



## Invesco International Growth ADR SMA

### First 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

Significant market volatility returned during the first quarter of 2018, as global markets made some of their biggest swings in over a year. After delivering strong positive returns during most of January, markets sold off sharply in February as rising inflation levels led investors to believe that interest rates would need to be raised at a faster pace than expected. Stocks struggled to regain their momentum later in the quarter driven by global trade tensions and weakness in global technology stocks. In this volatile market environment, somewhat counter-intuitively, emerging markets generally held up better than developed markets.

The Invesco International Growth ADR Composite delivered a negative return over the quarter and lagged its benchmark index. Underperformance was driven by holdings in the consumer discretionary, information technology (IT) and industrials sectors. Within the consumer discretionary sector, weakness was seen in the portfolio's consumer services names. While in the IT sector, select portfolio holdings in the semiconductors and semiconductor equipment industry were a drag. Not owning certain strong performing index names in the software and services industry detracted from relative returns as well. Geographically, portfolio holdings in the UK and Japan underperformed those of the benchmark and detracted from relative results. An underweight in the positive performing Japan market and an overweight in the weak UK market was a drag on relative results.

In contrast, stock selection combined with an overweight exposure in the positive performing financials sector supported both absolute and relative returns. An underweight exposure to the weak materials sector supported relative returns. Geographically, stock selection in Canada, Switzerland and Italy contributed favorably to relative returns. The portfolio's modest cash position, in a choppy market environment, was supportive as well. As a reminder, cash is a residual of our bottom-up stock selection process.

Volatility in the market enabled us to add opportunistically to the portfolio over the quarter. Two new names were added - a Turkish bank and a French personalized online advertiser - leading to a modest increase in the portfolio's financials and consumer discretionary sector exposures. Two names were sold over the quarter - a Brazil based credit and debit card acquirer and an Italian-based luxury goods retailers. The portfolio ended the period with an overweight in the financials, consumer discretionary, consumer staples and energy sectors and an underweight in the materials, health care, IT, real estate, telecommunication services, industrials and utilities sectors.

Increased volatility should continue to be a theme around the globe in 2018, which could create opportunities for long-term investors like us. In our view, equity markets in both developed and emerging markets appear to be fully valued in absolute terms, however, non-US equity markets continue to trade at a material discount to the US. In sum, while valuations are not cheap, recent earnings growth & earnings revision trends have improved for many non-US markets.

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
2017	21.01	17.49	32.01	0.37	10.49	11.73	3,131	1,752	660	100
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

### Quarterly Returns

Period	"Pure" Gross Return* (%)	Net Return (%)	Custom International Growth Index Return** (%)
1Q18	-2.07	-2.81	-0.87

### Annualized Compound Returns

Period	"Pure" Gross Return* (%)	Net Return (%)	Custom International Growth Index Return** (%)
1 Year	10.39	7.15	19.92
3 Year	2.90	-0.14	7.28
5 Year	5.94	2.82	6.84
10 Year	4.49	1.40	3.21
Since Inception (08/01/01)	7.43	4.35	5.62

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.

\*\* 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 ("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 Invesco India and Source Investment Management Limited). 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 includes all discretionary, fee-paying wrap accounts styled after the Invesco International ADR Growth SMA 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 up to a maximum investment advisory fee of .75%). 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% on 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 countries (excluding the USA) and Emerging Markets 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	1,001
Weighted Average 12-Month Forward EPS Growth	9.33%	14.49%
Weighted Average Long-Term EPS Growth	9.95%	14.44%
Weighted Average Return on Equity	19.73%	18.72%
Weighted Average Long-Term Debt to Capital	29.90%	25.86%
Weighted Harmonic Average 12-Month Forward P/E	14.8	16.9
Weighted Harmonic Average 12-Month Trailing P/E	16.2	18.9
Weighted Average Price/Book	3.6	4.4
Weighted Average Dividend Yield (Trailing 12 Months)	2.72%	2.07%
Weighted Average Market Cap (\$M)	\$48,916	\$76,348
Median Market Cap (\$M)	\$34,868	\$9,630
Annualized Turnover Ratio	27.51%	N/A
Emerging Markets Exposure (%TNA)	14.81%	25.29%

