



# Invesco second quarter 2018 results

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July 26, 2018



# Forward-looking statements



This presentation, and comments made in the associated conference call today, may include “forward-looking statements.” Forward-looking statements include information concerning future results of our operations, expenses, earnings, liquidity, cash flow and capital expenditures, industry or market conditions, AUM, geopolitical events and their potential impact on the company, acquisitions and divestitures, debt and our ability to obtain additional financing or make payments, regulatory developments, demand for and pricing of our products and other aspects of our business or general economic conditions. In addition, words such as “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates,” “projects,” “forecasts,” and future or conditional verbs such as “will,” “may,” “could,” “should,” and “would” as well as any other statement that necessarily depends on future events, are intended to identify forward-looking statements.

Forward-looking statements are not guarantees, and they involve risks, uncertainties and assumptions. There can be no assurance that actual results will not differ materially from our expectations. We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks described in our most recent Form 10-K and subsequent Forms 10-Q, filed with the Securities and Exchange Commission.

You may obtain these reports from the SEC’s website at [www.sec.gov](http://www.sec.gov). We expressly disclaim any obligation to update the information in any public disclosure if any forward-looking statement later turns out to be inaccurate.

# Presentation of second quarter 2018 results



This presentation includes the following non-GAAP performance measures: net revenue (and by calculation, net revenue yield on AUM), adjusted operating income, adjusted operating margin, adjusted net income attributable to Invesco Ltd., and adjusted diluted earnings per share (EPS). We believe the adjusted measures provide valuable insight into our ongoing operational performance and assist in comparisons to our competitors. These measures also assist management with the establishment of operational budgets and forecasts and assist the Board of Directors and management in determining incentive compensation decisions. The most directly comparable U.S. GAAP measures are operating revenues (and by calculation, gross revenue yield on AUM), operating income, operating margin, net income attributable to Invesco Ltd., and diluted EPS.

The information in this presentation is meant to supplement the information contained in the earnings release and includes a more detailed reconciliation format of the income statement from U.S. GAAP to a non-GAAP presentation. We believe that this presentation is useful, as it aggregates the various non-GAAP adjustments to illustrate adjusted revenue and expense categories and allows more transparency into the calculation of the non-GAAP financial measures.

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**Second quarter overview**

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Strengthening competitive advantage for growth

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Appendix

# Highlights for today's discussion



- Achieved gross sales of \$54.4 billion during the quarter, up 32% from second quarter 2017. Redemptions up as well, reflecting market dynamics
- Market dynamics impacting near-term relative performance in three of Invesco's value-based equity strategies that we're confident will see improved performance when markets normalize
- Completed the acquisition of Guggenheim Investments' ETF business, further expanding and strengthening our comprehensive suite of ETFs
- Expanded our presence in the digital solutions market with the acquisition of Intelliflo, the No. 1 technology platform for financial advisors in the UK<sup>1</sup>
- Working to further enhance Invesco's position as a highly differentiated investment manager with numerous competitive advantages
- Continue investing in key growth drivers to meet client needs, strengthen competitive advantage and grow our business over the near-, medium- and long-term, while remaining focused on maintaining financial strength

<sup>1</sup> Platform - Adviser Market: Fintech and Digital, January 2018 report

# Second quarter overview – highlights



## Investment Performance

- 70% and 71% of actively managed assets in top half of peer group on a 3- and 5-year basis

## Assets under management

- June 30, 2018 AUM of \$963.3 billion, up from \$934.2 billion at March 31, 2018
- Average AUM was \$973.9 billion, up from \$951.3 billion for the first quarter of 2018

## Flows

- Gross sales of \$54.4 billion, up 32% versus second quarter 2017
- Gross redemptions of \$62.4 billion, up 53% versus second quarter 2017 driven by broader market dynamics
- Long-term net outflows of \$8.0 billion
- Total net outflows of \$6.2 billion

## Overall adjusted operating results\*

- Adjusted operating income was \$376.6 million, up from \$357.3 million in the prior quarter
- Adjusted operating margin was 38.7% in the quarter, up from 37.3% in the prior quarter
- Adjusted diluted EPS for the quarter was \$0.66 versus \$0.67 in the prior quarter

## Capital management

- Returned \$124 million to shareholders during the second quarter through dividends
- Quarterly dividend of \$0.30 per share, up 3.4% over the prior year
- Completed acquisition of Guggenheim Investments' ETF business and expanded presence in digital solutions market with acquisition of Intelliflo

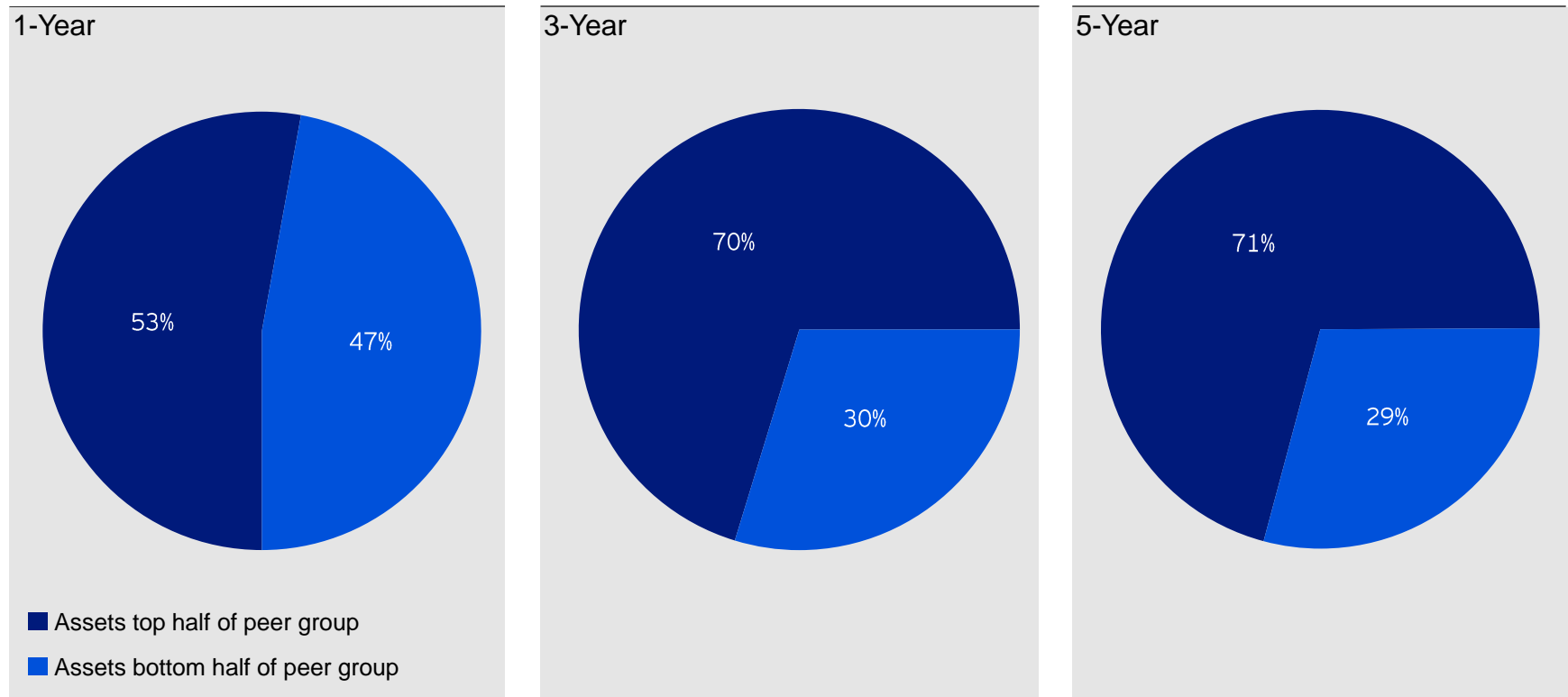
\* Non-GAAP financial measures - See Appendix to this presentation for a reconciliation to the most directly comparable U.S. GAAP financial measure.

# Investment performance – overview

## Aggregate performance analysis – asset weighted



### Percent of actively managed assets in top half of peer group\*

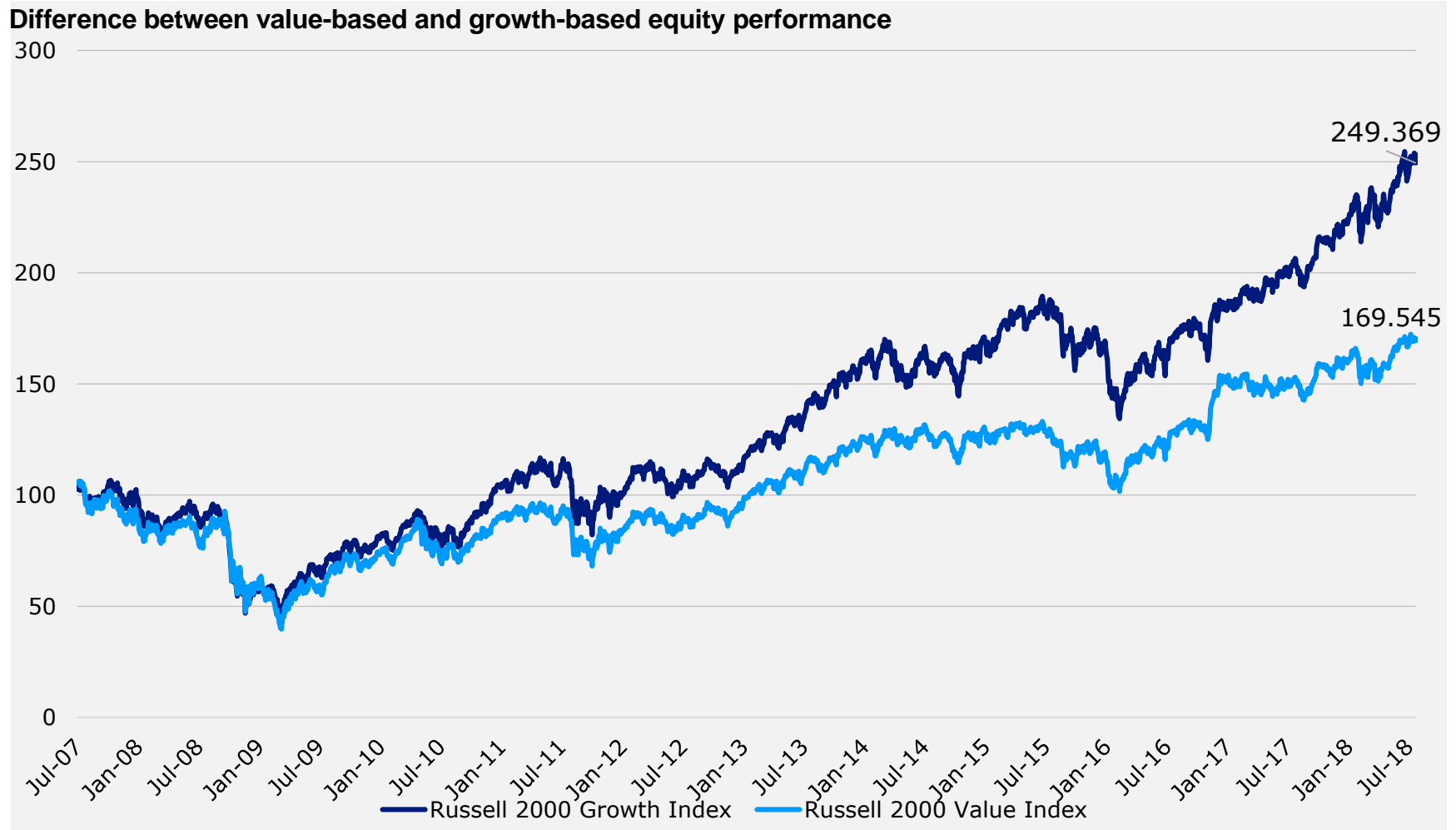


\* Excludes passive products, closed-end funds, private equity limited partnerships, non-discretionary funds, unit investment trusts, fund of funds with component funds managed by Invesco, stable value building block funds and CDOs. Certain funds and products were excluded from the analysis because of limited benchmark or peer group data. Had these been available, results may have been different. These results are preliminary and subject to revision.

Data as of 6/30/2018. Includes AUM of \$512.1 billion (53% of total IVZ) for 1 year, \$508.9 billion (53% of total IVZ) for three year, and \$475.2 billion (49% of total IVZ) for 5 year. Peer group rankings are sourced from a widely-used third party ranking agency in each fund's market (Lipper, Morningstar, IA, Russell, Mercer, eVestment Alliance, SITCA, Value Research) and asset-weighted in USD. Rankings are as of prior quarter-end for most institutional products and prior month-end for Australian retail funds due to their late release by third parties. Rankings are calculated against all funds in each peer group. Rankings for the primary share class of the most representative fund in each composite are applied to all products within each composite. Performance assumes the reinvestment of dividends. Past performance is not indicative of future results and may not reflect an investor's experience.

