UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 1-13908

Invesco Ltd.

(Exact Name of Registrant as Specified in Its Charter)

Bermuda	**98-0557567**
(State or Other Jurisdiction of Incorporation or Organization)	*(I.R.S. Employer Identification No.)*
1555 Peachtree Street, N.E., Suite 1800, Atlanta, GA	**30309**
(Address of Principal Executive Offices)	*(Zip Code)*

(404) 892-0896

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $.20 par value	IVZ	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer ☐	Non-accelerated filer ☐	Smaller reporting company ☐
			Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes ☐ No ☑

As of March 31, 2020, the most recent practicable date, the number of Common Shares outstanding was 458,895,646.

TABLE OF CONTENTS

We include cross references to captions elsewhere in this Quarterly Report on Form 10-Q, which we refer to as this "Report," where you can find related additional information. The following table of contents tells you where to find these captions.

TABLE OF CONTENTS	Page
PART I. Financial Information	
Item 1. Financial Statements (unaudited)	3
Condensed Consolidated Balance Sheets	3
Condensed Consolidated Statements of Income	4
Condensed Consolidated Statements of Comprehensive Income	5
Condensed Consolidated Statements of Cash Flows	6
Condensed Consolidated Statements of Changes in Equity	7
Notes to the Condensed Consolidated Financial Statements	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	30
Item 3. Quantitative and Qualitative Disclosures About Market Risk	62
Item 4. Controls and Procedures	63
PART II. Other Information	
Item 1. Legal Proceedings	64
Item 1A. Risk Factors	64
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	65
Item 6. Exhibits	66
Signatures	67

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

Invesco Ltd.
Condensed Consolidated Balance Sheets
(Unaudited)

	As of	
$ in millions, except per share data	**March 31, 2020**	**December 31, 2019**
ASSETS		
Cash and cash equivalents	940.5	1,049.0
Unsettled fund receivables	213.5	162.7
Accounts receivable	701.0	855.6
Investments	744.5	829.5
Assets of consolidated investment products (CIP):		
Cash and cash equivalents of CIP	289.0	652.2
Accounts receivable and other assets of CIP	359.5	172.9
Investments of CIP	7,563.9	7,808.0
Assets held for policyholders	9,137.3	10,835.6
Prepaid assets	124.5	144.0
Other assets	505.0	459.6
Property, equipment and software, net	562.8	583.5
Intangible assets, net	7,325.1	7,358.3
Goodwill	8,544.1	8,509.4
Total assets	37,010.7	39,420.3
LIABILITIES		
Accrued compensation and benefits	481.1	1,030.7
Accounts payable and accrued expenses	1,933.5	1,904.0
Liabilities of CIP:		
Debt of CIP	6,172.7	6,234.6
Other liabilities of CIP	881.6	949.6
Policyholder payables	9,137.3	10,835.6
Unsettled fund payables	196.0	154.2
Long-term debt	2,588.8	2,080.3
Deferred tax liabilities, net	1,500.8	1,529.5
Total liabilities	22,891.8	24,718.5
Commitments and contingencies (See Note 15)		
TEMPORARY EQUITY		
Redeemable noncontrolling interests in consolidated entities	176.5	383.5
PERMANENT EQUITY		
Equity attributable to Invesco Ltd.:		
Preferred shares ($0.20 par value; $1,000 liquidation preference; 4.0 million authorized, issued and outstanding as of March 31, 2020 and December 31, 2019)	4,010.5	4,010.5
Common shares ($0.20 par value; 1,050.0 million authorized; 566.1 million shares issued as of March 31, 2020 and December 31, 2019)	113.2	113.2
Additional paid-in-capital	7,747.7	7,860.8
Treasury shares	(3,323.2)	(3,452.5)
Retained earnings	5,856.6	5,917.8
Accumulated other comprehensive income/(loss), net of tax	(905.5)	(587.3)
Total equity attributable to Invesco Ltd.	13,499.3	13,862.5
Equity attributable to nonredeemable noncontrolling interests in consolidated entities	443.1	455.8
Total permanent equity	13,942.4	14,318.3
Total liabilities, temporary and permanent equity	37,010.7	39,420.3

See accompanying notes.

Invesco Ltd.
Condensed Consolidated Statements of Income
(Unaudited)

$ in millions, except per share data	Three months ended March 31, 2020	2019
Operating revenues:		
Investment management fees	1,168.3	923.7
Service and distribution fees	365.8	219.3
Performance fees	4.8	21.8
Other	60.0	49.8
Total operating revenues	1,598.9	1,214.6
Operating expenses:		
Third-party distribution, service and advisory	515.1	368.0
Employee compensation	421.9	381.3
Marketing	32.7	28.0
Property, office and technology	130.4	107.2
General and administrative	106.3	83.8
Transaction, integration, and restructuring	75.5	46.1
Total operating expenses	1,281.9	1,014.4
Operating income	317.0	200.2
Other income/(expense):		
Equity in earnings of unconsolidated affiliates	16.9	15.0
Interest and dividend income	6.4	4.7
Interest expense	(36.3)	(33.1)
Other gains and losses, net	(106.5)	31.1
Other income/(expense) of CIP, net	(20.1)	38.9
Income before income taxes	177.4	256.8
Income tax provision	(57.4)	(66.2)
Net income	120.0	190.6
Net (income)/loss attributable to noncontrolling interests in consolidated entities	20.7	(12.9)
Dividends declared on preferred shares	(59.2)	—
Net income attributable to Invesco Ltd.	81.5	177.7
Earnings per common share:		
-basic	$0.18	$0.44
-diluted	$0.18	$0.44

See accompanying notes.

Invesco Ltd.
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

	Three months ended March 31,	
$ in millions	**2020**	**2019**
Net income	120.0	190.6
Other comprehensive income/(loss), net of tax:		
Currency translation differences on investments in foreign subsidiaries	(315.0)	60.9
Other comprehensive income/(loss), net of tax	(3.2)	0.5
Other comprehensive income/(loss)	(318.2)	61.4
Total comprehensive income/(loss)	(198.2)	252.0
Comprehensive loss/(income) attributable to noncontrolling interests in consolidated entities	20.7	(12.9)
Dividends on preferred shares	(59.2)	—
Comprehensive income/(loss) attributable to Invesco Ltd.	(236.7)	239.1

See accompanying notes.

