



Invesco Mid Cap Core SMA

Second Quarter

Portfolio Management Team

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Supported by a Global Research Team

Our mandate is to act as a conservative cornerstone within a diversified portfolio – delivering strong upside participation with stronger downside protection over a full market cycle.

Current Portfolio Positioning

The US equity market continued to advance in the second quarter as strengthening corporate earnings and economic improvement in a number of areas bolstered investor confidence. Volatility remained muted throughout most of the quarter, but rose late in the period, sparked in part by rhetoric from Washington, D.C., and rotation away from previously strong names. Led by health care stocks, eight of eleven sectors finished the quarter higher, with only energy stocks declining meaningfully (-11.7%) as oil prices remained weak due to supply concerns. Growth stocks outperformed meaningfully, particularly due to strong returns from the US-based “FANG” (Facebook, Amazon, Netflix and Google/Alphabet) stocks. The group rose largely unabated for most of the quarter, but regulatory pressures in the EU and valuation concerns prompted weakness in late June. Against this backdrop, the Russell MidCap Index gained 2.7% for the quarter, and 9.3% since the beginning of the year. The Invesco Mid Cap Core portfolio slightly trailed the benchmark in the quarter, returning 2.5%.

During the quarter, the portfolio benefited from stock selection in the consumer discretionary and financial groups. Stock selection in the materials sector was also beneficial.

The biggest detractors to performance were weak stock selection in the health care and energy sectors, and an overweight allocation to the latter. The portfolio's cash allocation also detracted from relative performance.

There were no significant shifts in the portfolio's positioning during the quarter, although a few positions were added, primarily in the consumer discretionary and information technology sectors. The portfolio remains most overweight versus the benchmark in the energy sector, but due to the recent additions of Viacom and Wynn Resorts, consumer discretionary represents an overweight allocation as well. Underweight positions are most notable in real estate, utilities and consumer staples. The portfolio's position in cash declined modestly during the period.

Despite a strong start to the year for equities, we remain cautious due to valuations. In the second half, we believe market volatility may return given potentially slowing economic growth, higher interest rates and continued gridlock in Washington. As always, we continue to seek out attractively valued companies that have strong future growth prospects.

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Invesco Mid Cap Core SMA Wrap Composite

Year	"Pure" Gross Return*	Net Return	Russell Midcap® Index Total 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	15.64%	12.26%	13.80%	0.54%	10.74%	11.72%	312	\$100	\$599	100%
2015	-2.31	-5.21	-2.44	0.46	10.59	11.00	374	95	575	100
2014	5.54	2.43	13.22	0.20	10.73	10.29	612	162	585	100
2013	32.66	28.83	34.76	0.25	13.45	14.23	691	182	573	100
2012	9.65	6.43	17.28	0.28	15.40	17.44	1,043	243	500	100
2011	-7.43	-10.19	-1.55	0.62	18.46	21.86	1,873	455	480	100
2010	15.52	12.14	25.48	0.52	N/A	N/A	813	194	475	100
2009	37.17	33.21	40.48	0.58	N/A	N/A	1,102	230	2	100
2008	-29.59	-31.74	-41.46	0.78	N/A	N/A	1,075	159	2	100
2007	11.80	8.52	5.60	0.25	N/A	N/A	1,327	285	3	100

Quarterly Returns

Period	"Pure" Gross Return*	Net Return	Russell Midcap® Index Total Return
YTD	7.83%	6.24%	7.99%
2Q17	2.48	1.72	2.70
1Q17	5.22	4.44	5.15

Annualized Compound Returns

Period	"Pure" Gross Return*	Net Return	Russell Midcap® Index Total Return
1 Year	18.14%	14.69%	16.48%
3 Year	5.65	2.53	7.69
5 Year	12.64	9.34	14.72
10 Year	6.73	3.59	7.67
Since Inception (11/1/00)	8.18	5.16	8.50

* "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.

