

Invesco Diversified Dividend SMA

Third quarter

Fact Sheet: Separately Managed Accounts
Sept. 30, 2019



Portfolio management team

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Senior Portfolio Manager
Industry since 1987
B.S., University of Maryland
M.B.A., Loyola University

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Portfolio Manager
Industry since 1991
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Senior Client Portfolio Manager
Industry since 1989
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A foundation for investors' portfolios, focused on dividend-paying stocks. Using fundamental research, the team employs a total return approach that seeks to deliver appreciation, income and preservation over a full market cycle.

Current portfolio positioning

Key issues that concerned investors in the second quarter carried over into the third quarter. The US-China trade conflict worried investors and stifled business investment, even as the Federal Reserve (Fed) cut interest rates by 0.25% in both July and September. This environment, combined with evidence of slowing global economic growth, fueled volatility in August. The US Treasury yield curve inverted several times, raising fears of a US recession. As a result, August saw increased risk aversion, with investors crowding into asset classes perceived as safe havens, such as US Treasuries and gold. However, the Fed's accommodative tone provided some support for risk assets. Oil prices briefly spiked in September after a drone attack on Saudi Arabia's oil fields caused a supply shock. Prices retreated a bit after the US announced it would tap the national oil reserves to alleviate the supply shortage. Despite increased volatility, US equity markets delivered generally positive results, with the S&P 500 Index returning 1.67%. Within the S&P 500 Index, sector performance was mixed, with utilities, real estate and consumer staples leading the way, while energy, health care and materials posted losses. Though we are cognizant of the macroeconomic environment, the economic cycle is distinct from the bottom-up profit cycle, so we do not apply macroeconomic forecasts to our stock selection.

The portfolio posted a gain for the quarter and

outperformed the Russell 1000 Value Index. On an absolute basis, the portfolio's holdings in utilities and consumer staples contributed the most to return. The energy, industrials and materials sectors were modest detractors from absolute return during the quarter. Overweight positions in consumer staples and utilities made large contributions to relative performance, along with stock selection and an underweight position in health care. Stock selection and an underweight position in financials detracted from relative performance, mainly because we didn't own the mega-cap banks that performed well. An underweight position in real estate also detracted slightly from performance relative to the Russell 1000 Value Index.

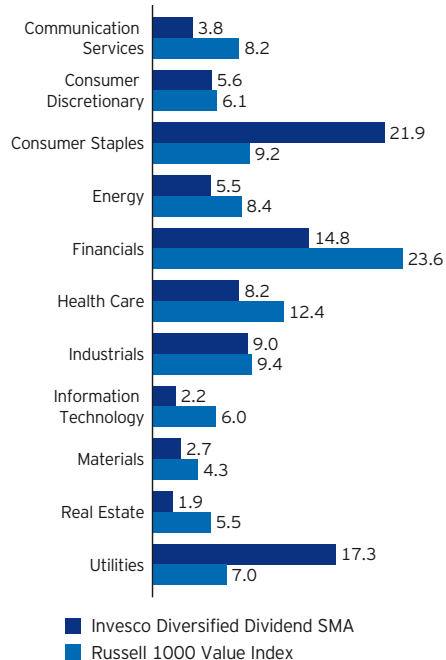
At quarter-end, the portfolio's largest overweight positions compared to the Russell 1000 Value Index were in the consumer staples and utilities sectors, while the primary underweights were in financials, health care and information technology. The goal of our strategy has always been to provide capital appreciation with better downside preservation. This full-cycle mindset has been embedded in our investment process since the strategy's inception. More recently, we have placed particular emphasis on managing downside risk through sensitivity analysis of our modeled assumptions, given our belief that the profit cycle appears to be waning, valuations are extended and narrow market conditions warrant attention.