# A growing dispersion between value and growth performance

Value stocks out of favor in late stage of the bull market



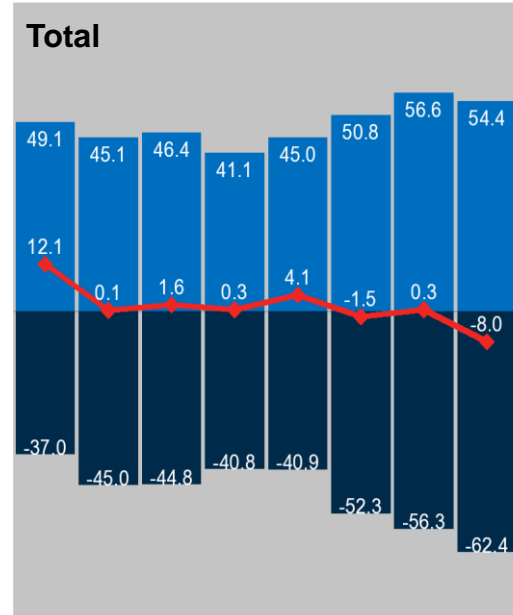
Source: Bloomberg data as of July 2018

# Quarterly long-term flows

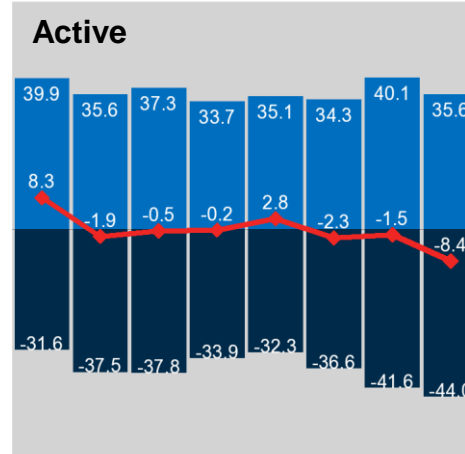
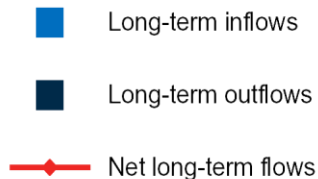
Strong gross sales offset by higher redemption levels



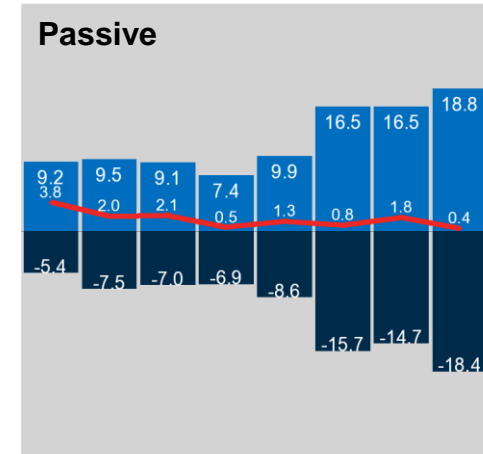
Quarterly long-term flows (\$billions)



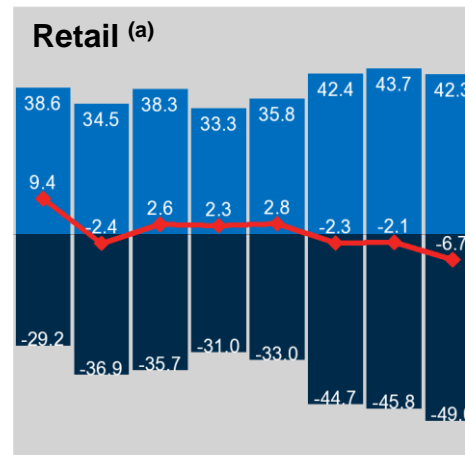
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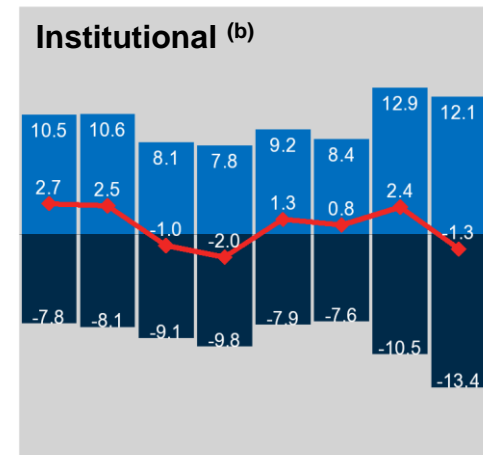
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3Q16 4Q16 1Q17 2Q17 3Q17 4Q17 1Q18 2Q18

(a) Retail AUM and flows are distributed by the company's retail sales team and generally includes retail products in the U.S., Canada, U.K., Continental Europe, Asia and our offshore product line. Retail AUM and flows excludes the Invesco QQQ product.

(b) Institutional AUM and flows are distributed by the company's institutional sales team and generally includes our institutional investment capabilities in the U.S., Canada, U.K., Continental Europe and Asia. Institutional excludes money market.

# Discussion topics



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Appendix

# Total assets under management – Q2-18 vs. Q1-18



(\$ billions)	Q2-18	Q1-18	% Change
<b>Beginning Assets</b>	<b>\$934.2</b>	<b>\$937.6</b>	<b>(0.4)%</b>
Long-Term Inflows	54.4	56.6	(3.9)%
Long-Term Outflows	(62.4)	(56.3)	10.8%
Long-Term Net Flows	(8.0)	0.3	N/A
Net flows in non-management fee earning AUM*	0.9	(0.4)	N/A
Net flows in Inst. Money Market Funds	0.9	0.4	125.0%
Total Net Flows	(6.2)	0.3	N/A
Reinvested distributions	0.7	0.6	16.7%
Market Gains and Losses	10.3	(12.2)	N/A
Acquisitions **	38.1	—	N/A
Foreign Currency Translation	(13.8)	7.9	N/A
<b>Ending Assets</b>	<b>\$963.3</b>	<b>\$934.2</b>	<b>3.1%</b>
Average Long-Term AUM	\$805.8	\$783.1	2.9%
Ending Long-Term AUM	\$795.4	\$771.6	3.1%
<b>Average AUM</b>	<b>\$973.9</b>	<b>\$951.3</b>	<b>2.4%</b>
Net Revenue Yield (annualized)****	40.0bps	40.3bps	
Net Revenue Yield Before Performance Fees (annualized)****	39.5bps	39.9bps	
Annualized long-term organic growth rate***	(4.1)%	0.2%	

\* Non-management fee earning AUM includes Invesco QQQ, UIT, and product leverage.

\*\* The acquisition of Guggenheim Investments' ETF business on April 6, 2018 added \$38.1 billion in AUM during the quarter.

\*\*\* Annualized long-term organic growth rate is calculated using long-term net flows (annualized) divided by opening long-term AUM for the period. Long-term AUM excludes institutional money market, Invesco QQQ, UIT, and non-fee earning leverage.

\*\*\*\* Non-GAAP financial measure - See the Appendix to this presentation for a reconciliation to the most directly comparable U.S. GAAP financial measure.

# US GAAP operating results – Q2-18 vs. Q1-18



(\$ millions)	Q2-18	Q1-18	% Change
<b>Operating Revenues</b>			
Investment Management Fees	1,050.5	1,043.7	0.7%
Service and Distribution Fees	242.9	246.1	(1.3)%
Performance Fees	11.6	9.1	27.5%
Other	55.6	56.9	(2.3)%
<b>Total Operating Revenues</b>	<b>1,360.6</b>	<b>1,355.8</b>	<b>0.4%</b>
<b>Operating Expenses</b>			
Third-Party Distribution, Service and Advisory Expenses	408.9	419.1	(2.4)%
Employee Compensation	381.1	390.4	(2.4)%
Marketing	32.8	28.1	16.7%
Property, Office and Technology	101.7	102.2	(0.5)%
General and Administrative	104.8	94.9	10.4%
<b>Total Operating Expenses</b>	<b>1,029.3</b>	<b>1,034.7</b>	<b>(0.5)%</b>
<b>Operating Income</b>	<b>331.3</b>	<b>321.1</b>	<b>3.2%</b>
<b>Other Income/(Expense)</b>			
Equity in Earnings of Unconsolidated Affiliates	7.3	9.7	(24.7)%
Interest and Dividend Income	2.8	4.2	(33.3)%
Interest Expense	(29.5)	(23.2)	27.2%
Other Gains and Losses, net	1.4	(5.4)	N/A
Other income/(expense) of CIP, net	0.9	27.2	(96.7)%
<b>Income before income taxes</b>	<b>314.2</b>	<b>333.6</b>	<b>(5.8)%</b>
Income Tax Provision	(72.3)	(68.4)	5.7%
Effective Tax Rate	23.0%	20.5%	
Net Income	241.9	265.2	(8.8)%
Net (Income)/Loss attributable to Noncontrolling Interests in Consolidated Entities	3.2	(11.3)	N/A
<b>Net Income attributable to Invesco Ltd.</b>	<b>245.1</b>	<b>253.9</b>	<b>(3.5)%</b>
Diluted EPS	\$0.59	\$0.62	(4.8)%
Operating Margin	24.3%	23.7%	
Average AUM (\$ billions)	973.9	951.3	2.4%
Headcount	7,315	7,134	2.5%

# Non-GAAP operating results – Q2-18 vs. Q1-18



(\$ millions)	Q2-18	Q1-18	% Change
<b>Adjusted Revenues</b>			
Investment Management Fees	1,074.0	1,066.8	0.7%
Service and Distribution Fees	242.9	246.1	(1.3)%
Performance Fees	12.9	9.1	41.8%
Other	57.0	58.1	(1.9)%
Third-Party Distribution, Service and Advisory Expenses	(412.8)	(422.1)	(2.2)%
<b>Net Revenues</b>	<b>974.0</b>	<b>958.0</b>	<b>1.7%</b>
<b>Adjusted Operating Expenses</b>			
Employee Compensation	383.2	389.5	(1.6)%
Marketing	32.8	28.7	14.3%
Property, Office and Technology	99.7	101.3	(1.6)%
General and Administrative	81.7	81.2	0.6%
<b>Total Adjusted Operating Expenses</b>	<b>597.4</b>	<b>600.7</b>	<b>(0.5)%</b>
<b>Adjusted Operating Income</b>	<b>376.6</b>	<b>357.3</b>	<b>5.4%</b>
<b>Adjusted Other Income/(Expense)</b>			
Equity in Earnings of Unconsolidated Affiliates	4.9	7.6	(35.5)%
Interest and Dividend Income	2.7	5.4	(50.0)%
Interest Expense	(29.5)	(23.2)	27.2%
Other Gains and Losses, net	(10.7)	(2.1)	409.5%
<b>Adjusted Income before income taxes</b>	<b>344.0</b>	<b>345.0</b>	<b>(0.3)%</b>
Income Tax Provision	(70.9)	(71.1)	(0.3)%
Effective Tax Rate	20.6%	20.6%	
<b>Adjusted Net Income attributable to Invesco Ltd.</b>	<b>273.1</b>	<b>273.9</b>	<b>(0.3)%</b>
Adjusted Diluted EPS	\$0.66	\$0.67	(1.5)%
Adjusted Operating Margin	38.7%	37.3%	
Average AUM (\$ billions)	973.9	951.3	2.4%
Headcount	7,315	7,134	2.5%

Non-GAAP financial measures - See the Appendix to this presentation for a reconciliation to the most directly comparable U.S. GAAP financial measure.

# Discussion topics



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Appendix

# Several macro-trends are transforming the investment management industry



## Macro themes

**Client sophistication** – Clients are seeking greater transparency, enhanced service, and outcomes-based partnerships

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**Next-generation passives** – Passives have proliferated, but the market is evolving beyond cap-weighted indices

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**Differentiated active** – Growth in “specialty” active assets continues, particularly in private markets and multi-asset strategies

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**Technology and innovation** – Data analytics and technology capabilities are becoming a source of competitive advantage

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**Scale and consolidation** – Asset managers are facing increased costs and revenue pressures

# Our key strengths position us ahead of key trends within the industry



## Elements of our strong foundation

## Differentiated strengths

### Investment platform

- High-quality, tenured teams in key locations across the globe with proven and consistent track records
- Broad diversity of high-conviction investment perspectives (>80% active share in active equity portfolios<sup>1</sup>) delivering outperformance over market cycles

### Comprehensive capabilities

- Comprehensive range of product offerings across all asset classes and vehicles, with a market-leading presence in fast-growing segments, including alternatives/multi-asset (\$202.9 billion) and ETFs/ smart beta (\$211 billion)

### Global/local distribution

- Long-established local presence and deep client connectivity in key markets around the world, including rapidly growing markets such as China
- On-the-ground presence in 25 countries, serving clients in more than 120 countries

### Technology and scale

- Extensive use of enterprise centers to drive efficiency and innovation, common platforms to align processes and reduce risk, and a demonstrated ability to commercialize technologies for the benefit of clients

### Solutions capability

- Market-leading solutions capability that draws on our comprehensive range of capabilities to deliver key outcomes aligned to the needs of wealth management platforms and institutions

Source: Invesco data from affiliated entities as of June 30, 2018.

# We continue to invest to strengthen our competitive advantage and grow the business long term



Key driver	Opportunity	Invesco position	Recent highlights
ETFs	<ul style="list-style-type: none"> <li>A \$5 trillion market<sup>1</sup> expected to continue to grow rapidly</li> <li>Our aspiration is to become the global ETF factor leader in market share</li> </ul>	<ul style="list-style-type: none"> <li>\$211 billion in global ETF AUM; fourth-largest ETF provider globally</li> <li>#2 in smart beta AUM globally<sup>2</sup>, leveraging our factor capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Launched a new suite of 8 fixed income factor ETFs that combine passive and active capabilities</li> <li>Move to a unified, global brand</li> <li>Strong momentum post acquisition for Source and Guggenheim</li> </ul>
Factors	<ul style="list-style-type: none"> <li>Significant addressable market expected to continue to grow rapidly</li> <li>Our aspiration is to be a global market leader in delivering factor capabilities to clients</li> </ul>	<ul style="list-style-type: none"> <li>Currently manage more than \$160 billion in factor strategies<sup>3</sup> for clients around the world, key to our success in quantitative strategies, smart beta and solutions capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Leveraging 40 years' factor experience across multiple investment teams to meet client needs (e.g., fixed income factor ETFs launched in July 2018)</li> </ul>
Solutions	<ul style="list-style-type: none"> <li>As of 2017, the size of multi-asset solutions market worldwide was \$10.2 trillion<sup>4</sup></li> <li>Our ambition is to become the leader in customized solutions in market share and reputation</li> </ul>	<ul style="list-style-type: none"> <li>Strong ability to identify client needs and create differentiated outcomes based on different objectives</li> </ul>	<ul style="list-style-type: none"> <li>Depth, experience and dedication of resources (150+ professionals)</li> <li>Ability to create customized solutions across all risk dimensions</li> <li>Integrated into retail/institutional distribution and digital teams</li> </ul>

Source: All information is Invesco data as of June 30, 2018, unless otherwise stated or footnoted.

1. SimFund, McKinsey analysis as of March 2018.

2. PowerShares Strategy & Research, as of June 30, 2018.

3. PowerShares Strategy & Research, as of June 30, 2018. Includes smart beta AUM and Invesco Quantitative Strategies managed products.

