



## Invesco Mid Cap Core SMA

### First Quarter

#### Portfolio Management Team

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Senior Portfolio Manager  
Industry since 1971  
B.S., M.B.A., University of Missouri

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Portfolio Manager  
Industry since 1988  
B.A., University of California - Santa Barbara

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

Equity markets began 2017 as they finished the previous year, with strength. The Russell Mid Cap Index gained 5.15% and has returned 17.03% over the past 12 months. Almost all sectors participated in the market's broad advance, led by technology stocks, as represented by the NASDAQ's sharp 10.1% surge. Among the 11 sectors, only energy (an early "Trump Trade" favorite) and telecommunication services finished lower. Over the two recent quarters, investor preferences have rotated considerably in the US as well as globally. The US Dollar weakened over the first three months of the year, a sharp reversal from the post-election trend and emerging markets recovered with an 11% gain. Investors continue to react to headlines out of Washington, but economic data during the period was encouraging as several data points, particularly consumer confidence, have supported investor sentiment. Against this backdrop, the conservatively positioned Invesco Mid Cap Core portfolio participated in the market's rally, but did not keep pace with the index.

During the quarter, the portfolio benefited from strong stock selection in several areas, most notably materials and financials. Relative performance was also helped by stock selection in consumer discretionary and industrials.

Detractors to performance included weak stock selection in the energy and health care sectors, as well as an overweight allocation to the former. Other areas detracting from performance included the fund's cash allocation, as well as holdings in utilities.

While encouraged by the growing stability of the US economy, we remain cautious due to valuations. The uncertainty surrounding the new administration being able to successfully implement their agenda will add to market volatility, particularly with respect to tax reform and infrastructure, and their anticipated (if not already priced-in) benefits. We continue to seek out quality companies from a long-term perspective, and remain well-positioned as a conservative cornerstone for our client's portfolio.

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#### NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

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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
1Q17	5.22%	4.44%	5.15%

**Annualized Compound Returns**

as of March 31, 2017

Period	"Pure" Gross Return*	Net Return	Russell Midcap® Index Total Return
1 Year	17.16%	13.74%	17.03%
3 Years	6.66	3.52	8.48
5 Years	10.51	7.27	13.09
10 Years	7.21	4.05	7.94
Since Inception (11/1/00)	8.15	5.13	8.46

\* "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

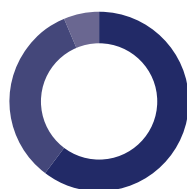
Portfolio Characteristics	Portfolio	Russell Midcap Index
Number of Holdings	54	794
Weighted Average 12-Month Forward EPS Growth	12.7%	12.3%
Weighted Average Long-Term EPS Growth	9.4%	11.2%
Weighted Average Return on Equity	13.4%	13.4%
Weighted Average Long-Term Debt to Capital	37.3%	43.3%
Weighted Harmonic Average 12-Month Forward P/E	19.5	19.5
Weighted Harmonic Average 12-Month Trailing P/E	21.2	21.8
Weighted Average Price/Book	4.0	4.3
Weighted Average Dividend Yield (Trailing 12 Months)	1.5%	1.7%
Weighted Average Market Cap (\$M)	\$13,750	\$14,096
Median Market Cap (\$M)	\$12,467	\$6,964
Annualized Turnover Ratio	34.2%	N/A

Portfolio characteristics are subject to change.

## Performance Characteristics (Five year)

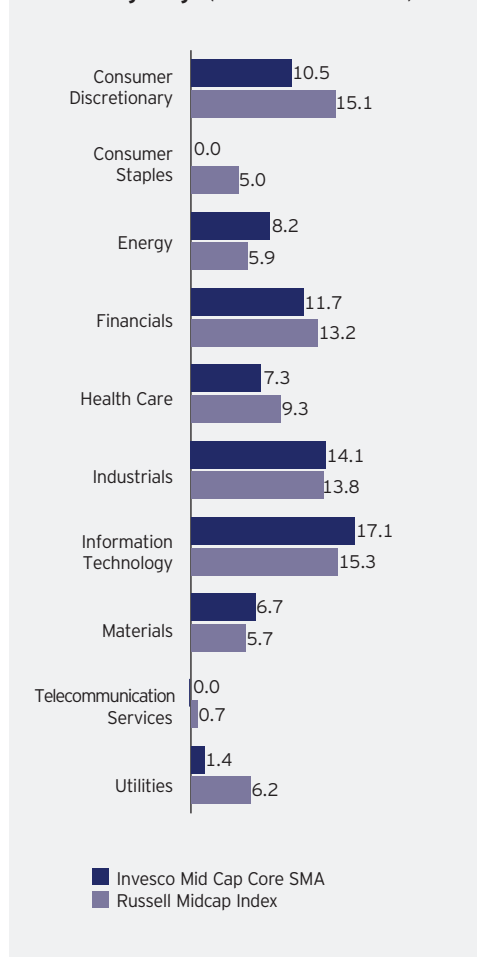
Alpha (vs. Russell Midcap Index)	-1.05%
Beta (vs. Russell Midcap Index)	0.90
R2 (vs. Russell Midcap Index)	0.90
Information Ratio (vs. Russell Midcap Index)	-0.74
Sharpe Ratio	1.00
Up/Down Capture Ratio (vs. Russell Midcap Index)	82.83/ 90.99
Standard Deviation	
Portfolio	10.42%
Benchmark	11.03%