Invesco Ltd.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three months ended March 31,	
$ in millions	**2020**	**2019**
Operating activities:		
Net income	120.0	190.6
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Amortization and depreciation	48.4	36.3
Common share-based compensation expense	47.4	49.8
Other (gains)/losses, net	106.5	(31.1)
Other (gains)/losses of CIP, net	48.4	(12.2)
Equity in earnings of unconsolidated affiliates	(16.9)	(15.0)
Distributions from equity method investees	2.0	2.0
Changes in operating assets and liabilities, net of business acquisitions:		
(Purchase)/sale of investments by CIP, net	(12.6)	(56.4)
(Purchase)/sale of investments, net	98.6	29.6
(Increase)/decrease in receivables	1,223.3	(720.3)
Increase/(decrease) in payables	(1,742.1)	406.3
Net cash provided by/(used in) operating activities	(77.0)	(120.4)
Investing activities:		
Purchase of property, equipment and software	(19.2)	(21.1)
Purchase of investments by CIP	(1,587.8)	(745.0)
Sale of investments by CIP	1,209.5	395.1
Purchase of investments	(36.8)	(72.9)
Sale of investments	28.5	27.9
Capital distributions from equity method investees	3.9	40.2
Collateral received/(posted), net	(50.1)	42.4
Net cash provided by/(used in) investing activities	(452.0)	(333.4)
Financing activities:		
Purchases of treasury shares	(31.5)	(78.6)
Dividends paid - preferred	(59.2)	—
Dividends paid - common	(140.9)	(120.1)
Third-party capital invested into CIP	39.7	74.5
Third-party capital distributed by CIP	(91.8)	(27.4)
Borrowings of debt by CIP	579.3	8.4
Repayments of debt by CIP	(503.8)	(46.1)
Payment on forward contracts	(190.6)	—
Net borrowings/(repayments) under credit facility	508.0	106.3
Payment of contingent consideration	(12.9)	(4.0)
Net cash provided by/(used in) financing activities	96.3	(87.0)
Increase/(decrease) in cash and cash equivalents	(432.7)	(540.8)
Foreign exchange movement on cash and cash equivalents	(33.7)	8.8
Foreign exchange movement on cash and cash equivalents of CIP	(5.0)	(5.2)
Net cash inflows (outflows) upon consolidation/deconsolidation of CIP	(0.3)	0.1
Cash and cash equivalents, beginning of period	1,701.2	1,805.4
Cash and cash equivalents, end of period	1,229.5	1,268.3
Cash and cash equivalents	940.5	1,017.1
Cash and cash equivalents of CIP	289.0	251.2
Total cash and cash equivalents per consolidated statement of cash flows	1,229.5	1,268.3

See accompanying notes.

Invesco Ltd.
Condensed Consolidated Statements of Changes in Equity
(Unaudited)

Three months ended March 31, 2020

	Equity Attributable to Invesco Ltd.									
$ in millions, except per share data	**Preferred Shares**	**Common Shares**	**Additional Paid-in-Capital**	**Treasury Shares**	**Retained Earnings**	**Accumulated Other Comprehensive Income/(Loss)**	**Total Equity Attributable to Invesco Ltd.**	**Nonredeemable Noncontrolling Interests in Consolidated Entities**	**Total Permanent Equity**	**Redeemable Noncontrolling Interests in Consolidated Entities Temporary Equity**
January 1, 2020	4,010.5	113.2	7,860.8	(3,452.5)	5,917.8	(587.3)	13,862.5	455.8	14,318.3	383.5
Net income	—	—	—	—	140.7	—	140.7	24.4	165.1	(45.1)
Other comprehensive income/(loss)	—	—	—	—	—	(318.2)	(318.2)	—	(318.2)	—
Change in noncontrolling interests in consolidated entities, net	—	—	—	—	—	—	—	(37.1)	(37.1)	(161.9)
Dividends declared - preferred ($14.75 per share)	—	—	—	—	(59.2)	—	(59.2)	—	(59.2)	—
Dividends declared - common ($0.31 per share)	—	—	—	—	(142.7)	—	(142.7)	—	(142.7)	—
Employee common share plans:										
Common share-based compensation	—	—	47.4	—	—	—	47.4	—	47.4	—
Vested common shares	—	—	(160.4)	160.4	—	—	—	—	—	—
Other common share awards	—	—	(0.1)	0.4	—	—	0.3	—	0.3	—
Purchase of common shares	—	—	—	(31.5)	—	—	(31.5)	—	(31.5)	—
March 31, 2020	4,010.5	113.2	7,747.7	(3,323.2)	5,856.6	(905.5)	13,499.3	443.1	13,942.4	176.5

Three months ended March 31, 2019

	Equity Attributable to Invesco Ltd.								
$ in millions, except per share data	**Common Shares**	**Additional Paid-in-Capital**	**Treasury Shares**	**Retained Earnings**	**Accumulated Other Comprehensive Income/(Loss)**	**Total Equity Attributable to Invesco Ltd.**	**Nonredeemable Noncontrolling Interests in Consolidated Entities**	**Total Permanent Equity**	**Redeemable Noncontrolling Interests in Consolidated Entities Temporary Equity**
January 1, 2019	98.1	6,334.8	(3,003.6)	5,884.5	(735.0)	8,578.8	357.4	8,936.2	396.2
Net income	—	—	—	177.7	—	177.7	(6.1)	171.6	19.0
Other comprehensive income/(loss)	—	—	—	—	61.4	61.4	—	61.4	—
Change in noncontrolling interests in consolidated entities, net	—	—	—	—	—	—	(11.2)	(11.2)	35.9
Dividends declared - common ($0.30 per share)	—	—	—	(120.1)	—	(120.1)	—	(120.1)	—
Employee common share plans:									
Common share-based compensation	—	49.8	—	—	—	49.8	—	49.8	—
Vested common shares	—	(110.8)	110.8	—	—	—	—	—	—
Other common share awards	—	(0.1)	0.4	—	—	0.3	—	0.3	—
Purchase of common shares	—	—	(78.6)	—	—	(78.6)	—	(78.6)	—
March 31, 2019	98.1	6,273.7	(2,971.0)	5,942.1	(673.6)	8,669.3	340.1	9,009.4	451.1

See accompanying notes.

Invesco Ltd.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

1. ACCOUNTING POLICIES

Corporate Information

Invesco Ltd. (Parent) and all of its consolidated entities (collectively, the company or Invesco) provide retail and institutional clients with an array of global investment management capabilities. The company operates globally, and its sole business is investment management.

Certain disclosures included in the company's annual report on Form 10-K for the year ended December 31, 2019 (annual report or Form 10-K) are not required to be included on an interim basis in the company's quarterly reports on Forms 10-Q (Report). The company has condensed or omitted these disclosures. Therefore, this Report should be read in conjunction with the company's annual report.

Basis of Accounting and Consolidation

The unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) for interim financial information and with rules and regulations of the Securities and Exchange Commission and consolidate the financial statements of the Parent and all of its controlled subsidiaries. In the opinion of management, the financial statements reflect all adjustments, consisting of normal recurring accruals, which are necessary for the fair statement of the financial condition and results of operations for the periods presented. All significant intercompany transactions, balances, revenues and expenses are eliminated upon consolidation. The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Use of Estimates

The three months ended March 31, 2020 were characterized by heightened uncertainty due to the COVID-19 pandemic which could impact estimates and assumptions made by management. The primary estimates and assumptions made relate to goodwill and intangible impairment, the impact of legal contingencies, certain investments which are carried at fair value, post-employment benefit plan obligations and taxes. Additionally, estimation is involved when determining investment and debt valuation for certain CIP; however, changes in the fair values of these amounts are largely offset by noncontrolling interests. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates, and the differences may be material to the Condensed Consolidated Financial Statements.