4. Citigroup, Invesco Product Strategy, Research and Development. Data as of 2017.

# We continue to invest to strengthen our competitive advantage and grow the business long term



Key driver	Opportunity	Invesco position	Recent highlights
<b>Digital advice</b>	<ul style="list-style-type: none"> <li>▪ In 2022, 66% of global AUM are expected to be advisor assisted<sup>1</sup></li> <li>▪ We aspire to be a global market leader in digital advice to facilitate and strengthen relationships with key prospects and clients</li> </ul>	<ul style="list-style-type: none"> <li>▪ Early mover and an industry leader in digital advice market with acquisition of Jemstep in early 2016</li> <li>▪ Strongly positioned in UK digital advice market with June acquisition of Intelliflo, the #1 technology platform for financial advisors in the UK</li> <li>▪ Open architecture platform</li> </ul>	<ul style="list-style-type: none"> <li>▪ Jemstep is live with 20+ clients and prepping for 2H 2018 US rollout with two additional major banks</li> <li>▪ Strong post-acquisition momentum for Intelliflo</li> <li>▪ Primed for global expansion of our digital advice capability</li> </ul>
<b>Institutional</b>	<ul style="list-style-type: none"> <li>▪ Global institutional AUM were \$45 trillion in 2017, expected to grow at a 5.3% CAGR through 2021<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Broad investment capabilities across all asset classes, coupled with solutions team</li> <li>▪ \$327.8 billion in institutional AUM, up 32% in five years</li> </ul>	<ul style="list-style-type: none"> <li>▪ Investing heavily in our institutional capability while focusing on enhancing the client experience</li> <li>▪ Institutional AUM up 14.7% from the first quarter, gross flows up 55% over the past year</li> </ul>
<b>China</b>	<ul style="list-style-type: none"> <li>▪ China projected to account for half of global AUM growth over the next decade, with individual investable assets projected to grow at a CAGR of 12% in the next five years<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Invesco ranks 4<sup>th</sup> out of all foreign asset management companies in China<sup>4</sup></li> <li>▪ Equity investment performance ranked 8<sup>th</sup> out of 105 firms<sup>5</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Belt &amp; Road Bond Fund launched in March 2018 in Hong Kong, with substantial interest from retail distributors, private banks and Chinese institutional investors</li> <li>▪ In June, Invesco Great Wall's Jingyi Money Market Fund was selected as one of the seven money market funds to be included in the money market program, YuE'Bao, administered by Ant Financial, an affiliate of Alibaba</li> </ul>

Source: All information is Invesco data as of June 30, 2018, unless otherwise stated or footnoted.

1. Juniper Research.

2. McKinsey Global performance lens growth cube.

3. Z-ben Advisors, McKinsey, Oliver Wyman, Cerulli Reports as of March 31, 2018

4. Z-ben Advisors' 2018 China Rankings, April 2018

5. Haitong Securities, as of March 31, 2018

# Highlights for today's discussion



- Achieved gross sales of \$54.4 billion during the quarter, up 32% from second quarter 2017. Redemptions up as well, reflecting market dynamics
- Market dynamics impacting near-term relative performance in three of Invesco's value-based equity strategies that we're confident will see improved performance when markets normalize
- Completed the acquisition of Guggenheim Investments' ETF business, further expanding and strengthening our comprehensive suite of ETFs
- Expanded our presence in the digital solutions market with the acquisition of Intelliflo, the No. 1 technology platform for financial advisors in the UK<sup>1</sup>
- Working to further enhance Invesco's position as a highly differentiated investment manager with numerous competitive advantages
- Continue investing in key growth drivers to meet client needs, strengthen competitive advantage and grow our business over the near-, medium- and long-term, while remaining focused on maintaining financial strength

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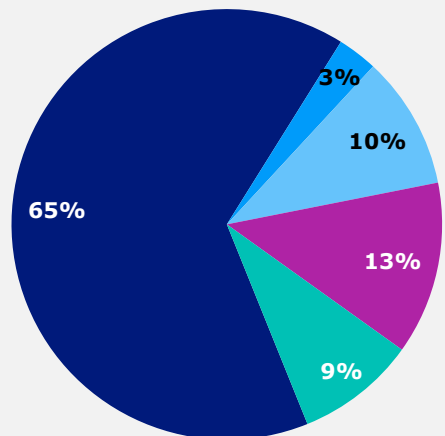
**Appendix**

# We are diversified as a firm

Delivering a diverse set of solutions to meet client needs

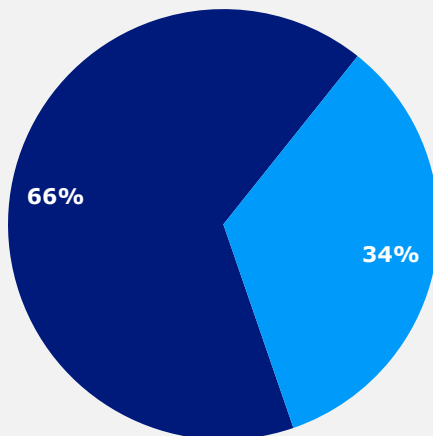


By client domicile



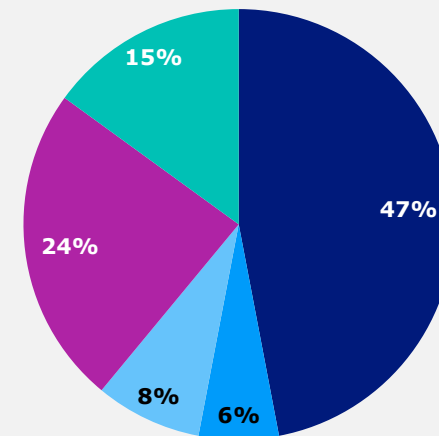
	(\$ billions)	1-Yr Change
U.S.	\$622.1	11.2%
Canada	\$25.4	2.4%
U.K.	\$100.9	(2.8)%
Europe	\$126.3	45.8%
Asia	\$88.6	5.6%
<b>Total</b>	<b>\$963.3</b>	<b>12.2%</b>

By channel



	(\$ billions)	1-Yr Change
Retail	\$635.5	11.0%
Institutional	\$327.8	14.7%
<b>Total</b>	<b>\$963.3</b>	<b>12.2%</b>

By asset class



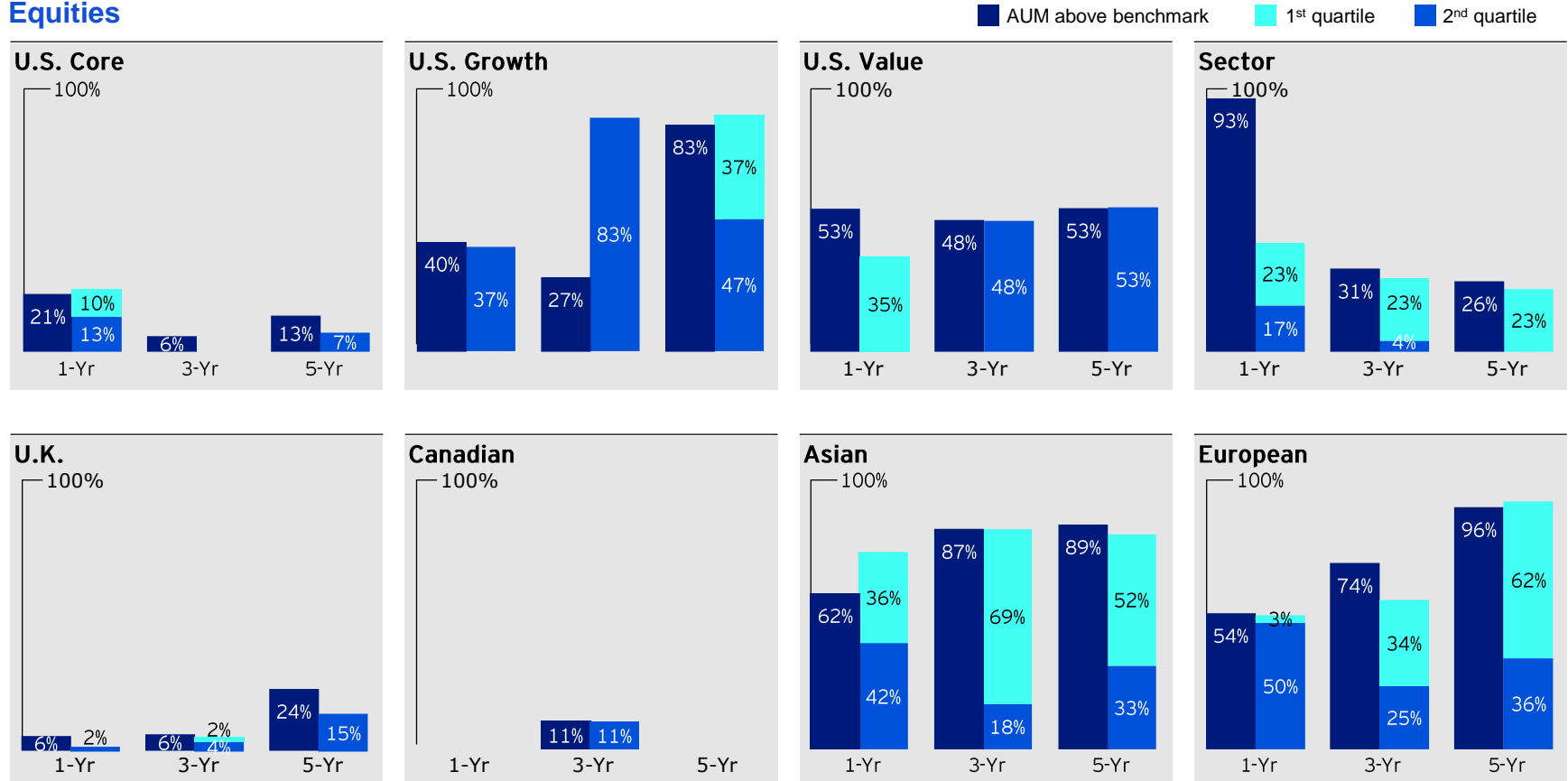
	(\$ billions)	1-Yr Change
Equity	\$446.9	14.2%
Balanced	\$57.4	10.0%
Money Market	\$80.4	5.7%
Fixed Income	\$232.7	11.4%
Alternatives	\$145.9	12.3%
<b>Total</b>	<b>\$963.3</b>	<b>12.2%</b>

As of June 30, 2018.

# Investment performance By investment objective (actively managed assets)\*



## Equities



\* Excludes passive products, closed-end funds, private equity limited partnerships, non-discretionary funds, unit investment trusts, fund of funds with component funds managed by Invesco, stable value building block funds and CDOs. Certain funds and products were excluded from the analysis because of limited benchmark or peer group data. Had these been available, results may have been different. These results are preliminary and subject to revision.

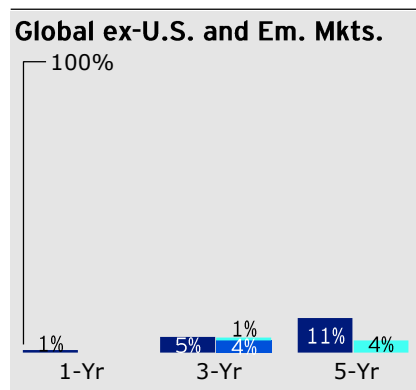
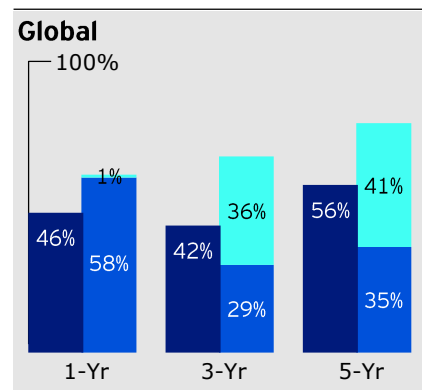
AUM measured in the one, three, and five year quartile rankings represents 53%, 53%, and 49% of total Invesco AUM, respectively, and AUM measured versus benchmark on a one, three, and five year basis represents 65%, 63%, and 58% of total Invesco AUM as of 6/30/18. Peer group rankings are sourced from a widely-used third party ranking agency in each fund's market (Lipper, Morningstar, IA, Russell, Mercer, eVestment Alliance, SITCA, Value Research) and asset-weighted in USD. Rankings are as of prior quarter-end for most institutional products and prior month-end for Australian retail funds due to their late release by third parties. Rankings are calculated against all funds in each peer group. Rankings for the primary share class of the most representative fund in each composite are applied to all products within each composite. Performance assumes the reinvestment of dividends. Past performance is not indicative of future results and may not reflect an investor's experience.

# Investment performance

By investment objective (actively managed assets)\* (CONTINUED)

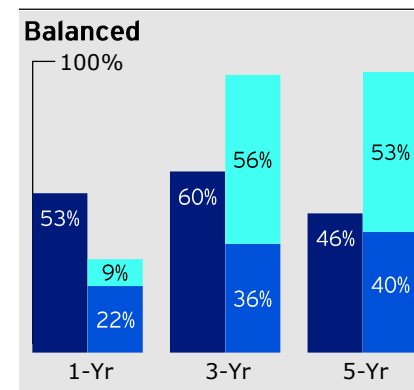
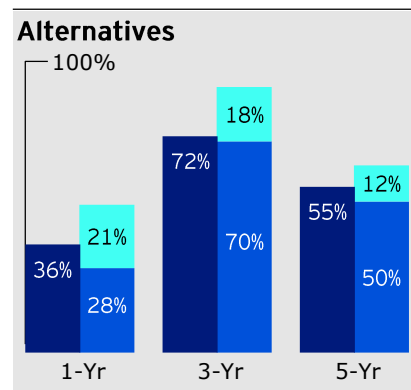


## Equities

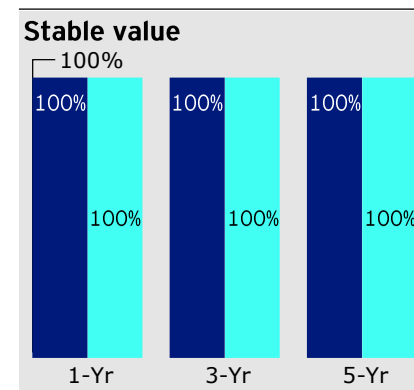
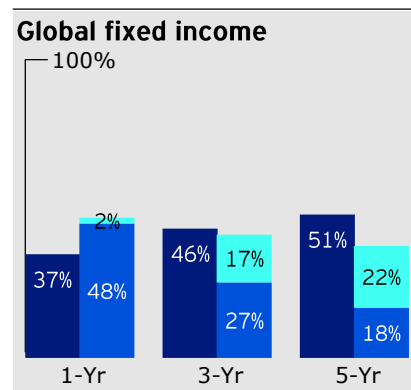
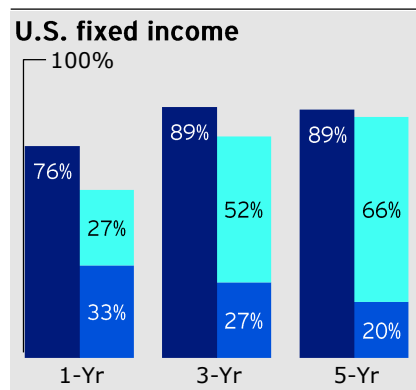
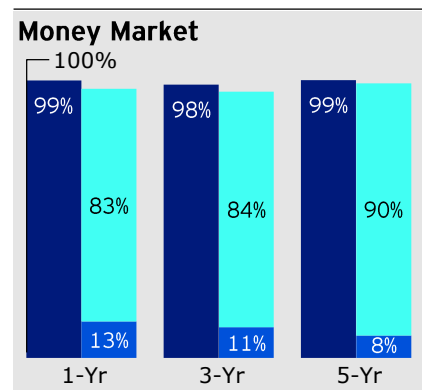


## Other

■ AUM above benchmark ■ 1st quartile ■ 2nd quartile



## Fixed income



\* Excludes passive products, closed-end funds, private equity limited partnerships, non-discretionary funds, unit investment trusts, fund of funds with component funds managed by Invesco, stable value building block funds and CDOs. Certain funds and products were excluded from the analysis because of limited benchmark or peer group data. Had these been available, results may have been different. These results are preliminary and subject to revision.

