



Invesco Charter 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 technology stocks, nine of eleven sectors finished the quarter higher, with only the energy and telecom groups declining. 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. In this environment, the Russell 1000 Index gained 3.1% for the quarter, and 9.3% since the beginning of the year. The Invesco Charter portfolio slightly outperformed the benchmark in the quarter, returning 3.3%.

During the quarter, the Charter portfolio benefited from stock selection in the consumer discretionary and financial groups. Stock selection in the telecommunication services sector was also beneficial, as was an underweight allocation to the group.

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.

From a positioning standpoint, the portfolio remains most overweight consumer discretionary stocks versus the benchmark, and significantly underweight consumer staples, information technology and real estate. 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 Charter SMA Wrap Composite

Year	"Pure" Gross Return*	Net Return	Russell 1000® 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	10.84%	7.58%	12.05%	N/A	10.08%	10.84%	<5	\$0.3	\$599	42%
2015	-4.58	-7.42	0.92	N/A	9.67	10.63	<5	0.3	575	42
2014	11.09	7.83	13.24	N/A	8.83	9.25	<5	0.3	585	42
2013	28.32	24.60	33.11	N/A	11.47	12.43	<5	0.4	573	56
2012	13.86	10.52	16.42	N/A	14.37	15.62	11	2.7	500	95
2011	-0.66	-3.61	1.50	N/A	18.45	19.22	5	1.3	480	91
2010	10.74	7.48	16.10	N/A	N/A	N/A	<5	0.3	475	53
2009	31.27	27.46	28.43	N/A	N/A	N/A	<5	0.1	2	0
2008	-27.65	-29.86	-37.60	N/A	N/A	N/A	<5	0.1	2	0
2007	6.75	3.60	5.77	N/A	N/A	N/A	<5	0.1	3	0

Quarterly Returns

Period	"Pure" Gross Return*	Net Return	Russell 1000® Index Total Return
YTD	7.56%	5.97%	9.27%
2Q17	3.28	2.52	3.06
1Q17	4.14	3.37	6.03

Annualized Compound Returns

Period	"Pure" Gross Return*	Net Return	Russell 1000® Index Total Return
1 Year	13.59%	10.26%	18.03%
3 Year	4.87	1.78	9.26
5 Year	11.68	8.41	14.67
10 Year	6.50	3.36	7.29
Since Inception (09/01/04)	8.34	5.15	8.81

* "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 Charter 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 beginning April 1, 2010, the Invesco Charter SMA Wrap Composite (previously named the Invesco Large Cap Core Wrap Composite) includes all discretionary, fee-paying wrap and non-fee paying institutional accounts styled after the Invesco Charter SMA Model Portfolio (previously named the Invesco Large Cap Core Model Portfolio), which seeks long-term capital growth by investing in large-sized U.S. companies at attractive valuation levels. For all periods prior to April 1, 2010, the Invesco Charter SMA Wrap Composite was composed of 100% non-fee paying discretionary institutional accounts. The historical performance results are those of the Invesco Charter SMA Institutional Composite (previously named the Invesco Large Cap Core Institutional Composite). The composite is managed in comparison to, not duplication of, the benchmark. The composite was created in September 1, 2004.
- For periods after April 1, 2010, "pure" gross of fees returns do not reflect the deduction of trading costs or any other expenses, and are supplemental to net returns. Prior to April 1, 2010, "pure" gross of fees returns reflect the deduction of trading costs. 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 equal to 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 Russell 1000® Index Total Return (TR) is comprised of 1000 of the largest capitalized U.S. domiciled companies whose common stock is traded in the United States. The Russell 1000® Index TR is a trademark/service mark of the Frank Russell Company. Russell® is a trademark of the Frank Russell Company. The returns of the Russell 1000® Index TR 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.
- The dispersion of annual returns is measured by the equal-weighted standard deviation of account returns included in the composite for the full year. For periods with five or fewer accounts included for the entire year, dispersion is not presented as it is not considered meaningful.
- 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.

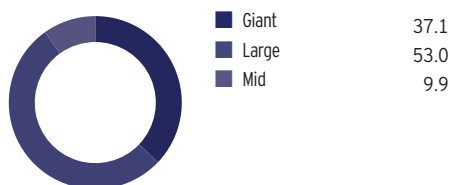
Supplemental Information to Invesco Charter SMA Wrap Composite

Portfolio Characteristics	Portfolio	Russell 1000® Index
Number of Holdings	55	990
Weighted Average 12-Month Forward EPS Growth	13.40%	13.80%
Weighted Average Long-Term EPS Growth	11.40%	11.90%
Weighted Average Return on Equity	18.20%	18.60%
Weighted Average Long-Term Debt to Capital	38.70%	40.70%
Weighted Harmonic Average 12-Month Forward P/E	17	18
Weighted Harmonic Average 12-Month Trailing P/E	19	20.1
Weighted Average Price/Book	4.3	4.9
Weighted Average Dividend Yield (Trailing 12 Months)	1.80%	2.00%
Weighted Average Market Cap (\$M)	\$96,781	\$151,719
Median Market Cap (\$M)	\$57,967	\$9,156
Annualized Turnover Ratio	31.86%	N/A

Portfolio characteristics are subject to change.