Accounting Pronouncements Recently Adopted

Financial Instruments. On January 1, 2020 the company adopted Accounting Standard Update 2016-13, "Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments" (ASU 2016-13) using the modified retrospective approach. ASU 2016-13 amends guidance related to reporting credit losses for financial assets measured at amortized cost and available for sale securities and adds an impairment model that is based on expected losses rather than incurred losses. Under the modified retrospective approach, entities are required to report any effect from adoption as a cumulative effect adjustment to retained earnings at the adoption date. The company has determined that there is no material impact upon adoption of this amendment.

Goodwill. On January 1, 2020 the company adopted Accounting Standards Update 2017-04, "Intangibles-Goodwill and Other: Simplifying the Test for Goodwill Impairment" (ASU 2017-04), which revised the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. The company has adopted ASU 2017-04 using a prospective approach. In the event a reporting unit's carrying amount exceeds fair value, the amount of impairment will equal the excess carrying value, not to exceed the total amount of goodwill allocated to the reporting unit. To the extent carrying amount exceeds fair value in a future goodwill impairment test, the amendment will change the amount of impairment expense the company records.

Cloud Computing Arrangements. On January 1, 2020 the company adopted Accounting Standards Update 2018-15, "Intangibles-Goodwill and Other-Internal-Use Software: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract" (ASU 2018-15), which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The company has adopted ASU 2018-15 using a

prospective approach to all implementation costs incurred after adoption. The company has determined that there is no material impact upon adoption of this standard.

Pending Accounting Pronouncements

None.

2. BUSINESS COMBINATIONS

On May 24, 2019, the company acquired OppenheimerFunds, an investment management subsidiary of Massachusetts Mutual Life Insurance Company's (MassMutual), with consideration to MassMutual and OppenheimerFunds employee shareholders consisting of $35.0 million in cash, 81.9 million shares of common stock and $4.0 billion in perpetual, non-cumulative preferred shares with a 21-year non-call period and a fixed rate of 5.9%. The 81.9 million shares are composed of 75.7 million common shares issued on the closing date and 6.2 million Invesco restricted common stock awards granted to employee shareholders. MassMutual has an approximate 16.5% stake in the common stock of the combined firm as of March 31, 2020. Invesco and MassMutual entered into a shareholder agreement, in which MassMutual has customary minority shareholder rights, including representation on Invesco's board of directors. The shareholder agreement with MassMutual specifies a lock-up period of two years for the common stock and five years for the preferred stock. MassMutual may not sell common or preferred shares received as purchase consideration during the respective lock-up periods.

The acquired business enhances the company's ability to meet client needs through its comprehensive range of high-conviction active, passive and alternative capabilities.

The transaction was accounted for under the acquisition method of accounting. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based upon their estimated fair values as of the date of the transaction. The issuance of common stock and preferred stock consideration represents a non-cash financing activity related to the statement of cash flows.

The following table summarizes the estimate of amounts of identified assets acquired and liabilities assumed at the acquisition date, as well as the consideration transferred to acquire OppenheimerFunds. Additional changes to the allocation to certain assets, liabilities and tax estimates are not expected but could occur. The company will finalize the acquisition accounting (including the valuation) within the required measurement period, but in no event not later than one year from May 24, 2019.

$ in millions	March 31, 2020 Fair Value Estimate
ASSETS	
Cash and cash equivalents	360.0
Accounts receivable	133.1
Investments	178.4
Prepaid assets	24.8
Other assets	181.2
Property, equipment and software, net	104.1
Intangible assets [1]	5,189.0
Goodwill [2]	1,507.6
Total assets	7,678.2
LIABILITES	
Accrued compensation and benefits	263.9
Accounts payable and accrued expenses[2]	730.4
Deferred tax liabilities, net	1,088.0
Total liabilities	2,082.3
Total identifiable net assets	5,595.9
Summary of consideration	
Cash consideration	35.0
Common stock consideration [3]	1,453.6
Preferred stock consideration [4]	4,010.5
Other consideration [5]	96.8
Total cash and stock consideration	5,595.9

(1) Intangible assets are comprised of the following:

- indefinite-lived intangible asset related to management contracts of $4,907.0 million consists primarily of contracts related to mutual funds.
- finite-lived intangible asset related to management contracts of $255.0 million consists primarily of contracts related to sub-advised accounts and has an estimated useful life of eight years.
- acquired trade name asset of $27.0 million has an estimated useful life of six years.

The intangible assets created in the acquisition are not expected to be deductible for tax purposes.

(2) Goodwill is calculated as the difference between the acquisition date fair value of the total consideration transferred and the aggregate values assigned to the assets acquired and liabilities assumed. The goodwill created in the acquisition is not expected to be deductible for tax purposes. The goodwill balance resulted primarily from the opening balance sheet net deferred tax liability. Additionally, an adjustment was made to goodwill during first quarter 2020 as a result of the matter described below. See Note 6 -- "Goodwill" for additional details regarding the accounting matter.

As part of the acquisition, the company acquired the management contracts of the Invesco Oppenheimer SteelPath-branded MLP funds and became the Adviser to the funds. In the fourth quarter 2019, the company identified an accounting matter related to the funds' financial statements and concluded that it was reasonably possible, but not probable, that the company would incur at least some costs associated with the matter. Accordingly, no accrual was made at December 31, 2019.

Following a regulatory consultation on the matter that concluded after the company filed its 2019 Annual Report on Form 10-K, the company changed its assessment of the likelihood of a loss to probable. Based on this new information about the facts and circumstances, the company adjusted the initial accounting for the acquisition by recording a liability of an estimated amount of $380.5 million and a deferred tax asset of $93.5 million (for expected future tax benefits) during the first quarter of 2020 for pre-acquisition activity related to the matter. The liability and associated deferred tax asset recorded represents management's current best estimate based on its current understanding of the relevant facts. As this accounting adjustment was recorded during the measurement period of one year after the acquisition date, a corresponding adjustment of $287.0 million ($380.5 million net of $93.5 million of deferred tax asset) was made to goodwill. As additional information about the matter is finalized, the estimate may change. In accordance with ASC 805 Business Combinations, any further adjustments made during the measurement period, will be recorded as an adjustment to goodwill. See Note 15 -- "Commitments and Contingencies" for additional details regarding the accounting matter.

(3) The common shares were fair valued using the company's market price on closing date and reflects a discount for the common shares issued to MassMutual (75,563,041 shares) with a two-year lock-up period, resulting in a value of approximately $19.195 per share. Common shares issued to OppenheimerFunds employee shareholders (153,574 shares) were valued at the market price on closing date, which was $20.42.

