



Howard County US Enhanced 1% Risk



Invesco Quantitative Strategies

February 28, 2019

This does not constitute a recommendation of any investment strategy for a particular investor. Investors should consult a financial professional before making any investment decisions if they are uncertain whether an investment is suitable for them. Please read all financial material carefully before investing. For additional information about these strategies, contact Invesco. Past performance is not indicative of future results. Portfolio holdings and characteristics are subject to change.

The opinions expressed are those of the presenter(s), are based on current market conditions and are subject to change without notice. These opinions may differ from those of other Invesco investment professionals.

Invesco Advisers, Inc. is an investment adviser; it provides investment advisory services to individual and institutional clients and does not sell securities.

For Howard County use only. Not for further distribution.

Table of Contents



1	Performance review
2	Portfolio review
3	Organizational overview
4	Organizational overview
5	Appendix – composite performance/notes

CONFIDENTIALITY NOTICE: All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. This is not to be construed as an offer to buy or sell any financial instruments. It is not our intention to state, indicate or imply in any manner that current or past results are indicative of future profitability or expectations. As with all investments there are associated inherent risks. Please obtain and review all financial material carefully before investing. This publication may contain confidential and proprietary information of Invesco Advisers, Inc. and/or Invesco Ltd. Circulation, disclosure, or dissemination of all or any part of this material to any unauthorized persons is prohibited.

Section 1

Performance review



1 Q4 weakness drags calendar year 2018 into negative territory

- Fears that higher US interest rates would derail the US economy and spread globally, coupled with trade tensions and concerns over the impact of a US government shut-down created the perfect storm in December and drives stocks sharply lower, leading to the first negative year for US stocks since 2008
- Value indices outperformed growth in Q4 as they proved more defensive in October and rebounded more in November. December's selloff resulted in comparable weakness between both styles with the relative overweights to the energy and financial sectors among value indexes causing marginal underperformance versus growth
- As growth fears intensified, investors sought safety among the consumer staples, healthcare and utility sectors due to their resilience to economic downturns and attractive dividends
- The sharp fall in oil prices translated into 20%+ declines in the energy sector of US indexes

2 US factor returns mixed

- Model's overall predictive ability mixed in 2018, consistently positive performance from Momentum (Earnings and Price) was partially mitigated by year long negative results from Value
- Quality was modestly effective for the year, poor results early in the year were offset in closing 2018 as Low Quality stocks suffered due to lowered 2019 growth revisions, the unresolved trade war, and reliance on external financing in a potentially rising rate environment

Engineered discipline

Constructing the optimal portfolio



US Enhanced 1% Risk

Benchmark	S&P 500
Target Tracking Error	1.0%
Max Individual Position	±1.0%
Max Individual Weight on Non-Benchmark Names	+0.38%
Max Industry/Sector Exposure	±0.5%
Max Beta Exposure	0.99–1.01

Target low tracking error relative to benchmark

- Maximizes Information Ratio

Portfolio construction process

- Implements Multi-Factor model
- Ensures diversification
- Controls risk of negative outlier stock returns
- Limits industry/sector/style/beta exposures to fully capitalize on risk budget

When constructing the portfolio:

Buy

- Highly rated stocks within industry
- Factor score improvement must clear trading cost hurdle

Sell

- Stocks with declining rating
- For risk control purposes
- When current events outweigh model ranking

Source: Invesco as of December 31, 2018

Other than tracking error, portfolio specifications are subject to change at our discretion and are relative to the benchmark. Maximum exposures apply at rebalancing.

Howard County

Account summary



Portfolio Composition December 31, 2018

	Market Value	Percent
Short Term Investments	\$511,996	0.9%
Equity Investments	\$58,492,443	99.0%
Total	\$59,074,372	100.0%

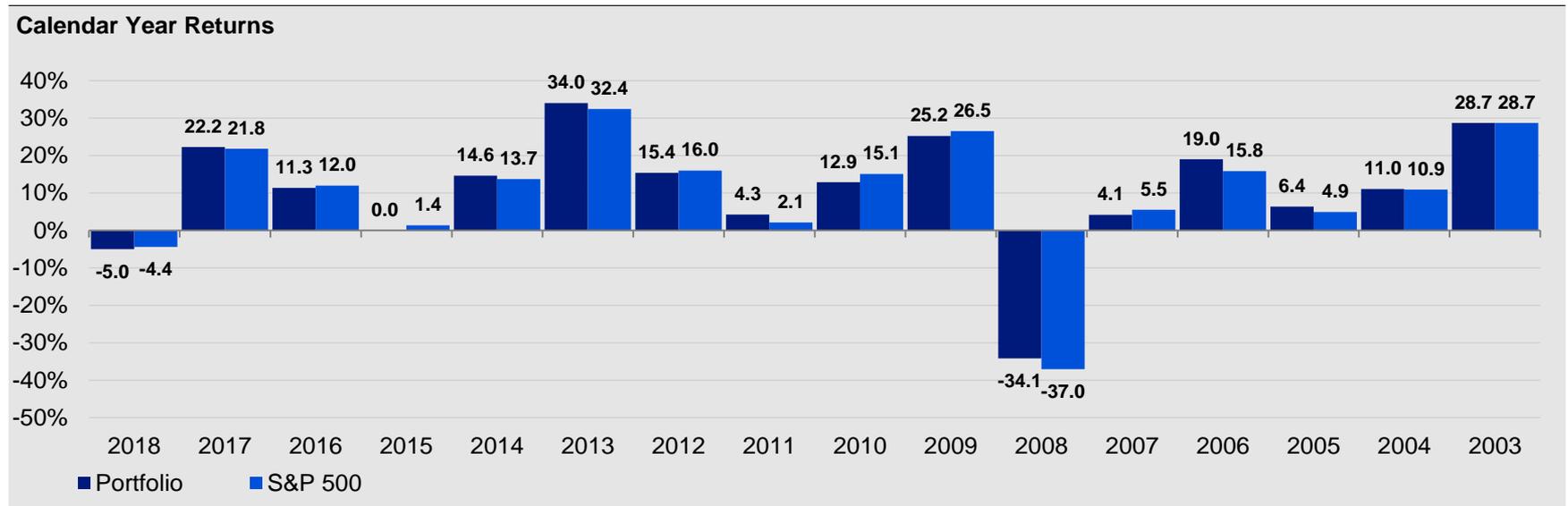
Portfolio Summary

Market Value as of 12/31/2017	\$62,363,379
Contributions	\$0
Withdrawals	(\$172,394)
Income Earned	\$1,298,487
Change in Accruals	\$18,241
Capital Appreciation/Depreciation	(\$4,433,342)
Market Value as of 12/31/2018	\$59,074,372

Source: Invesco

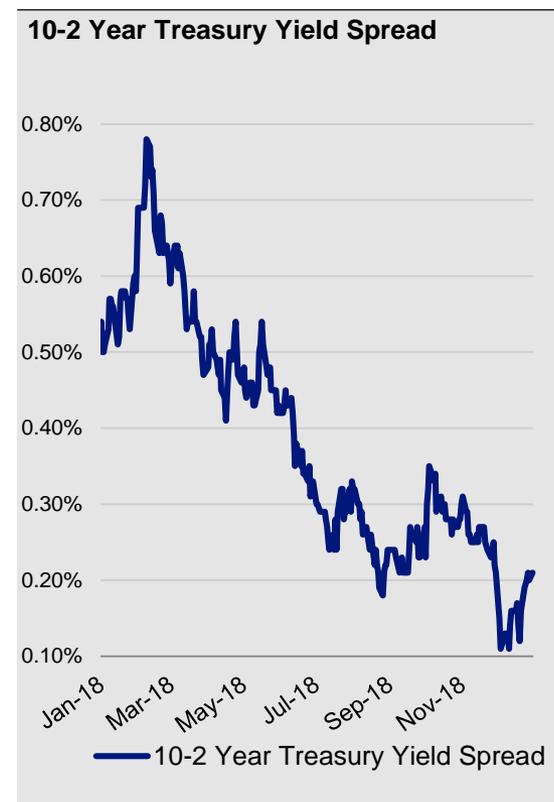
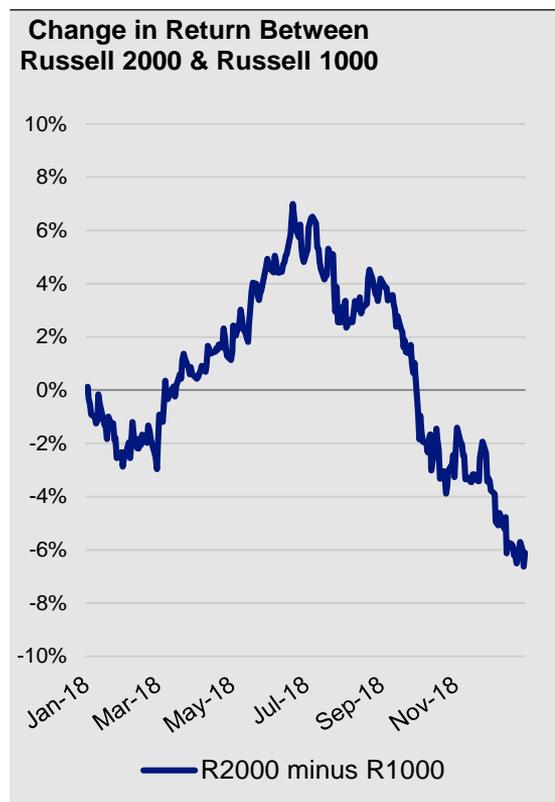
Howard County

Performance summary



Annualized Periods Through December 2018	1 year	3 years	5 years	10 years	Inception 3/7/2001
Howard County	(5.02)%	8.93%	8.18%	12.94%	6.65%
S&P 500	(4.38)%	9.26%	8.49%	13.12%	6.16%
Excess Return	(0.63)%	(0.33)%	(0.31)%	(0.18)%	0.49%
Tracking Error	0.95%	1.21%	1.26%	1.13%	1.14%
Information Ratio	(0.66)	(0.27)	(0.25)	(0.16)	0.43

Source: Invesco. As of December 31, 2018; Returns for less than one year are not annualized. Gross of fees returns are before deduction of management fees, but after trading commissions. Net returns will be lower. Past performance is not a guarantee of future results.



- **US small-cap stocks lose their lead at the beginning of Q4 as high yield bond spreads widen dramatically. In addition, high dividend paying recession resistant companies are largely absent from the universe leaving few areas of relative safety.**
- **Dollar rallies early in the quarter on robust economic growth, but also maintains its strength as bonds rally and stocks fall on economic growth and political worries. Small-caps do not benefit from strong Dollar as nervousness abounds.**
- **The Federal Reserve raised interest rates again in December, but signals caution about the pace of further increases. The yield curve flattens to its lowest level in 11 years as the market responds to weakening inflationary expectations.**

Source: FactSet Research Systems, Inc. and Invesco. As of December 31, 2018.

Large Cap Model Performance



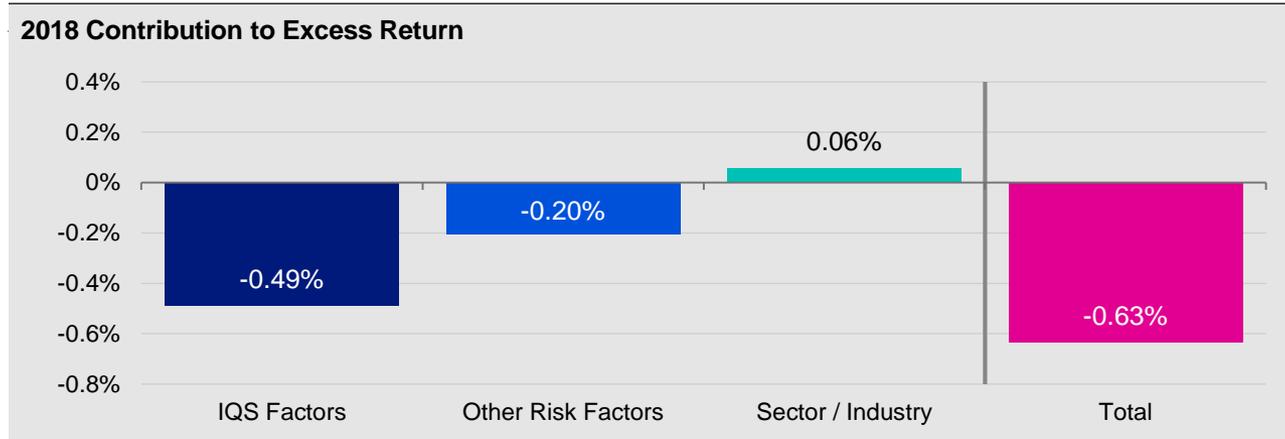
Model Results Positive Over One and Three Year Periods

- Momentum (Earnings and Price) has had the highest predictive ability
- Quality remained modestly positive through one and three years
- Weak performance from Value continued in 2018

Source: Invesco Quantitative Strategies. Monthly ICs have been averaged ICs for Large Cap Universe.