## 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

	3/31/17	12/31/16	9/30/16
Stocks	81.6%	81.6%	88.8%
Cash/Other	18.4	18.5	11.2

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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		Other Sample Holdings (continued)	
			Net Assets			
1. TER	Teradyne Inc.	Information Technology	2.71	CAH	Cardinal Health Inc.	Health Care
2. PGR	Progressive Corp.	Financials	2.45	PRGO	Perrigo Co. PLC	Health Care
3. ACGL	Arch Capital Group Ltd.	Financials	2.27	RMD	ResMed Inc.	Health Care
4. DOV	Dover Corp.	Industrials	2.27	UTHR	United Therapeutics Corp.	Health Care
5. FRC	First Republic Bank	Financials	2.22	WMGI	Wright Medical Group NV	Health Care
6. JKHY	Jack Henry & Associates Inc.	Information Technology	2.21	ALSN	Allison Transmission Holdings Inc.	Industrials
7. EPAM	EPAM Systems Inc.	Information Technology	1.91	FTV	Fortive Corp Ftv	Industrials
8. SWK	Stanley Black & Decker Inc.	Industrials	1.78	GWR	Genesee & Wyoming	Industrials
9. CXO	Concho Resources Inc.	Energy	1.77	JCI	Johnson Controls International PLC	Industrials
10. ITT	ITT Inc.	Industrials	1.76	NDSN	Nordson Corp.	Industrials

**Other Sample Holdings**

DHI	D.R. Horton Inc.	Consumer Discretionary	APH	Amphenol Corp.	Information Technology
DLPH	Delphi Automotive PLC	Consumer Discretionary	ADI	Analog Devices Inc.	Information Technology
HBI	Hanesbrands Inc.	Consumer Discretionary	FLIR	FLIR Systems Inc.	Information Technology
MHK	Mohawk Industries Inc.	Consumer Discretionary	IPGP	Ipg Photonics Corp	Information Technology
NWL	Newell Brands Inc.	Consumer Discretionary	KLAC	Kla-Tencor Corp.	Information Technology
PUBGY	Publicis Groupe	Consumer Discretionary	MCHP	Microchip Technology Inc.	Information Technology
WHR	Whirlpool Corp.	Consumer Discretionary	SNPS	Synopsis Inc.	Information Technology
SMSEY	Samsonite Intl Sa	Default	XLNX	Xilinx Inc.	Information Technology
CLB	Core Laboratories NV	Energy	ALB	Albemarle Corp.	Materials
RRC	Range Resources Corp.	Energy	IFF	International Flavors & Fragrances Inc.	Materials
TS	Tenaris SA	Energy	RDSMY	Koninklijke DSM NV	Materials
VET	Vermilion Energy Inc.	Energy	PKG	Packaging Corp. of America	Materials
BRO	Brown & Brown Inc.	Financials	PPG	Ppg Industries Inc.	Materials
MCO	Moody's Corp.	Financials	BXP	Boston Properties Inc.	Real Estate
NTRS	Northern Trust Corp.	Financials	GGP	General Growth Properties Inc.	Real Estate
TMK	Torchmark Corp.	Financials	CMS	CMS Energy Corp.	Utilities
A	Agilent Technologies Inc.	Health Care			

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 34% 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 March 31, 2017

Top 5 Contributors	Average Weight		Top 5 Detractors	Average Weight	
	(%)	Contributors (%)		(%)	Contributors (%)
1 Teradyne Inc.	2.89	0.60	1 Range Resources Corp.	1.56	-0.27
2 Wright Medical Group NV	1.23	0.38	2 Vermilion Energy Inc.	1.83	-0.20
3 Progressive Corp.	2.80	0.34	3 Perrigo Co. PLC	0.76	-0.17
4 D R Horton Inc.	1.62	0.33	4 Brown & Brown Inc.	1.73	-0.12
5 Albemarle Corp.	1.36	0.28	5 Advance Auto Parts Inc.	0.77	-0.09

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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