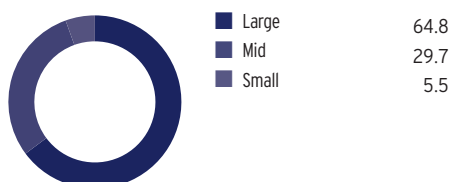
Portfolio characteristics are subject to change.

Top Countries (% of total net assets)	Portfolio	Custom International Growth Index
United Kingdom	17.3	10.1
France	9.8	7.4
Germany	8.8	7.0
Canada	6.7	6.1
Switzerland	5.6	6.8
Australia	5.5	4.4
United States	5.1	0.6
Hong Kong	4.4	2.5
Brazil	4.0	1.7
Netherlands	3.5	2.5

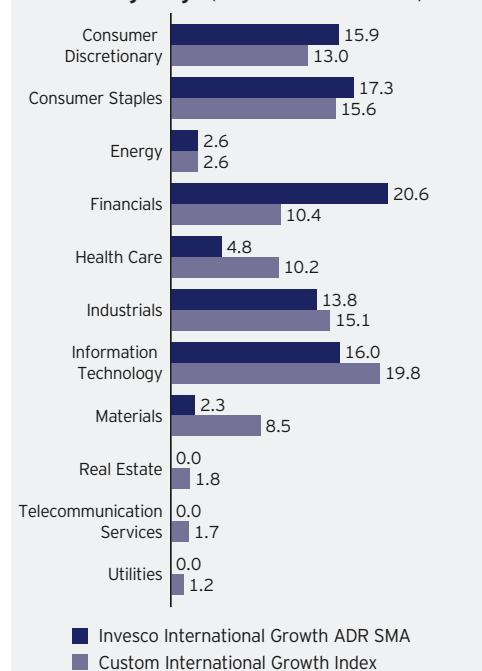
## Performance Characteristics (Five year)

Alpha (vs. Custom International Growth Index)	-0.12%
Beta (vs. Custom International Growth Index)	0.88
R <sup>2</sup> (vs. Custom International Growth Index)	0.93
Information Ratio (vs. Custom International Growth Index)	-0.29
Sharpe Ratio	0.54
Up/Down Capture Ratio (vs. Custom International Growth Index)	85.00/ 88.45
Standard Deviation	
Portfolio	10.44%
Benchmark	11.45%