The information coefficient (IC) is the correlation of forecasted relative stock rankings to subsequent actual returns. It measures our ability to differentiate between stocks within their respective industries. The IC does not take into consideration risk control or any portfolio construction parameters.

Portfolio performance attribution Summary



IQS Factors

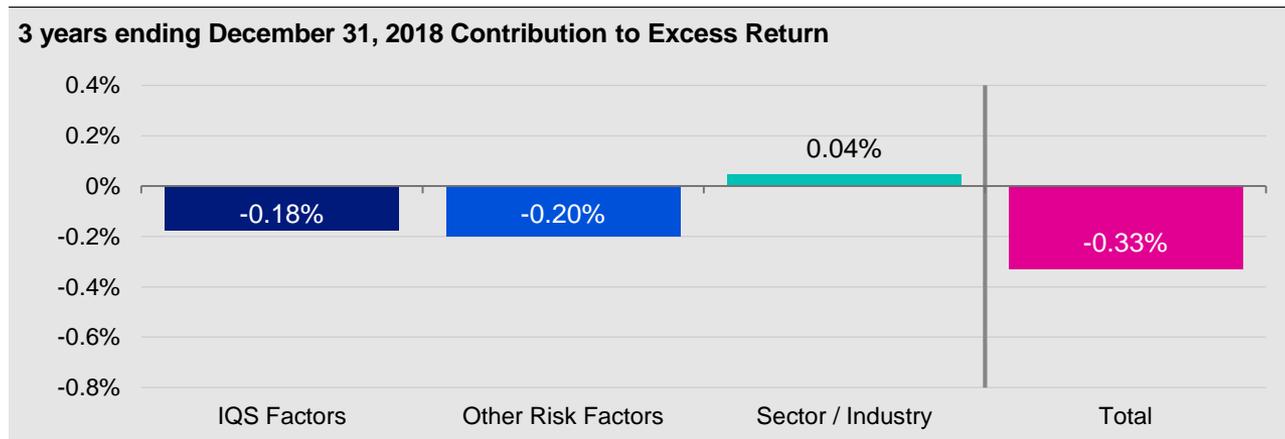
- Quality and Earnings Momentum were the drivers of performance in 2018
- Weak results from Value in 2018 brought down overall performance

Other Risk Factors

- Exposure to volatility brought down performance over the one and three year periods

Sector/ Industry

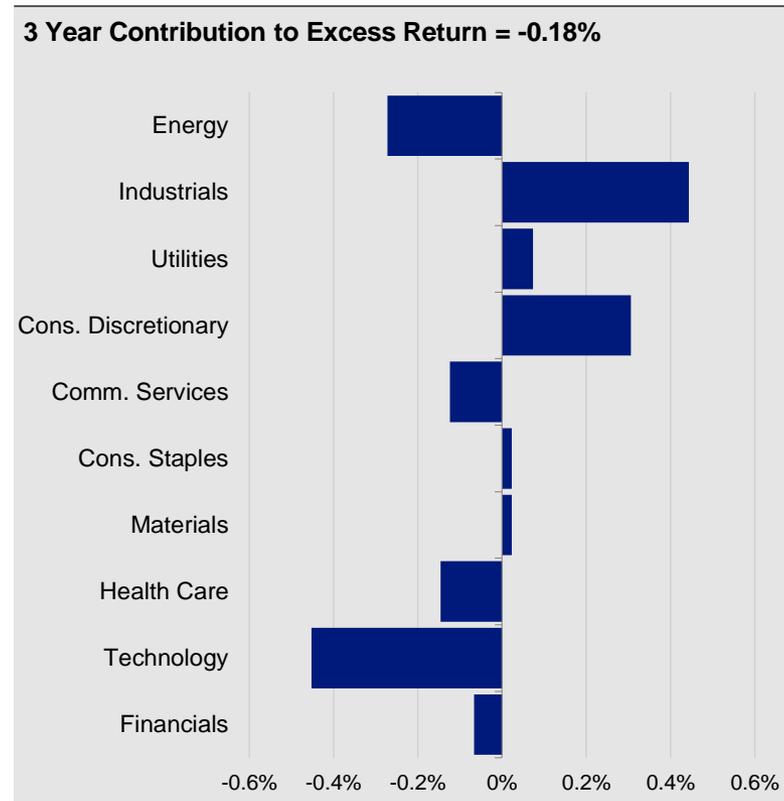
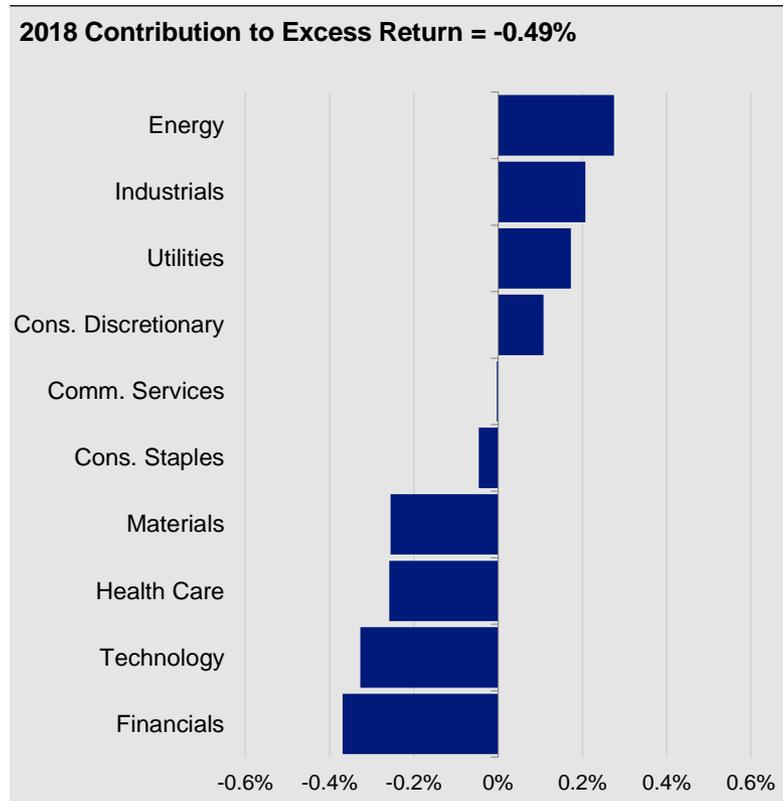
- Industry allocation has been modestly positive through both periods



The information above is derived from a representative portfolio and may not reflect the characteristics of the composite as a whole. Portfolio characteristics are subject to change. Past performance is not indicative of future results. Source: Invesco Quantitative Strategies' proprietary performance attribution for periods ending December 31, 2018.

Contribution from IQS Factors

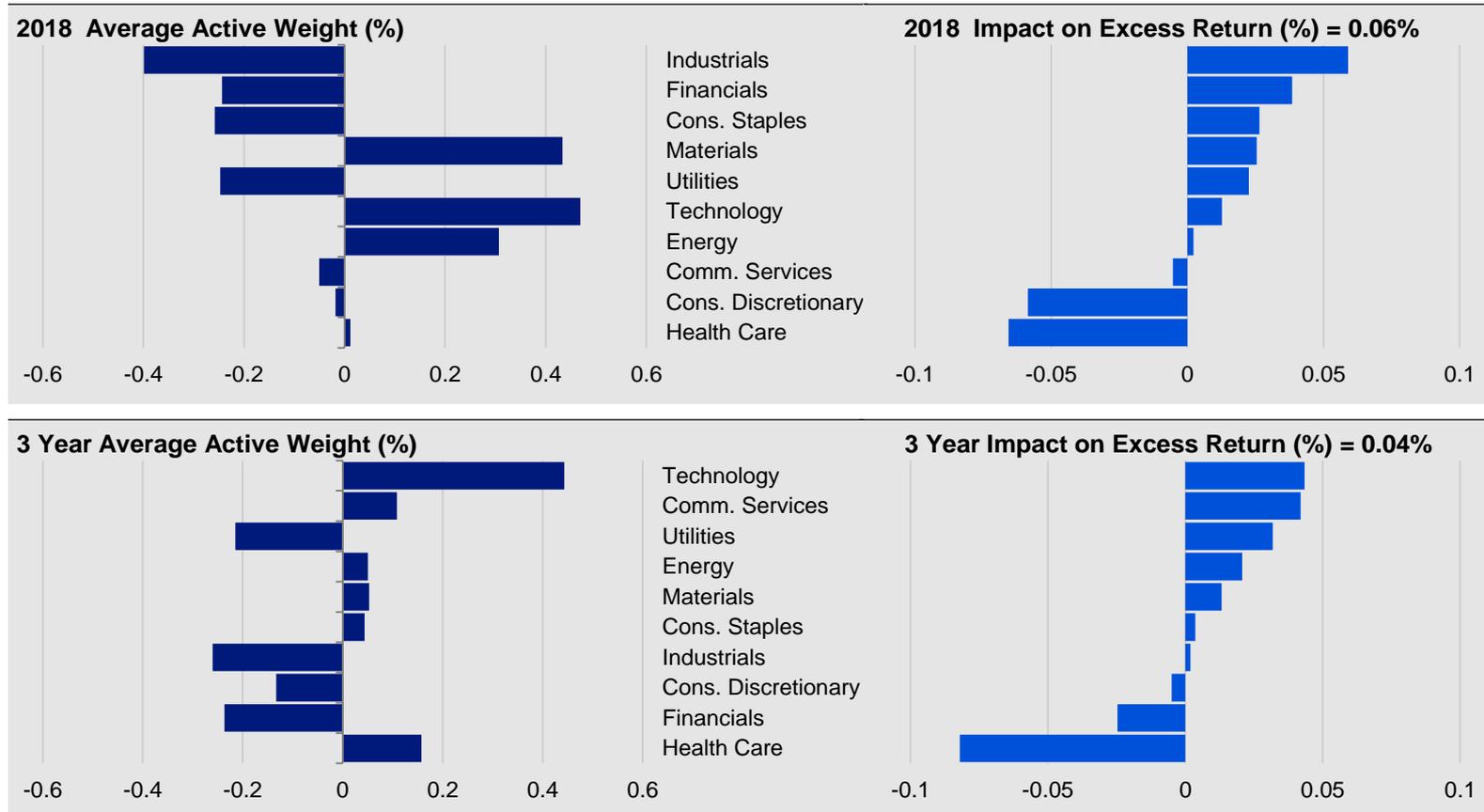
Periods ending December 31, 2018



Source: Invesco Quantitative Strategies' proprietary performance attribution for US Enhanced 1% Risk using a representative portfolio (sorted best to worst). As of December 31, 2018.