(4) The preferred shares were fair valued using a discounted cash flow model, resulting in a value of $1,000 per share.

(5) Other consideration primarily consists of the fair value of the vested portion of replacement employee common share-based awards.

The changes in the carrying amount of goodwill from December 31, 2019 to March 31, 2020 are primarily due to the OppenheimerFunds acquisition. See Note 6 -- "Goodwill" for additional details regarding changes in goodwill.

Transaction and integration costs related to the OppenheimerFunds acquisition included within the Transaction, integration, and restructuring line item on the Condensed Consolidated Statements of Income were $71.1 million, for the three months ended March 31, 2020. Included in this amount was a loss of $7.3 million, representing the post-acquisition activity and related costs for the MLP fund-related liability discussed above.

Supplemental Pro Forma Information

The following pro forma summary presents consolidated information of the company as if the business combination had occurred on January 1, 2019, the earliest period presented herein.

$ in millions	Three months ended March 31, 2019
Operating revenues	1,720.8
Net income	215.6

The pro forma adjustments include dividends on preferred shares, transaction costs, and adjustments to depreciation and intangible asset amortization expense. Cost savings or operating synergies expected to result from the acquisition are not included in the pro forma results. These pro forma results are not indicative of the actual results of operations that would have been achieved nor are they indicative of future results of operations.

3. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of financial instruments are presented in the below summary table. The fair value of financial instruments held by CIP is presented in Note 16, "Consolidated Investment Products". See the company's most recently filed Form 10-K for additional disclosures on valuation methodology and fair value.

	March 31, 2020	December 31, 2019
$ in millions	**Fair Value**	**Fair Value**
Cash and cash equivalents	940.5	1,049.0
Equity investments	334.1	432.5
Foreign time deposits [1]	25.8	32.0
Assets held for policyholders	9,137.3	10,835.6
Policyholder payables [1]	(9,137.3)	(10,835.6)
Contingent consideration liability	(33.6)	(60.2)
Long-term debt [1] [2]	(2,806.9)	(2,281.5)

(1) These financial instruments are not recorded on the balance sheet at fair value on a recurring basis. See the most recently filed Form 10-K for additional information about the carrying and fair values of these financial instruments. Foreign time deposits are measured at cost plus accrued interest, which approximates fair value, and are accordingly classified as Level 2 securities.

(2) All assets and liabilities are carried at fair value except debt which has a carrying value of $2,588.8 million as of March 31, 2020 (December 31, 2019: $2,080.3 million).

The following table presents, by hierarchy levels, the carrying value of the company's assets and liabilities, including major security type for equity and debt securities, which are measured at fair value on the company's Condensed Consolidated Balance Sheets as of March 31, 2020 and December 31, 2019, respectively:

	As of March 31, 2020			
$ in millions	**Fair Value Measurements**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Cash equivalents:				
Money market funds	379.9	379.9	—	—
Investments:*				
Equity investments:				
Seed money	175.7	175.7	—	—
Investments related to deferred compensation plans	155.8	155.8	—	—
Other equity securities	2.6	2.6	—	—
Assets held for policyholders	9,137.3	9,137.3	—	—
Total	9,851.3	9,851.3	—	—
Liabilities:				
Contingent consideration liability	(33.6)	—	—	(33.6)
Total	(33.6)	—	—	(33.6)

$ in millions	As of December 31, 2019 Fair Value Measurements	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents:				
Money market funds	620.9	620.9	—	—
Investments:*				
Equity investments:				
Seed money	235.5	235.5	—	—
Investments related to deferred compensation plans	192.4	192.4	—	—
Other equity securities	4.6	4.6	—	—
Assets held for policyholders	10,835.6	10,835.6	—	—
Total	11,889.0	11,889.0	—	—
Liabilities:				
Contingent consideration liability	(60.2)	—	—	(60.2)
Total	(60.2)	—	—	(60.2)

* Foreign time deposits of $25.8 million (December 31, 2019: 32.0 million) are excluded from this table. Equity method and other investments of $373.0 million and $11.6 million, respectively, (December 31, 2019: $350.8 million and $14.2 million, respectively) are also excluded from this table. These investments are not measured at fair value, in accordance with applicable accounting standards.

The following tables show a reconciliation of the beginning and ending fair value measurements for level 3 assets and liabilities during the three months ended March 31, 2020 and March 31, 2019, which are valued using significant unobservable inputs:

$ in millions	Three months ended March 31, 2020 Contingent Consideration Liability
Beginning balance	(60.2)
Revision to purchase price allocation	5.5
Net unrealized gains and losses included in other gains and losses, net*	8.2
Disposition/settlements	12.9
Ending balance	(33.6)

$ in millions	Three months ended March 31, 2019 Contingent Consideration Liability
Beginning balance	(40.9)
Net unrealized gains and losses included in other gains and losses, net*	(1.5)
Disposition/settlements	4.0
Ending balance	(38.4)

* These unrealized gains and losses are attributable to balances still held at the respective period ends.

Total Return Swaps

In addition to holding equity investments, the company has a total return swap (TRS) to economically hedge certain deferred compensation liabilities. The notional value of the total return swap at March 31, 2020 was $215.3 million. During the three months ended March 31, 2020, market valuation losses of $31.4 million were recognized in other gains and losses, net.

Contingent Consideration Liability

The contingent consideration liability related to the investment management contracts acquired from Deutsche Bank was recorded at fair value as of the date of acquisition using a discounted cash flow model and is categorized within level 3 of the valuation hierarchy. At March 31, 2020 inputs used in the model to determine the liability related to the pre-existing contingent consideration arrangement assumed no growth rates in forecasted AUM. Changes in fair value are recorded in other gains and losses, net in the period incurred. An increase in forecasted AUM levels and a decrease in the discount rate would increase the fair value of the contingent consideration liability while a decrease in forecasted AUM and an increase in the discount rate would decrease the liability.

In connection with the OppenheimerFunds acquisition (see Note 2, ""Business Combinations""), Invesco acquired a $13.6 million contingent consideration liability related to a historical OppenheimerFunds transaction. The liability is contingent upon the attainment of certain revenue growth objectives during 2019 and 2020. As of March 31, 2020, inputs used to determine the liability related to these arrangements primarily include an assumed growth rate in management fees of 4% and a discount rate of 10.7%.

In 2019, the company made other digital wealth acquisitions, which, based on adjusted initial purchase price allocations, resulted in contingent consideration liabilities of $10.5 million. The liabilities are contingent upon the attainment of certain sales growth targets during 2020, 2021 and 2022.

4. INVESTMENTS

The disclosures below include details of the company's investments. Investments held by CIP are detailed in Note 16, "Consolidated Investment Products".