AUM measured in the one, three, and five year quartile rankings represents 53%, 53%, and 49% of total Invesco AUM, respectively, and AUM measured versus benchmark on a one, three, and five year basis represents 65%, 63%, and 58% of total Invesco AUM as of 6/30/18. Peer group rankings are sourced from a widely-used third party ranking agency in each fund's market (Lipper, Morningstar, IA, Russell, Mercer, eVestment Alliance, SITCA, Value Research) and asset-weighted in USD. Rankings are as of prior quarter-end for most institutional products and prior month-end for Australian retail funds due to their late release by third parties. Rankings are calculated against all funds in each peer group. Rankings for the primary share class of the most representative fund in each composite are applied to all products within each composite. Performance assumes the reinvestment of dividends. Past performance is not indicative of future results and may not reflect an investor's experience.

# Investment performance (5-year)

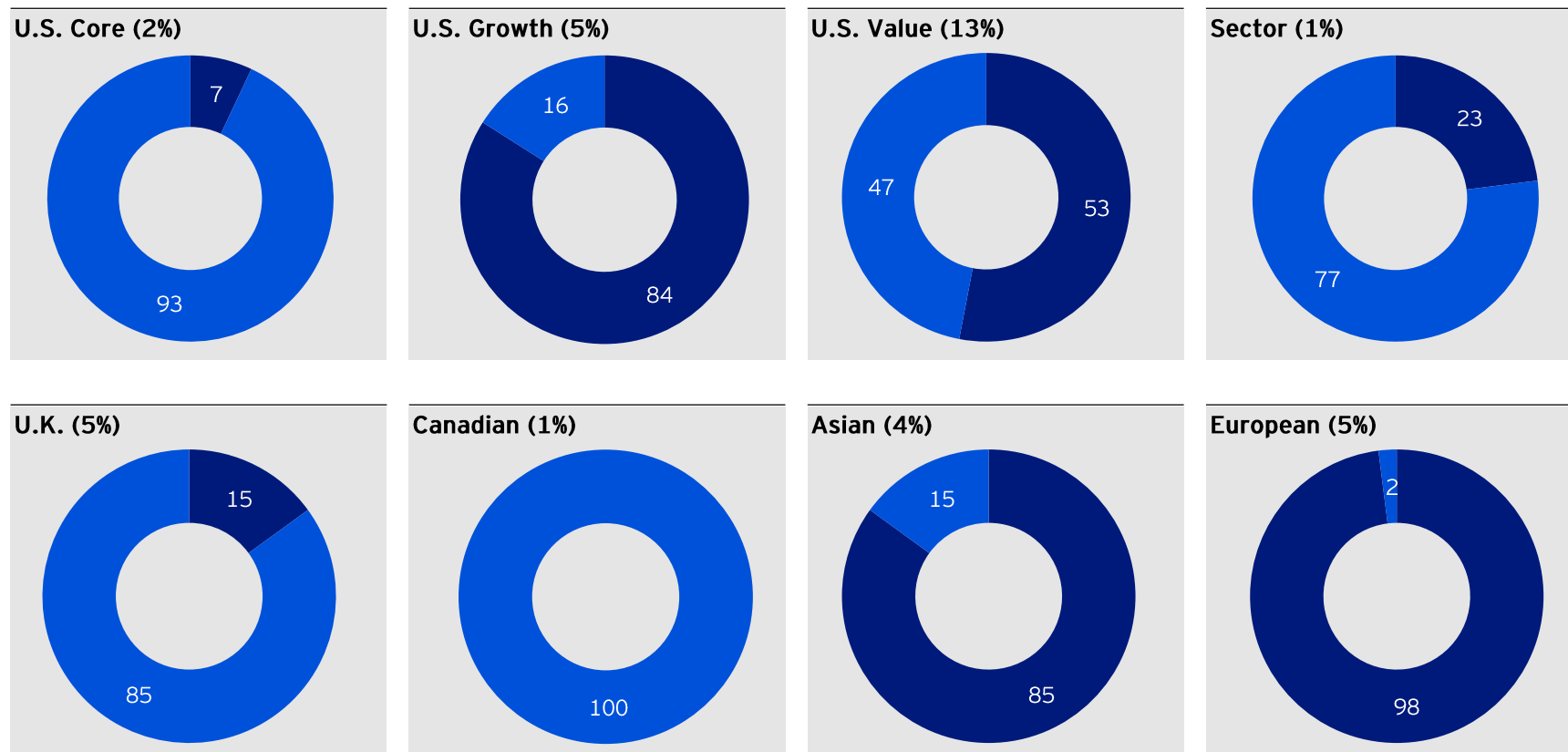
## By investment objective (actively managed assets)\*

Percentages in parentheses represent % AUM of each investment objective as a ratio of all objectives  
(Total ranked AUM of \$475.2 billion)



### Equities

■ % of assets top half of peer group   ■ % of assets bottom half of peer group



\* Excludes passive products, closed-end funds, private equity limited partnerships, non-discretionary funds, unit investment trusts, fund of funds with component funds managed by Invesco, stable value building block funds and CDOs. Certain funds and products were excluded from the analysis because of limited benchmark or peer group data. Had these been available, results may have been different. These results are preliminary and subject to revision.

Includes AUM of \$475.2 billion (49% of total IVZ) for five year as of 6/30/18. Peer group rankings are sourced from a widely-used third party ranking agency in each fund's market (Lipper, Morningstar, IA, Russell, Mercer, eVestment Alliance, SITCA, Value Research) and asset-weighted in USD. Rankings are as of prior quarter-end for most institutional products and prior month-end for Australian retail funds due to their late release by third parties. Rankings are calculated against all funds in each peer group. Rankings for the primary share class of the most representative fund in each composite are applied to all products within each composite. Performance assumes the reinvestment of dividends. Past performance is not indicative of future results and may not reflect an investor's experience.

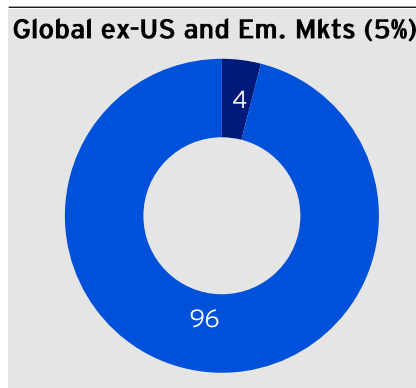
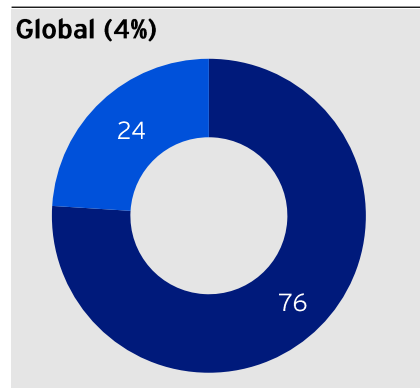
# Investment performance (5-year)

## By investment objective (actively managed assets)\* (CONTINUED)

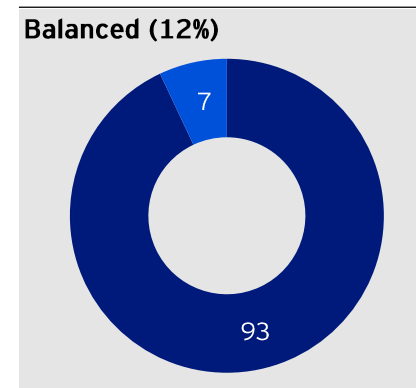
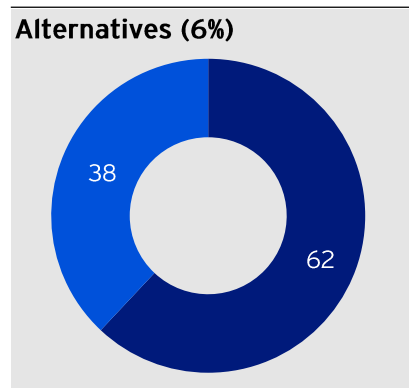
Percentages in parentheses represent % AUM of each investment objective as a ratio of all objectives (Total ranked AUM of \$475.2 billion)



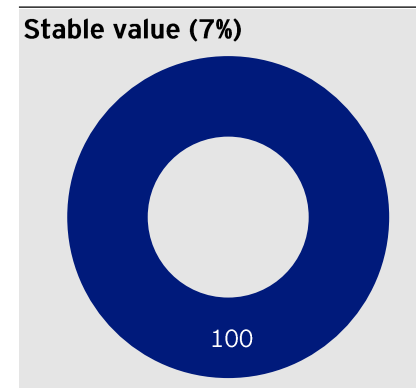
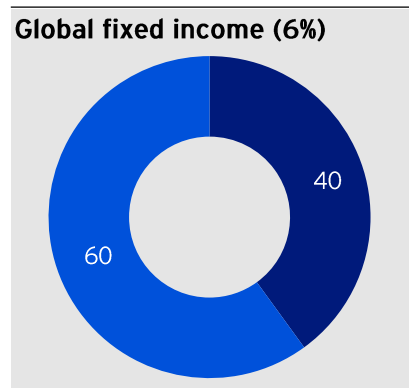
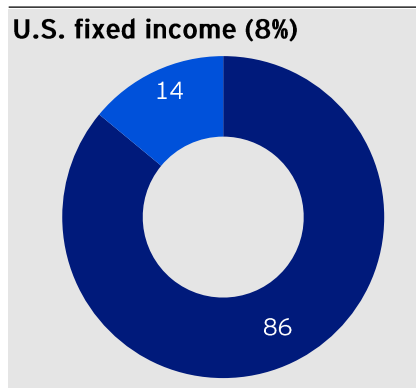
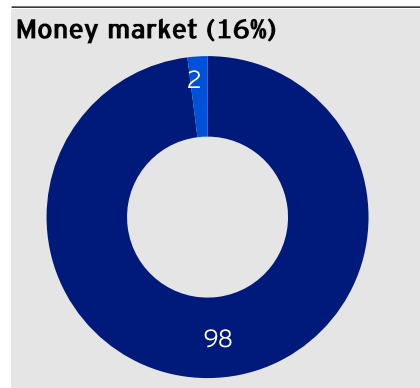
### Equities



### Other



### Fixed income



\* Excludes passive products, closed-end funds, private equity limited partnerships, non-discretionary funds, unit investment trusts, fund of funds with component funds managed by Invesco, stable value building block funds and CDOs. Certain funds and products were excluded from the analysis because of limited benchmark or peer group data. Had these been available, results may have been different. These results are preliminary and subject to revision.

Includes AUM of \$475.2 billion (49% of total IVZ) for five year as of 6/30/18. Peer group rankings are sourced from a widely-used third party ranking agency in each fund's market (Lipper, Morningstar, IA, Russell, Mercer, eVestment Alliance, SITCA, Value Research) and asset-weighted in USD. Rankings are as of prior quarter-end for most institutional products and prior month-end for Australian retail funds due to their late release by third parties. Rankings are calculated against all funds in each peer group. Rankings for the primary share class of the most representative fund in each composite are applied to all products within each composite. Performance assumes the reinvestment of dividends. Past performance is not indicative of future results and may not reflect an investor's experience.

# US GAAP operating results – quarterly



(\$ millions)	Q2-18	Q1-18	% Change*	4Q-17	3Q-17	2Q-17	1Q-17	4Q-16	3Q-16
Investment Management Fees	1,051	1,044	0.7%	1,099	1,062	1,010	955	947	966
Service and Distribution Fees	243	246	(1.3)%	218	218	211	206	209	213
Performance Fees	12	9	27.5%	43	42	17	11	18	3
Other	56	57	(2.3)%	16	16	16	20	21	19
<b>Total Operating Revenues</b>	<b>1,361</b>	<b>1,356</b>	<b>0.4%</b>	<b>1,376</b>	<b>1,338</b>	<b>1,254</b>	<b>1,193</b>	<b>1,195</b>	<b>1,202</b>
Third-Party Distribution, Service and Advisory	409	419	(2.4)%	391	380	366	349	350	362
Employee Compensation	381	390	(2.4)%	384	388	366	398	353	349
Marketing	33	28	16.7%	41	30	29	24	35	26
Property, Office and Technology	102	102	(0.5)%	103	93	89	86	85	78
General and Administrative	105	95	10.4%	115	87	86	78	92	84
<b>Total Operating Expenses</b>	<b>1,029</b>	<b>1,035</b>	<b>(0.5)%</b>	<b>1,033</b>	<b>977</b>	<b>936</b>	<b>935</b>	<b>914</b>	<b>899</b>
<b>Operating Income</b>	<b>331</b>	<b>321</b>	<b>3.2%</b>	<b>343</b>	<b>360</b>	<b>318</b>	<b>258</b>	<b>281</b>	<b>303</b>
Equity in Earnings of Unconsolidated Affiliates	7	10	(24.7)%	4	13	11	18	11	6
Interest and Dividend Income	3	4	(33.3)%	6	3	2	3	4	3
Interest Expense	(30)	(23)	27.2%	(24)	(24)	(24)	(24)	(24)	(24)
Other Gains and Losses, net	1	(5)	N/A	26	14	3	7	29	20
Other income/(expense) of CIP, net	1	27	(96.7)%	45	32	32	29	10	39
<b>Income before income taxes</b>	<b>314</b>	<b>334</b>	<b>(5.8)%</b>	<b>399</b>	<b>398</b>	<b>342</b>	<b>290</b>	<b>311</b>	<b>346</b>
Effective Tax Rate**	23.0%	20.5%		(5.8)%	31.0%	27.1%	26.1%	29.9%	26.0%
<b>Net Income</b>	<b>242</b>	<b>265</b>	<b>(8.8)%</b>	<b>423</b>	<b>275</b>	<b>250</b>	<b>214</b>	<b>218</b>	<b>256</b>
Net (Income)/Loss Attributable to Noncontrolling Interests in Consolidated Entities	3	(11)	N/A	(14)	(7)	(10)	(2)	8	(15)
<b>Net Income Attributable to Invesco Ltd.</b>	<b>245</b>	<b>254</b>	<b>(3.5)%</b>	<b>408</b>	<b>268</b>	<b>240</b>	<b>212</b>	<b>227</b>	<b>241</b>
Diluted EPS	\$0.59	\$0.62	(4.8)%	\$0.99	\$0.65	\$0.58	\$0.52	\$0.55	\$0.58