** Prior to January 1, 2010, the Invesco Mid Cap Core 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, 2015. 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 Mid Cap Core SMA Wrap Composite (previously named the Invesco Mid Cap Core Wrap Composite) includes all discretionary, fee-paying wrap accounts styled after the Invesco Mid Cap Core SMA Model Portfolio (previously named the Invesco Mid Cap Core Model Portfolio), which seeks long-term capital growth by investing in medium-sized companies, as defined by the Russell Midcap® Index Total Return (TR). 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 November 2000.
- "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% on total assets. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.
- The Russell Midcap® Index TR measures the performance of the 800 smallest companies in Russell 1000® Index TR, which represent approximately 30% of the total market capitalization of the Russell 1000® Index TR. The Russell Midcap® Index TR is a trademark of the Frank Russell Company. Russell® is a trademark of the Frank Russell Company. The returns of the Russell Midcap® Index are provided to represent the investment environment that existed during the time periods shown. 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.
- 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 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.

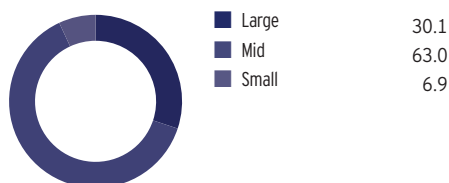
Supplemental Information to Invesco Mid Cap Core SMA Wrap Composite

Portfolio Characteristics	Portfolio	Russell Midcap Index
Number of Holdings	58	791
Weighted Average 12-Month Forward EPS Growth	15.20%	13.50%
Weighted Average Long-Term EPS Growth	11.34%	11.29%
Weighted Average Return on Equity	14.68%	13.92%
Weighted Average Long-Term Debt to Capital	38.99%	43.11%
Weighted Harmonic Average 12-Month Forward P/E	19.18	19.06
Weighted Harmonic Average 12-Month Trailing P/E	21.65	21.53
Weighted Average Price/Book	4.42	4.28
Weighted Average Dividend Yield (Trailing 12 Months)	1.49%	1.71%
Weighted Average Market Cap (\$M)	\$14,281	\$13,636
Median Market Cap (\$M)	\$13,269	\$7,335
Annualized Turnover Ratio	39.30%	N/A

Portfolio characteristics are subject to change.

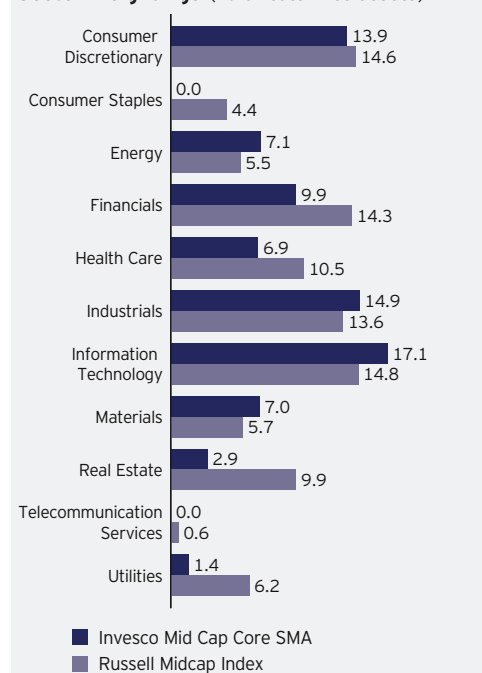
Performance Characteristics (Five year)	
Alpha (vs. Russell Midcap Index)	-0.13%
Beta (vs. Russell Midcap Index)	0.87
R ² (vs. Russell Midcap Index)	0.89
Information Ratio (vs. Russell Midcap)	-0.6
Sharpe Ratio	1.29
Up/Down Capture Ratio (vs. Russell Midcap Index)	83.39/ 85.06
Standard Deviation	
Portfolio	9.64%
Benchmark	10.40%

Market Capitalization Breakdown (%)



Securities are grouped into giant, large, mid, small or micro cap depending on the company's region and the market capitalization breakpoints within that region, as determined by Morningstar.

