StorySelling

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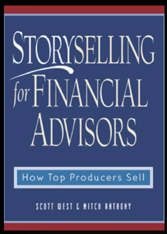
Invesco Consulting



This material is designed to be used by financial advisors who have attended Invesco Consulting's "StorySelling" presentation.

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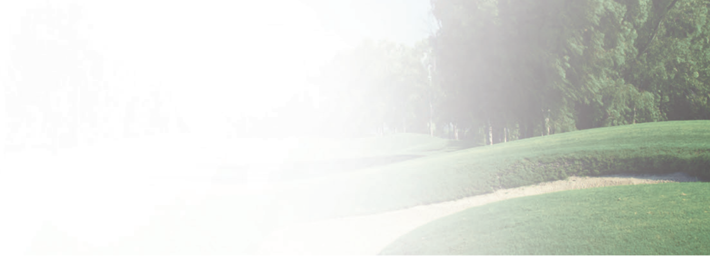


Why "StorySelling"?

Overview

Highly-persuasive financial professionals engage clients by translating Wall Street jargon into main street values using metaphors, analogies, anecdotes and illustrations. This communication style may allow them to better serve their clients' financial needs – and sell more effectively in the process. During the "StorySelling" presentation, we provided tools designed to help lead investors to faster and more confident decisions, showed ways to incorporate emotion and experiences into conversations and shared stories used by successful financial professionals.

Top ten questions experienced financial advisors ask

1. "Where are you from, and what did you like about living there?"
2. "Outside of work, what consumes most of your time?"
3. "What was your first experience when you learned the value of money?"
4. "What is your life's work?"
5. "What is the best financial decision you've ever made?"
6. "What principles do you follow with your money?"
7. "Are there any investments you would avoid as a matter of principle?"
8. "What do you want your money to do for you?"
9. "What other people have you assumed some financial responsibility for?"
10. "What do you expect from an advisor?"

Top stories top advisors use

Golf clubs & financial plans

Every quarter, a financial advisor in Georgia calls on clients who have made only one investment with her. She encourages them to think about a financial plan by using this analogy: "Owning a single investment is a lot like owning a single golf club."

For example, if her records indicate that a client holds just one aggressive growth product, she'll compare it to playing 18 holes with a 3-wood club. Or if her client holds just one CD or money market fund, she'll compare that to playing 18 holes with a putter. Then she follows with, "Why not come in so we can get you equipped with the right tools for your portfolio. Like golf, the right tools can have a dramatic impact on performance."

Red wine & emerging growth funds

"There are only a few regions around the world that can produce quality wines. Grapevines prefer a relatively long growing season of 100 days or more with warm daytime temperatures no greater than 95° and cool nights.

Emerging market companies also depend on favorable climates. These companies need regions with solid economic foundations, thriving and growing populations and lots of money coming in. That's why you should look globally for the right regions able to produce opportunities."

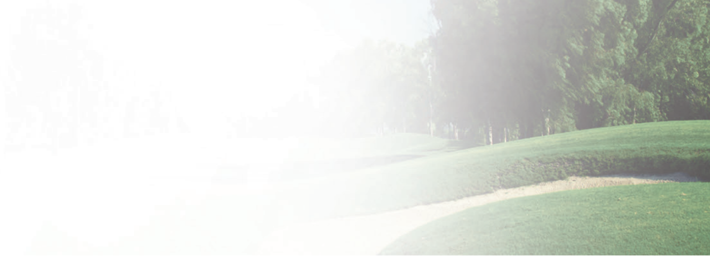
Layers, composites and asset allocation

"Years ago, we used to protect ourselves from the cold with large winter jackets. Then, we were told that layers of clothes offered better protection from the cold. Today, clothes made of composite materials offer us the best protection. Each fabric in the composite offers a different shield from the elements - one against wind, another against rain and another against cold. Together, these materials work to shield us from the most adverse weather conditions.

It's smart gear for people who plan to be outside for long periods of time. It's a little like designing a smart investment portfolio. We don't just layer stocks on top of stocks or bonds on top of bonds; we build composite portfolios – composites of different layers designed to shield against different adverse markets."

