



## Invesco International Growth ADR SMA

### Fourth Quarter

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We believe companies that have sustainable earnings growth, efficient capital allocation, and attractive prices may provide long-term growth of capital.

#### Current Portfolio Positioning

Developed and emerging international equity markets again delivered positive returns in the fourth quarter, supported by firmer global economic growth, as well as stronger corporate fundamentals. After trailing international markets for the first three quarters of 2017, US equities outperformed international markets in the fourth quarter. US equities were boosted by prospects for sweeping individual and corporate tax cuts, with final tax legislation passed in December.

The Invesco International Growth ADR SMA Composite delivered a positive return over the quarter but lagged its benchmark index. Geographically, holdings in Indonesia, the UK, Spain and Singapore delivered strong gains adding to the portfolio's absolute and relative returns. From a sector perspective, portfolio holdings in the consumer staples sector outperformed those of the benchmark and contributed positively to relative returns. The portfolio's food, beverage & tobacco stocks showed particular strength.

Conversely, portfolio holdings in the information technology (IT), financials and materials sectors underperformed those of the benchmark and were key detractors from relative return. Similar to last quarter, some of the best performers in the index over the fourth quarter have been momentum names in the IT sector. The portfolio did not own these names as we perceive that their elevated valuations do not offer attractive risk-to-reward profiles. As a result of their large size and their strong returns, not owning just these names was a meaningful drag on the portfolio's relative performance over the quarter. Geographically, portfolio holdings in Japan and China underperformed those of the benchmark and detracted from relative results. An underweight in Japan and China and an overweight in Brazil was a drag on relative results. A cash position in a strong up market environment dragged on relative results. As a reminder, cash is a residual of our bottom-up stock selection process.

We added several stocks to the portfolio, including a UK-based consumer hygiene and home care products producer Reckitt Benckiser Group PLC, Italy-based investment banking advisor Mediobanca SPA, French construction company Vinci SA, US-based snack manufacturer Mondelez International and French mass media company Vivendi SA. Deteriorating fundamentals and/or valuations led to the sale of several names, including, Roche Holdings AG, Teva Pharmaceuticals, Komatsu Ltd., Bunzl PLC and Grupo Televisa (0% of total portfolio assets as of Dec. 31, 2017).

Despite the 2017 rebound in global equities, a number of risks remain. The current bull market is approaching its ninth year and though valuations on international equities appear attractive relative to the US, valuations on US equities appear high, having traded at higher levels only during the 1999 technology/media/telecommunications bubble (based on the Shiller price to earnings ratio). Geopolitical risk also persists due to the ongoing "Brexit" negotiations, select 2018 elections and a volatile situation in North Korea. Additionally, volatility could resurface when central banks begin to pull back from ultra-low interest rates and quantitative easing programs.

Regardless of the macroeconomic environment, we remain focused on applying our well-established, long-term, bottom-up Earnings, Quality, Valuation (EQV) investment process that seeks to identify attractively valued, high-quality growth companies.

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## Invesco International Growth ADR SMA Wrap Composite

Year	"Pure" Gross Return*	Net Return	Custom International Growth Index 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
2016	-1.92%	-4.83%	0.12%	0.37%	11.40%	12.19%	3,758	\$1,856	\$599	100%
2015	-2.71	-5.60	-1.25	0.39	11.06	11.67	5,597	2,846	575	100
2014	2.63	-0.40	-2.65	0.22	11.10	12.29	6,068	2,749	585	100
2013	19.23	15.76	17.08	0.29	14.44	15.83	3,511	1,339	573	100
2012	15.31	11.93	16.86	0.37	16.84	19.12	4,504	1,741	500	100
2011	-6.15	-8.94	-12.11	0.44	18.16	21.24	3,365	1,215	480	100
2010	14.84	11.47	12.25	0.75	N/A	N/A	870	410	475	100
2009	34.66	30.77	29.36	0.53	N/A	N/A	1,070	387	2	100
2008	-38.80	-40.69	-42.70	0.87	N/A	N/A	1,109	214	2	100
2007	15.15	11.78	16.45	0.46	N/A	N/A	1,011	321	3	100

### Quarterly Returns

Period	"Pure" Gross Return*	Net Return	Custom International Growth Index Return**
4Q17	3.54%	2.78%	5.77%
3Q17	3.20	2.44	6.33
2Q17	5.49	4.72	7.56
1Q17	7.35	6.57	9.13

### Annualized Compound Returns

as of Dec. 31, 2017

Period	"Pure" Gross Return*	Net Return	Custom International Growth Index Return**
1 Year	21.01%	17.49%	32.01%
3 Year	4.91	1.81	9.29
5 Year	7.16	4.00	8.27
10 Year	3.77	0.70	2.43
Since Inception (08/01/01)	7.69	4.60	5.76

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

\*\* The Custom International Growth Index is an index comprised of the MSCI EAFE® Growth Index Net Return (NR) from composite inception to February 28, 2013, and the MSCI All Country World Index (ACWI) ex USA Growth NR thereafter.

