

Invesco U.S. Real Estate Securities SMA

Third quarter

Fact Sheet: Separately Managed Accounts
Sept. 30, 2019



Portfolio management team

Invesco U.S. Real Estate Securities SMA uses a team-based approach in making investment decisions. The portfolio management team has an average of 23 years of industry experience.

Current portfolio positioning

Recent trends of trade uncertainty, growth deceleration and geopolitical volatility continue to be met with accommodative monetary policy in the US, as market participants observe an economic slowdown that appears to have the strength to avoid becoming a downturn. Government bond yields fell lower, with yield curve inversion evident in brief periods in the US. These conditions have supported the performance of many income-oriented US real estate investment trust (REIT) sectors over recent months and generally led US REITs to positive returns during the quarter, broadly reflecting a move by capital market participants to add exposure to more defensive income-focused investments. REIT performance was particularly strong in the data center, manufactured housing, health care and apartment sectors. Equity prices for the US REIT sector ended the period trading at a mid-to-high single-digit premium to net asset value.

The Invesco U.S. Real Estate Securities Portfolio delivered performance just slightly below the benchmark during a period of strong positive returns. The portfolio benefited from security selection in the data centers and infrastructure sectors. Overweight exposure to the manufactured homes sector also helped relative returns. Relative detractors included stock selection within the health care, shopping center and office sectors. Positive market performance led cash to detract from relative returns despite low levels of cash holdings during the period.

The portfolio's key overweight exposures were to structural growth opportunities in data centers, infrastructure, manufactured housing and single-family rental residential. Based on improving external growth opportunities, primarily from acquisitions, the portfolio increased exposure to the health care sector. Within the infrastructure sector, adjustments were made due to relative value. During the quarter, the portfolio increased its underweight exposure to the self-storage and retail sectors, reflecting their soft growth prospects. The recent outperformance of these sectors offered the opportunity for further reduction.

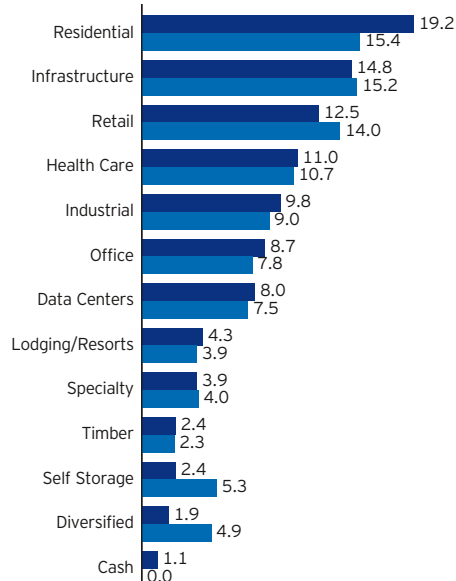
Fundamental trends across the commercial real estate space have slowed, but stable fundamentals and strong capital markets continue to offer growth from some internal and external prospects. Equity and debt issuance by REITs is funding new growth opportunities. Internal growth opportunities can be observed in sectors with structural demand characteristics that support continued growth despite the slower economic environment. These include cell towers, data centers, industrial and rental residential real estate assets. Capital markets conditions support growth from acquisitions for health care, industrial, manufactured housing, and select apartment and freestanding retail companies. Premium to net asset value (NAV) valuations raise the possibility of accretive merger and acquisition activity across a wide range of sectors. Overall, the portfolio continues to add weight to companies and sectors which should demonstrate higher, more visible and durable levels of growth from both internal and external sources. Relative valuation considerations after periods of out- and underperformance also continue to influence portfolio activity.

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Sector weightings (% of total net assets)



■ Invesco U.S. Real Estate Securities SMA
 ■ FTSE NAREIT All Equity REITs Index

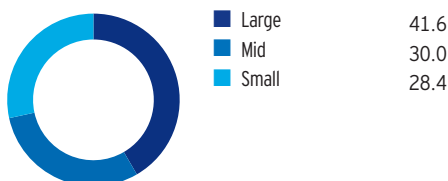
Portfolio information contained above was compiled from Invesco Internal Management Sources.

Portfolio characteristics

	Portfolio	FTSE NAREIT All Equity REITs Index
Number of Holdings	57	162
Average Market Cap (\$M)	\$15,345	\$7,376
FFO (Cash Flow) Multiple	21.1x	20.2x
FFO Expected Growth	5.05%	4.22%
Multiple to Growth Ratio	4.18x	4.79x
Dividend Yield	3.33%	3.55%
Dividend Coverage	1.53x	1.54x
Dividend Payout	65.17%	65.06%
Annualized Turnover Ratio	44.00%	N/A

Portfolio characteristics are subject to change.

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.

