



## Invesco International Equity Portfolio

### Fourth Quarter

#### Current Portfolio Positioning

Global equity markets posted their second best calendar-year result of the decade in 2009, with the MSCI EAFE<sup>®</sup> Index gaining 31.8% in the period. The index recorded a more moderate return of 2.2% in the fourth quarter, consolidating the prior gains associated with the extraordinary central bank stimulus measures and improvement in the global economy. Invesco International Equity Portfolio outperformed the index in the fourth quarter.

#### Portfolio Management Team

Invesco International Equity Portfolio uses a team-based approach in making investment decisions. The portfolio management team has a total average of 17 years of industry experience.

Our investment process focuses on three areas, which include a financial and valuation assessment, global sector-based research based on primary company contact and team-based portfolio decisions.

Europe continued to lead non-U.S. equity markets in the fourth quarter, with the MSCI Europe Index<sup>SM</sup> returning 3.2% in the period and outperforming for the calendar year as well. The region's economic growth has clearly stabilized during 2009, with the exception of more indebted countries such as the United Kingdom, Spain and Ireland. Continental Europe's relative financial strength has also improved somewhat during the crisis, as its extraordinary stimulus measures were less costly than those implemented by the United States. Nonetheless, the increasingly vulnerable predicament of peripheral countries such as Greece, which experienced a downgrade in sovereign debt late in the year, poses ongoing challenges. The portfolio benefited from favorable stock selection in continental Europe in 2009, although results in the United Kingdom failed to keep pace with the broader market.

Japan, having held up far better than other major developed markets during 2008, lagged the MSCI EAFE Index in the fourth quarter, as it has throughout the year, with the MSCI Japan Index<sup>SM</sup> declining 2.8%. In part this reflects the export-sensitivity of the Japanese economy, which has hindered stabilization in this part of the world. Further, renewed deflationary pressures in Japan are an added burden to the already vulnerable domestic economy. Invesco International Equity Portfolio enjoyed favorable results from Japan in 2009, driven primarily by stock selection but also by an underweighted exposure to the market.

Emerging markets rebounded most strongly of all during 2009, ending the year with an 8.6% gain in the fourth quarter for the MSCI Emerging Markets Index<sup>SM</sup>. Gross domestic product in these markets has grown at a far faster clip than in developed economies, and has been the primary driver of bullish sentiment. The asset class has also benefited from the return to more normal risk appetite levels.

Non-U.S. equities, as measured by the MSCI EAFE Index, have rebounded by a remarkable 78% from the lows achieved in March 2009, a notable outcome by historical standards. Although the rebound was entirely justifiable due to the marked change in the macroeconomic and capital markets environment, we believe equities are now fairly valued on a variety of measures, and further significant gains in equity markets may be difficult to achieve. With above-average volatility likely to persist for some time, we believe our investment approach appears well suited for current market conditions.

#### FOR PUBLIC USE

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

This information has been provided by Invesco Global Asset Management (N.A.), Inc. 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 and should not be relied upon as the sole factor in an investment-making decision. The views and opinions expressed are those of the portfolio manager at the time of publication and are subject to change. There is no guarantee that these views will come to pass. As with all investments there are associated inherent risks. Please obtain and review all financial material carefully before investing. Past performance does not guarantee future results.

## Invesco International Equity (Tax-Exempt Managed Accounts) Composite

Period	"Pure" Gross Return*	Net Return	MSCI EAFE® Index Return	Number of Portfolios (Sponsor level)**	Composite Assets (USD millions)	Total Firm Assets <sup>1</sup> (USD billions)	Composite Dispersion	% Wrap Accounts
2009	31.05%	27.25%	31.78%	12	\$367	N/A	N/A	100%
2008	-39.80	-41.66	-43.38	15	352	\$254.6	0.59%	100
2007	8.33	5.15	11.17	15	787	328.6	0.07	100
2006	25.70	22.05	26.34	14	785	243.8	0.40	100
2005	13.06	9.74	13.54	14	627	174.6	0.42	100
2004	20.41	16.90	20.25	12	468	168.0	0.34	100
2003	33.06	29.21	38.59	12	424	161.4	0.59	100
2002	-11.68	-14.32	-15.94	10	392	9.3	0.35	100
2001	-15.09	-17.64	-21.44	8	485	8.8	0.71	100
2000	-9.38	-12.09	-14.17	8	469	10.4	0.78	100

### Annualized Compound Returns

Period	"Pure" Gross Return*	Net Return	MSCI EAFE Index Return
4Q09	3.52%	2.75%	2.18%
3Q09	17.68	16.84	19.47
2Q09	24.49	23.63	25.43
1Q09	-13.59	-14.27	-13.94
1 Year	31.05	27.25	31.78
3 Years	-5.33	-8.15	-6.04
5 Years	3.81	0.74	3.54
10 Years	2.76	-0.28	1.17
Since Inception (11/30/93)	7.45	4.28	5.53

Returns less than one year are not annualized.