\* % change based on unrounded figures

\*\* Effective tax rate = Tax expense / Income before income taxes and minority interest

# Non-GAAP operating results– quarterly



(\$ millions)	Q2-18	Q1-18	% Change*	4Q-17	3Q-17	2Q-17	1Q-17	4Q-16	3Q-16
Investment Management Fees	1,074	1,067	0.7%	1,119	1,082	1,028	974	965	983
Service and Distribution Fees	243	246	(1.3)%	218	218	211	206	209	213
Performance Fees	13	9	41.8%	43	43	18	18	18	4
Other	57	58	(1.9)%	18	17	17	21	23	19
Third-party distribution, service and advisory expense	(413)	(422)	(2.2)%	(393)	(383)	(368)	(351)	(352)	(365)
<b>Net Revenues</b>	<b>974</b>	<b>958</b>	<b>1.7%</b>	<b>1,005</b>	<b>977</b>	<b>906</b>	<b>867</b>	<b>864</b>	<b>855</b>
Employee Compensation	383	390	(1.6)%	378	379	361	362	343	343
Marketing	33	29	14.3%	40	30	30	25	35	27
Property, Office and Technology	100	101	(1.6)%	101	94	89	86	85	82
General and Administrative	82	81	0.6%	89	72	71	68	70	67
<b>Adjusted Operating Expenses</b>	<b>597</b>	<b>601</b>	<b>(0.5)%</b>	<b>607</b>	<b>574</b>	<b>550</b>	<b>541</b>	<b>533</b>	<b>519</b>
<b>Adjusted Operating Income</b>	<b>377</b>	<b>357</b>	<b>5.4%</b>	<b>398</b>	<b>402</b>	<b>356</b>	<b>326</b>	<b>331</b>	<b>336</b>
Equity in Earnings of Unconsolidated Affiliates	5	8	(35.5)%	9	14	10	15	9	8
Interest and Dividend Income	3	5	(50.0)%	5	3	2	3	4	3
Interest Expense	(30)	(23)	27.2%	(24)	(24)	(24)	(24)	(24)	(24)
Other Gains and Losses, net	(11)	(2)	409.5%	20	8	17	21	12	12
<b>Adjusted Income before income taxes</b>	<b>344</b>	<b>345</b>	<b>(0.3)%</b>	<b>408</b>	<b>403</b>	<b>361</b>	<b>342</b>	<b>332</b>	<b>335</b>
Effective Tax Rate**	20.6%	20.6%		26.8%	27.6%	26.7%	26.6%	27.7%	26.5%
<b>Adjusted Net Income Attributable to Invesco Ltd.</b>	<b>273</b>	<b>274</b>	<b>(0.3)%</b>	<b>299</b>	<b>292</b>	<b>265</b>	<b>251</b>	<b>240</b>	<b>246</b>
<b>Adjusted Diluted EPS</b>	<b>\$0.66</b>	<b>\$0.67</b>	<b>(1.5)%</b>	<b>\$0.73</b>	<b>\$0.71</b>	<b>\$0.64</b>	<b>\$0.61</b>	<b>\$0.59</b>	<b>\$0.60</b>

\* % change based on unrounded figures

\*\* Effective tax rate = Adjusted tax expense / Adjusted income before taxes. See Reconciliation of US GAAP results to non-GAAP results in this appendix.

# Total assets under management – quarterly



(\$ billions)	Q2-18	Q1-18	% Change	4Q-17	3Q-17	2Q-17	1Q-17	4Q-16	3Q-16
<b>Beginning Assets</b>	<b>\$934.2</b>	<b>\$937.6</b>	<b>(0.4)%</b>	<b>\$917.5</b>	<b>\$858.3</b>	<b>\$834.8</b>	<b>\$812.9</b>	<b>\$820.2</b>	<b>\$779.6</b>
Long-Term Inflows*	54.4	56.6	(3.9)%	50.8	45.0	41.1	46.4	45.1	49.1
Long-Term Outflows	(62.4)	(56.3)	10.8%	(52.3)	(40.9)	(40.8)	(44.8)	(45.0)	(37.0)
Long-Term Net flows	(8.0)	0.3	N/A	(1.5)	4.1	0.3	1.6	0.1	12.1
Net flows in non-management fee earning AUM**	0.9	(0.4)	N/A	1.6	0.9	(0.7)	1.2	(0.1)	1.2
Net flows in Inst. Money Market Funds	0.9	0.4	125.0%	(3.3)	5.4	2.8	(8.1)	1.1	5.9
Total Net Flows	(6.2)	0.3	N/A	(3.2)	10.4	2.4	(5.3)	1.1	19.2
Reinvested Distributions	0.7	0.6	16.7%	5.9	1.1	—	—	—	—
Market Gains and Losses	10.3	(12.2)	N/A	14.9	15.0	13.0	23.1	6.4	23.6
Acquisitions ***	38.1	—	N/A	—	26.0	—	—	—	—
Foreign Currency Translation	(13.8)	7.9	N/A	2.5	6.7	8.1	4.1	(14.8)	(2.2)
<b>Ending Assets</b>	<b>\$963.3</b>	<b>\$934.2</b>	<b>3.1%</b>	<b>\$937.6</b>	<b>\$917.5</b>	<b>\$858.3</b>	<b>\$834.8</b>	<b>\$812.9</b>	<b>\$820.2</b>
Average Long-Term AUM	805.8	783.1	2.9%	765.9	732.7	701.6	686.0	668.2	673.1
Ending Long-Term AUM	795.4	771.6	3.1%	775.8	757.6	707.9	692.0	670.7	679.8
<b>Average AUM</b>	<b>\$973.9</b>	<b>\$951.3</b>	<b>2.4%</b>	<b>\$930.3</b>	<b>\$890.8</b>	<b>\$849.2</b>	<b>\$829.8</b>	<b>\$809.0</b>	<b>\$814.1</b>
Gross Revenue Yield (annualized)****	56.4bps	57.6bps		59.7bps	60.7bps	59.7bps	58.1bps	59.8bps	59.8bps
Gross Revenue Yield Less Performance Fees (annualized)****	55.9bps	57.2bps		57.9bps	58.7bps	58.9bps	57.5bps	58.9bps	59.6bps
Net Revenue Yield (annualized)*****	40.0bps	40.3bps		43.2bps	43.9bps	42.7bps	41.8bps	42.7bps	42.0bps
Net Revenue Yield Less Performance Fees (annualized)*****	39.5bps	39.9bps		41.3bps	41.9bps	41.8bps	40.9bps	41.8bps	41.8bps

\* For third quarter 2017 and subsequent periods reinvested dividends and capital gains are presented as a separate line item. For periods prior to the third quarter of 2017, reinvested dividends and capital gains were included in market gains and losses.

\*\* Non-management fee earning AUM includes Invesco QQQ, UIT and product leverage.

\*\*\* The acquisition of Guggenheim Investments' ETF business on April 6, 2018 added \$38.1 billion in AUM during the quarter.

\*\*\*\* Gross revenue yield on AUM is equal to total operating revenues divided by average AUM, excluding JV AUM. Average AUM for Q2-18 for our joint ventures in China were \$8.8bn (1Q18: \$9.8bn; 4Q17:\$9.1bn; 3Q17:\$8.6bn; 2Q17:\$8.1bn; 1Q17:\$8.4bn)

\*\*\*\*\* Net Revenue Yield on AUM is equal to net revenues divided by average AUM including JV AUM. Average AUM for Q2-18, for our joint ventures in China were \$8.8bn (1Q18: \$9.8bn;4Q17:\$9.1bn; 3Q17:\$8.6bn; 2Q17:\$8.1bn; 1Q17:\$8.4bn)

# Total assets under management – by asset class



(\$ billions)	Total	Equity	Fixed Income	Balanced	Money Market	Alternatives
<b>December 31, 2017</b>	<b>\$937.6</b>	<b>\$431.2</b>	<b>\$225.8</b>	<b>\$57.7</b>	<b>\$78.7</b>	<b>\$144.2</b>
Long-Term Inflows	56.6	25.6	14.9	5.4	1.7	9.0
Long-Term Outflows	(56.3)	(31.3)	(12.6)	(2.9)	(1.4)	(8.1)
Long-Term Net flows	0.3	(5.7)	2.3	2.5	0.3	0.9
Net flows in non-management fee earning AUM*	(0.4)	—	(0.4)	—	—	—
Net flows in Inst. Money Market Fund	0.4	—	—	—	0.4	—
Reinvested Distributions	0.6	0.3	0.2	—	—	0.1
Market Gains and Losses	(12.2)	(8.3)	(1.6)	(1.3)	0.1	(1.1)
Acquisitions	—	—	—	—	—	—
Transfers	—	—	—	—	—	—
Foreign Currency Translation	7.9	3.1	1.6	0.8	0.1	2.3
<b>March 31, 2018</b>	<b>\$934.2</b>	<b>\$420.6</b>	<b>\$227.9</b>	<b>\$59.7</b>	<b>\$79.6</b>	<b>\$146.4</b>
Long-Term Inflows	54.4	26.5	13.1	3.6	1.3	9.9
Long-Term Outflows	(62.4)	(34.5)	(14.0)	(4.3)	(1.2)	(8.4)
Long-Term Net flows	(8.0)	(8.0)	(0.9)	(0.7)	0.1	1.5
Net flows in non-management fee earning AUM*	0.9	1.7	(0.8)	—	—	—
Net flows in Inst. Money Market Fund	0.9	—	—	—	0.9	—
Reinvested Distributions	0.7	0.3	0.3	—	—	0.1
Market Gains and Losses	10.3	11.4	(1.2)	0.3	0.1	(0.3)
Acquisitions	38.1	26.9	9.9	—	—	1.3
Transfers	—	—	—	—	—	—
Foreign Currency Translation	(13.8)	(6.0)	(2.5)	(1.9)	(0.3)	(3.1)
<b>June 30, 2018</b>	<b>\$963.3</b>	<b>\$446.9</b>	<b>\$232.7</b>	<b>\$57.4</b>	<b>\$80.4</b>	<b>\$145.9</b>

\* Non-management fee earning AUM includes Invesco QQQ, UIT, and product leverage.

# Total assets under management – by asset class



(\$ billions)	Total	Equity	Fixed Income	Balanced	Money Market	Alternatives
<b>June 30, 2017</b>	<b>\$858.3</b>	<b>\$391.2</b>	<b>\$208.9</b>	<b>\$52.2</b>	<b>\$76.1</b>	<b>\$129.9</b>
Long-Term Inflows	45.0	19.1	12.4	3.1	1.3	9.1
Long-Term Outflows	(40.9)	(22.5)	(8.5)	(3.0)	(1.1)	(5.8)
Long-Term Net flows	4.1	(3.4)	3.9	0.1	0.2	3.3
Net flows in non-management fee earning AUM*	0.9	(1.0)	1.9	—	—	—
Net flows in Inst. Money Market Fund	5.4	—	—	—	5.4	—
Reinvested Distributions	1.1	0.8	0.2	0.1	-	-
Market Gains and Losses	15.0	13.1	0.9	0.6	0.1	0.3
Acquisitions	26.0	12.2	7.8	—	—	6.0
Transfers	—	—	—	—	—	—
Foreign Currency Translation	6.7	3.3	0.9	1.2	0.1	1.2
<b>September 30, 2017</b>	<b>\$917.5</b>	<b>\$416.2</b>	<b>\$224.5</b>	<b>\$54.2</b>	<b>\$81.9</b>	<b>\$140.7</b>
Long-Term Inflows	50.8	24.4	12.8	3.6	1.0	9.0
Long-Term Outflows	(52.3)	(29.2)	(12.4)	(2.5)	(1.0)	(7.2)
Long-Term Net flows	(1.5)	(4.8)	0.4	1.1	—	1.8
Net flows in non-management fee earning AUM*	1.6	1.7	(0.1)	—	—	—
Net flows in Inst. Money Market Fund	(3.3)	—	—	—	(3.3)	—
Reinvested Distributions	5.9	5.3	0.2	0.3	—	0.1
Market Gains and Losses	14.9	11.8	0.4	1.6	—	1.1
Acquisitions	—	—	—	—	—	—
Transfers	—	—	—	—	—	—
Foreign Currency Translation	2.5	1.0	0.4	0.5	0.1	0.5
<b>December 31, 2017</b>	<b>\$937.6</b>	<b>\$431.2</b>	<b>\$225.8</b>	<b>\$57.7</b>	<b>\$78.7</b>	<b>\$144.2</b>

\* Non-management fee earning AUM includes Invesco QQQ, UIT, and product leverage.

# Total assets under management – by channel



(\$ billions)	Total	Retail	Institutional
<b>December 31, 2017</b>	<b>\$937.6</b>	<b>\$637.0</b>	<b>\$300.6</b>
Long-Term Inflows	56.6	43.7	12.9
Long-Term Outflows	(56.3)	(45.8)	(10.5)
Long-Term Net flows	0.3	(2.1)	2.4
Net flows in non-management fee earning AUM*	(0.4)	(0.1)	(0.3)
Net flows in Inst. Money Market Fund	0.4	—	0.4
Reinvested Distributions	0.6	0.6	—
Market Gains and Losses	(12.2)	(11.0)	(1.2)
Acquisitions	—	—	—
Transfers **	—	(29.5)	29.5
Foreign Currency Translation	7.9	4.5	3.4
<b>March 31, 2018</b>	<b>\$934.2</b>	<b>\$599.4</b>	<b>\$334.8</b>
Long-Term Inflows	54.4	42.3	12.1
Long-Term Outflows	(62.4)	(49.0)	(13.4)
Long-Term Net flows	(8.0)	(6.7)	(1.3)
Net flows in non-management fee earning AUM*	0.9	1.6	(0.7)
Net flows in Inst. Money Market Fund	0.9	1.7	(0.8)
Reinvested Distributions	0.7	0.7	—
Market Gains and Losses	10.3	9.5	0.8
Acquisitions ***	38.1	38.1	—
Transfers	—	—	—
Foreign Currency Translation	(13.8)	(8.8)	(5.0)
<b>June 30, 2018</b>	<b>\$963.3</b>	<b>\$635.5</b>	<b>\$327.8</b>

\* Non-management fee earning AUM includes Invesco QQQ, UIT, and product leverage.