$ in millions	March 31, 2020	December 31, 2019
Equity investments:		
Seed money	175.7	235.5
Investments related to deferred compensation plans	155.8	192.4
Other equity securities	2.6	4.6
Equity method investments*	373.0	350.8
Foreign time deposits	25.8	32.0
Other	11.6	14.2
Total investments	744.5	829.5

* Certain co-investments in managed funds accounted for under the equity method are valued on a one-month or a three-month lag based upon the availability of fund financial information which means the equity in earnings may not reflect the market disruption that occurred during March 2020.

Equity investments

The unrealized gains and losses for the three months ended March 31, 2020, that relate to equity investments still held at March 31, 2020, was a $86.1 million net loss (three months ended March 31, 2019: $23.0 million net gain).

5. INTANGIBLE ASSETS

The following table presents the major classes of the company's intangible assets at March 31, 2020 and December 31, 2019:

$ in millions	Gross Book Value	Accumulated Amortization	Net Book Value
March 31, 2020			
Management contracts - indefinite-lived	6,962.0	N/A	6,962.0
Management contracts - finite-lived	319.2	(92.7)	226.5
Developed technology	92.5	(35.0)	57.5
Other	106.1	(27.0)	79.1
Total	7,479.8	(154.7)	7,325.1
December 31, 2019			
Management contracts - indefinite-lived	6,969.1	N/A	6,969.1
Management contracts - finite-lived	319.3	(84.5)	234.8
Developed technology	98.6	(31.7)	66.9
Other	112.2	(24.7)	87.5
Total	7,499.2	(140.9)	7,358.3

During the three months ended March 31, 2020, the company did not acquire any intangible assets.

During 2019, the company acquired $4,907.0 million in indefinite lived management contracts, $255.0 million of finite-lived intangible asset related management contracts, and $27.0 million of trade name assets related to the Oppenheimer acquisition. Other 2019 additions to intangible assets related to the preliminary valuations of acquisitions of digital wealth technology companies. Amortizable intangible assets of $315.4 million related to 2019 acquisitions have a weighted-average amortization period of 7.15 years.

The 2019 annual impairment review of indefinite-lived intangible assets determined that no impairment existed. Due to the decline in our assets under management in the three months ended March 31, 2020, management determined that an interim impairment test was necessary for certain of our indefinite-lived management contract assets.

The impairment analysis involves determining whether the estimated fair value of each intangible asset exceeds its carrying amount. If the fair value of the intangible asset exceeds its carrying amount, then the asset is not impaired. However, if the carrying amount exceeds the fair value of the asset, the amount of impairment would equal the excess carrying value.

The principal method of determining fair value of indefinite-lived intangible assets is an income approach where estimated future cash flows are discounted to arrive at a single present value amount. The discount rate used is derived based on the time value of money and the risk profile of the stream of future cash flows. Recent results and projections based on expectations regarding revenue, expenses, capital expenditure and acquisition earn out payments produce a present value for the company, or its fair value.

The company’s impairment analysis at March 31, 2020 incorporated revised forecasts that took into account the market disruptions during the quarter and expectations for a continued strain on results over the remainder of the year. Given the significant level of uncertainty that currently exists, management applied several alternative scenarios for market and company performance over the next several years to determine fair value. Other key assumptions were updated as appropriate, including the discount rate, which increased as a result of an increase in the equity risk premium, which was partially offset by a decrease in the risk free rate.

The analysis resulted in no impairment because the fair value of indefinite-lived intangible assets exceeded their carrying value, although the amount of excess has decreased since the last quantitative test. To the extent that markets remain depressed for a prolonged period of time and market conditions stagnate or worsen as a result of the COVID-19 pandemic, our assets under management, revenues, and profitability would likely be adversely affected. As a result, subsequent impairment tests may be based upon different assumptions and future cash flow projections, which may result in an impairment. Any impairment could reduce materially the recorded amount of indefinite-lived intangible assets with a corresponding charge to our earnings.

Amortization expense for the three months ended March 31, 2020 was $15.9 million. Amortization expense for the three months ended December 31, 2019 was $20 million. Estimated amortization expense for each of the five succeeding fiscal years based upon the company's intangible assets at March 31, 2020 is as follows:

$ in millions Years Ended December 31,	Estimated Amortization Expense
2020 (excluding the three months ended March 31, 2020)	(46.2)
2021	(62.5)
2022	(59.5)
2023	(52.0)
2024	(46.8)
2025	(38.9)

6. GOODWILL

The table below details changes in the goodwill balance:

$ in millions	Net Book Value
January 1, 2020	8,509.4
Business combinations	288.1
Foreign exchange and other	(253.4)
March 31, 2020	8,544.1
January 1, 2019	7,157.1
Business combinations	1,229.1
Foreign exchange and other	123.2
December 31, 2019	8,509.4

The 2020 additions to goodwill of $288.1 million related primarily to adjustments to the preliminary purchase price allocation of the Oppenheimer acquisition. See Note 2, "Business Combinations" and Note 15, "Commitments and Contingencies" for additional details. The 2019 addition to goodwill consists of the initial preliminary valuation of the Oppenheimer acquisition and other additions related to the preliminary valuations of acquired digital wealth technology companies.

The 2019 annual impairment review determined that no impairment existed at the annual review dates. Due to the decline in our assets under management in the three months ended March 31, 2020, management determined that an interim impairment test was necessary as of March 31, 2020.

The impairment analysis involves determining whether the estimated fair value of the company (a single reporting unit) exceeds its book value. If the fair value of the company exceeds its book value, then goodwill is not impaired. However, if the book value exceeds the fair value of the company, the amount of impairment would equal the excess book value.

The principal method of determining fair value of the company is an income approach where estimated future cash flows are discounted to arrive at a single present value amount. The discount rate used is derived based on the time value of money and the risk profile of the stream of future cash flows. Recent results and projections based on expectations regarding revenue, expenses, capital expenditure and acquisition earn out payments produce a present value for the company, or its fair value.

The company’s impairment analysis at March 31, 2020 incorporated revised forecasts that took into account the market disruptions during the quarter and expectations for a continued strain on results over the remainder of the year. Given the significant level of uncertainty that currently exists, management also considered several alternative scenarios for market and company performance over the next several years. Other key assumptions were updated as appropriate, including the discount rate, which increased as a result of an increase in the equity risk premium, which was partially offset by a decrease in the risk free rate.

The analysis resulted in no impairment because fair value of the company exceeded book value, although the amount of excess has decreased significantly since the last quantitative test. To the extent that markets remain depressed for a prolonged period of time and market conditions stagnate or worsen as a result of the COVID-19 pandemic, our assets under management, revenues, and profitability would likely be adversely affected. As a result, subsequent impairment tests may be based upon different assumptions and future cash flow projections, which may result in an impairment of goodwill. Any impairment could reduce materially the recorded amount of goodwill with a corresponding charge to our earnings.

7. LONG-TERM DEBT

The disclosures below include details of the company's debt. Debt of CIP is detailed in Note 16, ""Consolidated Investment Products"."