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Sector weightings (% of total net assets)

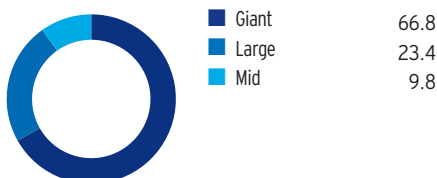


Portfolio characteristics

	Portfolio	Russell 1000 Value Index
Number of Holdings	64	765
Weighted Average 12-Month Forward EPS Growth	6.43%	6.71%
Weighted Average Long-Term EPS Growth	7.48%	8.16%
Weighted Average Return on Equity	19.12%	14.03%
Weighted Average Long-Term Debt to Capital	43.60%	40.80%
Weighted Harmonic Average 12-Month Forward P/E	15.20	14.46
Weighted Harmonic Average 12-Month Trailing P/E	16.04	15.28
Weighted Average Price/Book	4.15	2.68
Weighted Average Dividend Yield (Trailing 12 Months)	3.17%	2.64%
Weighted Average Market Cap (\$M)	\$78,764	\$121,370
Median Market Cap (\$M)	\$47,915	\$9,240
Annualized Turnover Ratio	9.52%	N/A

Portfolio characteristics are subject to change.

Market capitalization breakdown (%)



Asset allocation

	9/30/19	6/30/19	3/31/19
Stocks	92.82%	92.87%	92.93%
Cash/Other	7.17	7.13	7.07

Quarterly returns

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000® Value Index Total Return (%)
YTD	18.30	15.71	17.81
3Q19	2.99	2.23	1.36
2Q19	3.27	2.51	3.84
1Q19	11.23	10.42	11.93

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 on page 4.

Annualized compound returns

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000® Value Index Total Return (%)
1 Year	7.66	4.49	4.00
3 Year	8.40	5.21	9.43
Since Inception (1/1/16)	9.50	6.28	10.24

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All data as of Sept. 30, 2019

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Sample portfolio
Top 10 holdings

Ticker	Security	Sector	% of total net assets
1. HIG	Hartford Financial Services Group Inc.	Financials	3.30
2. GIS	General Mills Inc.	Consumer Staples	2.86
3. CPB	Campbell Soup Co.	Consumer Staples	2.76
4. ETR	Entergy Corp.	Utilities	2.64
5. T	AT&T Inc.	Communication Services	2.62
6. KO	Coca-Cola Co.	Consumer Staples	2.50
7. TRV	Travelers Companies Inc.	Financials	2.40
8. PG	Procter & Gamble Co.	Consumer Staples	2.36
9. PPL	PPL Corp.	Utilities	2.35
10. KMB	Kimberly-Clark Corp.	Consumer Staples	2.31

Other sample holdings

DTEGY	Deutsche Telekom AG	Communication Services
COLM	Columbia Sportswear Co.	Consumer Discretionary
DRI	Darden Restaurants Inc.	Consumer Discretionary
HOG	Harley-Davidson Inc.	Consumer Discretionary
TGT	Target Corp.	Consumer Discretionary
TJX	TJX Companies Inc.	Consumer Discretionary
BUD	Anheuser-Busch InBev SA/NV	Consumer Staples
HEINY	Heineken NV	Consumer Staples
KHC	Kraft Heinz Co.	Consumer Staples
LRLCY	L'Oreal SA	Consumer Staples
MDLZ	Mondelez International Inc.	Consumer Staples
NSRGY	Nestle SA	Consumer Staples
SYT	Sysco Corp.	Consumer Staples
BHGE	Baker Hughes a GE Co.	Energy
COP	ConocoPhillips	Energy
RDSA	Koninklijke Dutch Shell PLC	Energy
SU	Suncor Energy Inc.	Energy
TOT	Total SA	Energy
AXP	American Express Co.	Financials
CMA	Comerica Inc.	Financials
CFR	Cullen/Frost Bankers Inc.	Financials
FII	Federated Investors Inc.	Financials
FITB	Fifth Third Bancorp	Financials

Other sample holdings (continued)