\*\*\* Prior to January 1, 2010, the Invesco International Growth ADR SMA Wrap Composite was part of Invesco AIM Private Asset Management, Inc. (IAPAM), formerly AIM Private Asset Management, Inc., which is now part of Invesco Worldwide ("The Firm"). The Total Firm Assets are reflected accordingly.

### Invesco Worldwide has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

- Invesco Worldwide ("The Firm") manages a broad array of investment strategies around the world. The Firm comprises U.S.-based Invesco Advisers, Inc. (excluding Unit Investment Trusts) and all wholly owned Invesco firms outside of North America (excluding Religare Enterprises Ltd.). All entities within the Firm are directly or indirectly owned by Invesco Ltd. Invesco Canada Ltd. is also a GIPS-compliant firm whose assets are managed by a subsidiary of Invesco Ltd. Invesco Senior Secured Management, Inc., Invesco Private Capital, Inc., and Invesco PowerShares Capital Management LLC are affiliates of the Firm. Each is an SEC-registered investment adviser and is marketed as a separate entity. Invesco Great Wall Fund Management Co. Ltd is a fund management company established under China Securities Regulatory Commission's approval, and its assets are excluded from total Firm assets.
- 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 January 1, 2003 through December 31, 2016. The legacy firms that constitute Invesco Worldwide have been verified since 2001 or earlier. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.
- A complete list and description of Firm composites and performance results is available upon request. Additional information regarding policies for calculating and reporting returns is available upon request. All returns are expressed in U.S. dollars and are gross of nonreclaimable withholding tax, if applicable.
- For periods after January 1, 2011, the Invesco International Growth ADR SMA Wrap Composite (formerly named the Invesco International ADR Growth SMA Wrap Composite) includes all discretionary, fee-paying wrap accounts styled after the Invesco International Growth ADR SMA Model Portfolio (formerly named the Invesco International ADR Growth Model Portfolio), which seeks long-term growth of capital by investing in a diversified portfolio of large and mid-sized international companies located in developed and emerging markets that the portfolio managers believe have sustainable quality growth characteristics and attractive valuations. Prior to January 1, 2011, the composite included all discretionary, nontaxable and fee-paying wrap accounts. The composite is managed in comparison to, not duplication of, the benchmark. The composite was created in August 2001.
- "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. Net returns reflect the deduction of the maximum total wrap fee, which is currently 3.00% per annum or 0.25% monthly, from the "pure" gross return. A model fee is the highest wrap fee a client could pay (3.00% annually as charged by the program sponsor, inclusive of up to a maximum investment advisory fee of 0.75%) is used. 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: 3.00% of total assets. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.
- The benchmark results for the Custom International Growth Index are a combination of the MSCI EAFE® Growth Index Net Return (NR) and the MSCI All Country World Index (ACWI) ex USA Growth NR. The MSCI EAFE® Growth Index NR was used solely prior to March 1, 2013 and the MSCI ACWI ex USA Growth NR is used thereafter. This change was made to better align the benchmark with the increased emerging market exposure in the model. The MSCI EAFE® Growth Index is a subset of the MSCI EAFE® Index and constituents of the underlying index include securities from Europe, Australasia and the Far East. The MSCI ACWI ex USA Growth NR captures large and mid-cap securities exhibiting overall growth style characteristics across Developed Markets (DM) countries (excluding the USA) and Emerging Markets (EM) countries. The benchmark is used for comparative purposes only and generally reflects the risk or investment style of the product. The benchmark return is net of withholding taxes from a Luxembourg tax perspective. 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.
- Prior to January 1, 2009, 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, 2009, 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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## Supplemental Information to Invesco International Growth ADR SMA Wrap Composite