Contribution from sector exposures

Periods ending December 31, 2018



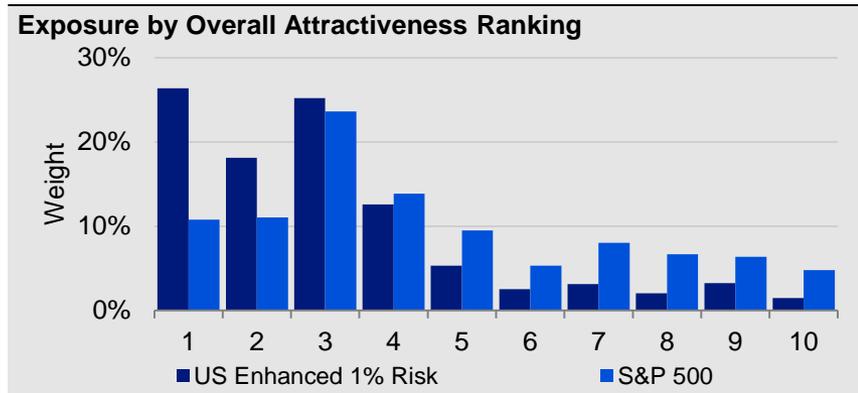
The above portfolio characteristics are derived using Invesco Quantitative Strategies' proprietary performance attribution for US Enhanced 1% Risk. The information is subject to change and current holdings may differ (sorted best to worst).

Section 2

Portfolio review

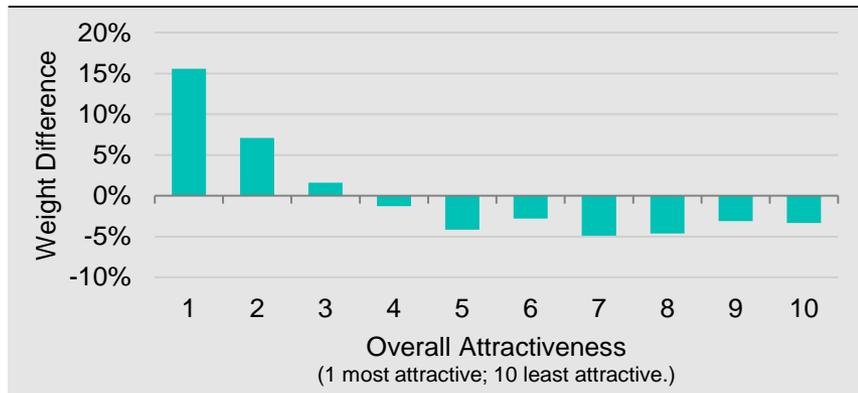


Portfolio dominated by highest-ranked stocks



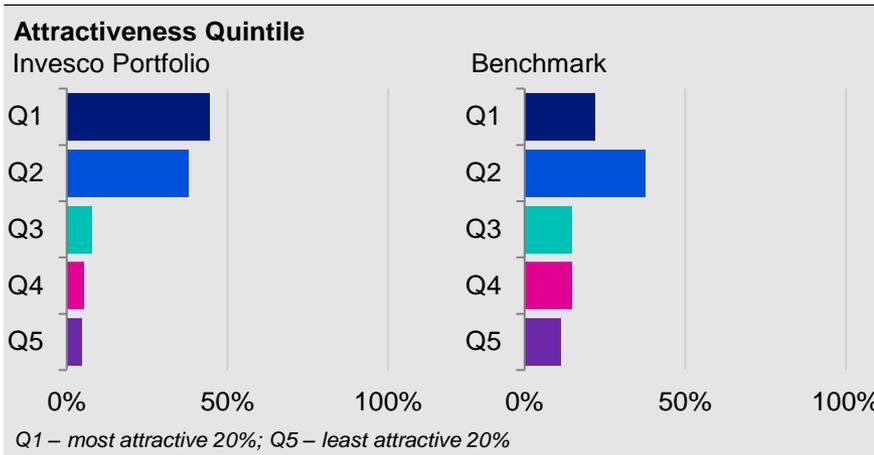
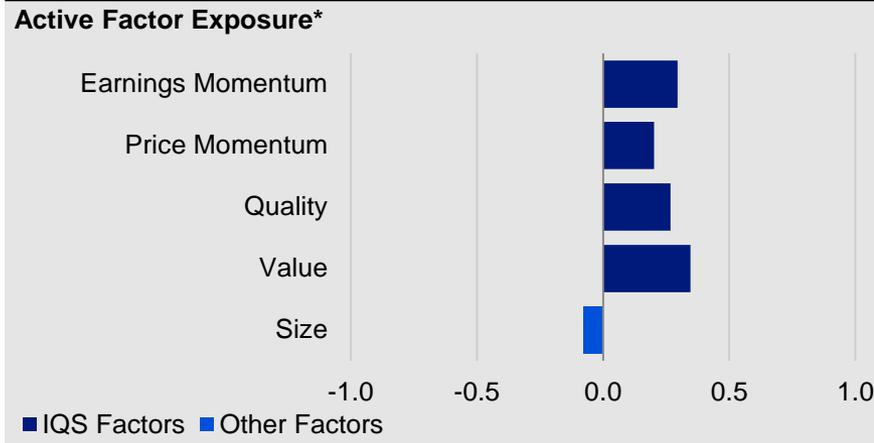
Portfolio significantly overweight highest-conviction stocks:

- 16% overweight in highest-ranked group
- Underweight ranks 4-10
- Portfolio wtd-average Attractiveness rank: 3.1



Source: Invesco Quantitative Strategies' proprietary multi-factor model.
 Portfolio weight by overall attractiveness is based on a representative portfolio as of December 31, 2018.

Invesco US Enhanced 1% Risk Portfolio Snapshot



	US Enhanced 1% Risk	S&P 500
Holdings	237	505
Wtd Avg Mkt Cap	\$194,695 M	\$200,768 M
Annual Turnover	57.0%	-
Active Share	34.1%	-
Beta	1.0	1.0
P/E	13.7	15.6
Cashflow Yield	9.5%	8.0%
Dividend Yield	2.2%	2.2%

Source: Invesco and FactSet Research Systems Inc. as of December 31, 2018. The above information is based on analysis using Invesco Quantitative Strategies' proprietary risk model. *Active factor exposure is measured in standard deviations from the benchmark. Past performance is not indicative of future results.

Top ten overweights and underweights



Top Ten Overweights

Name	Industry	Portfolio Weight	Benchmark Weight	Active Weight	Model Decile Ranks
Simon Property Group	Real Estate	1.05%	0.25%	0.80%	1
HCA Healthcare	Health Care Equipment & Services	0.91%	0.16%	0.76%	1
ConocoPhillips	Oil & Gas Exploration & Production	1.06%	0.34%	0.71%	1
Exelon	Utilities	0.84%	0.21%	0.63%	2
Citrix Systems	IT Services, Software	0.60%	0.06%	0.53%	1
Capital One Financial	Diversified Financials	0.70%	0.17%	0.53%	1
LyondellBasell Industries	Chemicals	0.64%	0.12%	0.52%	2
Kohl's	Retailing	0.57%	0.05%	0.51%	1
United Continental Holdings	Airlines	0.59%	0.09%	0.50%	1
FirstEnergy	Utilities	0.56%	0.09%	0.48%	2

Top Ten Underweights

Name	Industry	Portfolio Weight	Benchmark Weight	Active Weight	Model Decile Ranks
Alphabet	Media	0.84%	1.52%	-0.67%	8
Home Depot	Retailing	0.34%	0.92%	-0.59%	8
Wells Fargo	Banks	0.37%	0.93%	-0.56%	7
3M	Capital Goods	0.00%	0.53%	-0.53%	10
Salesforce.com	IT Services, Software	0.00%	0.50%	-0.50%	5
Johnson & Johnson	Pharmaceuticals	1.19%	1.65%	-0.45%	5
NextEra Energy	Utilities	0.00%	0.40%	-0.40%	8
NVIDIA	Semiconductors	0.00%	0.39%	-0.39%	10
Exxon Mobil	Oil & Gas Exploration & Production	0.99%	1.37%	-0.38%	4
Lowe's Companies	Retailing	0.00%	0.35%	-0.35%	5

The information above is derived from a representative portfolio and may not reflect the characteristics of the composite as a whole. This is not a complete list of holdings. The above portfolio characteristics are supplemental to the GIPS® composite performance, are subject to change and current holdings may differ. It should not be assumed that any of the securities transactions, holdings, investment recommendations or decisions we make in the future will equal the investment performance of the past. Minimum/maximum position at rebalancing: ±1%. Holdings as of December 31, 2018. Model ranks as of December 31, 2018.

Sector exposures

As of December 31, 2018



Sector	Weight (%)		
	Product	Benchmark	Difference
Comm. Services	10.2	10.1	0.1
Cons. Discretionary	6.8	6.4	0.3
Cons. Staples	7.2	7.4	-0.2
Energy	5.2	5.3	-0.1
Financials	15.6	16.2	-0.6
Health Care	15.8	15.5	0.3
Industrials	8.8	9.3	-0.4
Materials	3.2	2.7	0.4
Technology	24.2	23.6	0.5
Utilities	3.0	3.3	-0.3

Source: Invesco Quantitative Strategies' Proprietary Risk Model.

Portfolio characteristics and holdings subject to change without notice and are provided as supplemental information to the GIPS® composite performance. Current holdings may differ. Maximum/minimum sector position limited to $\pm 0.5\%$ at rebalancing, subject to change at manager's discretion.

Product: US Enhanced 1% Risk; Benchmark: S&P 500

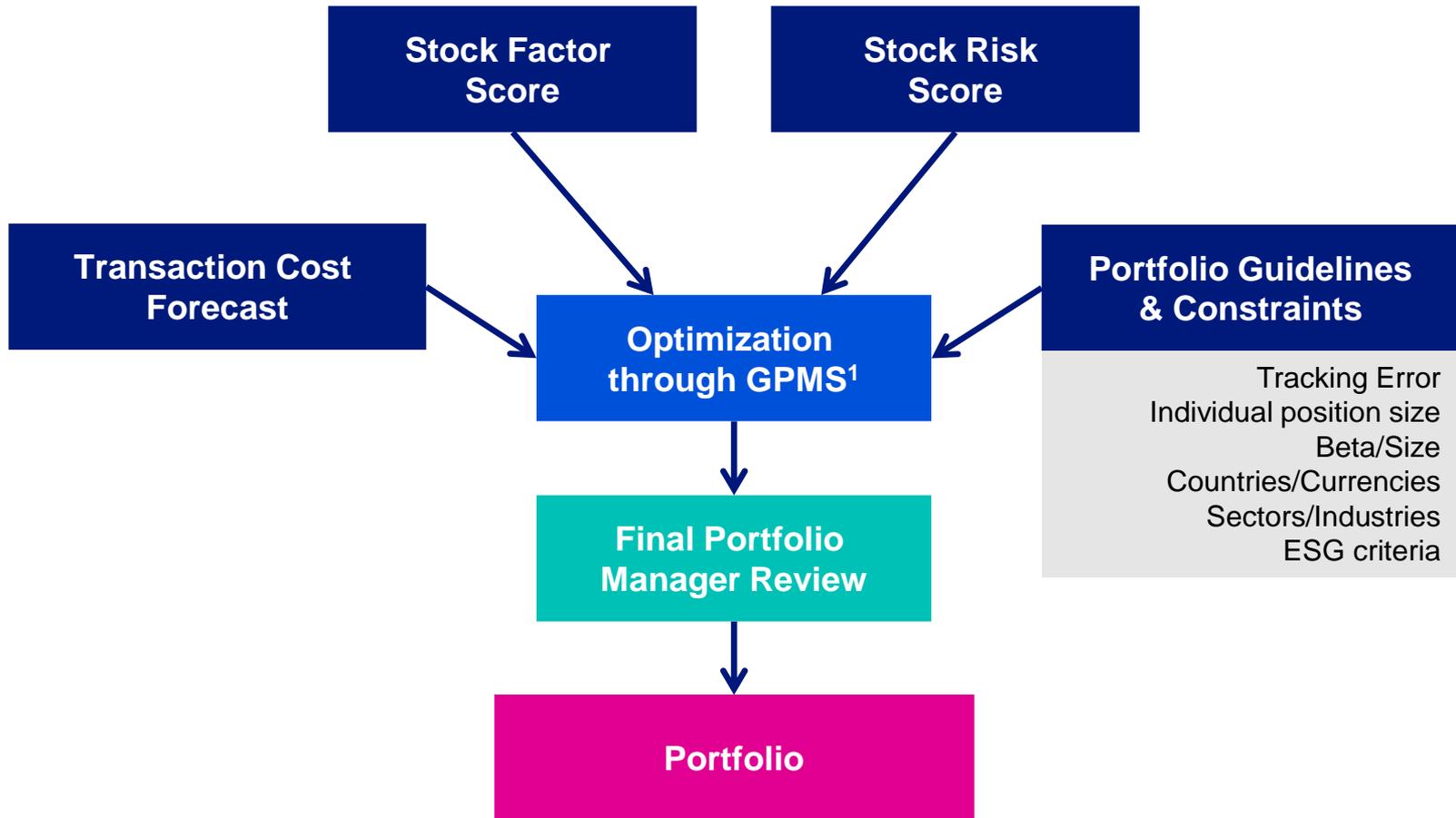
Section 3

Investment process



Investment process

How we seek to build the optimal portfolio



¹Global Portfolio Management System.
For illustrative purposes only.