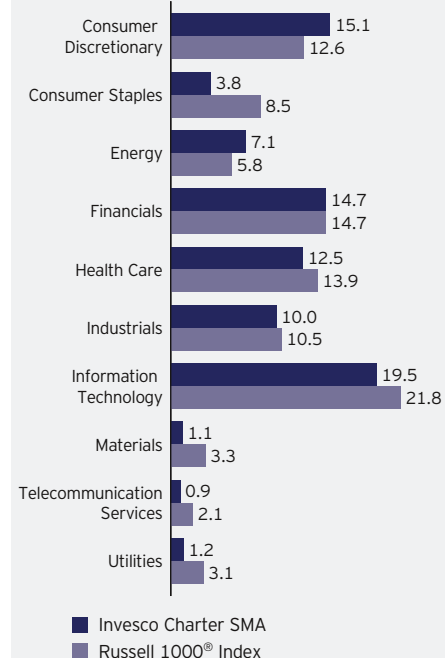
Performance Characteristics (Five year)	
Alpha (vs. Russell 1000® Index)	-1.05%
Beta (vs. Russell 1000® Index)	0.88
R ² (vs. Russell 1000® Index)	0.93
Information Ratio (vs. Russell 1000® Index)	-1.12
Sharpe Ratio	1.3
Up/Down Capture Ratio (vs. Russell 1000® Index)	82.77/ 92.84
Standard Deviation	
Portfolio	8.84%
Benchmark	9.65%

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	87.0%	85.1%	84.5%
Cash/Other	13.0	14.9	15.5

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

Ticker	Security	Sector	% of Total Net Assets	Other Sample Holdings (continued)		
1. PGR	Progressive Corp.	Financials	2.91	NTRS	Northern Trust Corp.	Financials
2. GOOG	Alphabet Inc.	Information Technology	2.67	SVNLY	Svenska Handelsbanken AB	Financials
3. ORCL	Oracle corp.	Information Technology	2.56	B	U.S. Bancorp	Financials
4. CMCSA	Comcast Corp.	Consumer Discretionary	2.42	BIIB	Biogen Inc.	Health Care
5. AAGIY	AIA Group Ltd.	Financials	.34	CELG	Celgene Corp.	Health Care
6. AXP	American Express Co.	Financials	2.31	XRAY	Dentsply Sirona Inc.	Health Care
7. DLPH	Delphi Automotive PLC	Consumer Discretionary	2.25	HCA	HCA Holdings Inc.	Health Care
8. CTSH	Cognizant Technology Solutions Corp.	Information Technology	2.24	MRK	Merck & Co. Inc.	Health Care
9. AGN	Allergan PLC	Health Care	2.16	SHPG	Shire PLC	Health Care
10. TSM	Taiwan Semiconductor Manufacturing Co. Ltd.	Information Technology	2.15	TMO	Thermo Fisher Scientific Inc.	Health Care

Other Sample Holdings

				GD	General Dynamics Corp.	Industrials
HBI	Hanesbrands Inc.	Consumer Discretionary		GE	General Electric Co.	Industrials
HD	Home Depot Inc.	Consumer Discretionary		ITW	Illinois Tool Works Inc.	Industrials
NWL	Newell Brands Inc.	Consumer Discretionary		JCI	Johnson Controls International PLC	Industrials
PCLN	Priceline Group Inc/The	Consumer Discretionary		SWK	Stanley Black & Decker Inc.	Industrials
PUBGY	Publicis Groupe SA	Consumer Discretionary		UPS	United Parcel Service Inc.	Industrials
TWX	Time Warner Inc.	Consumer Discretionary		UTX	United Technologies Corp.	Industrials
WHR	Whirlpool Corp.	Consumer Discretionary		ADI	Analog Devices Inc.	Information Technology
DEO	Diageo PLC	Consumer Staples		EBAY	eBay Inc.	Information Technology
WBA	Walgreens Boots Alliance Inc.	Consumer Staples		IBM	International Business Machines Corp.	Information Technology
CXO	Concho Resources Inc.	Energy		MA	Mastercard Inc.	Information Technology
HAL	Halliburton Co.	Energy		MSFT	Microsoft Corp.	Information Technology
RRC	Range Resources Corp.	Energy		QCOM	QUALCOMM Inc.	Information Technology
SLB	Schlumberger Ltd.	Energy		TEL	TE Connectivity Ltd.	Information Technology
SU	Suncor Energy Inc.	Energy		AIQUY	L'Air Liquide SA	Materials
TS	Tenaris SA	Energy		GGP	Ggp Inc Ggp Reit	Real Estate
FRC	First Republic Bank	Financials		VOD	Vodafone Group PLC	Telecommunication Services
MMC	Marsh & McLennan Companies Inc.	Financials		DUK	Duke Energy Corp.	Utilities

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 25% 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 (%)
AIA Group Ltd.	2.24	0.34	Range Resources Corp.	1.10	-0.26
Progressive Corp.	2.77	0.33	International Business Machines Corp.	1.51	-0.19
Oracle Corp.	2.36	0.29	Halliburton Co.	1.34	-0.19
Alphabet Inc.	2.72	0.25	Schlumberger Ltd.	1.01	-0.17
Newell Brands Inc.	1.87	0.25	F5 Networks Inc.	1.13	-0.14

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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