\* "Pure" gross of fees returns are supplemental to net returns. See note 7.

\*\* Number of portfolios represents the number of sponsor platforms for which Invesco manages money in this style.

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 all Invesco firms outside of North America, combined with two major Invesco firms within the U.S., Invesco Institutional (N.A.), Inc. ("IINA"), and Invesco Global Asset Management (N.A.), Inc. ("IGNA"). The Firm was incepted on Jan. 1, 2003. For periods prior to Jan. 1, 2006, the Firm excluded the managed account businesses within IINA and IGNA. From that date forward, these portfolios are included within the Firm definition. During 2006, the Firm completed a project to bring its stable value portfolios into compliance retroactively effective from Jan. 1, 2001. During 2007, the Firm incorporated the fixed-income business of Invesco Aim, an affiliate of IINA and IGNA, into its operating structure and currently includes this business, with the exception of the fixed-income portion of balanced accounts managed by Invesco Aim, which are excluded from Firm assets, within its Firm definition. Historic assets under management prior to 2006 and 2007, respectively, have not been restated to reflect these extensions of the Firm definition. IINA and IGNA were verified from Jan. 1, 2001, and Jan. 1, 1995, respectively. The ex-North America Invesco firms (previously defined separately for performance reporting purposes as "Invesco Global") were verified from Jan. 1, 1997. All verifications have been completed through Dec. 31, 2006. Composite history and Firm assets prior to Jan. 1, 2003, are those of its respective components. All entities within the Firm are directly or indirectly owned by Invesco Ltd. GIPS-compliant firms whose assets are managed by subsidiaries of Invesco Ltd. are Invesco Worldwide, Invesco Aim Private Asset Management, Inc., Invesco Trimark, Invesco Aim U.S., and Atlantic Trust. Invesco Senior Secured Management, Inc. and Invesco Private Capital, Inc. are affiliates of the Firm. Each is an SEC-registered investment adviser and is marketed as a separate entity. Their assets are excluded from total Firm assets.
- Prior to Jan. 1, 2006, the Firm does not claim GIPS compliance for its managed account business including this composite because not all portfolios were allocated to a composite.
- The International Equity product targets to add value by focusing primarily on stock selection in the global equity markets that is driven by precise financial, valuation and global sector-based research criteria. We are committed to a long-term investment horizon based on low rates of portfolio turnover. Risk management efforts are employed at the stock and portfolio level to seek predictable and consistent returns relative to the benchmark over time.
- The Composite returns are benchmarked to the Morgan Stanley Capital International, Europe Australasia Far East (Net) 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.
- 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 a daily basis. Accrual accounting is used for all interest and dividend income. Past performance is not an indication of future results.
- Composite dispersion is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year.
- "Pure" gross-of-fees returns are supplemental to net returns. "Pure" gross-of-fees returns do not reflect the deduction of any expenses, including trading costs, but after withholding taxes on dividends, interest and capital gains, when applicable. **Net-of-fee performance results are calculated by subtracting the highest applicable Wrap fee (3% on an annual basis) from the monthly returns.** Wrap fee includes all charges for trading costs, portfolio management, custody and other administrative fees. The highest standard fee schedule in effect is 3.00% of total assets.
- The composite creation date is Nov. 30, 1993.
- There is no minimum portfolio size constraint for this composite.
- Foreign currency exchange rates for calculation of the benchmark are based on the WM/Reuters Closing Spot Rates™ that are fixed at approximately 4 p.m. London time. The composite calculations are based on exchange rates utilizing a 4 p.m. New York, 9 p.m. London time price.
- The benchmark is net of withholding tax based on the maximum tax rate applicable to institutional investors. The composite returns are net of withholding taxes based on actual withholding taxes deducted from the individual portfolios in the composite. Withholding taxes deducted from portfolios in the composite may vary depending on domicile of the individual clients.
- 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.