	March 31, 2020		December 31, 2019	
$ in millions	**Carrying Value [2]**	**Fair Value**	**Carrying Value [2]**	**Fair Value**
$1.5 billion floating rate credit facility expiring August 11, 2022	508.0	508.0	—	—
Unsecured Senior Notes[1]:				
$600 million 3.125% - due November 30, 2022	598.3	599.5	598.1	617.5
$600 million 4.000% - due January 30, 2024	596.1	629.3	595.8	639.2
$500 million 3.750% - due January 15, 2026	496.3	521.3	496.1	533.0
$400 million 5.375% - due November 30, 2043	390.1	548.8	390.3	491.8
Long-term debt	2,588.8	2,806.9	2,080.3	2,281.5

(1) The company's senior note indentures contain certain restrictions on mergers or consolidations. Beyond these items, there are no other restrictive covenants in the indentures.

(2) The difference between the principal amounts and the carrying values of the senior notes in the table above reflect the unamortized debt issuance costs and discounts.

The company maintains approximately $10.3 million in letters of credit from a variety of banks. The letters of credit are generally one-year automatically-renewable facilities and are maintained for various commercial reasons.

8. SHARE CAPITAL

The preferred shares issued in connection with the acquisition of OppenheimerFunds have a $0.20 par value, liquidation preference of $1,000 per share and fixed cash dividend rate of 5.90% per annum, payable quarterly on a non-cumulative basis. Shares of preferred stock are not redeemable prior to the 21st anniversary of their original issue date of May 24, 2019. The number of preferred shares issued and outstanding is represented in the table below:

	As of	
in millions	**March 31, 2020**	**December 31, 2019**
Preferred shares issued [1]	4.0	4.0
Preferred shares outstanding [1]	4.0	4.0

(1) Preferred shares are held by MassMutual and are subject to a lock-up period of five years, which disallows the sale of preferred shares by MassMutual during the five-year period beginning on the original issue date of May 24, 2019.

The number of common shares and common share equivalents issued are represented in the table below:

	As of	
In millions	**March 31, 2020**	**December 31, 2019**
Common shares issued	566.1	566.1
Less: Treasury shares for which dividend and voting rights do not apply	(107.2)	(112.8)
Common shares outstanding	458.9	453.3

In 2019, the company entered into three forward contracts to purchase its common shares. The details of the forward contracts as of March 31, 2020 and December 31, 2019, are as follows:

In millions, except strike price	March 31, 2020						
	Common Shares Purchased	Initial Strike Price	Forward Price	Hedge Completion Date	Total Treasury Shares Recorded	Settlement Date	Total Liability Recorded
$200 million - entered on May 13, 2019	9.8	$ 20.51	$ 12.00	05/30/2019	$ 198.7	01/04/2021	$ (116.6)
$200 million - entered on July 2, 2019	10.0	$ 20.00	$ 12.00	07/30/2019	$ 193.7	04/01/2021	$ (117.7)
$100 million - entered on August 27, 2019	6.0	$ 16.59	$ 12.00	09/27/2019	$ 102.6	04/01/2021	$ (73.5)
	25.8				$ 495.0		$ (307.8)

In millions, except strike price	December 31, 2019						
	Common Shares Purchased	Initial Strike Price	Forward Price	Hedge Completion Date	Total Treasury Shares Recorded	Settlement Date	Total Liability Recorded
$200 million - entered on May 13, 2019	9.8	$ 20.51	$ 20.51	05/30/2019	$ 198.7	01/04/2021	$ (199.1)
$200 million - entered on July 2, 2019	10.0	$ 20.00	$ 20.00	07/30/2019	$ 193.7	04/01/2021	$ (195.3)
$100 million - entered on August 27, 2019	6.0	$ 16.59	$ 16.59	09/27/2019	$ 102.6	04/01/2021	$ (102.1)
	25.8				$ 495.0		$ (496.5)

During the three months ended March 31, 2020, the company amended its forward contracts resulting in a reduced forward price of $12.00. The company applied $190.6 million of collateral already paid against the forward payable which reduced the amount the company will be required to pay at the time of settlement. The forward liability is recorded in accounts payable and accrued expenses on Condensed Consolidated Balance Sheet. The net collateral paid balance of $87.9 million at March 31, 2020 (December 31, 2019: $37.8 million) is recorded in other assets on the Condensed Consolidated Balance Sheet.

9. OTHER COMPREHENSIVE INCOME/(LOSS)

The components of accumulated other comprehensive income/(loss) were as follows:

$ in millions	For the three months ended March 31, 2020				
	Foreign currency translation	Employee benefit plans	Equity method investments	Available-for-sale investments	Total
Other comprehensive income/(loss) net of tax:					
Currency translation differences on investments in foreign subsidiaries	(315.0)	—	—	—	(315.0)
Other comprehensive income, net	—	(3.1)	—	(0.1)	(3.2)
Other comprehensive income/(loss), net of tax	(315.0)	(3.1)	—	(0.1)	(318.2)
Beginning balance	(462.0)	(126.1)	0.1	0.7	(587.3)
Other comprehensive income/(loss), net of tax	(315.0)	(3.1)	—	(0.1)	(318.2)
Ending balance	(777.0)	(129.2)	0.1	0.6	(905.5)

$ in millions	For the three months ended March 31, 2019 Foreign currency translation	Employee benefit plans	Equity method investments	Available-for-sale investments	Total
Other comprehensive income/(loss) net of tax:					
Currency translation differences on investments in foreign subsidiaries	60.9	—	—	—	60.9
Other comprehensive income, net	—	0.2	—	0.3	0.5
Other comprehensive income/(loss), net of tax	60.9	0.2	—	0.3	61.4
Beginning balance	(617.6)	(117.7)	—	0.3	(735.0)
Other comprehensive income/(loss), net of tax	60.9	0.2	—	0.3	61.4
Ending balance	(556.7)	(117.5)	—	0.6	(673.6)

Net Investment Hedge

The company designated certain intercompany debt as a non-derivative net investment hedging instrument against foreign currency exposure related to its net investment in foreign operations. At March 31, 2020 and December 31, 2019, £130 million ($160.8 million and $172.1 million, respectively) of intercompany debt was designated as a net investment hedge. For the three months ended March 31, 2020, the Company recognized foreign currency gains of $11.3 million (three months ended March 31, 2019: losses of $4.1 million) resulting from the net investment hedge within currency translation differences on investments in foreign subsidiaries in other comprehensive income.

10. REVENUE

The geographic disaggregation of revenue for the three months ended March 31, 2020 and 2019 are presented below. There are no revenues attributed to the company's country of domicile, Bermuda.

$ in millions	For the three months ended March 31, 2020	2019
Americas	1,180.7	760.0
UK	170.8	210.7
EMEA ex UK (Europe, Middle East, and Africa)	164.4	169.6
Asia	83.0	74.3
Total operating revenues	1,598.9	1,214.6

The opening and closing balance of deferred carried interest liabilities for the three months ended March 31, 2020 were $45.8 million and $57.9 million, respectively (December 31, 2019: $61.3 million and $45.8 million, respectively). During the three months ended March 31, 2020, no performance fee revenue was recognized that had been included in the deferred carried interest liability balance at the beginning of the period (March 31, 2019: $5.9 million).