## Market Capitalization Breakdown (%)



## Sector Weightings (% of total net assets)



## Asset Allocation

	3/31/18	12/31/17	9/30/17
Stocks	93.30%	93.72%	91.10%
Cash/Other	6.7	6.28	8.1

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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. BTI	British American Tobacco PLC	Consumer Staples	United Kingdom	3.00	CVE	Cenovus Energy Inc.	Energy	Canada
2. SBGSY	Schneider Electric SA	Industrials	France	2.75	RDS.B	Royal Dutch Shell PLC	Energy	United Kingdom
3. TSM	Taiwan Semiconductor Manufacturing Co Ltd.	Information Technology	Taiwan	2.70	SU	Suncor Energy Inc.	Energy	Canada
4. AVGO	Broadcom Ltd.	Information Technology	Singapore	2.66	AKBTY	Akbank Turk AS	Financials	Turkey
5. GIB	CGI Group Inc.	Information Technology	Canada	2.59	AZSEY	Allianz SE	Financials	Germany
6. SAP	SAP SE	Information Technology	Germany	2.56	BBD	Banco Bradesco SA	Financials	Brazil
7. FMX	Fomento Economico Mexicano SAB De CV	Consumer Staples	Mexico	2.49	PPERY	Bank Mandiri Persero Tbk PT	Financials	Indonesia
8. CKHUY	CK Hutchison Holdings Ltd.	Industrials	Hong Kong	2.37	DBOEY	Deutsche Boerse AG	Financials	Germany
9. AMCRY	Amcor Ltd.	Materials	Australia	2.32	ING	ING Groep NV	Financials	Netherlands
10. UOVEY	United Overseas Bank Ltd.	Financials	Singapore	2.28	ISNPY	Intesa Sanpaolo SpA	Financials	Italy
Other Sample Holdings					JBAXY	Julius Baer Gruppe AG	Financials	Switzerland
CFRUY	CIE Financiere Richemont AG	Consumer Discretionary	Switzerland		KPCPY	Kasikornbank PCL	Financials	Thailand
CMPGY	Compass Group PLC	Consumer Discretionary	United Kingdom		LYG	Lloyds Banking Group PLC	Financials	United Kingdom
CRTO	Criteo SA	Consumer Discretionary	United States		MDIBY	Mediobanca SpA	Financials	Italy
IFJPY	Infirma PLC	Consumer Discretionary	United Kingdom		UBS	UBS Group AG	Financials	Switzerland
KROTY	Kroton Educacional SA	Consumer Discretionary	Brazil		CSLLY	CSL Ltd.	Health Care	Australia
LVS	Las Vegas Sands Corp.	Consumer Discretionary	United States		ESLOY	Essilor International SA	Health Care	France
PDYPY	Paddy Power Betfair PLC	Consumer Discretionary	United Kingdom		NVS	Novartis AG	Health Care	Switzerland
RELX	RELX PLC	Consumer Discretionary	United Kingdom		SNN	Smith & Nephew PLC	Health Care	United Kingdom
VIVHY	Vivendi SA	Consumer Discretionary	France		BXBLY	Brambles Ltd.	Industrials	Australia
WTKWY	Wolters Kluwer NV	Consumer Discretionary	Netherlands		CNI	Canadian National Railway Co.	Industrials	Canada
CABGY	Carlsberg A/S	Consumer Staples	Denmark		DPSGY	Deutsche Post AG	Industrials	Germany
JAPAY	Japan Tobacco Inc.	Consumer Staples	Japan		FANUY	FANUC Corp.	Industrials	Japan
KCRPY	Kao Corp.	Consumer Staples	Japan		GEAGY	GEA Group AG	Industrials	Germany
MDLZ	Mondelez International Inc.	Consumer Staples	United States		VCISY	Vinci SA	Industrials	France
PDRDY	Pernod Ricard SA	Consumer Staples	France		AMADY	Amadeus IT Group SA	Information Technology	Spain
RBGLY	Reckitt Benckiser Group PLC	Consumer Staples	United Kingdom		BIDU	Baidu Inc.	Information Technology	China
UN	Unilever NV	Consumer Staples	Netherlands		OTEX	Open Text Corp.	Information Technology	Canada
WHGLY	WH Group Ltd.	Consumer Staples	Hong Kong		YAHQY	Yahoo Japan Corp.	Information Technology	Japan

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**

<b>Top 5 Contributors</b>	Average Weight (%)	Contribution (%)	<b>Top 5 Detractors</b>	Average Weight (%)	Contribution (%)
Banco Bradesco SA	2.20	0.35	Kroton Educacional SA	1.87	-0.55
Taiwan Semiconductor Mfg Ltd.	2.59	0.24	British American Tobacco PLC	2.78	-0.37
Deutsche Boerse AG	1.11	0.16	RELX PLC	1.96	-0.25
CGI Group Inc.	2.71	0.15	Paddy Power Betfair PLC	1.67	-0.24
United Overseas Bank Ltd.	2.20	0.12	Reckitt Benckiser Group PLC	1.69	-0.23

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