Sector Weightings (% of total net assets)



Asset Allocation

	6/30/17	3/31/17	12/31/16
Stocks	83.0%	81.6%	81.6%
Cash/Other	17.0	18.4	18.5

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Sample Portfolio (Supplemental Information to Invesco Mid Cap Core SMA Wrap Composite on Page 2)**Top 10 Holdings**

Ticker	Security	Sector	% of Total Net Assets	Other Sample Holdings (continued)		
1. TER	Teradyne Inc.	Information Technology	2.57	TMK	Torchmark Corp.	Financials
2. DOV	Dover Corp.	Industrials	2.22	BMRN	Biomarin Pharmaceutical Inc.	Health Care
3. EPAM	EPAM Systems Inc.	Information Technology	2.08	BCR	Cr Bard Inc.	Health Care
4. SMSEY	Samsonite Intl SA	Default	1.96	XRAY	Dentsply Sirona Inc.	Health Care
5. SWK	Stanley Black & Decker Inc.	Industrials	1.85	RMD	ResMed Inc.	Health Care
6. PKG	Packaging Corp. of America	Materials	1.80	WMGI	Wright Medical Group NV	Health Care
7. A	Agilent Technologies Inc.	Health Care	1.78	ALSN	Allison Transmission Holdings Inc.	Industrials
8. HBI	Hanesbrands Inc.	Consumer Discretionary	1.78	GWR	Genesee & Wyoming	Industrials
9. XLNX	Xilinx Inc.	Information Technology	1.77	ITT	ITT Inc.	Industrials
10. FTV	Fortive Corp Ftv	Industrials	1.77	JCI	Johnson Controls International PLC	Industrials

Other Sample Holdings

				NDSN	Nordson Corp.	Industrials
DLPH	Delphi Automotive PLC	Consumer Discretionary		RSG	Republic Services Inc.	Industrials
DHI	D.R. Horton Inc.	Consumer Discretionary		TTEK	Tetra Tech Inc.	Industrials
MHK	Mohawk Industries Inc.	Consumer Discretionary		APH	Amphenol Corp.	Information Technology
NWL	Newell Brands Inc.	Consumer Discretionary		ADI	Analog Devices Inc.	Information Technology
PUBGY	Publicis Groupe	Consumer Discretionary		IPGP	Ipg Photonics Corp	Information Technology
VIAB	Viacom Inc.	Consumer Discretionary		JKHY	Jack Henry & Associates Inc.	Information Technology
WHR	Whirlpool Corp.	Consumer Discretionary		KLAC	Kla-Tencor Corp.	Information Technology
WYNN	Wynn Resorts Ltd.	Consumer Discretionary		MTSI	Macom Technology Solutions Holdings Inc.	Information Technology
CXO	Concho Resources Inc.	Energy		MCHP	Microchip Technology Inc.	Information Technology
CLB	Core Laboratories NV	Energy		SNPS	Synopsys Inc.	Information Technology
RRC	Range Resources Corp.	Energy		ZBRA	Zebra Technologies Corp.	Information Technology
TS	Tenaris SA	Energy		ALB	Albemarle Corp.	Materials
VET	Vermilion Energy Inc.	Energy		IFF	International Flavors & Fragrances Inc.	Materials
ACGL	Arch Capital Group Ltd.	Financials		RDSMY	Koninklijke DSM NV	Materials
BRO	Brown & Brown Inc.	Financials		PPG	PPG Industries Inc.	Materials
FRC	First Republic Bank	Financials		BXP	Boston Properties Inc.	Real Estate
MCO	Moody's Corp.	Financials		GGP	General Growth Properties Inc.	Real Estate
NTRS	Northern Trust Corp.	Financials		CMS	CMS Energy Corp.	Utilities
PGR	Progressive Corp.	Financials				

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 20% 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.**

Top Quarterly Contributors to /Detractors from performance

As of June 30, 2017

Top 5 Contributors	Average Weight (%)	Contribution (%)	Top 5 Detractors	Average Weight (%)	Contribution (%)
Packaging Corp of America	1.63	0.33	Viacom Inc.	1.10	-0.30
Samsonite International SA	1.84	0.28	Range Resources Corp.	1.24	-0.29
EPAM Systems Inc.	2.00	0.22	Vermilion Energy Inc.	1.55	-0.24
Progressive Corp.	1.96	0.22	Core Laboratories NV	1.51	-0.19
Newell Brands Inc.	1.55	0.21	Cardinal Health Inc.	0.54	-0.16

For more information on the calculation methodology and a complete list of each holding's contribution to the overall account's performance during this time period, please contact Invesco Advisers, Inc. at 800 349 0953. The holdings identified do not represent all of the securities purchased, sold or recommended for advisory clients. Past performance does not guarantee future results.

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