All-wheel drive and asset allocation

Asset allocation is a little like all-wheel drive. If one wheel slips, there are three more opportunities for traction.



"StorySelling" the investment asset classes

There are several diverse investment vehicles including mutual funds, unit investment trusts and exchange-traded funds. How do you simplify the benefits of these asset classes to investors? Here are a few ideas.

Mutual Funds

Asset allocation: Target risk

"How do you maintain a desired temperature in your house? A thermostat. It's a little like how target risk funds are designed. You choose a level of desired risk you want from your investment-conservative, moderate or aggressive - and the manager's job is to help you maintain a comfortable level of risk for as long as you own the investment. Think of it as the 'risk thermostat.'"

Asset allocation: Target maturity

"The FDA now has different food pyramids for different ages. When we're 65, we can't eat like we did when we were 20. The same is true of investing.

In general, our portfolios might ought to be a lot more "bland" as we grow older. That's the goal of target maturity funds. They seek to reduce the level of risk for us as we age by reducing stocks in the portfolio and adding bonds; you don't have to do a thing. It's a long-term investment that changes with you as you age."

Asset allocation: Balanced-risk

"The cars we buy today aren't designed just for performance or just for safety; they're designed to maximize both-big engines with crash engineering, air bags and anti-lock brakes. It's the same idea with balanced-risk funds. They are designed to balance performance and risk with the goal of getting as much performance as possible without exceeding that level of risk."

Diversified portfolios

Draw 2 boxes, one with one vertical line above and the other with 4 vertical lines above. Ask your client, "Which elevator would you rather ride in? The one held up by a single cable or the one held up by four cables? That's why you need to diversify your portfolio."

Diversification does not guarantee a profit or eliminate the risk of loss.

Growth funds

"Growth funds are a little like sports cars. Their priority is performance; safety is secondary. The same is true with growth funds. As an assets class, they generally outperform other investments in favorable, rising markets and underperform in falling markets."

Growth stocks tend to be more expensive relative to their earnings or assets compared with other types of stock. As a result, they tend to be more sensitive to changes in their earnings and can be more volatile.

Value funds

"Have you ever met a cheap person who won't pay list price for anything, needing to compare prices at different stores before buying? They're a little like value fund managers. Value fund managers try to invest in cheap, undervalued stocks they believe will rise in price over time."

A value style of investing focuses on undervalued companies with characteristics for improved valuations. This style of investing is subject to the risk that the valuations never improve or that the returns on value equity securities are less than returns on other styles of investing or the overall stock market. Value stocks also may decline in price, even though in theory they are already underpriced.

Large cap funds

"Think about the difference between ships and boats. Ships are larger and more stable at sea, whereas boats are less stable but more nimble in the water.

It's a little like the difference between large cap investments and small cap investments. Large cap stocks are generally larger, more diversified and more stable than mid cap and small cap stocks, so they are potentially better at withstanding choppy markets."

Small cap funds

"When it comes time for landscaping, you have a choice between planting seedlings or saplings. Seedlings cost less, but there's a greater risk they won't grow. Saplings cost more, but there's a greater chance they'll thrive.

It's a little like the choice between small-cap and large-cap investing. Small caps offer the chance of higher returns, but there's also more risk. They can be the seedlings of your portfolio."

Stocks of small- and mid-sized companies tend to be more vulnerable to adverse developments in the above factors and may have little or no operating history or track record of success, and limited product lines, markets, management and financial resources. The securities of small- and mid-sized companies may be more volatile due to less market interest and less publicly available information about the issuer. They also may be illiquid or restricted as to resale, or may trade less frequently and in smaller volumes, all of which may cause difficulty when establishing or closing a position at a desirable price.

International and global funds

"Do you know how many gold medals the US has won in all the Olympic games? Answer: 1,022–more than any other country and more than twice that of the second winner, the Soviet Union with 440 medals.* The US has not won all the medals; it would be foolish to think it could. The same is true of investing. The US has the largest economy in the world, but there are top performers beyond its borders. That's why we should consider International and global funds for a portion of our portfolios."

