74	3.52	0.71	5.16	6.79	7.65
Annualized volatility	–	–	9.67	9.56	8.81	7.90	7.31
Sharpe ratio	–	–	0.36	0.07	0.59	0.86	1.05

Source: Invesco Indexing. December 31, 2003, to December 31, 2024. The Invesco Peak II Index was launched on November 1, 2024. All data prior to a launch date is back-tested (i.e., calculations of how the index might have performed over that time period had the index existed). Back-tested performance is subject to inherent limitations because it reflects retroactive application of an index methodology and selection of index constituents with the benefit of hindsight. **Past performance, actual or back-tested, is no guarantee of future performance.** Annualized Volatility is the standard deviation of monthly returns. Sharpe ratio is a risk-adjusted measure calculated using standard deviation and excess return to determine reward per unit of risk. A higher Sharpe ratio indicates better risk-adjusted performance.

Historical asset allocation through December 31, 2024



Source: Invesco Indexing.

To learn more, visit us at invescoPeak2index.com

Important information

Forward-looking statements are not guarantees of future results. They involve risks, uncertainties and assumptions. There can be no assurance that actual results will not differ materially from expectations.

Factor investing is an investment strategy in which securities are chosen based on certain characteristics and attributes that may explain differences in returns. Factor investing represents an alternative and selection index based methodology that seeks to outperform a benchmark or reduce portfolio risk, both in active or passive vehicles. There can be no assurance that performance will be enhanced or risk will be reduced for strategies that seek to provide exposure to certain factors. Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods. Factor investing may underperform cap weighted benchmarks and increase portfolio risk. There is no assurance that the index discussed in this material will achieve their investment objectives.

Although bonds generally present less short-term risk and volatility than stocks, the bond market is volatile and investing in bonds involves interest rate risk; as interest rates rise, bond prices usually fall, and vice versa. Bonds also entail issuer and counterparty credit risk, and the risk of default. Additionally, bonds generally involve greater inflation risk than stocks.

Holding cash or cash equivalents may negatively affect performance.

There is no guarantee the stated volatility target will be achieved.

Diversification/Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns and does not assure a profit or protect against loss.

There is no assurance that the index discussed in this material will achieve its investment objectives.

The information provided is for informational purposes only and should not be construed as an offer to buy or sell any financial instruments, or a recommendation for any security or fund interest. Invesco Indexing LLC is not an investment adviser or fiduciary and makes no representation regarding the advisability of investing in any security or strategy. There can be no assurance that an investment strategy based on the Invesco Indexes will be successful.

Indexes are unmanaged and it is not possible to invest directly in an index. Exposure to an asset class or trading strategy represented by an index is only available through investable instruments (if any) based on that index. Invesco Indexing LLC does not issue, sponsor, endorse, market, offer, review or otherwise express any opinion regarding any fund, derivative or other security, financial product or trading strategy that is based on, linked to or seeks to track the performance of any Invesco Indexing LLC index.

This does not constitute a recommendation of any investment strategy or product for a particular investor. Investors should consult a financial professional before making any investment decisions.

Invesco Indexing LLC is an indirect, wholly owned subsidiary of Invesco Ltd. The group is legally, technologically and physically separate from other business units of Invesco, including the various global investment centers.

Important information about Salt Financial

 This document does not constitute an offer of services in jurisdictions where Salt Financial LLC or its affiliates (collectively "Salt Financial") do not have the necessary licenses. All information provided by Salt Financial is impersonal and not tailored to the needs of any person, entity or group of persons. Salt Financial receives compensation in connection with licensing its indices to third parties. **Past performance of an index is not a guarantee of future results.**

It is not possible to invest directly in an index. Exposure to an asset class represented by an index is available through investable instruments based on that index. Salt Financial does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. Salt Financial makes no assurance that investment products based on the indices will accurately track index performance or provide positive investment returns. Salt Financial is not an investment advisor and makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. Prospective investors are advised to make an investment in any such fund or other vehicle only after carefully considering the risks associated with investing in such funds, as detailed in an offering memorandum or other similar document that is prepared by or on behalf of the issuer of the investment fund or other investment product or vehicle. Salt Financial is not a tax advisor. A tax advisor should be consulted to evaluate the impact of any tax-exempt securities on portfolios and the tax consequences of making any particular investment decision. Inclusion of a security within an index is not a recommendation by Salt Financial to buy, sell, or hold such security, nor is it intended to be investment advice and should not be construed as such.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof ("Content") may be modified, reverse engineered, reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of Salt Financial. The Content shall not be used for any unlawful or unauthorized purposes. Salt Financial and its third-party data providers and licensors (collectively, the "Salt Financial Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. The Salt Financial Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" BASIS. THE SALT FINANCIAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall the Salt Financial Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages. In addition, Salt Financial provides services to, or relating to, many organizations, including but not limited to issuers of securities, investment advisers, broker dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address. Salt Financial has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process it performs in connection with the services it provides.