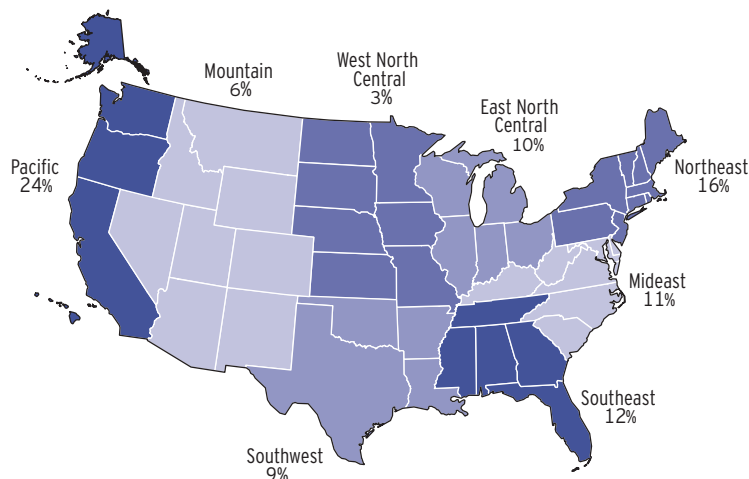
Performance characteristics (Five year)

Beta (vs. FTSE NAREIT All Equity REITs Index)	0.99
R ² (vs. FTSE NAREIT All Equity REITs Index)	0.99

Asset allocation

	9/30/19	6/30/19	3/31/19
Stocks	98.9%	98.7%	98.9%
Cash/Other	1.1	1.3	1.1

Regional Diversification



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 5.

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All data as of Sept. 30, 2019

Sources: Invesco, Mellon Analytical Solutions, Compustat, Thomson Financial, Morningstar Inc., FTSE NAREIT. Geographical information provided by SNL Financial. Exposure to U.S. regions may be less than 100% based on U.S. company purchases of international assets. ©2019 Morningstar Inc. All Rights Reserved. The information contained herein: is proprietary to Morningstar and/or its content providers; may not be copied or distributed; and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is not a guarantee of future results. ©FTSE International Limited (FTSE) 2019. FTSE™ is a trademark of London Stock Exchange Plc and The Financial Times Limited; NAREIT® is a trademark of the National Association of Real Estate Investment Trusts® (NAREIT); and EPRA® is the trademark of the European Public Real Estate Association. The FTSE EPRA/NAREIT Global Real Estate Index Series is calculated by FTSE. All rights in the FTSE Indexes vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE Indexes or underlying data.

Sample portfolio**Top 10 holdings**

Ticker	Security	Sector	% of total net assets
1. AMT	American Tower Corp.	Infrastructure	9.30
2. CCI	Crown Castle International Corp.	Infrastructure	5.52
3. AVB	AvalonBay Communities Inc.	Residential	4.46
4. PLD	Prologis Inc.	Industrial	4.40
5. BXP	Boston Properties Inc.	Office	4.27
6. VTR	Ventas Inc.	Health Care	4.22
7. EQIX	Equinix Inc.	Data Center	4.16
8. ESS	Essex Property Trust Inc.	Residential	2.77
9. HCP	HCP Inc.	Health Care	2.75
10. SPG	Simon Property Group Inc.	Retail	2.64

Other sample holdings

CONE	CyrusOne Inc.	Data Center
QTS	QTS Realty Trust Inc.	Data Center
AAT	American Assets Trust Inc.	Diversified
HR	Healthcare Realty Trust Inc.	Health Care
WELL	Welltower Inc.	Health Care
EGP	Eastgroup Properties Inc.	Industrial
STAG	Stag Industrial Inc.	Industrial
TRNO	Terreno Realty Corp.	Industrial
PEB	Pebblebrook Hotel Trust	Lodging/Resorts
ESRT	Empire State Realty Trust Inc.	Office
HPP	Hudson Pacific Properties Inc.	Office
ARE	Alexandria Real Estate Equities Inc.	Real Estate
COLD	Americold Realty Trust	Real Estate
CPT	Camden Property Trust	Real Estate
CTRE	Caretrust REIT Inc	Real Estate
DLR	Digital Realty Trust Inc.	Real Estate
EPR	EPR Properties	Real Estate
EPRT	Essential Properties Realty Trust Inc.	Real Estate

Other sample holdings (continued)

FCPT	Four Corners Property	Real Estate
GLPI	Gaming and Leisure Properties Inc.	Real Estate
IRM	Iron Mountain Inc.	Real Estate
LAMR	Lamar Advertising Co.	Real Estate
OHI	Omega Healthcare	Real Estate
PK	Park Hotels & Resorts Inc.	Real Estate
RYN	Rayonier Inc.	Real Estate
REXR	Rexford Industrial Realty Inc.	Real Estate
RLJ	RLJ Lodging Trust	Real Estate
SHO	Sunstone Hotel Investors Inc.	Real Estate
VNO	Vornado Realty Trust	Real Estate
AMH	American Homes 4 Rent	Residential
ELS	Equity Lifestyle Properties Inc.	Residential
EQR	Equity Residential	Residential
INVH	Invitation Homes Inc.	Residential
MAA	Mid-America Apartment Communities Inc.	Residential
SUI	Sun Communities Inc.	Residential
ADC	Agree Realty Corp.	Retail
FRT	Federal Realty Investment Trust	Retail
MAC	Macerich Co.	Retail
NNN	National Retail Properties Inc.	Retail
O	Realty Income Corp.	Retail
REG	Regency Centers Corp.	Retail
ROIC	Retail Opportunity Investments Corp.	Retail
EXR	Extra Space Storage Inc.	Self Storage
PSA	Public Storage	Self Storage
PCH	Potlatchdeltic Corp.	Specialty
VICI	VICI Properties Inc	Specialty
WY	Weyerhaeuser Co.	Timber