11. COMMON SHARE-BASED COMPENSATION

The company recognized total expenses of $47.4 million and $49.8 million related to equity-settled common share-based payment transactions in the three months ended March 31, 2020 and 2019, respectively.

Movements on common share awards during the periods ended March 31, are detailed below:

	For the three months ended March 31, 2020			For the three months ended March 31, 2019	
Millions of common shares, except fair values	Time- Vested	Performance- Vested	Weighted Average Grant Date Fair Value ($)	Time- Vested	Performance- Vested
Unvested at the beginning of period	18.7	1.1	21.94	12.5	0.9
Granted during the period [1]	7.8	0.9	14.37	8.9	0.6
Forfeited during the period	(0.2)	—	22.90	(0.3)	—
Vested and distributed during the period	(6.1)	(0.2)	25.65	(4.6)	(0.1)
Unvested at the end of the period	20.2	1.8	19.70	16.5	1.4

(1) With respect to the time-vested awards granted in 2019, includes 6.2 million restricted shares as employment inducement awards in connection with completed acquisitions.

The total fair value of common shares that vested during the three months ended March 31, 2020 was $91.8 million (three months ended March 31, 2019: $89.8 million). The weighted average grant date fair value of the common share awards that were granted during the three months ended March 31, 2020 was $14.37 (three months ended March 31, 2019: $19.34).

At March 31, 2020, there was $369.0 million of total unrecognized compensation cost related to non-vested common share awards; that cost is expected to be recognized over a weighted average period of 2.78 years.

12. OPERATING LEASES

The company leases office space in almost all its locations of business, data centers and certain equipment under non-cancelable operating leases. The operating leases have a weighted-average remaining lease term of 6.22 years and generally include one or more options to renew, with renewal terms that can extend the lease term from 1 to 10 years. Certain lease arrangements include an option to terminate the lease if a notification is provided to the landlord within 1 to 9 years prior to the end of the lease term. The company has sole discretion in exercising lease renewal and termination options. The lease terms used in the company's lease measurements do not include renewal options as they are not reasonably certain to be exercised as of the date of this report.

The company elected to combine lease and non-lease components in calculating the lease liability and right-of-use asset for operating leases.

Variable lease payments are determined based on the terms and conditions outlined in the lease contracts and are primarily determined in relation to the extent of the company's usage of the right-of use-asset or the nature and extent of services received from the lessor.

As of March 31, 2020, the right-of-use asset of $312.4 million was included within Other assets, and the lease liability of $353.1 million was included within Accounts payable and accrued expenses, on the Condensed Consolidated Balance Sheet.

The components of lease expense for the three months ended March 31, 2020 were as follows:

$ in millions	Three months ended March 31, 2020	Three months ended March 31, 2019
Operating lease cost	20.6	12.8
Variable lease cost	5.3	6.8
Less: sublease income	(0.2)	(0.1)
Total lease expense	25.7	19.5

Supplemental cash flow information related to leases for the three months ended March 31, 2020 was as follows:

$ in millions	Three months ended March 31, 2020	Three months ended March 31, 2019
Operating cash flows from operating leases included in the measurement of lease liabilities	18.7	15.0
Right-of-use assets obtained in exchange for new operating lease liabilities	9.5	4.1

In determining the discount rate, the company considered the interest rate yield for specific interest rate environments and the company's credit spread at the inception of the lease.

The weighted-average discount rate for the operating lease liability for the three months ended March 31, 2020 was 3.49%.

As of March 31, 2020 the maturities of the company's lease liabilities (primarily related to real estate leases) were as follows:

$ in millions Year Ending December 31,	Lease Liabilities
2020 (excluding the three months ended March 31, 2020)	59.2
2021	73.0
2022	64.6
2023	55.8
2024	42.0
Thereafter	99.3
Total lease payments	393.9
Less: interest	(40.8)
Present value of lease liabilities	353.1

Excluded from the table above is an additional operating lease for the company's new Atlanta headquarters that was entered into during third quarter of 2019, but has not yet commenced. The expected lease obligations are approximately $232.5 million which will be paid over an expected lease term of 15 years. This operating lease will commence in fiscal year 2022 and will replace the company's existing lease for the current headquarters.

13. TAXATION

On March 27, 2020, the United States enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act as a result of the Coronavirus pandemic, which contains among other things, numerous income tax provisions. Some of these tax provisions are expected to be effective retroactively for years ending before the date of enactment. The company has evaluated the current legislation and at this time, does not anticipate the CARES Act to have a material impact on its financial statements.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

$ in millions	Gross Unrecognized Income Tax Benefits
Balance at December 31, 2019	69.9
Additions for tax positions related to the current year	0.7
Additions for tax positions related to prior years	1.0
Other reductions for tax positions related to prior years	(0.8)
Reductions for statute closings	(9.3)
Balance at March 31, 2020	61.5

At March 31, 2020, the total amount of gross unrecognized tax benefits was $61.5 million as compared to the December 31, 2019 total of $69.9 million. During the three months ended March 31, 2020 the company recognized a $9.3 million tax benefit that resulted primarily from the expiration of a state statute of limitations for a previously recorded position. The remainder of the movement is comprised of additions to existing positions net of other settlements and reductions. Of the total amount of gross unrecognized tax benefits, $47.8 million (net of tax benefits in other jurisdictions and the federal benefit of state taxes) represents the amount of unrecognized tax benefits that, if recognized, would favorably affect the effective tax rate in future periods.

As a result of potential legislative changes; settlements with taxing authorities and the expiration of statutes of limitations for certain jurisdictions, it is reasonably possible that the company's gross unrecognized tax benefits balance may change within the next twelve months by a range of $5.0 million to $10.0 million.

14. EARNINGS PER COMMON SHARE

The calculation of earnings per common share is as follows:

	For the three months ended March 31,	
In millions, except per share data	**2020**	**2019**
Net income attributable to Invesco Ltd.	81.5	177.7
Invesco Ltd:		
Weighted average common shares outstanding - basic	455.7	401.6
Dilutive effect of non-participating common share-based awards	3.2	0.3
Weighted average common shares outstanding - diluted	458.9	401.9
Earnings per common share:		
-basic	$0.18	$0.44
-diluted	$0.18	$0.44

See Note 11, "Common Share-Based Compensation", for a summary of common share awards outstanding under the company's common share-based compensation programs. These programs could result in the issuance of common shares from time to time that would affect the measurement of basic and diluted earnings per common share.

There were 0.3 million common shares of performance-vested awards excluded from the computation of diluted earnings per common share during the three months ended March 31, 2020 due to their inclusion being anti-dilutive (three months ended March 31, 2019: 0.7 million). There were no common shares of time-vested awards excluded from the computation of diluted earnings per common share during three months ended March 31, 2020 (three months ended March 31, 2019: none).