\*\* During the first quarter of 2018, \$29.5 billion of AUM were transferred from retail into institutional to better reflect the activities of institutional sales teams and the clients they support.

\*\*\* The acquisition of Guggenheim Investments' ETF business on April 6, 2018 added \$38.1 billion in AUM during the quarter.

# Total assets under management – by channel



(\$ billions)	Total	Retail	Institutional
<b>June 30, 2017</b>	<b>\$858.3</b>	<b>\$572.4</b>	<b>\$285.9</b>
Long-Term Inflows	45.0	35.8	9.2
Long-Term Outflows	(40.9)	(33.0)	(7.9)
Long-Term Net flows	4.1	2.8	1.3
Net flows in non-management fee earning AUM*	0.9	(1.0)	1.9
Net flows in Inst. Money Market Fund	5.4	—	5.4
Reinvested Distributions	1.1	1.1	—
Market Gains and Losses	15.0	14.5	0.5
Acquisitions	26.0	26.0	—
Transfers	—	—	—
Foreign Currency Translation	6.7	5.7	1.0
<b>September 30, 2017</b>	<b>\$917.5</b>	<b>\$621.5</b>	<b>\$296.0</b>
Long-Term Inflows	50.8	42.4	8.4
Long-Term Outflows	(52.3)	(44.7)	(7.6)
Long-Term Net flows	(1.5)	(2.3)	0.8
Net flows in non-management fee earning AUM*	1.6	1.6	—
Net flows in Inst. Money Market Fund	(3.3)	(3.2)	(0.1)
Reinvested Distributions	5.9	5.9	—
Market Gains and Losses	14.9	11.6	3.3
Acquisitions	—	—	—
Transfers	—	—	—
Foreign Currency Translation	2.5	1.9	0.6
<b>December 31, 2017</b>	<b>\$937.6</b>	<b>\$637.0</b>	<b>\$300.6</b>

\* Non-management fee earning AUM includes Invesco QQQ, UIT, and product leverage.

# Total assets under management – by client domicile



(\$ billions)	Total	U.S.	Canada	U.K.	Continental Europe	Asia
<b>December 31, 2017</b>	<b>\$937.6</b>	<b>\$585.4</b>	<b>\$26.8</b>	<b>\$110.9</b>	<b>\$127.1</b>	<b>\$87.4</b>
Long-Term Inflows	56.6	26.1	1.5	4.1	17.3	7.6
Long-Term Outflows	(56.3)	(28.6)	(1.6)	(5.2)	(15.2)	(5.7)
Long-Term Net flows	0.3	(2.5)	(0.1)	(1.1)	2.1	1.9
Net flows in non-management fee earning AUM*	(0.4)	(0.4)	—	—	—	—
Net flows in Inst. Money Market Fund	0.4	1.2	—	(0.3)	0.1	(0.6)
Reinvested Distributions	0.6	0.5	—	0.1	—	—
Market Gains and Losses	(12.2)	(3.5)	(0.2)	(4.3)	(1.9)	(2.3)
Acquisitions	—	—	—	—	—	—
Transfers	—	—	—	—	—	—
Foreign Currency Translation	7.9	—	(0.8)	3.9	2.3	2.5
<b>March 31, 2018</b>	<b>\$934.2</b>	<b>\$580.7</b>	<b>\$25.7</b>	<b>\$109.2</b>	<b>\$129.7</b>	<b>\$88.9</b>
Long-Term Inflows	54.4	23.9	1.1	3.3	17.9	8.2
Long-Term Outflows	(62.4)	(30.5)	(1.2)	(6.4)	(16.8)	(7.5)
Long-Term Net flows	(8.0)	(6.6)	(0.1)	(3.1)	1.1	0.7
Net flows in non-management fee earning AUM*	0.9	0.9	—	—	—	—
Net flows in Inst. Money Market Fund	0.9	1.7	—	(2.0)	(0.4)	1.6
Reinvested Distributions	0.7	0.5	—	0.2	—	—
Market Gains and Losses	10.3	6.8	0.3	2.5	0.5	0.2
Acquisitions	38.1	38.1	—	—	—	—
Transfers	—	—	—	—	—	—
Foreign Currency Translation	(13.8)	—	(0.5)	(5.9)	(4.6)	(2.8)
<b>June 30, 2018</b>	<b>\$963.3</b>	<b>\$622.1</b>	<b>\$25.4</b>	<b>\$100.9</b>	<b>\$126.3</b>	<b>\$88.6</b>

\* Non-management fee earning AUM includes Invesco QQQ, UIT, and product leverage.

# Total assets under management – by client domicile



(\$ billions)	Total	U.S.	Canada	U.K.	Continental Europe	Asia
<b>June 30, 2017</b>	<b>\$858.3</b>	<b>\$559.2</b>	<b>\$24.8</b>	<b>\$103.8</b>	<b>\$86.6</b>	<b>\$83.9</b>
Long-Term Inflows	45.0	20.6	1.0	4.3	13.8	5.3
Long-Term Outflows	(40.9)	(20.9)	(1.1)	(3.2)	(10.5)	(5.2)
Long-Term Net flows	4.1	(0.3)	(0.1)	1.1	3.3	0.1
Net flows in non-management fee earning AUM*	0.9	0.9	—	—	—	—
Net flows in Inst. Money Market Fund	5.4	4.9	—	0.3	0.2	—
Reinvested Distributions	1.1	1.1	—	—	—	—
Market Gains and Losses	15.0	12.2	0.1	(0.2)	2.3	0.6
Acquisitions	26.0	—	—	—	26.0	—
Transfers	—	—	—	—	—	—
Foreign Currency Translation	6.7	—	1.0	3.0	2.3	0.4
<b>September 30, 2017</b>	<b>\$917.5</b>	<b>\$578.0</b>	<b>\$25.8</b>	<b>\$108.0</b>	<b>\$120.7</b>	<b>\$85.0</b>
Long-Term Inflows	50.8	21.4	1.1	3.9	19.2	5.2
Long-Term Outflows	(52.3)	(27.9)	(1.2)	(3.4)	(15.4)	(4.4)
Long-Term Net flows	(1.5)	(6.5)	(0.1)	0.5	3.8	0.8
Net flows in non-management fee earning AUM*	1.6	1.6	—	—	—	—
Net flows in Inst. Money Market Fund	(3.3)	(2.2)	—	(0.2)	(0.4)	(0.5)
Reinvested Distributions	5.9	5.9	—	—	—	—
Market Gains and Losses	14.9	8.6	1.1	1.7	1.8	1.7
Acquisitions	—	—	—	—	—	—
Transfers	—	—	—	—	—	—
Foreign Currency Translation	2.5	—	—	0.9	1.2	0.4
<b>December 31, 2017</b>	<b>\$937.6</b>	<b>\$585.4</b>	<b>\$26.8</b>	<b>\$110.9</b>	<b>\$127.1</b>	<b>\$87.4</b>

\* Non-management fee earning AUM includes Invesco QQQ, UIT, and product leverage.

# Passive assets under management – by asset class



(\$ billions)	Total	Equity	Fixed Income	Balanced	Money Market	Alternative
<b>December 31, 2017</b>	<b>\$199.0</b>	<b>\$128.4</b>	<b>\$57.3</b>	<b>\$—</b>	<b>\$—</b>	<b>\$13.3</b>
Long-Term Inflows	16.5	10.3	3.3	—	—	2.9
Long-Term Outflows	(14.7)	(10.6)	(2.8)	—	—	(1.3)
Long-Term Net flows	1.8	(0.3)	0.5	—	—	1.6
Net flows in non-management fee earning AUM*	(0.4)	—	(0.4)	—	—	—
Net flows in Inst. Money Market Fund	—	—	—	—	—	—
Market Gains and Losses	(0.4)	0.1	(0.7)	—	—	0.2
Acquisitions	—	—	—	—	—	—
Transfers	—	—	—	—	—	—
Foreign Currency Translation	0.3	0.1	0.1	—	—	0.1
<b>March 31, 2018</b>	<b>\$200.3</b>	<b>\$128.3</b>	<b>\$56.8</b>	<b>\$—</b>	<b>\$—</b>	<b>\$15.2</b>
Long-Term Inflows	18.8	12.5	3.9	—	—	2.4
Long-Term Outflows	(18.4)	(11.8)	(4.3)	—	—	(2.3)
Long-Term Net flows	0.4	0.7	(0.4)	—	—	0.1
Net flows in non-management fee earning AUM*	0.9	1.7	(0.8)	—	—	—
Net flows in Inst. Money Market Fund	—	—	—	—	—	—
Market Gains and Losses	4.8	6.0	(0.6)	—	—	(0.6)
Acquisitions	36.9	26.9	8.7	—	—	1.3
Transfers	(1.5)	—	(0.3)	—	—	(1.2)
Foreign Currency Translation	(0.6)	(0.3)	(0.3)	—	—	—
<b>June 30, 2018</b>	<b>\$241.2</b>	<b>\$163.3</b>	<b>\$63.1</b>	<b>\$—</b>	<b>\$—</b>	<b>\$14.8</b>

\*Non-management fee earning AUM includes Invesco QQQ, UIT, and product leverage.

# Passive assets under management – by asset class



(\$ billions)	Total	Equity	Fixed Income	Balanced	Money Market	Alternative
<b>June 30, 2017</b>	<b>\$156.6</b>	<b>\$103.5</b>	<b>\$46.5</b>	<b>\$—</b>	<b>\$—</b>	<b>\$6.6</b>
Long-Term Inflows	9.9	5.9	2.8	—	—	1.2
Long-Term Outflows	(8.6)	(6.3)	(1.7)	—	—	(0.6)
Long-Term Net flows	1.3	(0.4)	1.1	—	—	0.6
Net flows in non-management fee earning AUM*	0.9	(1.0)	1.9	—	—	—
Net flows in Inst. Money Market Fund	—	—	—	—	—	—
Market Gains and Losses	5.7	5.5	0.1	—	—	0.1
Acquisitions	26.0	12.2	7.8	—	—	6.0
Transfers	—	—	—	—	—	—
Foreign Currency Translation	—	—	—	—	—	—
<b>September 30, 2017</b>	<b>\$190.5</b>	<b>\$119.8</b>	<b>\$57.4</b>	<b>\$—</b>	<b>\$—</b>	<b>\$13.3</b>
Long-Term Inflows	16.5	10.1	4.7	—	—	1.7
Long-Term Outflows	(15.7)	(9.5)	(4.3)	—	—	(1.9)
Long-Term Net flows	0.8	0.6	0.4	—	—	(0.2)
Net flows in non-management fee earning AUM*	1.6	1.7	(0.1)	—	—	—
Net flows in Inst. Money Market Fund	—	—	—	—	—	—
Market Gains and Losses	5.9	6.2	(0.5)	—	—	0.2
Acquisitions	—	—	—	—	—	—
Transfers	—	—	—	—	—	—
Foreign Currency Translation	0.2	0.1	0.1	—	—	—
<b>December 31, 2017</b>	<b>\$199.0</b>	<b>\$128.4</b>	<b>\$57.3</b>	<b>\$—</b>	<b>\$—</b>	<b>\$13.3</b>

\*Non-management fee earning AUM includes Invesco QQQ, UIT, and product leverage.

# Passive assets under management – by channel



(\$ billions)	Total	Retail	Institutional
<b>December 31, 2017</b>	<b>\$199.0</b>	<b>\$182.0</b>	<b>\$17.0</b>
Long-Term Inflows	16.5	16.5	—
Long-Term Outflows	(14.7)	(14.7)	—
Long-Term Net flows	1.8	1.8	—
Net flows in non-management fee earning AUM*	(0.4)	(0.1)	(0.3)
Net flows in Inst. Money Market Fund	—	—	—
Market Gains and Losses	(0.4)	(0.4)	—
Acquisitions	—	—	—
Transfers	—	—	—
Foreign Currency Translation	0.3	0.2	0.1
<b>March 31, 2018</b>	<b>\$200.3</b>	<b>\$183.5</b>	<b>\$16.8</b>
Long-Term Inflows	18.8	18.8	—
Long-Term Outflows	(18.4)	(18.4)	—
Long-Term Net flows	0.4	0.4	—
Net flows in non-management fee earning AUM*	0.9	1.6	(0.7)
Net flows in Inst. Money Market Fund	—	—	—
Market Gains and Losses	4.8	5.3	(0.5)
Acquisitions	36.9	36.9	—
Transfers	(1.5)	(1.5)	—
Foreign Currency Translation	(0.6)	(0.6)	—
<b>June 30, 2018</b>	<b>\$241.2</b>	<b>\$225.6</b>	<b>\$15.6</b>

\*Non-management fee earning AUM includes Invesco QQQ, UIT, and product leverage.

# Passive assets under management – by channel



(\$ billions)	Total	Retail	Institutional
<b>June 30, 2017</b>	<b>\$156.6</b>	<b>\$141.5</b>	<b>\$15.1</b>
Long-Term Inflows	9.9	9.9	—
Long-Term Outflows	(8.6)	(8.6)	—
Long-Term Net flows	1.3	1.3	—
Net flows in non-management fee earning AUM*	0.9	(1.0)	1.9
Net flows in Inst. Money Market Fund	—	—	—
Market Gains and Losses	5.7	5.6	0.1
Acquisitions	26.0	26.0	—
Transfers	—	—	—
Foreign Currency Translation	—	—	—
<b>September 30, 2017</b>	<b>\$190.5</b>	<b>\$173.4</b>	<b>\$17.1</b>
Long-Term Inflows	16.5	16.5	—
Long-Term Outflows	(15.7)	(15.7)	—
Long-Term Net flows	0.8	0.8	—
Net flows in non-management fee earning AUM*	1.6	1.6	—
Net flows in Inst. Money Market Fund	—	—	—
Market Gains and Losses	5.9	6.0	(0.1)
Acquisitions	—	—	—
Transfers	—	—	—
Foreign Currency Translation	0.2	0.2	—
<b>December 31, 2017</b>	<b>\$199.0</b>	<b>\$182.0</b>	<b>\$17.0</b>

\*Non-management fee earning AUM includes Invesco QQQ, UIT, and product leverage.