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 44% of total holdings. For additional holdings disclosure, see the Global Industry Classification Standard disclosure on page 5. **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 (%)
Crown Castle Intl. Corp.	7.70	0.63
American Tower Corp.	7.65	0.60
Equinix Inc.	3.99	0.58
CyrusOne Inc.	1.31	0.44
Prologis Inc.	4.53	0.32

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.

Top 5 detractors	Average weight (%)	Contribution (%)
Park Hotels & Resorts Inc.	1.12	-0.11
Macerich Co.	0.95	-0.07
Simon Property Group Inc.	2.76	-0.06
Hilton Worldwide Holdings Inc.	0.47	-0.04
Rayonier Inc.	0.53	-0.04

Quarterly returns

Period	"Pure" gross return* (%)	Net return (%)	FTSE NAREIT All Equity REITs Index Return (%)
YTD	28.84	26.04	28.49
3Q19	7.56	6.78	7.73
2Q19	2.25	1.49	1.79
1Q19	17.14	16.31	17.17

Annualized compound returns**as of Sep. 30, 2019**

Period	"Pure" gross return* (%)	Net return (%)	FTSE NAREIT All Equity REITs Index Return (%)
1 Year	21.04	17.51	20.70
3 Year	9.30	6.09	9.03
5 Year	11.01	7.75	11.07
10 Year	13.19	9.87	13.59
Since Inception (5/1/97)	11.44	8.16	10.10

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 5.

Invesco U.S. Real Estate Securities SMA Wrap composite

Year	"Pure" gross return* (%)	Net return (%)	FTSE NAREIT All Equity REITs 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
2018	-4.45	-7.29	-4.04	0.28	12.40	12.99	1,178	304	579	100
2017	9.86	6.63	8.67	0.24	12.31	12.69	1,317	407	660	100
2016	6.98	3.82	8.63	0.38	13.99	14.22	1,420	458	599	100
2015	2.93	-0.11	2.83	0.30	13.46	13.74	2,275	771	575	100
2014	29.59	25.83	28.03	0.24	12.35	12.65	2,453	981	585	100
2013	2.75	-0.29	2.86	0.32	15.99	16.45	2,618	826	573	100
2012	17.66	14.22	19.70	0.36	17.68	18.09	3,058	939	500	100
2011	9.08	5.87	8.28	0.53	28.78	31.69	3,167	849	480	100
2010	24.01	20.40	27.95	0.60	N/A	N/A	1,435	333	475	100
2009	29.66	25.87	27.99	1.13	N/A	N/A	1,724	280	298	100

Annualized compound returns as of Dec. 31, 2018

Period	"Pure" gross return* (%)	Net return (%)	FTSE NAREIT All Equity REITs Index Return (%)
1 Year	-4.45	-7.29	-4.04
3 Years	3.94	0.87	4.24
5 Years	8.41	5.23	8.32
10 Years	12.25	8.95	12.53
Since Inception (5/1/97)	10.55	7.31	9.21

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.

- 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 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. On May 24, 2019 Invesco acquired Massachusetts Mutual Life Insurance Company's asset management affiliate OppenheimerFunds. As a result of this transaction assets previously part of the OFI Global Asset Management (OFI Global) GIPS® firm will now be part of Invesco Worldwide (IWW) GIPS® firm. Firm assets under management for OFI Global as of December 31, 2018 were \$214 billion. IWW historical firm assets have not been restated to reflect the acquisition. OFI Global was independently GIPS® verified through December 31, 2018.
- 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 after January 1, 2011, the Invesco U.S. Real Estate Securities SMA Wrap Composite includes all discretionary and fee-paying wrap accounts styled after the Invesco U.S. Real Estate Securities SMA Model Portfolio, which utilizes fundamental real estate analysis, securities analysis and risk management practices to manage real estate securities portfolios. Prior to January 1, 2011, the composite included all discretionary, nontaxable and fee-paying wrap accounts. This composite is primarily focused on U.S. REITs. This composite has a long-term total-return objective of consistently outperforming the FTSE NAREIT All Equity REITs Index while also delivering index-comparable risk. Invesco's portfolios typically provide a diversified portfolio of higher quality companies that own assets across most property types and geographic markets. The composite was created in May 1997.
- "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 FTSE NAREIT All Equity REITs Index is a market-cap weighted index of all equity REITs traded on the NYSE, NASDAQ National Market System, and the American Stock Exchange. The returns of the FTSE NAREIT All Equity REITs 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.
- 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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All data as of Sept. 30, 2019

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