Foreign investments may be affected by changes in a foreign country's exchange rates, political and social instability, changes in economic or taxation policies, difficulties when enforcing obligations, decreased liquidity, and increased volatility. Foreign companies may be subject to less regulation resulting in less publicly available information about the companies. International markets may be less liquid and can be more volatile than US markets.

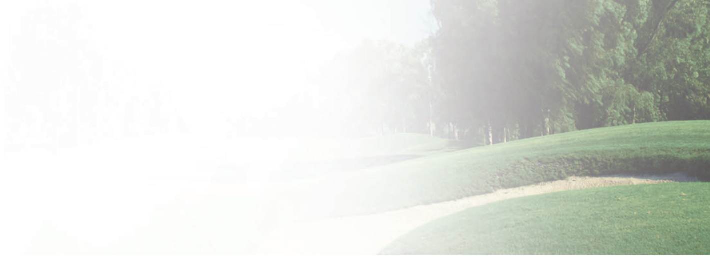
Sector equity funds

"Every football team has special teams. They don't spend nearly as much time on the field as offense or defense, but they are an important part of the team with special skills. Investment portfolios need specialized skills, as well - either to take advantage of unique opportunities or to add an element of protection not provided by general stock and bond portfolios."

Keep in mind the investment performance of securities issued in a certain sector and/or industry, the investment's performance will depend on the overall condition of those industries, which may be affected by the following factors: the supply of short-term financing, changes in government regulation and interest rates and overall economy. Funds that invest in such securities are concentrated in a comparatively narrow segment of the economy and may be more volatile than non-concentrated funds.

**Source: Wood, R. J. (first published in 2010 and updated to include 2016 Rio Olympics). "Complete Guide to Fitness Testing." topendsports.com. Retrieved 10/17/2017 from http://www.topendsports.com/events/summer/medal-tally/all-time.htm*

Asset classes described herein are not representative of any Invesco products.



Taxable fixed-income funds

"Generally speaking, your investment portfolio should look like a team - with stocks for offense and fixed-income securities for defense."

Tax-free fixed-income funds

"Earning income from investments can be a little like driving a golf ball into the wind. Taxes are the headwind, and they are going to take some distance off that drive. That's why tax-free investments make sense. There's no headwind, so what you earn is what you keep."

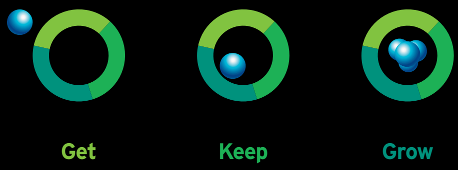
Exchange-traded funds (ETFs)

"In 1990, the Food and Drug Administration (FDA) began requiring all packaged foods to carry nutrition labels. Why? Because people have a right to know what is in the food they are buying. The same is true of investing. Although all funds are required to disclose their holdings quarterly, ETFs post them every day, so investors can get a better look at what they own."

Unit investment trusts (UITs)

"Today's digital music allows you to build playlists of just the songs you want. They're arguably much better than the old CDs and records that made you buy songs you didn't care for in order to get the songs you liked. Mutual funds can be a little like that. Sometimes, they include a lot of securities you want but some you don't. Unit trusts are more like today's play lists. They allow you to invest in a smaller, more specialized portfolio of securities potentially better-suited to individual tastes."

Notes



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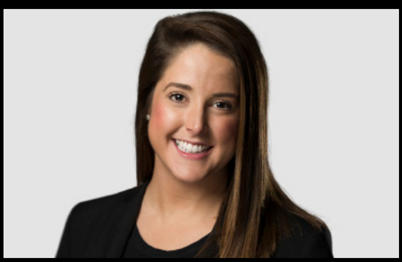
- Presentation development and delivery
- Value propositions shown to resonate with investors
- Public seminars that fill rooms
- Communication skills
- Retirement strategies... simplified
- Proven referral strategies



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