Factor Model: Our expected sources of reward

A thoughtful combination of proprietary signals



Factors <i>Balanced, time-tested</i>	Momentum		Quality	Value
	Earnings Momentum	Price Momentum		
Proprietary signals <i>Quantifiable, predictive, complementary</i>	<ul style="list-style-type: none"> ▪ Earnings Momentum ▪ Earnings / Sales Revisions ▪ Revisions against Trend ▪ Cash Flow Surprise 	<ul style="list-style-type: none"> ▪ Specific Momentum ▪ Risk-Adjusted Momentum ▪ Event Momentum ▪ Short Interest 	<ul style="list-style-type: none"> ▪ Net External Financing ▪ Net Asset Growth ▪ Profitability & Operating Efficiency ▪ Fundamental Health ▪ Accounting Integrity 	<ul style="list-style-type: none"> ▪ Cash Flow Yield ▪ Gross Profit Yield ▪ Earnings Yield ▪ Book Yield ▪ Dividend Yield

Source: Invesco, as of December 31, 2018. For illustrative purposes only. Not all signals are used in all regions and sub-models. Signals often have subcomponents. Additional signals are used in specific sub-models and definitions may vary across regions.

Independent thinking: We treat different stocks differently

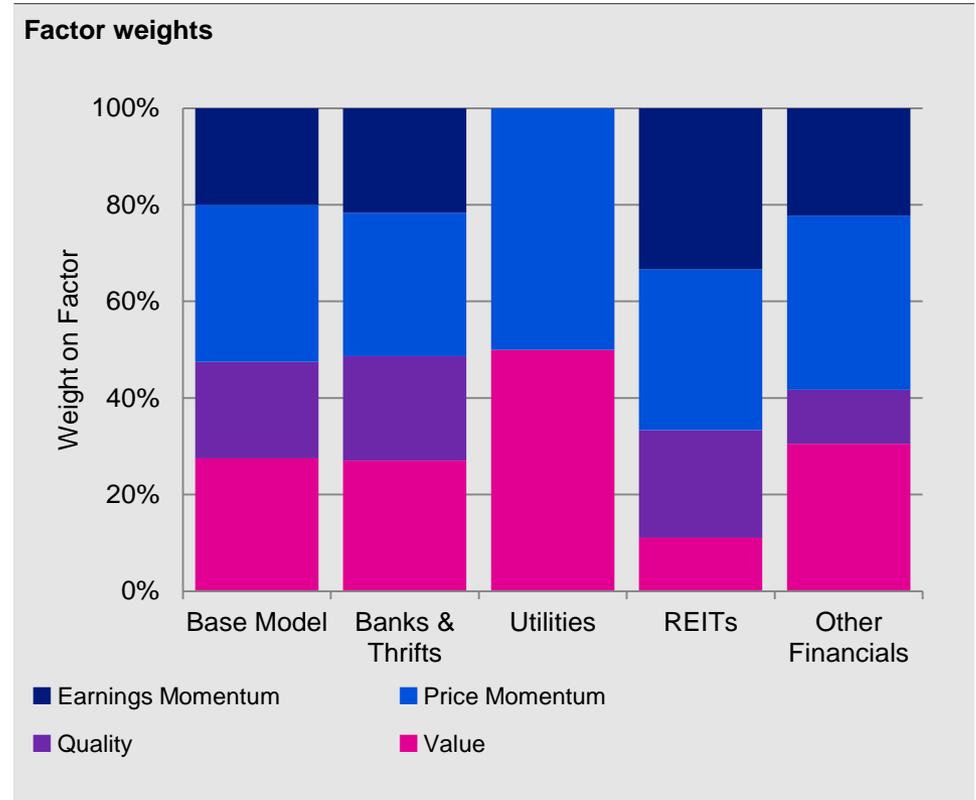


Style Categories

- Banks & Thrifts
- Utilities
- REITs
- Other Financials

By Style Category

- Signals differ
- Weights differ



Source: Invesco. As of December 31, 2018. Weights and factors subject to change at the discretion of the investment team.

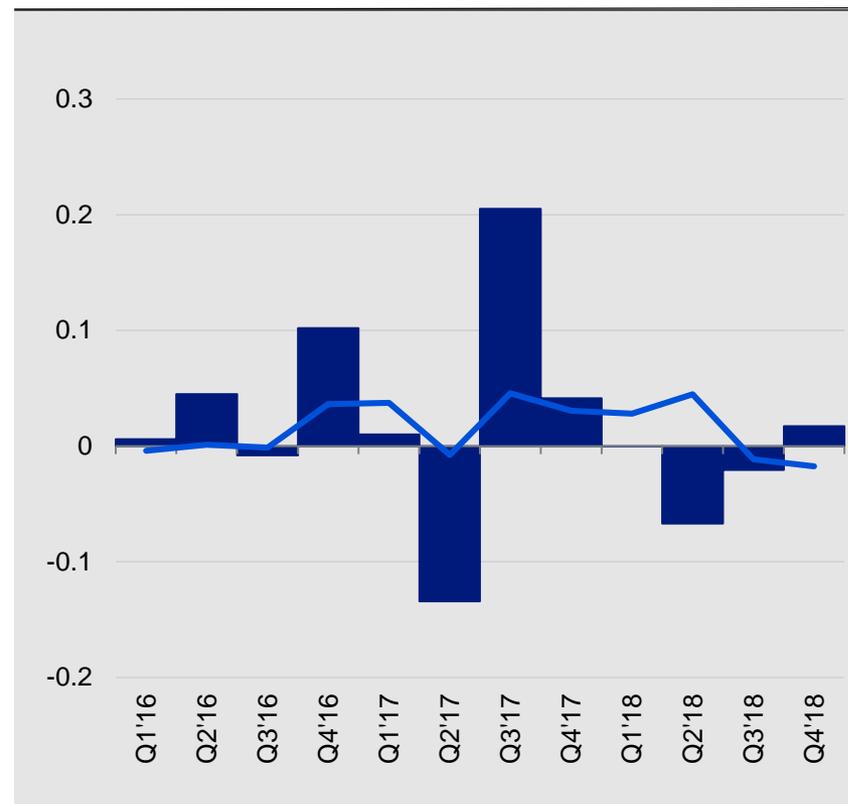
Multi-factor forecasting since 2015

Information Coefficients (IC)¹ as of 12/31/2018



Overall Model Score

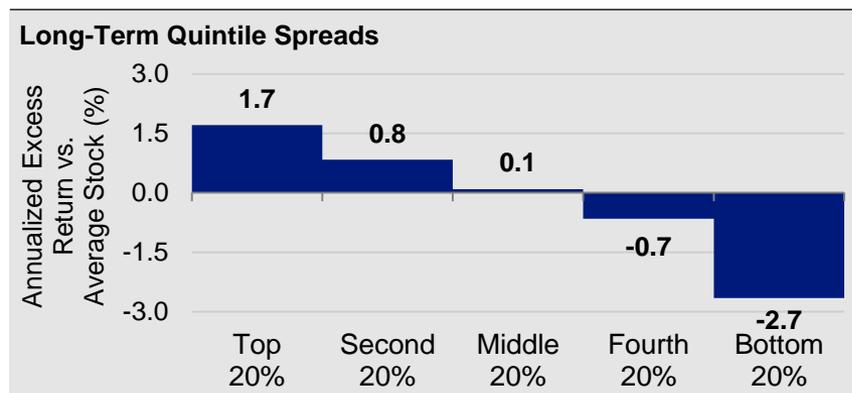
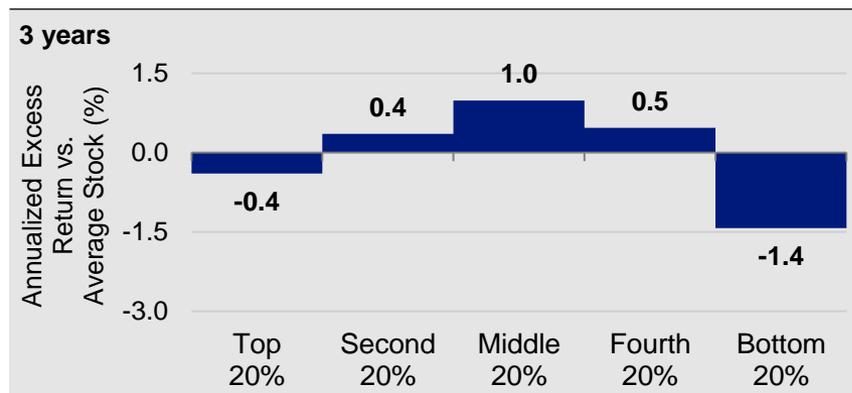
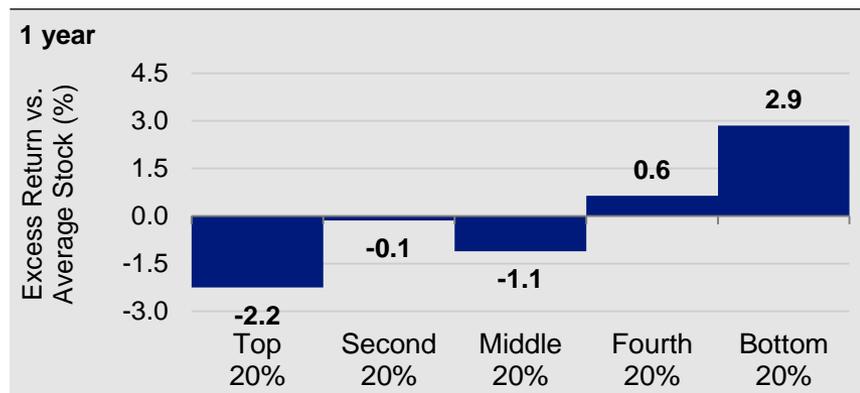
- Multi-factor model has provided overall positive results over the 3 year period.
- The balance in our multi-factor process – combining momentum, valuation, and business management measures – has helped to generate these positive forecasts
- Value and Quality tend to be negatively correlated with our momentum factors, acting as attractive complements
- Challenging market environment since the inception of the recovery in 2009
 - Underlying fundamentals have ultimately prevailed
 - But frequent, top-down (mostly macro) influences have intermittently shifted investor sentiment



Trend line represents rolling four quarter moving average. Data for the Large Cap Model Universe.

¹ The information coefficient is the correlation of forecasted relative stock rankings to subsequent actual returns. It measures our ability to differentiate between stocks within their respective industries. The IC does not take into consideration risk control or any portfolio construction parameters.

Our multi-factor model has demonstrated strong predictive ability historically



Data calculated by Invesco on a quarterly basis using real time factor scores and weights applied on an industry neutral basis. Excess returns are calculated by comparing the Model's industry neutral score at quarter end with the actual industry neutral returns for the following quarter and then weighting all of the returns in each quintile by the square root of market cap. Results employ the Model and the large cap universe defined during applicable time periods; the Model and the stocks change over time. Model calculations are gross and do not deduct management fees, transaction costs or other expenses which will reduce the performance of actual portfolios. Model results are not the only factor considered by IQS in constructing portfolios. Past performance is not indicative of future results. Results as of January 1, 1984 through December 31, 2018 for the Large Cap model.