# Passive assets under management – by client domicile



(\$ billions)	Total	U.S.	Canada	U.K.	Continental Europe	Asia
<b>December 31, 2017</b>	<b>\$199.0</b>	<b>\$167.3</b>	<b>\$0.6</b>	<b>\$—</b>	<b>\$30.0</b>	<b>\$1.1</b>
Long-Term Inflows	16.5	9.4	—	—	7.1	—
Long-Term Outflows	(14.7)	(8.4)	(0.1)	—	(6.2)	—
Long-Term Net flows	1.8	1.0	(0.1)	—	0.9	—
Net flows in non-management fee earning AUM*	(0.4)	(0.4)	—	—	—	—
Net flows in Inst. Money Market Fund	—	—	—	—	—	—
Market Gains and Losses	(0.4)	(0.2)	—	—	(0.2)	—
Acquisitions	—	—	—	—	—	—
Transfers	—	—	—	—	—	—
Foreign Currency Translation	0.3	—	—	—	0.3	—
<b>March 31, 2018</b>	<b>\$200.3</b>	<b>\$167.7</b>	<b>\$0.5</b>	<b>\$—</b>	<b>\$31.0</b>	<b>\$1.1</b>
Long-Term Inflows	18.8	11.3	—	—	7.3	0.2
Long-Term Outflows	(18.4)	(11.3)	—	—	(7.0)	(0.1)
Long-Term Net flows	0.4	—	—	—	0.3	0.1
Net flows in non-management fee earning AUM*	0.9	0.9	—	—	—	—
Net flows in Inst. Money Market Fund	—	—	—	—	—	—
Market Gains and Losses	4.8	5.4	—	—	(0.1)	(0.5)
Acquisitions	36.9	36.9	—	—	—	—
Transfers	(1.5)	(1.5)	—	—	—	—
Foreign Currency Translation	(0.6)	—	—	—	(0.6)	—
<b>June 30, 2018</b>	<b>\$241.2</b>	<b>\$209.4</b>	<b>\$0.5</b>	<b>\$—</b>	<b>\$30.6</b>	<b>\$0.7</b>

\*Non-management fee earning AUM includes Invesco QQQ, UIT, and product leverage.

# Passive assets under management – by client domicile



(\$ billions)	Total	U.S.	Canada	U.K.	Continental Europe	Asia
<b>June 30, 2017</b>	<b>\$156.6</b>	<b>\$152.8</b>	<b>\$0.6</b>	<b>\$—</b>	<b>\$2.1</b>	<b>\$1.1</b>
Long-Term Inflows	9.9	6.1	0.1	—	3.7	—
Long-Term Outflows	(8.6)	(5.1)	(0.1)	—	(3.4)	—
Long-Term Net flows	1.3	1.0	—	—	0.3	—
Net flows in non-management fee earning AUM*	0.9	0.9	—	—	—	—
Net flows in Inst. Money Market Fund	—	—	—	—	—	—
Market Gains and Losses	5.7	5.1	—	—	0.6	—
Acquisitions	26.0	—	—	—	26.0	—
Transfers	—	—	—	—	—	—
Foreign Currency Translation	—	—	—	—	—	—
<b>September 30, 2017</b>	<b>\$190.5</b>	<b>\$159.8</b>	<b>\$0.6</b>	<b>\$—</b>	<b>\$29.0</b>	<b>\$1.1</b>
Long-Term Inflows	16.5	8.1	0.1	—	8.3	—
Long-Term Outflows	(15.7)	(7.6)	—	—	(8.1)	—
Long-Term Net flows	0.8	0.5	0.1	—	0.2	—
Net flows in non-management fee earning AUM*	1.6	1.6	—	—	—	—
Net flows in Inst. Money Market Fund	—	—	—	—	—	—
Market Gains and Losses	5.9	5.4	(0.1)	—	0.6	—
Acquisitions	—	—	—	—	—	—
Transfers	—	—	—	—	—	—
Foreign Currency Translation	0.2	—	—	—	0.2	—
<b>December 31, 2017</b>	<b>\$199.0</b>	<b>\$167.3</b>	<b>\$0.6</b>	<b>\$—</b>	<b>\$30.0</b>	<b>\$1.1</b>

\*Non-management fee earning AUM includes Invesco QQQ, UIT, and product leverage.

# Reconciliation of US GAAP results to non-GAAP results – three months ended June 30, 2018



Please refer to pages 8-10 in the 2Q 2018 earnings press release for a description of the adjustments

(\$ millions)	US GAAP Basis	Proportional Consolidation of Joint Ventures	3 <sup>rd</sup> party distribution, service and advisory expenses	Business Combinations	Market appreciation / depreciation of deferred compensation awards	Consolidated Investment Products	Other reconciling items	Non-GAAP basis
<b>Operating Revenues</b>								
Investment Management Fees	1,051	16	—	—	—	7	—	1,074
Service and Distribution Fees	243	—	—	—	—	—	—	243
Performance Fees	12	1	—	—	—	—	—	13
Other	56	1	—	—	—	—	—	57
Third-Party Distribution, Service and Advisory	—	(4)	(409)	—	—	—	—	(413)
<b>Total Operating Revenues reconciled to net revenues</b>	<b>1,361</b>	<b>15</b>	<b>(409)</b>	<b>—</b>	<b>—</b>	<b>7</b>	<b>—</b>	<b>974</b>
<b>Operating Expenses</b>								
Third-Party Distribution, Service and Advisory	409	—	(409)	—	—	—	—	—
Employee Compensation	381	7	—	(2)	(3)	—	—	383
Marketing	33	1	—	(1)	—	—	—	33
Property, Office and Technology	102	1	—	(3)	—	—	(1)	100
General and Administrative	105	1	—	(12)	—	(6)	(5)	82
<b>Total Operating Expenses</b>	<b>1,029</b>	<b>9</b>	<b>(409)</b>	<b>(18)</b>	<b>(3)</b>	<b>(6)</b>	<b>(6)</b>	<b>597</b>
<b>Operating Income reconciled to adjusted operating income</b>	<b>331</b>	<b>6</b>	<b>—</b>	<b>18</b>	<b>3</b>	<b>13</b>	<b>6</b>	<b>377</b>
Equity in Earnings of Unconsolidated Affiliates	7	(5)	—	—	—	2	—	5
Interest and Dividend Income	3	—	—	—	—	—	—	3
Interest Expense	(30)	—	—	—	—	—	—	(30)
Other Gains and Losses, net	1	—	—	—	(1)	(9)	(2)	(11)
Other income/(expense) of CIP, net	1	—	—	—	—	(1)	—	—
<b>Income before income taxes</b>	<b>314</b>	<b>2</b>	<b>—</b>	<b>18</b>	<b>1</b>	<b>5</b>	<b>4</b>	<b>344</b>
Income Tax Provision	(72)	(2)	—	4	—	—	(1)	(71)
<b>Net income</b>	<b>242</b>	<b>—</b>	<b>—</b>	<b>22</b>	<b>1</b>	<b>5</b>	<b>3</b>	<b>273</b>
Net (Income)/Loss Attributable to Noncontrolling Interests in Consolidated Entities	3	—	—	—	—	(3)	—	—
<b>Net Income Attributable to Invesco Ltd. reconciled to adjusted net income attributable to Invesco Ltd.</b>	<b>245</b>	<b>—</b>	<b>—</b>	<b>22</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>273</b>
Diluted EPS	\$0.59					Adjusted diluted EPS		\$0.66
Diluted Shares Outstanding	414.1					Diluted Shares Outstanding		414.1
Operating Margin	24.3%					Adjusted Operating Margin		38.7%

# Reconciliation of US GAAP results to non-GAAP results - three months ended March 31, 2018



Please refer to pages 8-10 in the 1Q 2018 earnings press release for a description of the adjustments

(\$ millions)	US GAAP Basis	Proportional Consolidation of Joint Ventures	3 <sup>rd</sup> party distribution, service and advisory expenses	Business Combinations	Market appreciation / depreciation of deferred compensation awards	Consolidated Investment Products	Other reconciling items	Non-GAAP basis
<b>Operating Revenues</b>								
Investment Management Fees	1,044	16	-	-	-	7	-	1,067
Service and Distribution Fees	246	-	-	-	-	-	-	246
Performance Fees	9	-	-	-	-	-	-	9
Other	57	1	-	-	-	-	-	58
Third-Party Distribution, Service and Advisory	-	(3)	(419)	-	-	-	-	(422)
<b>Total Operating Revenues reconciled to net revenues</b>	<b>1,356</b>	<b>14</b>	<b>(419)</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>958</b>
<b>Operating Expenses</b>								
Third-Party Distribution, Service and Advisory	419	-	(419)	-	-	-	-	-
Employee Compensation	390	6	-	(1)	(2)	-	(4)	390
Marketing	28	1	-	-	-	-	-	29
Property, Office and Technology	102	1	-	(2)	-	-	-	101
General and Administrative	95	1	-	(7)	-	(3)	(4)	81
<b>Total Operating Expenses</b>	<b>1,035</b>	<b>8</b>	<b>(419)</b>	<b>(10)</b>	<b>(2)</b>	<b>(3)</b>	<b>(8)</b>	<b>601</b>
<b>Operating Income reconciled to adjusted operating income</b>	<b>321</b>	<b>6</b>	<b>-</b>	<b>10</b>	<b>2</b>	<b>10</b>	<b>8</b>	<b>357</b>
Equity in Earnings of Unconsolidated Affiliates	10	(6)	-	-	-	4	-	8
Interest and Dividend Income	4	1	-	-	-	-	-	5
Interest Expense	(23)	-	-	-	-	-	-	(23)
Other Gains and Losses, net	(5)	-	-	-	4	1	(2)	(2)
Other income/(expense) of CIP, net	27	-	-	-	-	(27)	-	-
<b>Income before income taxes</b>	<b>334</b>	<b>1</b>	<b>-</b>	<b>10</b>	<b>5</b>	<b>(12)</b>	<b>7</b>	<b>345</b>
Income Tax Provision	(68)	(1)	-	2	(1)	-	(2)	(71)
<b>Net income</b>	<b>265</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>4</b>	<b>(12)</b>	<b>5</b>	<b>274</b>
Net (Income)/Loss Attributable to Noncontrolling Interests in Consolidated Entities	(11)	-	-	-	-	11	-	-
<b>Net Income Attributable to Invesco Ltd. reconciled to adjusted net income attributable to Invesco Ltd.</b>	<b>254</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>4</b>	<b>(1)</b>	<b>5</b>	<b>274</b>
Diluted EPS	\$0.62						Adjusted diluted EPS	\$0.67
Diluted Shares Outstanding	411.8						Diluted Shares Outstanding	411.8
Operating margin	23.7%						Adjusted Operating Margin	37.3%

# Reconciliation of US GAAP results to non-GAAP results – three months ended December 31, 2017



Please refer to pages 9-12 in the 4Q 2017 earnings press release for a description of the adjustments

(\$ millions)	US GAAP Basis	Proportional Consolidation of Joint Ventures	3 <sup>rd</sup> party distribution, service and advisory expenses	Business Combinations	Market appreciation / depreciation of deferred compensation awards	Consolidated Investment Products	Other reconciling items	Non-GAAP basis
<b>Operating Revenues</b>								
Investment Management Fees	1,099	14	-	-	-	7	-	1,119
Service and Distribution Fees	218	-	-	-	-	-	-	218
Performance Fees	43	-	-	-	-	-	-	43
Other	16	2	-	-	-	-	-	18
Third-Party Distribution, Service and Advisory	-	(3)	(391)	-	-	-	-	(394)
<b>Total Operating Revenues reconciled to net revenues</b>	<b>1,376</b>	<b>14</b>	<b>(391)</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>1,005</b>
<b>Operating Expenses</b>								
Third-Party Distribution, Service and Advisory	391	-	(391)	-	-	-	-	-
Employee Compensation	384	5	-	(1)	(6)	-	(3)	378
Marketing	41	1	-	(2)	-	-	-	40
Property, Office and Technology	103	1	-	(3)	-	-	(1)	101
General and Administrative	115	-	-	(16)	-	(5)	(6)	89
<b>Total Operating Expenses</b>	<b>1,033</b>	<b>8</b>	<b>(391)</b>	<b>(22)</b>	<b>(6)</b>	<b>(5)</b>	<b>(9)</b>	<b>607</b>
<b>Operating Income reconciled to adjusted operating income</b>	<b>343</b>	<b>6</b>	<b>-</b>	<b>22</b>	<b>6</b>	<b>12</b>	<b>9</b>	<b>398</b>
Equity in Earnings of Unconsolidated Affiliates	4	(6)	-	-	-	12	-	9
Interest and Dividend Income	6	1	-	-	(2)	-	-	5
Interest Expense	(24)	-	-	-	-	-	-	(24)
Other Gains and Losses, net	26	1	-	(8)	(4)	6	(1)	20
Other income/(expense) of CIP, net	45	-	-	-	-	(45)	-	-
<b>Income before income taxes</b>	<b>399</b>	<b>2</b>	<b>-</b>	<b>(14)</b>	<b>-</b>	<b>(15)</b>	<b>8</b>	<b>408</b>
Income Tax Provision	23	(2)	-	3	-	-	(134)	(109)
<b>Net income</b>	<b>423</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>(15)</b>	<b>(125)</b>	<b>299</b>
Net (Income)/Loss Attributable to Noncontrolling Interests in Consolidated Entities	(14)	-	-	-	-	14	-	-
<b>Net Income Attributable to Invesco Ltd. reconciled to adjusted net income attributable to Invesco Ltd.</b>	<b>408</b>	<b>-</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>(1)</b>	<b>(125)</b>	<b>299</b>
Diluted EPS	\$0.99					Adjusted diluted EPS		\$0.73
Diluted Shares Outstanding	410.6					Diluted Shares Outstanding		410.6
Operating margin	24.9%					Adjusted Operating Margin		39.6%

# Reconciliation of US GAAP results to non-GAAP results – three months ended September 30, 2017



Please refer to pages 8-10 in the 3Q 2017 earnings press release for a description of the adjustments