**FOR PUBLIC USE**

## Supplemental Information to Invesco International Equity (Tax-Exempt Managed Accounts) Composite

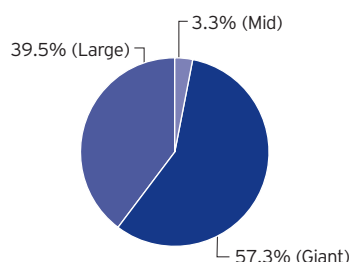
Portfolio Characteristics	Portfolio	MSCI EAFE Index
Number of Holdings	64	957
Weighted Average Return on Equity	14.7%	12.3%
Weighted Harmonic Average 12-Month Forward P/E	11.2	13.2
Weighted Harmonic Average 12-Month Trailing P/E	14.0	17.8
Weighted Average Price/Book	2.1	2.4
Weighted Average Dividend Yield	3.5%	3.1%
Weighted Average Market Cap (\$M)	\$57,228	\$53,111
Median Market Cap (\$M)	\$35,941	\$6,261
Turnover Ratio (trailing 12 months)	34.32%	N/A
Emerging Market Exposure	6.71%	N/A

Portfolio characteristics are subject to change.

Top Countries (% of total)	Portfolio	MSCI EAFE Index
1. United Kingdom	21.3	21.3
2. Japan	17.7	20.7
3. France	9.0	10.5
4. Switzerland	8.4	7.7
5. Netherlands	6.7	2.9
6. Canada	5.2	0.0
7. Spain	5.0	4.6
8. Australia	4.7	8.4
9. Germany	4.5	8.1
10. Hong Kong	4.2	2.3

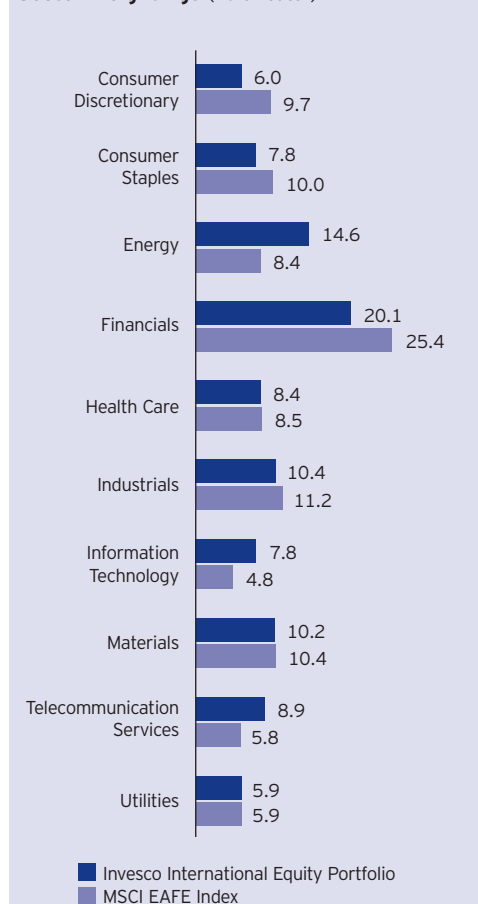
Performance Characteristics (five year)	
Alpha (vs. MSCI EAFE Index)	0.38%
Beta (vs. MSCI EAFE Index)	0.92
R <sup>2</sup> (vs. MSCI EAFE Index)	0.97
Information Ratio	0.13
Sharpe Ratio	0.07
Standard Deviation	
Portfolio	18.37%
Benchmark	19.63%

### 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.

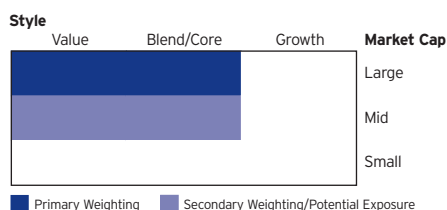
### Sector Weightings (% of total)



### Asset Allocation

	12/31/09	9/30/09	6/30/09
Stocks	98.3%	97.1%	96.5%
Cash/Other	1.7	2.9	3.5

### Investment Map



The map illustrates areas in which the portfolio typically invests, not necessarily within a limited period of time. This portfolio is not classified with regard to one primary style.

## FOR PUBLIC USE

Sources: Invesco, Invesco Aim, Lipper Inc., Mellon Analytical Solutions, Compustat, Thomson Financial, StyleADVISOR, Morningstar Inc., MSCI Inc. ©2010 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. ■ Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent. ■ The portfolio holdings are organized according to the Global Industry Classification Standard, which was developed by and is the exclusive property and service mark of MSCI Inc. and Standard & Poor's.