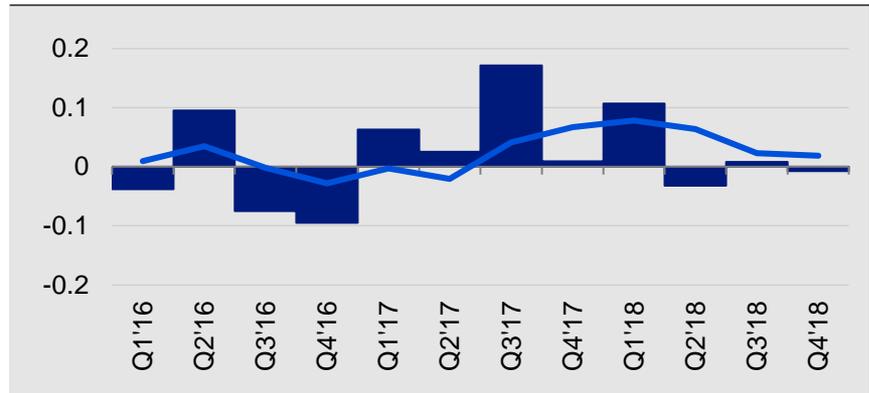
Momentum

Information Coefficients (IC)¹ as of 12/31/2018



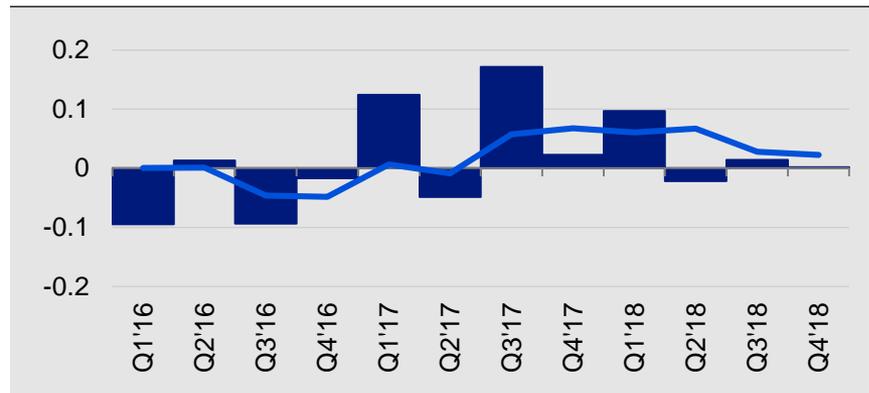
Earnings Momentum

Companies with strong and improving earnings forecasts should be rewarded



Price Momentum

Companies with positive price action demonstrate investor interest



Trend line represents rolling four quarter moving average. Data for the Large Cap Model Universe.

¹ The information coefficient is the correlation of forecasted relative stock rankings to subsequent actual returns. It measures our ability to differentiate between stocks within their respective industries. The IC does not take into consideration risk control or any portfolio construction parameters.

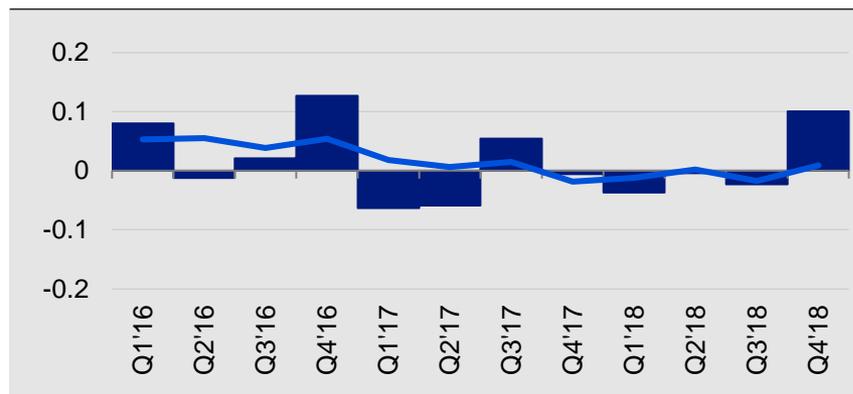
Quality and Value

Information Coefficients (IC)¹ as of 12/31/2018



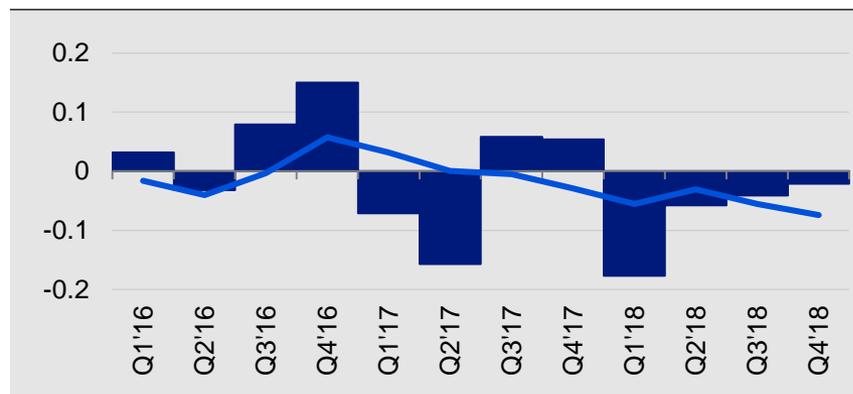
Quality

Companies acting in the benefit of shareholders should be rewarded



Value

Companies trading at attractive valuations should be rewarded



Trend line represents rolling four quarter moving average. Data for the Large Cap Model Universe.

¹ The information coefficient is the correlation of forecasted relative stock rankings to subsequent actual returns. It measures our ability to differentiate between stocks within their respective industries. The IC does not take into consideration risk control or any portfolio construction parameters.

Section 4

Organizational overview



Invesco Ltd. is a leading independent global investment management firm



We have one culture – with a broad range of distinctive investment capabilities – united by our shared purpose.

We are differentiated by:

- Specialized investment teams managing investments across a comprehensive range of asset classes, investment styles and geographies
- More than 7,300 employees across the globe focused on client needs
- Proximity to our clients with on-the-ground presence in more than 25 countries
- Solid corporate financials, investment grade debt rating and strong balance sheet

We are privileged to be trusted with managing **\$980.9 billion in assets** on behalf of clients worldwide.

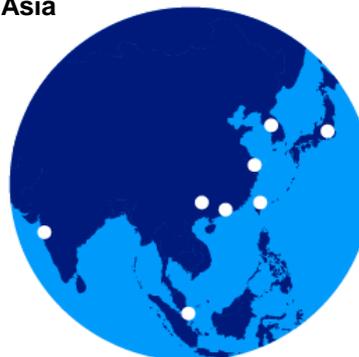
US & Canada



UK & Continental Europe



Asia



Australia

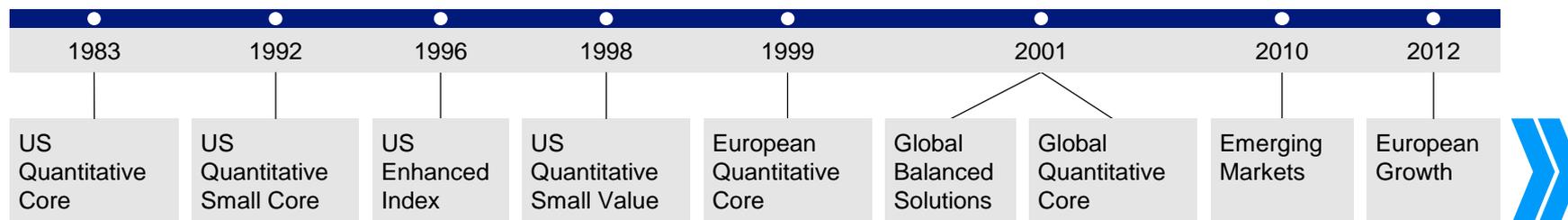


All data as of September 30, 2018. AUM figure includes all assets under advisement, distributed and overseen by Invesco.

Invesco Quantitative Strategies (IQS)



- Managing approximately **\$33 billion**
- **Experienced team** of over 50 investment professionals
- **Global research** capabilities
- **Unified platform** for risk management and portfolio construction
- **A rich history of product development**
 - Actively managed equities for 35 years
 - US Core since 1983 and Global Core since 2001



Source: Invesco. As of December 31, 2018

Note: This is a representative list of Invesco Quantitative Strategies Equity strategies and is not inclusive of all strategies offered. Balanced Solutions are managed in cooperation with the Global Asset Allocation team.

Deeply resourced global team

Focused on client engagement, modeling and implementation



Global Management Team	A 6 member team providing investment process governance, accountability and business management. The team is led by CIO Bernhard Langer and team heads of Research and Portfolio Management
Research	A 20+ member team engineering and enhancing our multi-factor return and risk models and providing key input to product design
Portfolio Management	A 20+ member team with oversight responsibility for portfolio architecture, including implementation, risk management, portfolio and performance analysis, and investment communication
Global Portfolio Analytics	A 10+ member support team responsible for portfolio and performance analysis, investment communication and reporting

Team profile

- Over 60 team members located primarily in the US and Germany
- 22 CFA charterholders; 13 PhDs
- Average industry experience: 16 years
Average tenure at firm: 10 years

Benefits of group structure

- All portfolios benefit from the team's breadth and depth
- Incentives are aligned with team structure to maximize benefits of collaboration and idea sharing

As of December 31, 2018.