(\$ millions)	US GAAP Basis	Proportional Consolidation of Joint Ventures	3 <sup>rd</sup> party distribution, service and advisory expenses	Business Combinations	Market appreciation / depreciation of deferred compensation awards	Consolidated Investment Products	Other reconciling items	Non-GAAP basis
<b>Operating Revenues</b>								
Investment Management Fees	1,062	13	-	-	-	6	-	1,082
Service and Distribution Fees	218	-	-	-	-	-	-	218
Performance Fees	42	1	-	-	-	—	-	43
Other	16	1	-	-	-	-	-	17
Third-Party Distribution, Service and Advisory	-	(3)	(380)	-	-	-	-	(383)
<b>Total Operating Revenues reconciled to net revenues</b>	<b>1,338</b>	<b>13</b>	<b>(380)</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>977</b>
<b>Operating Expenses</b>								
Third-Party Distribution, Service and Advisory	380	-	(380)	-	-	-	-	-
Employee Compensation	388	5	-	(2)	(5)	-	(8)	379
Marketing	30	1	-	-	-	-	-	30
Property, Office and Technology	93	1	-	-	-	-	(0)	94
General and Administrative	87	1	-	(7)	-	(4)	(5)	72
<b>Total Operating Expenses</b>	<b>977</b>	<b>7</b>	<b>(380)</b>	<b>(9)</b>	<b>(5)</b>	<b>(4)</b>	<b>(12)</b>	<b>574</b>
<b>Operating Income reconciled to adjusted operating income</b>	<b>360</b>	<b>6</b>	<b>-</b>	<b>9</b>	<b>5</b>	<b>10</b>	<b>12</b>	<b>402</b>
Equity in Earnings of Unconsolidated Affiliates	13	(5)	-	-	-	6	-	14
Interest and Dividend Income	3	1	-	-	(0)	-	-	3
Interest Expense	(24)	-	-	-	-	-	-	(24)
Other Gains and Losses, net	14	—	-	(11)	(6)	10	1	8
Other income/(expense) of CIP, net	32	-	-	-	-	(32)	-	-
<b>Income before income taxes</b>	<b>398</b>	<b>2</b>	<b>-</b>	<b>(2)</b>	<b>(1)</b>	<b>(6)</b>	<b>13</b>	<b>403</b>
Income Tax Provision	(123)	(2)	-	5	1	-	8	(112)
Net income	275	-	-	3	(1)	(5)	21	292
Net (Income)/Loss Attributable to Noncontrolling Interests in Consolidated Entities	(7)	-	-	-	-	7	-	-
<b>Net Income Attributable to Invesco Ltd. reconciled to adjusted net income attributable to Invesco Ltd.</b>	<b>268</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>(1)</b>	<b>1</b>	<b>21</b>	<b>292</b>
Diluted EPS	\$0.65					Adjusted diluted EPS		\$0.71
Diluted Shares Outstanding	410.5					Diluted Shares Outstanding		410.5
Operating margin	26.9%					Adjusted Operating Margin		41.2%

# Reconciliation of US GAAP results to non-GAAP results

## – three months ended June 30, 2017



Please refer to pages 8-10 in the 2Q 2017 earnings press release for a description of the adjustments

(\$ millions)	US GAAP Basis	Proportional Consolidation of Joint Ventures	3 <sup>rd</sup> party distribution, service and advisory expenses	Business Combinations	Market appreciation / depreciation of deferred compensation awards	Consolidated Investment Products	Other reconciling items	Non-GAAP basis
<b>Operating Revenues</b>								
Investment Management Fees	1,010	12	-	-	-	6	-	1,028
Service and Distribution Fees	211	-	-	-	-	-	-	211
Performance Fees	17	1	-	-	-	1	-	18
Other	16	1	-	-	-	-	-	17
Third-Party Distribution, Service and Advisory	-	(2)	(366)	-	-	-	-	(368)
<b>Total Operating Revenues reconciled to net revenues</b>	<b>1,254</b>	<b>12</b>	<b>(366)</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>906</b>
<b>Operating Expenses</b>								
Third-Party Distribution, Service and Advisory	366	-	(366)	-	-	-	-	-
Employee Compensation	366	4	-	(2)	(3)	-	(4)	361
Marketing	29	1	-	-	-	-	-	30
Property, Office and Technology	89	1	-	-	-	-	(1)	89
General and Administrative	86	1	-	(7)	-	(2)	(7)	71
<b>Total Operating Expenses</b>	<b>936</b>	<b>6</b>	<b>(366)</b>	<b>(8)</b>	<b>(3)</b>	<b>(2)</b>	<b>(12)</b>	<b>550</b>
<b>Operating Income reconciled to adjusted operating income</b>	<b>318</b>	<b>5</b>	<b>-</b>	<b>8</b>	<b>3</b>	<b>9</b>	<b>12</b>	<b>356</b>
Equity in Earnings of Unconsolidated Affiliates	11	(5)	-	-	-	4	-	10
Interest and Dividend Income	2	1	-	-	(0)	-	-	2
Interest Expense	(24)	-	-	-	-	-	-	(24)
Other Gains and Losses, net	3	—	-	(1)	(5)	13	7	17
Other income/(expense) of CIP, net	32	-	-	-	-	(32)	-	-
<b>Income before income taxes</b>	<b>342</b>	<b>1</b>	<b>-</b>	<b>7</b>	<b>(2)</b>	<b>(7)</b>	<b>19</b>	<b>361</b>
Income Tax Provision	(93)	(1)	-	4	1	-	(7)	(96)
<b>Net income</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>(1)</b>	<b>(7)</b>	<b>12</b>	<b>265</b>
Net (Income)/Loss Attributable to Noncontrolling Interests in Consolidated Entities	(10)	-	-	-	-	10	-	-
<b>Net Income Attributable to Invesco Ltd. reconciled to adjusted net income attributable to Invesco Ltd.</b>	<b>240</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>(1)</b>	<b>3</b>	<b>12</b>	<b>265</b>
Diluted EPS	\$0.58					Adjusted diluted EPS		\$0.64
Diluted Shares Outstanding	410.3					Diluted Shares Outstanding		410.3
Operating margin	25.4%					Adjusted Operating Margin		39.3%

# Reconciliation of US GAAP results to non-GAAP results – three months ended March 31, 2017



Please refer to pages 7-9 in the 1Q 2017 earnings press release for a description of the adjustments

(\$ millions)	US GAAP Basis	Proportional Consolidation of Joint Ventures	3 <sup>rd</sup> party distribution, service and advisory expenses	Business Combinations	Market appreciation / depreciation of deferred compensation awards	Consolidated Investment Products	Other reconciling items	Non-GAAP basis
<b>Operating Revenues</b>								
Investment Management Fees	955	11	-	-	-	7	-	974
Service and Distribution Fees	206	-	-	-	-	-	-	206
Performance Fees	11	—	-	-	-	6	-	18
Other	20	1	-	-	-	-	-	21
Third-Party Distribution, Service and Advisory	-	(2)	(349)	-	-	-	-	(351)
<b>Total Operating Revenues reconciled to net revenues</b>	<b>1,193</b>	<b>11</b>	<b>(349)</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>867</b>
<b>Operating Expenses</b>								
Third-Party Distribution, Service and Advisory	349	-	(349)	-	-	-	-	-
Employee Compensation	398	5	-	(1)	(6)	-	(34)	362
Marketing	24	1	-	-	-	-	-	25
Property, Office and Technology	86	1	-	-	-	-	(1)	86
General and Administrative	78	3	-	(4)	-	1	(10)	68
<b>Total Operating Expenses</b>	<b>935</b>	<b>9</b>	<b>(349)</b>	<b>(5)</b>	<b>(6)</b>	<b>1</b>	<b>44</b>	<b>541</b>
<b>Operating Income reconciled to adjusted operating income</b>	<b>258</b>	<b>1</b>	<b>-</b>	<b>5</b>	<b>6</b>	<b>12</b>	<b>44</b>	<b>326</b>
Equity in Earnings of Unconsolidated Affiliates	18	(1)	-	-	-	(2)	-	15
Interest and Dividend Income	3	1	-	-	(0)	-	-	3
Interest Expense	(24)	-	-	-	-	-	-	(24)
Other Gains and Losses, net	7	—	-	(1)	(10)	10	14	21
Other income/(expense) of CIP, net	29	-	-	-	-	(29)	-	-
<b>Income before income taxes</b>	<b>290</b>	<b>1</b>	<b>-</b>	<b>(4)</b>	<b>(5)</b>	<b>(8)</b>	<b>59</b>	<b>342</b>
Income Tax Provision	(76)	(1)	-	4	2	-	(20)	(91)
<b>Net income</b>	<b>214</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>(3)</b>	<b>(8)</b>	<b>39</b>	<b>251</b>
Net (Income)/Loss Attributable to Noncontrolling Interests in Consolidated Entities	(2)	-	-	-	-	2	-	-
<b>Net Income Attributable to Invesco Ltd. reconciled to adjusted net income attributable to Invesco Ltd.</b>	<b>212</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>(3)</b>	<b>(6)</b>	<b>38</b>	<b>251</b>
Diluted EPS	\$0.52					Adjusted diluted EPS		\$0.61
Diluted Shares Outstanding	408.0					Diluted Shares Outstanding		408.0
Operating margin	21.6%					Adjusted Operating Margin		37.6%

# Reconciliation of US GAAP results to non-GAAP results – three months ended December 31, 2016



Please refer to pages 9-11 in the 4Q 2016 earnings press release for a description of the adjustments

(\$ millions)	US GAAP Basis	Proportional Consolidation of Joint Ventures	3 <sup>rd</sup> party distribution, service and advisory expenses	Business Combinations	Market appreciation / depreciation of deferred compensation awards	Consolidated Investment Products	Other reconciling items	Non-GAAP basis
<b>Operating Revenues</b>								
Investment Management Fees	947	12	-	-	-	6	-	965
Service and Distribution Fees	209	-	-	-	-	-	-	209
Performance Fees	18	—	-	-	-	—	-	18
Other	21	2	-	-	-	-	-	23
Third-Party Distribution, Service and Advisory	-	(2)	(350)	-	-	-	-	(352)
<b>Total Operating Revenues reconciled to net revenues</b>	<b>1,195</b>	<b>13</b>	<b>(350)</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>864</b>
<b>Operating Expenses</b>								
Third-Party Distribution, Service and Advisory	350	-	(350)	-	-	-	-	-
Employee Compensation	353	5	-	(1)	(2)	-	(12)	343
Marketing	35	—	-	-	-	-	-	35
Property, Office and Technology	85	1	-	-	-	-	(1)	85
General and Administrative	92	1	-	(3)	-	(12)	(8)	70
<b>Total Operating Expenses</b>	<b>914</b>	<b>7</b>	<b>(350)</b>	<b>(4)</b>	<b>(2)</b>	<b>(12)</b>	<b>(21)</b>	<b>533</b>
<b>Operating Income reconciled to adjusted operating income</b>	<b>281</b>	<b>5</b>	<b>-</b>	<b>4</b>	<b>2</b>	<b>18</b>	<b>21</b>	<b>331</b>
Equity in Earnings of Unconsolidated Affiliates	11	(4)	-	-	-	2	-	9
Interest and Dividend Income	4	1	-	-	(0)	—	-	4
Interest Expense	(24)	-	-	-	-	-	-	(24)
Other Gains and Losses, net	29	—	-	1	(2)	(2)	(15)	12
Other income/(expense) of CIP, net	10	-	-	-	-	(10)	-	-
<b>Income before income taxes</b>	<b>311</b>	<b>2</b>	<b>-</b>	<b>5</b>	<b>—</b>	<b>8</b>	<b>6</b>	<b>332</b>
<b>Income Tax Provision</b>	<b>(93)</b>	<b>(2)</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(92)</b>
<b>Net income</b>	<b>218</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>—</b>	<b>8</b>	<b>5</b>	<b>240</b>
Net (Income)/Loss Attributable to Noncontrolling Interests in Consolidated Entities	8	-	-	-	-	(8)	-	(0)
<b>Net Income Attributable to Invesco Ltd. reconciled to adjusted net income attributable to Invesco Ltd.</b>	<b>227</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>—</b>	<b>(0)</b>	<b>5</b>	<b>240</b>
Diluted EPS	\$0.55					Adjusted diluted EPS		\$0.59
Diluted Shares Outstanding	409.0					Diluted Shares Outstanding		409.0
Operating margin	23.5%					Adjusted Operating Margin		38.3%

# Reconciliation of US GAAP results to non-GAAP results – three months ended September 30, 2016



Please refer to pages 8-10 in the 3Q 2016 earnings press release for a description of the adjustments

(\$ millions)	US GAAP Basis	Proportional Consolidation of Joint Ventures	3 <sup>rd</sup> party distribution, service and advisory expenses	Business Combinations	Market appreciation / depreciation of deferred compensation awards	Consolidated Investment Products	Other reconciling items	Non-GAAP basis
<b>Operating Revenues</b>								
Investment Management Fees	966	12	-	-	-	5	-	983
Service and Distribution Fees	213	-	-	-	-	-	-	213
Performance Fees	3	-	-	-	-	1	-	4
Other	19	1	-	-	-	-	-	19
Third-Party Distribution, Service and Advisory	-	(2)	(362)	-	-	-	-	(365)
<b>Total Operating Revenues reconciled to net revenues</b>	<b>1,202</b>	<b>10</b>	<b>(362)</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>855</b>
<b>Operating Expenses</b>								
Third-Party Distribution, Service and Advisory	362	-	(362)	-	-	-	-	-
Employee Compensation	349	5	-	(0)	(4)	-	(6)	343
Marketing	26	—	-	-	-	-	-	27
Property, Office and Technology	78	1	-	-	-	-	3	82
General and Administrative	84	—	-	(4)	-	(7)	(5)	67
<b>Total Operating Expenses</b>	<b>899</b>	<b>7</b>	<b>(362)</b>	<b>(5)</b>	<b>(4)</b>	<b>(7)</b>	<b>(8)</b>	<b>519</b>
<b>Operating Income reconciled to adjusted operating income</b>	<b>303</b>	<b>3</b>	<b>-</b>	<b>5</b>	<b>4</b>	<b>13</b>	<b>8</b>	<b>336</b>
Equity in Earnings of Unconsolidated Affiliates	6	(3)	-	-	-	5	-	8
Interest and Dividend Income	3	-	-	-	-	-	-	3
Interest Expense	(24)	-	-	-	-	-	-	(24)
Other Gains and Losses, net	20	-	-	(5)	(7)	3	2	12
Other income/(expense) of CIP, net	39	-	-	-	-	(39)	-	-
<b>Income before income taxes</b>	<b>346</b>	<b>—</b>	<b>-</b>	<b>(0)</b>	<b>(4)</b>	<b>(18)</b>	<b>11</b>	<b>335</b>
Income Tax Provision	(90)	(0)	-	6	1	-	(5)	(89)
Net income	256	-	-	5	(2)	(18)	5	246
Net (Income)/Loss Attributable to Noncontrolling Interests in Consolidated Entities	(15)	-	-	-	-	15	-	-
<b>Net Income Attributable to Invesco Ltd. reconciled to adjusted net income attributable to Invesco Ltd.</b>	<b>241</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>(2)</b>	<b>(3)</b>	<b>5</b>	<b>246</b>
Diluted EPS	\$0.58					Adjusted diluted EPS		\$0.60
Diluted Shares Outstanding	412.9					Diluted Shares Outstanding		412.9
Operating margin	25.2%					Adjusted Operating Margin		39.3%