Portfolio Characteristics	Portfolio	Custom International Growth Index
Number of Holdings	57	1,004
Weighted Average 12-Month Forward EPS Growth	8.30%	15.70%
Weighted Average Long-Term EPS Growth	11.30%	16.00%
Weighted Average Return on Equity	19.20%	18.40%
Weighted Average Long-Term Debt to Capital	33.50%	27.10%
Weighted Harmonic Average 12-Month Forward P/E	16.2	18.1
Weighted Harmonic Average 12-Month Trailing P/E	17.4	20.8
Weighted Average Price/Book	4.2	4.7
Weighted Average Dividend Yield (Trailing 12 Months)	2.40%	1.80%
Weighted Average Market Cap (\$M)	\$48,536	\$76,949
Median Market Cap (\$M)	\$33,787	\$9,690
Annualized Turnover Ratio	30.33%	N/A
Emerging Markets Exposure (%TNA)	16.05%	24.56%

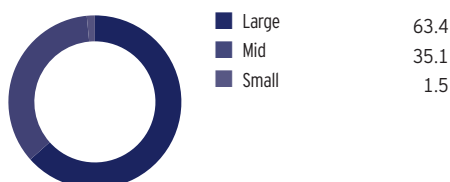
Portfolio characteristics are subject to change.

Top Countries (% of total net assets)	Portfolio	Custom International Growth Index
United Kingdom	17.7	10.5
Germany	9.2	7.1
France	7.7	7.2
Canada	7.6	6.4
Brazil	6.1	1.6
Switzerland	5.5	7.2
Australia	5.3	4.6
United States	5.2	0.7
Hong Kong	4.9	2.5
Japan	3.6	16.4

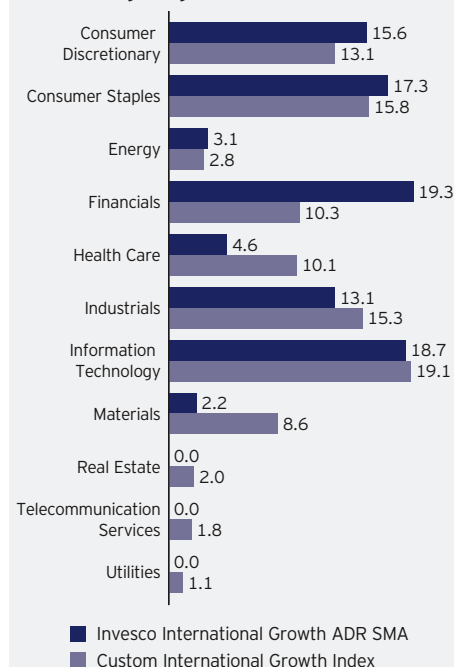
## Performance Characteristics (Five year)

Alpha (vs. Custom International Growth Index)	-0.11%
Beta (vs. Custom International Growth Index)	0.88
R <sup>2</sup> (vs. Custom International Growth Index)	0.92
Information Ratio (vs. Custom International Growth Index)	-0.34
Sharpe Ratio	0.68
Up/Down Capture Ratio (vs. Custom International Growth Index)	83.61/ 86.50
Standard Deviation	
Portfolio	10.18%
Benchmark	11.14%

## Market Capitalization Breakdown (%)



## Sector Weightings (% of total net assets)



## Asset Allocation

	12/31/17	9/30/17	6/30/17
Stocks	94.02%	91.10%	92.20%
Cash/Other	5.98	8.1	7.8

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**Sample Portfolio** (Supplemental Information to Invesco International Growth ADR SMA on Page 2)