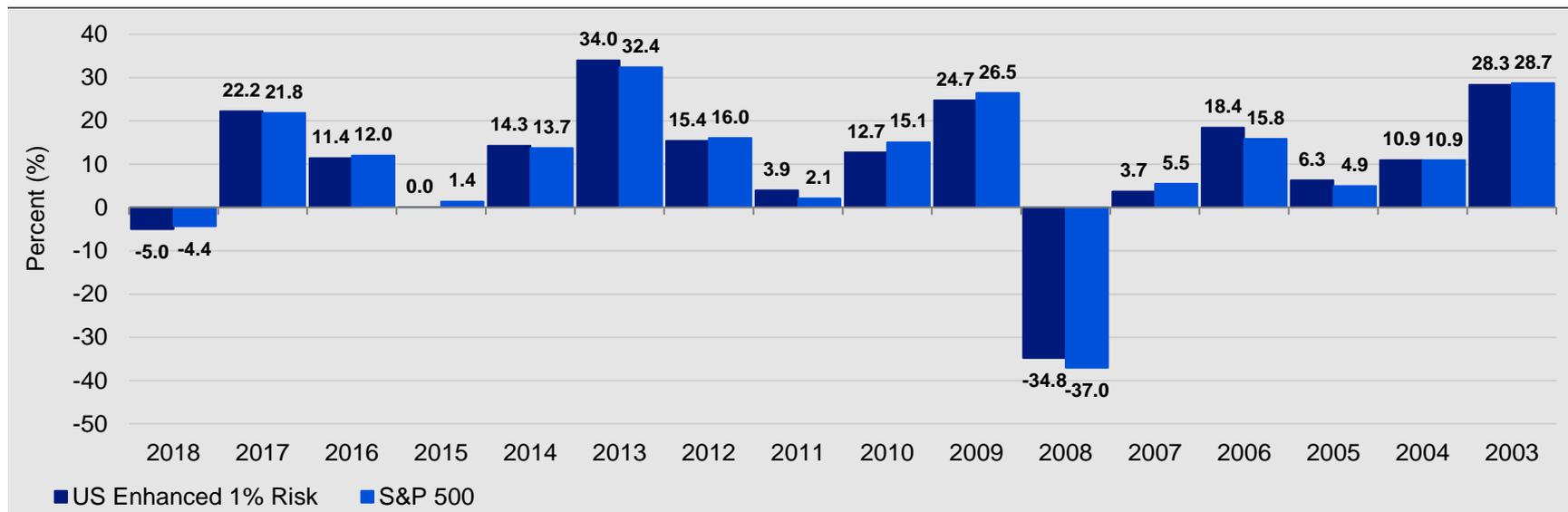
Section 5

Appendix – composite performance/notes



US Enhanced 1% Risk

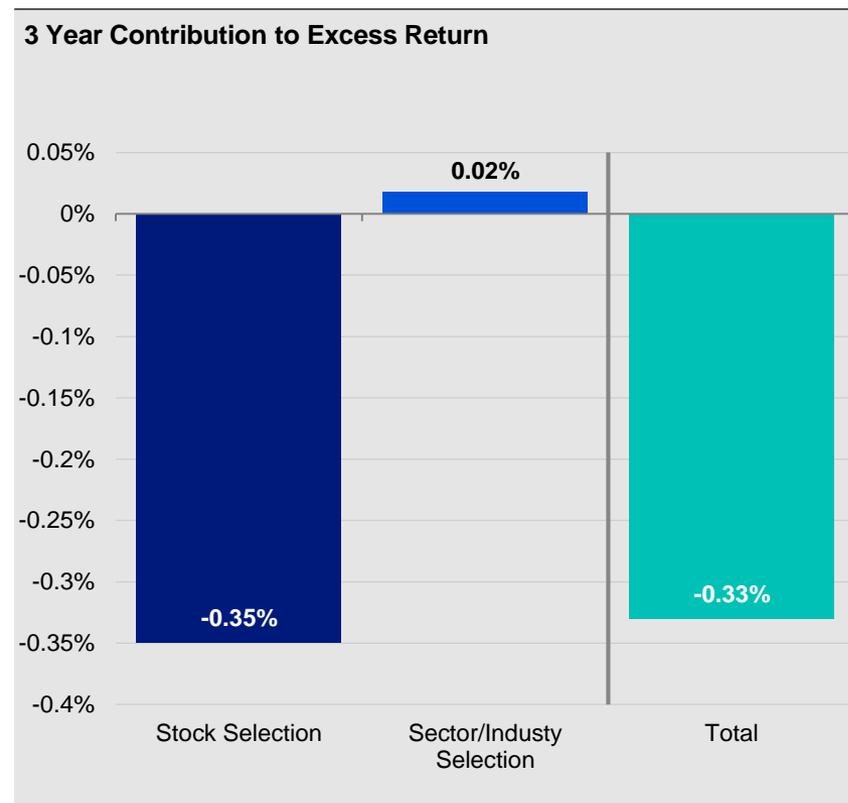
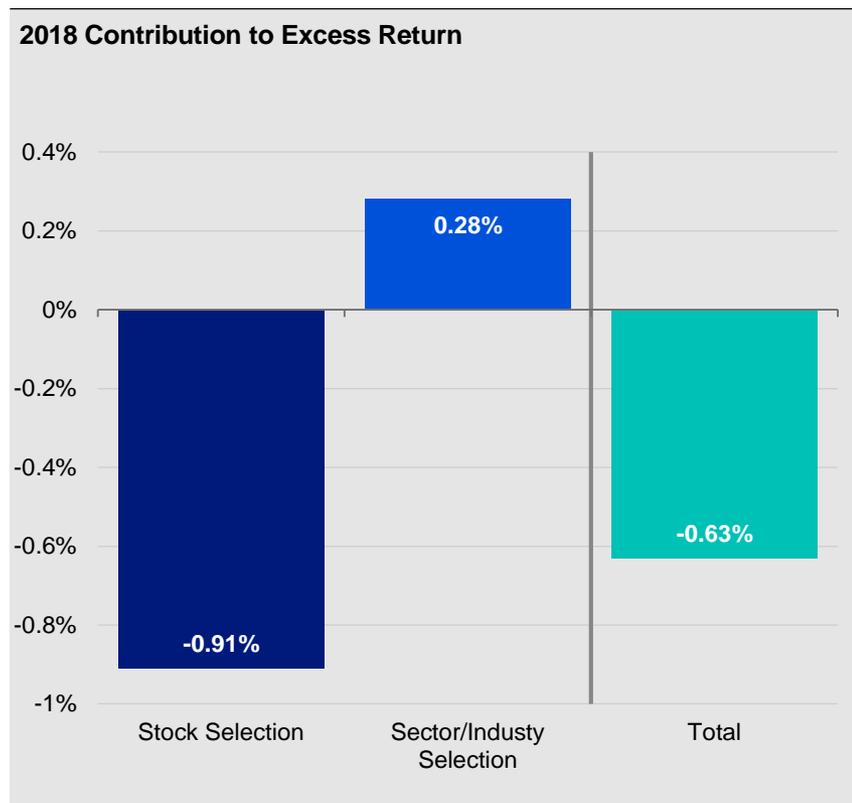
Composite performance calendar year and annualized returns (gross)



Annualized Periods Through December 2018 (%)	1 year	3 years	5 years	10 years	Inception 3/31/1996
US Enhanced 1% Risk	-5.01	8.93	8.11	12.80	8.51
S&P 500	-4.38	9.26	8.50	13.12	8.17
Excess Return	-0.63	-0.33	-0.38	-0.32	0.34
Tracking Error	0.97	1.22	1.24	1.13	1.11
Information Ratio	-0.65	-0.27	-0.31	-0.28	0.30

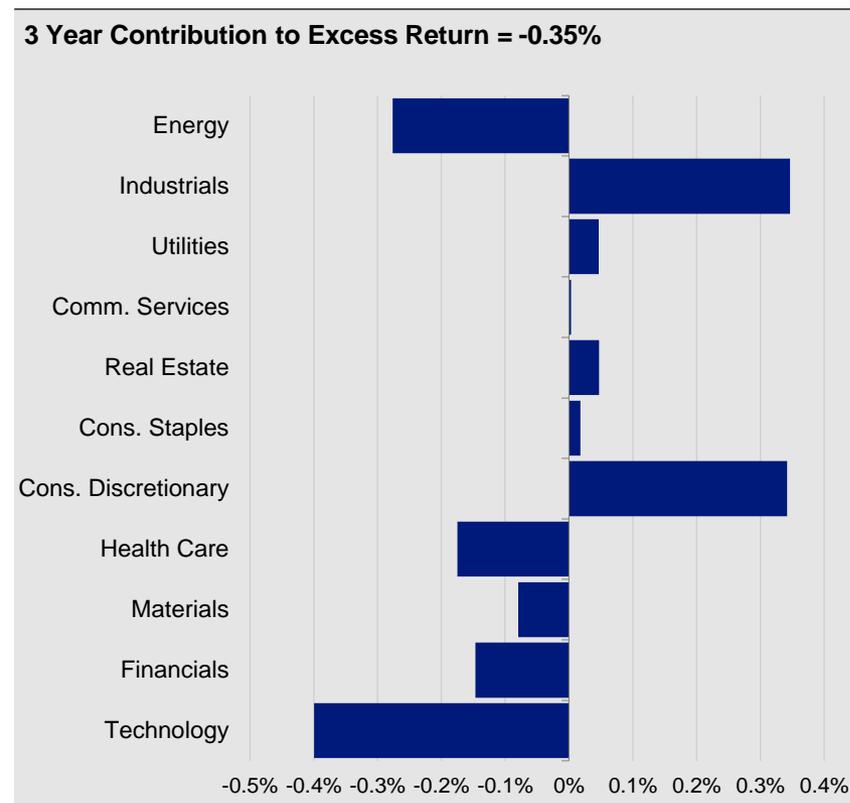
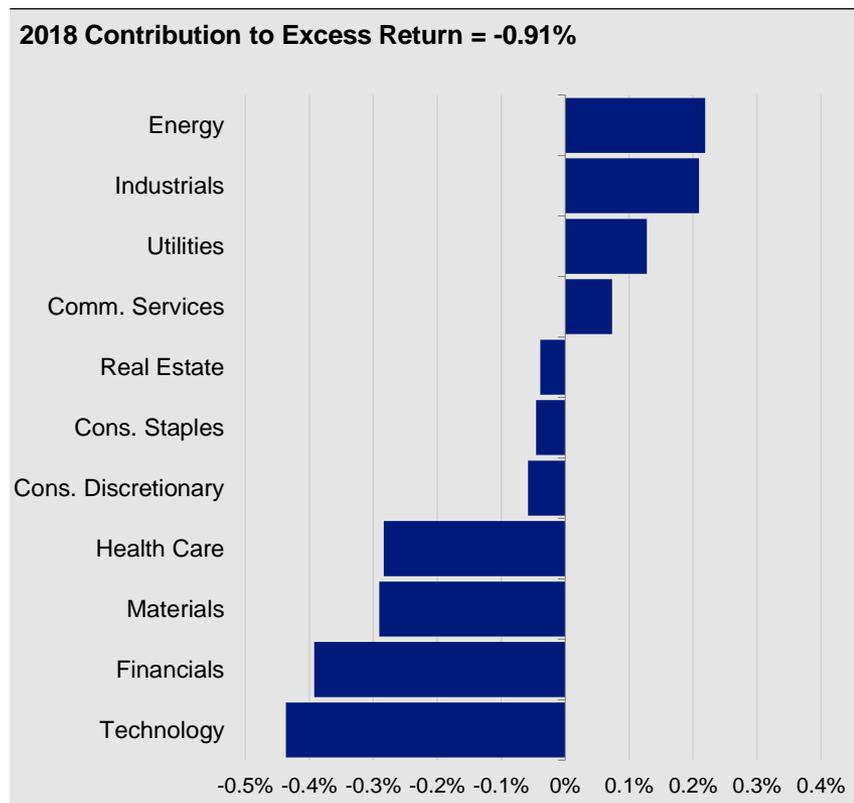
This presentation of Invesco is supplemental information to the GIPS® compliant presentations. Performance results do not reflect the deduction of investment advisory fees. A client's actual return will be reduced by the advisory fees and any other expenses which may be incurred in the management of an investment advisory account. Past performance is not a guarantee of future results. Returns for less than one year are not annualized.

Portfolio performance attribution Summary



Stock selection includes interaction effect. The information above is derived from a representative portfolio and may not reflect the characteristics of the composite as a whole. Portfolio characteristics are subject to change. Past performance is not indicative of future results. Source: FactSet Research Systems Inc. for periods ending December 31, 2018.

Contribution from stock selection



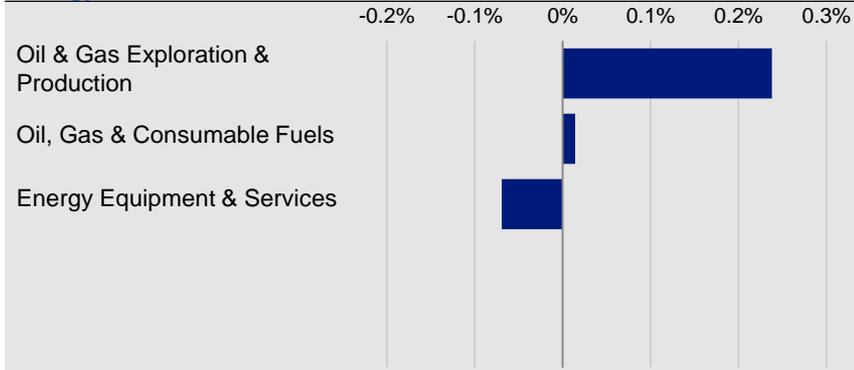
Source: The above portfolio characteristics are derived using FactSet Research Systems Inc. for US Enhanced 1% Risk (sorted best to worst). Stock selection includes interaction effect.

Industry & stock detail for biggest contributors

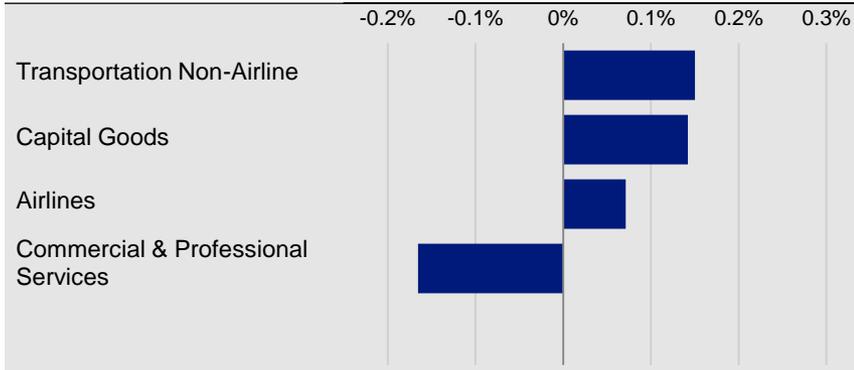
2018



Energy: +0.22%



Industrials: +0.21%



■ Contribution to excess return

Source: FactSet Research Systems Inc. using a representative portfolio (sorted best to worst).