KEY	KeyCorp.	Financials
MTB	M&T Bank Corp.	Financials
ZION	Zions Bancorp	Financials
BAYRY	Bayer AG	Health Care
BMJ	Bristol-Myers Squibb Co.	Health Care
LLY	Eli Lilly and Co.	Health Care
JNJ	Johnson & Johnson	Health Care
MRK	Merck & Co Inc.	Health Care
SYK	Stryker Corp.	Health Care
ABB	ABB Ltd.	Industrials
CMI	Cummins Inc.	Industrials
EMR	Emerson Electric Co.	Industrials
FLS	Flowserve Corp.	Industrials
GD	General Dynamics Corp.	Industrials
PNR	Pentair PLC	Industrials
RTN	Raytheon Co.	Industrials
SIEGY	Siemens AG	Industrials
UPS	United Parcel Service Inc.	Industrials
ADP	Automatic Data Processing Inc.	Information Technology
IBM	International Business Machines Corp.	Information Technology
BASFY	BASF SE	Materials
IP	International Paper Co.	Materials
SON	Sonoco Products Co.	Materials
WY	Weyerhaeuser Co.	Real Estate
AEP	American Electric Power Co. Inc.	Utilities
ED	Consolidated Edison Inc.	Utilities
D	Dominion Energy Inc.	Utilities
DUK	Duke Energy Corp.	Utilities
EXC	Exelon Corp.	Utilities
SSEZY	Scottish & Southern Energy	Utilities
SRE	Sempra Energy	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 above and represent 26% of total holdings. For additional holdings disclosure, see the Global Industry Classification Standard disclosure on page 4. **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

Top 5 contributors	Average weight (%)	Contribution (%)	Top 5 detractors	Average weight (%)	Contribution (%)
The Campbell Soup Co.	2.48	0.43	The Flowserve Corp.	2.03	-0.27
AT&T Inc.	2.67	0.38	M&T Bank Corp.	2.34	-0.19
Entergy Corp.	2.52	0.37	BT Group PLC	0.75	-0.15
Target Corp.	1.37	0.33	Sonoco Products Co.	1.23	-0.14
The Procter & Gamble Co.	2.29	0.31	Total SA	1.76	-0.12

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 is not a guarantee of future results.

Invesco Diversified Dividend SMA Wrap composite

Year	"Pure" gross return* (%)	Net return (%)	Russell 1000® Value 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
2018	-6.91	-9.68	-8.27	0.26	8.72	10.98	83	49	579	99.76
2017	9.07	5.86	13.66	0.18	N/A	N/A	69	53	660	99.76
2016	17.00	13.58	17.34	N/A	N/A	N/A	33	30	599	99.61

Annualized compound returns as of Dec. 31, 2018

Period	"Pure" gross return* (%)	Net return (%)	Russell 1000® Value Index Total Return (%)
1 Year	-6.91	-9.68	-8.27
3 Year	5.91	2.79	6.95
Since Inception (1/1/16)	5.91	2.79	6.95

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.

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- 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, 2018. 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 July 1, 2016, the Invesco Diversified Dividend SMA Wrap Composite includes all discretionary, fee-paying wrap and non-fee paying institutional accounts styled after the Invesco Diversified Dividend SMA Model Portfolio, which targets long term growth of capital and, secondarily, current income. For all periods prior to July 1, 2016, the Invesco Diversified Dividend SMA Wrap Composite was composed of 100% non-fee paying discretionary institutional accounts. The historical performance results are those of the Invesco Diversified Dividend SMA Institutional Composite. The composite is managed in comparison to, not duplication of, the benchmark. The composite was created in January 2016.
- "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 0.75%). 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 Russell 1000® Value Index Total Return (TR) measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 1000® Value 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® Value 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 the benchmark over the preceding 36 months. The standard deviation is not presented where there is less than 36 months of performance history.

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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All data as of Sept. 30, 2019

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