Top 10 Holdings					Other Sample Holdings (continued)			
Ticker	Security	Sector	Country	% of Total Net Assets				
1. SAP	SAP SE	Information Technology	Germany	2.97	SU	Suncor Energy Inc.	Energy	Canada
2. AVGO	Broadcom Ltd.	Information Technology	United States	2.82	AZSEY	Allianz SE	Financials	Germany
3. BTI	British American Tobacco PLC	Consumer Staples	United Kingdom	2.68	BBD	Banco Bradesco SA	Financials	Brazil
4. RELX	RELX PLC	Consumer Discretionary	United Kingdom	2.66	PPERY	Bank Mandiri Persero Tbk PT	Financials	Indonesia
5. GIB	CGI Group Inc.	Information Technology	Canada	2.65	DBOEY	Deutsche Boerse AG	Financials	Germany
6. SBGSY	Schneider Electric SA	Industrials	France	2.59	ING	ING Groep NV	Financials	Netherlands
7. FMX	Fomento Economico Mexicano SAB de CV	Consumer Staples	Mexico	2.49	ISNPY	Intesa Sanpaolo SpA	Financials	Italy
8. WHGLY	WH Group Ltd.	Consumer Staples	Hong Kong	2.45	JBAXY	Julius Baer Gruppe AG	Financials	Switzerland
9. CKHUY	CK Hutchison Holdings Ltd.	Industrials	Hong Kong	2.42	KPCPY	Kasikornbank PLC	Financials	Thailand
10. TSM	Taiwan Semiconductor Manufacturing Co. Ltd.	Information Technology	Taiwan	2.38	LYG	Lloyds Banking Group PLC	Financials	United Kingdom
<b>Other Sample Holdings</b>					MDIBY	Mediobanca SpA	Financials	Italy
CFRUY	CIE Financiere Richemont AG	Consumer Discretionary	Switzerland		UBS	UBS Group AG	Financials	Switzerland
CMPGY	Compass Group PLC	Consumer Discretionary	United Kingdom		UOVEY	United Overseas Bank Ltd.	Financials	Singapore
IFJPY	Infirma PLC	Consumer Discretionary	United Kingdom		CSLLY	CSL Ltd.	Health Care	Australia
KROTY	Kroton Educacional SA	Consumer Discretionary	Brazil		ESLOY	Essilor International SA	Health Care	France
LVS	Las Vegas Sands Corp.	Consumer Discretionary	United States		NVS	Novartis AG	Health Care	Switzerland
PDYPY	Paddy Power Betfair PLC	Consumer Discretionary	United Kingdom		SNN	Smith & Nephew PLC	Health Care	United Kingdom
PRDSY	Prada SpA	Consumer Discretionary	Italy		BXBLY	Brambles Ltd.	Industrials	Australia
VIVHY	Vivendi SA	Consumer Discretionary	France		CNI	Canadian National Railway Co.	Industrials	Canada
WTKWY	Wolters Kluwer NV	Consumer Discretionary	Netherlands		DPSGY	Deutsche Post AG	Industrials	Germany
CABGY	Carlsberg A/S	Consumer Staples	Denmark		FANUY	FANUC Corp.	Industrials	Japan
JAPAY	Japan Tobacco Inc.	Consumer Staples	Japan		GEAGY	GEA Group AG	Industrials	Germany
KCRPY	Kao Corp.	Consumer Staples	Japan		VCISY	Vinci SA	Industrials	France
MDLZ	Mondelez International Inc.	Consumer Staples	United States		AMADY	Amadeus IT Group SA	Information Technology	Spain
PDRDY	Pernod Ricard SA	Consumer Staples	France		BIDU	Baidu Inc.	Information Technology	China
RBGLY	Reckitt Benckiser Group PLC	Consumer Staples	United Kingdom		CIOXY	Cielo SA	Information Technology	Brazil
UN	Unilever NV	Consumer Staples	Netherlands		OTEX	Open Text Corp.	Information Technology	Canada
CVE	Cenovus Energy Inc.	Energy	Canada		YAHGY	Yahoo Japan Corp.	Information Technology	Japan
RDS.B	Royal Dutch Shell PLC	Energy	United Kingdom		AMCRY	Amcor Ltd.	Materials	Australia

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 in the shaded area above and represent 26% of total holdings. For additional holdings disclosure, see the Global Industry Classification Standard disclosure on page 3. **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.** Investing in securities of foreign companies and governments involves considerations and potential risks not typically associated with investments in domestic corporations and obligations issued by the U.S. government. An investment could be subject to risks associated with changes in currency values; economic, political and social conditions; and the regulatory environment of the foreign country; as well as the difficulties of receiving current and accurate information.

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**Top Quarterly Contributors to /Detractors from performance**

As of Dec. 31, 2017

<b>Top 5 Contributors</b>	<b>Average Weight (%)</b>	<b>Contribution (%)</b>	<b>Top 5 Detractors</b>	<b>Average Weight (%)</b>	<b>Contribution (%)</b>
Bank Mandiri Persero Tbk PT	1.77	0.31	Teva Pharmaceutical Industries Ltd.	0.17	-0.15
United Overseas Bank Ltd.	2.00	0.27	Kroton Educatonal SA	1.64	-0.14
Wolters Kluwer NV	2.08	0.26	Banco Bradesco SA	2.24	-0.14
Paddy Power Betfair PLC	1.43	0.26	Intesa Sanpaolo SpA	1.21	-0.08
Pernod Ricard SA	1.88	0.25	Roche Holding AG	0.50	-0.08

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