Stock	Active Weight	Total Return	Contribution
<i>Biggest impact by industry</i>	(%)	(%)	(%)
ConocoPhillips	0.70	15.6	0.09
Marathon Petroleum	0.16	-8.2	0.07

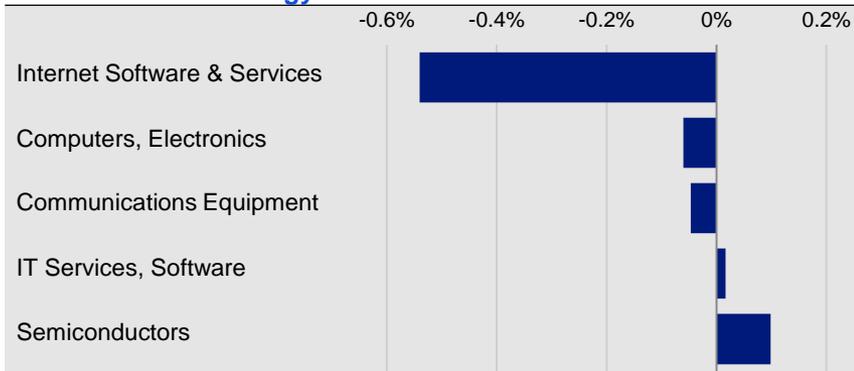
Stock	Active Weight	Total Return	Contribution
<i>Biggest impact by industry</i>	(%)	(%)	(%)
FedEx	-0.25	-34.7	0.09
General Electric	-0.37	-42.5	0.22
Southwest Airlines	-0.13	-28.2	0.04

Industry & stock detail for biggest detractors

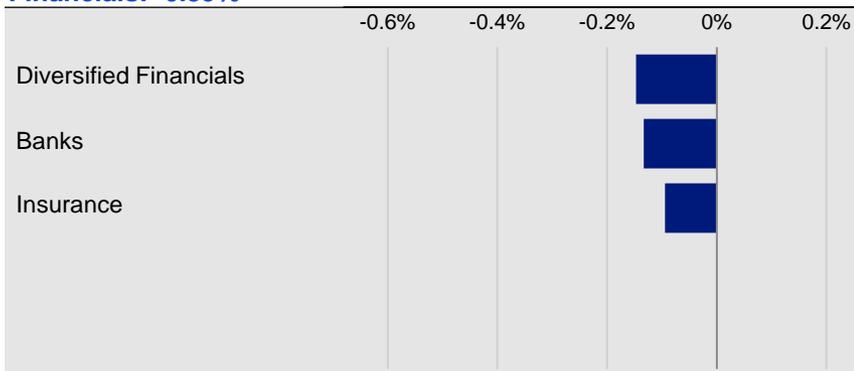
2018



Information Technology: -0.44%



Financials: -0.39%



■ Contribution to excess return

Stock	Active Weight	Total Return	Contribution
<i>Biggest impact by industry</i>			
	(%)	(%)	(%)
Amazon.com	-0.39	28.4	-0.29
Seagate Technology	0.26	-18.0	-0.09
Cisco Systems	0.20	16.6	-0.03

Stock	Active Weight	Total Return	Contribution
<i>Biggest impact by industry</i>			
	(%)	(%)	(%)
Ameriprise Financial	0.41	-36.8	-0.15
SunTrust Banks	0.22	-19.8	-0.10
Lincoln National	0.32	-32.0	-0.10

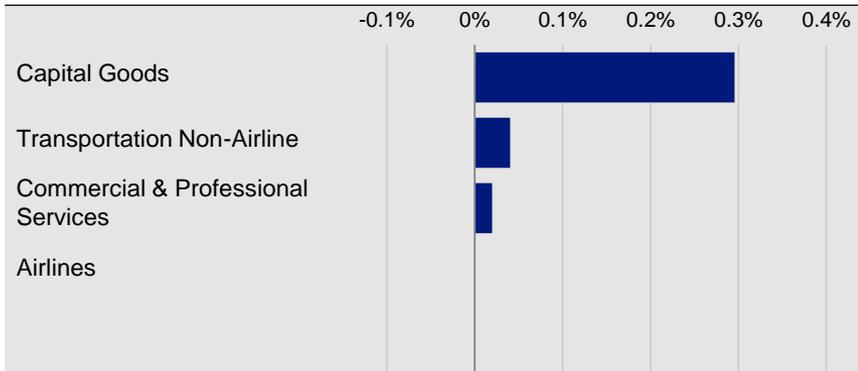
Source: FactSet Research Systems Inc. using a representative portfolio (sorted best to worst).

Industry & stock detail for biggest contributors

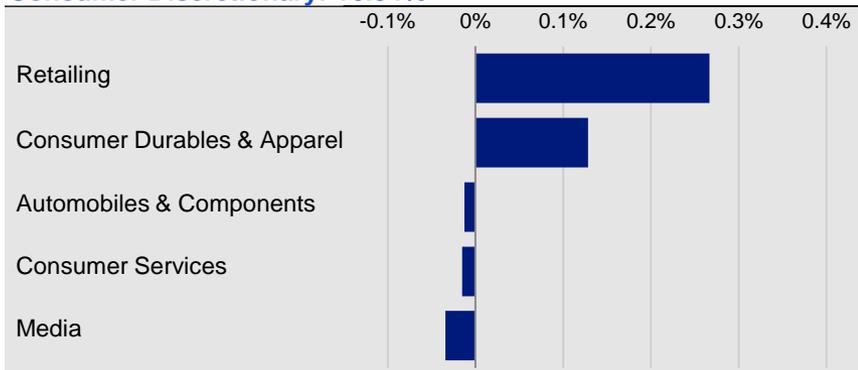
3 Year Summary



Industrials: +0.35%



Consumer Discretionary: +0.34%



■ Contribution to excess return

Stock	Active Weight	Total Return	Contribution
<i>Biggest impact by industry</i>	(%)	(%)	(%)
Boeing	0.64	34.2	0.25
United Parcel Service	-0.09	8.7	0.07
Waste Management	0.23	21.4	0.06
American Airlines Group	-0.10	-7.9	0.00

Stock	Active Weight	Total Return	Contribution
<i>Biggest impact by industry</i>	(%)	(%)	(%)
Best Buy	0.39	23.3	0.22
PVH	0.14	36.4	0.10

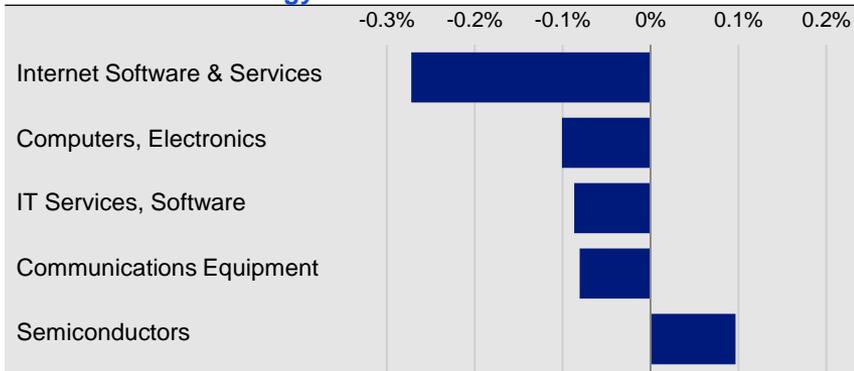
Source: FactSet Research Systems Inc. using a representative portfolio (sorted best to worst).

Industry & stock detail for biggest detractors

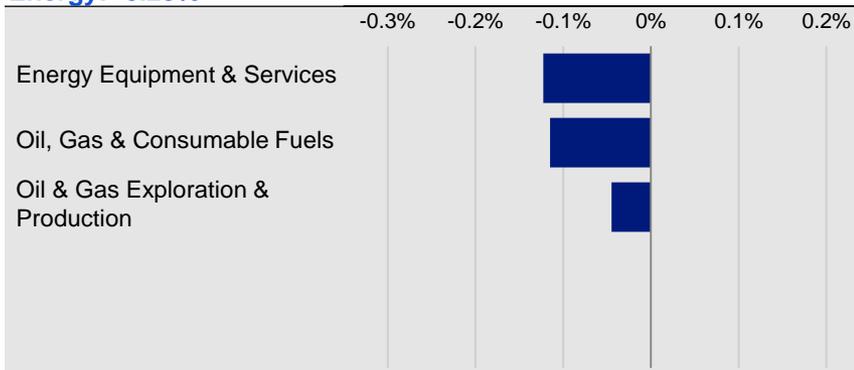
3 Years Summary



Information Technology: -0.40%



Energy: -0.28%



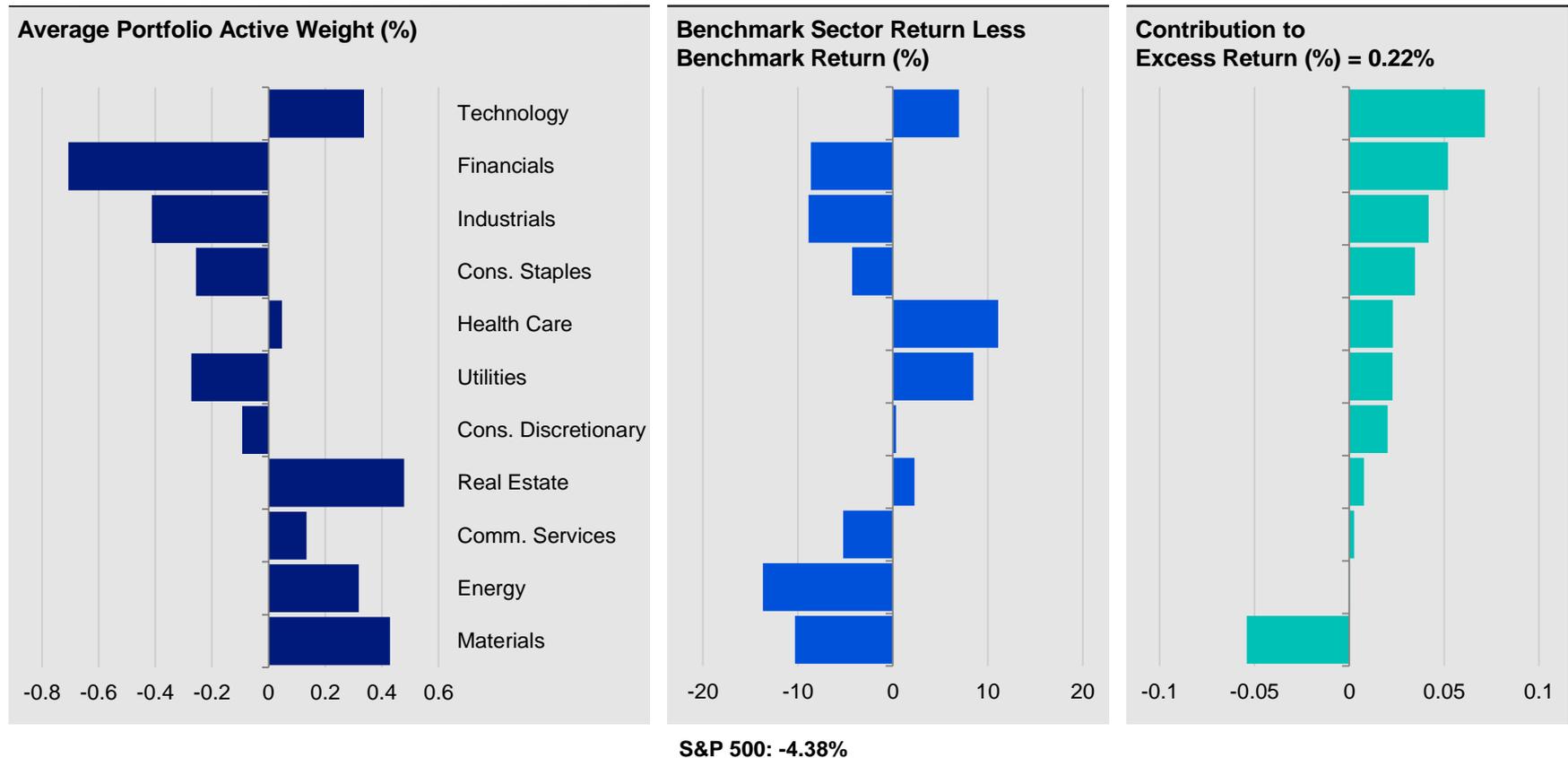
■ Contribution to excess return

Stock	Active Weight	Total Return	Contribution
<i>Biggest impact by industry</i>	(%)	(%)	(%)
Amazon.com	-0.42	30.5	-0.18
Seagate Technology	0.14	-18.3	-0.12
Nuance Communications	0.10	-18.5	-0.08
Juniper Networks	0.17	-4.3	-0.03

Stock	Active Weight	Total Return	Contribution
<i>Biggest impact by industry</i>	(%)	(%)	(%)
Transocean	0.11	-54.7	-0.17
Andeavor	0.02	-22.9	-0.18
Anadarko Petroleum	-0.03	-46.9	-0.19

Source: FactSet Research Systems Inc. using a representative portfolio (sorted best to worst).

Contribution from sector exposures 2018

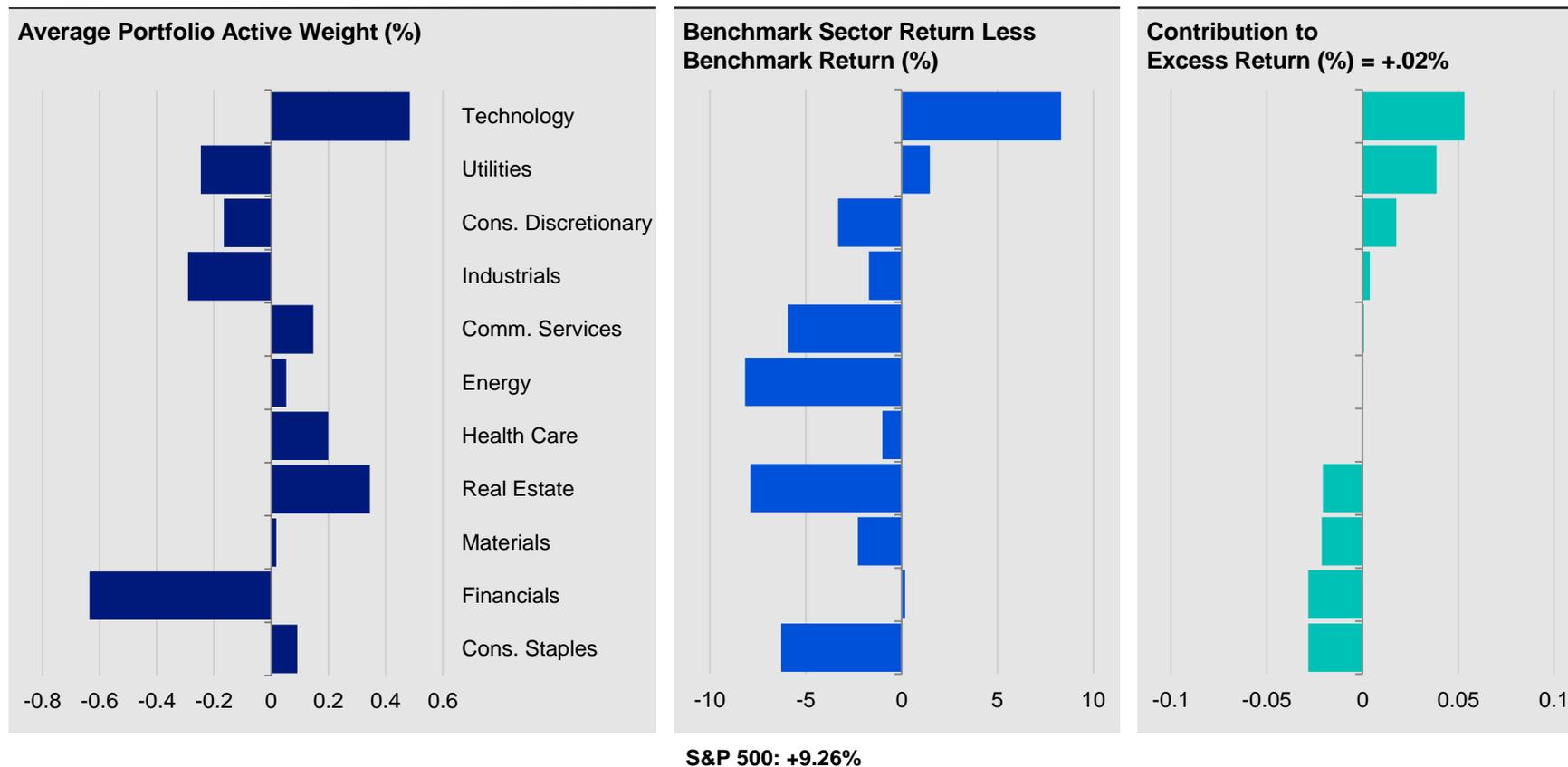


US Enhanced 1% Risk sorted best to worst by return impact.

The above portfolio characteristics are derived from a representative portfolio using FactSet Research Systems Inc. The information is subject to change and current holdings may differ.

Contribution from sector exposures

3 years ending December 31, 2018



US Enhanced 1% Risk sorted best to worst by return impact.

The above portfolio characteristics are derived from a representative portfolio using FactSet Research Systems Inc. The information is subject to change and current holdings may differ.

Ten biggest contributors and detractors

2018



Biggest Contributors

Name	Sector	Active Weight	Contribution to Excess Return
General Electric	Industrials	-0.37%	0.22%
Boeing	Industrials	0.71%	0.19%
Wells Fargo	Financials	-0.62%	0.14%
Philip Morris Intl	Consumer Staples	-0.44%	0.14%
VeriSign	Information Technology	0.30%	0.13%
NVIDIA	Information Technology	-0.43%	0.12%
Kohl's	Consumer Discretionary	0.52%	0.11%
FirstEnergy	Utilities	0.48%	0.10%
Exelon	Utilities	0.55%	0.09%
ConocoPhillips	Energy	0.70%	0.09%

Biggest Detractors

Name	Sector	Active Weight	Contribution to Excess Return
Amazon.com	Information Technology	-0.39%	-0.29%
Netflix	Communication Services	-0.33%	-0.15%
Ameriprise Financial	Financials	0.41%	-0.15%
Textron	Industrials	0.18%	-0.15%
Freeport-McMoran	Materials	0.25%	-0.14%
Liberty Global	Communication Services	0.30%	-0.14%
Cigna	Health Care	0.14%	-0.12%
LyondellBasell Industries	Materials	0.39%	-0.12%
Huntsman	Materials	0.25%	-0.12%
SunTrust Banks	Financials	0.22%	-0.10%

This portfolio is actively managed. This is not a complete listing of portfolio holdings. The above portfolio characteristics are derived from a representative portfolio using FactSet Research Systems Inc. The information is subject to change and current holdings may differ. It should not be assumed that any of the securities transactions, holdings, investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the past.

Ten biggest contributors and detractors

3 years ending December 31, 2018



Biggest Contributors

Name	Sector	Active Weight	Contribution to Excess Return
Boeing	Industrials	0.64%	0.25%
NVIDIA	Information Technology	-0.11%	0.22%
Best Buy	Consumer Discretionary	0.39%	0.22%
Applied Materials	Information Technology	0.19%	0.19%
Staples	Consumer Discretionary	0.11%	0.18%
General Electric	Industrials	-0.33%	0.18%
Canadian Natural Resources	Energy	0.10%	0.15%
Annaly Capital Management	Financials	0.16%	0.15%
HP	Information Technology	0.36%	0.13%
Newfield Exploration	Energy	0.04%	0.13%

Biggest Detractors

Name	Sector	Active Weight	Contribution to Excess Return
Regeneron Pharmaceuticals	Health Care	-0.09%	-0.25%
Anadarko Petroleum	Energy	-0.03%	-0.19%
Andeavor	Energy	0.02%	-0.18%
Amazon.com	Information Technology	-0.42%	-0.18%
AmerisourceBergen	Health Care	0.00%	-0.17%
Transocean	Energy	0.11%	-0.17%
Textron	Industrials	0.03%	-0.15%
United Therapeutics	Health Care	0.09%	-0.13%
Bunge	Consumer Staples	0.10%	-0.12%
Huntsman	Materials	0.08%	-0.12%

This portfolio is actively managed. This is not a complete listing of portfolio holdings. The above portfolio characteristics are derived from a representative portfolio using FactSet Research Systems Inc. The information is subject to change and current holdings may differ. It should not be assumed that any of the securities transactions, holdings, investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the past.

US Enhanced 1% Risk composite

Schedule of investment performance



	Gross Rate of Return (%)	Net Rate of Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets (USD millions)	Total Firm Assets ¹ (USD billions)	Composite Dispersion (%)
2017	22.20	21.84	21.83	10.24	10.07	5	763.8	660.3	0.04
2016	11.36	11.02	11.96	10.83	10.74	4	255.7	599.0	0.02
2015	0.02	-0.28	1.38	10.65	10.62	5	301.0	575.1	0.09
2014	14.25	13.91	13.69	9.28	9.10	5	395.6	584.9	0.17
2013	33.97	33.57	32.39	12.13	12.11	5	431.1	572.8	0.03
2012	15.37	15.02	16.00	15.10	15.30	5	326.6	497.1	0.03
2011	3.92	3.61	2.11	18.63	18.97	5	290.2	479.8	0.02
2010	12.70	12.37	15.06	21.68	22.16	7	619.8	475.3	0.09
2009	24.70	24.33	26.46	19.49	19.91	9	639.3	298.2	0.37
2008	-34.79	-34.98	-37.00	15.14	15.29	9	484.3	254.6	0.29

Annualized Compound Rates of Return Ending December 31, 2017:

	Gross Rate of Return (%)	Net Rate of Return (%)	Benchmark Return (%)
1 Year	22.20	21.84	21.83
2 Year	16.65	16.30	16.79
3 Year	10.82	10.49	11.41
4 Year	11.67	11.34	11.98
5 Year	15.81	15.46	15.79
10 Year	8.63	8.31	8.50
Since Incept (3/31/1996)	9.17	8.85	8.79

¹ Please see important composite notes on following page
Returns less than one year are not annualized.

US Enhanced 1% Risk

Composite notes: GIPS® compliant



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 1st January 2003 through 31st December 2017. 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.

Notes:

- 1 *Invesco Worldwide, the Firm, is defined as follows: 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.*
- 2 *The U.S. Enhanced 1% Risk product was developed for investors that want consistent index-relative results. Our goal was to create a strategy that could deliver the value added expected from traditional active managers, but at much lower levels of index-relative volatility (tracking error).*
- 3 *The Composite returns are benchmarked to the Standard & Poor's 500 Index. The benchmark is used for comparative purposes only and generally reflects the risk or investment style of the product. Investments made by the Firm for the portfolios it manages according to respective strategies may differ significantly in terms of security holdings, industry weightings, and asset allocation from those of the benchmark. Accordingly, investment results and volatility will differ from those of the benchmark.*
- 4 *The minimum portfolio size for the Composite is \$2,000,000.*
- 5 *Stock index futures may be used to equitize cash balances as permitted by the client. Leverage is not permitted.*
- 6 *Gross-of-fee performance results are presented before management and custodial fees but after all trading commissions and withholding taxes on dividends, interest and capital gains, when applicable. Net-of-fee performance results are calculated by subtracting the highest tier of our published fee schedule for the product from the monthly returns. The management fee schedule is as follows: 30 basis points on the first \$50 million, 25 basis points on the next \$50 million, 23 basis points on the next \$100 million, 20 basis points thereafter.*
- 7 *Composite dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year. It is considered not meaningful for composites with fewer than three portfolios during the year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36 months. The standard deviation is not presented when there is less than 36 months.*
- 8 *Valuations and portfolio total returns are computed and stated in U.S. Dollars. The Firm consistently values all portfolios each day on a trade date basis. Portfolio level returns are calculated as time-weighted total returns on daily basis. Accrual accounting is used for all interest and dividend income. Past performance is not an indication of future results.*
- 9 *The composite creation date is March 31, 1996.*
- 10 *A complete list of composite descriptions is available upon request. Policies for valuing portfolios, calculating performance, and preparing compliant presentations is available upon request.*