15. COMMITMENTS AND CONTINGENCIES

Commitments and contingencies may arise in the ordinary course of business.

Off Balance Sheet Commitments

The company has committed to co-invest in certain investment products which may be called in future periods. At March 31, 2020, the company's undrawn capital commitments were $352.3 million (December 31, 2019: $357.0 million).

The Parent and various company subsidiaries have entered into agreements with financial institutions to guarantee certain obligations of other company subsidiaries. The company would be required to perform under these guarantees in the event of certain defaults. The company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

On October 18, 2018, the company announced plans to buy back $1.2 billion of the company's common shares within the next two years. In connection with this effort, the company entered into several forward contracts to purchase its common shares. See Note 8. "Share Capital" for details of these forward contracts and the related liability outstanding at March 31, 2020.

Pursuant to an agreement entered into at the consummation of the acquisition of OppenheimerFunds, MassMutual, as the holder of seed capital investments in certain funds and accounts included in the acquisition, has the right to redeem its seed capital investments in accordance with an agreed upon schedule. In the event MassMutual exercises its redemption rights and the applicable fund or account is unable to meet such redemption (for example, due to illiquid investments or the need to maintain a level of investment in the fund), the company would be required to fund such redemption to MassMutual and seek reimbursement from the applicable fund or account at a later time when the fund or account is able to fulfill a redemption request. At March 31, 2020, the total amount of seed capital subject to this agreement is approximately $445.8 million. Since March 31, 2020, MassMutual exercised its redemption rights and redeemed a portion of the seed capital per the agreed upon schedule. As of the date of this report, the company was not required to fund these redemptions nor does the company anticipate having to fund any of the seed capital subject to this agreement.

Legal Contingencies

The company is from time to time involved in pending or threatened litigation relating to claims arising in the ordinary course of its business. The nature and progression of litigation can make it difficult to predict the impact a particular lawsuit or claim will have on the company. There are many reasons that the company cannot make these assessments, including, among others, one or more of the following: the proceeding is in its early stages (or merely threatened); the damages sought are unspecified, unsupportable, unexplained or uncertain; the claimant is seeking relief other than compensatory damages; the matter presents novel legal claims or other meaningful legal uncertainties; discovery has not started or is not complete; there are significant facts in dispute; and there are other parties who may share in any ultimate liability.

In assessing the impact that a legal or regulatory matter will have on the company, management evaluates the need for an accrual on a case-by-case basis. If the likelihood of a loss is deemed probable and is reasonably estimable, the estimated loss is accrued. If the likelihood of a loss is assessed as less than probable, or an amount or range of loss cannot be reasonably estimated, a loss is not accrued. In management's opinion, adequate accrual has been made as of March 31, 2020 to provide for any such losses that may arise from matters for which the company could reasonably estimate an amount. Management is of the opinion that the ultimate resolution of such claims will not materially affect the company's business, financial position, results of operation or liquidity. Furthermore, in management's opinion, it is not possible to estimate a range of reasonably possible losses with respect to other litigation contingencies.

The investment management industry also is subject to extensive levels of ongoing regulatory oversight and examination. In the United States, United Kingdom, and other jurisdictions in which the company operates, governmental authorities regularly make inquiries, hold investigations and administer market conduct examinations with respect to the company's compliance with applicable laws and regulations. Additional lawsuits or regulatory enforcement actions arising out of these inquiries may in the future be filed against the company and related entities and individuals in the United States, United Kingdom, and other jurisdictions in which the company and its affiliates operate. Any material loss of investor and/or client confidence as a result of such inquiries and/or litigation could result in a significant decline in AUM, which would have an adverse effect on the company's future financial results and its ability to grow its business.

OppenheimerFunds acquisition-related matter

In the fourth quarter 2019, the company identified an accounting matter which has required that the historical financial statements for certain funds identified below be restated. This matter also will result in remediation costs, all or at least some portion of which the company expects to bear. Uncertainties remain as of the date of this report regarding the nature, scope and amounts of such costs, as well as the degree to which the company will ultimately be financially responsible for bearing such costs. Set forth below is a more detailed description of this matter, based on information available as of the date of this report.

This matter pertains to the following four Master Limited Partnership ("MLP") funds: (1) the Invesco Oppenheimer Steelpath MLP Income Fund; (2) the Invesco Oppenheimer Steelpath MLP Select 40 Fund; (3) the Invesco Oppenheimer Steelpath MLP Alpha Fund; and (4) the Invesco Oppenheimer Steelpath MLP Alpha Plus Fund (each a "Fund" and together the "Funds"). The company acquired sponsorship and management of the Funds on May 24, 2019 as part of its acquisition of OppenheimerFunds.

The Funds invest substantially all their assets in entities that are MLPs for tax purposes. As a result, the Funds are taxable entities subject to Subchapter C of the Internal Revenue Code of 1986, as amended (the "Tax Code"). This is unusual, as most mutual funds are instead subject to Subchapter M of the Tax Code (and, in general, operate as flow through vehicles for tax purposes thereunder). Because of their tax status, the Funds have tax attributes, including deferred tax assets and deferred tax liabilities, and must make assessments as to the amount of deferred tax assets that may be realizable in accordance with ASC 740 Income Taxes ("ASC 740").

In preparing their financial statements for the fiscal year ended November 30, 2019, questions arose as to whether the Funds' previously issued financial statements for certain years failed to include appropriate valuation allowances against the Funds' deferred tax assets in accordance with ASC 740. Following a regulatory consultation on these matters that concluded after the company filed its 2019 Annual Report on Form 10-K, the Funds determined that certain previously issued financial statements had to be restated (which the Funds have now done), and the Funds have recorded incorrect Net Asset Values ("NAVs") for periods dating back to 2015. Remediating these matters has, will or may produce the following costs:

- Costs of processing the restated historical financial statements, and related costs of communicating with present and former Fund shareholders;

- Costs of reimbursing shareholders for transactions in Fund shares made at incorrect NAVs and for certain fees paid by the Funds based thereon; and
- Certain additional costs in connection with these matters.

As stated above, uncertainties remain regarding the nature, scope and amount of these costs. Furthermore, there is uncertainty as to the degree to which the company will become ultimately responsible to absorb some or all such costs. The sources of such uncertainties include, among other things, the following:

- The process and method for determining such remediation is subject to various factors that are not yet certain and information that is not yet readily available. In this regard, a significant amount of the investors in the Funds are held in omnibus accounts where the company does not at this time have access to the level of data necessary to determine the appropriate remediation.
- The company and/or the Funds may be entitled to seek reimbursement for certain of such costs under applicable insurance policies (subject to the terms of such policies, including applicable deductibles and policy limits).
- The company may be entitled to seek indemnification for certain of such costs from MassMutual under the OppenheimerFunds acquisition agreement (subject to the terms of such indemnification, including the specified deductible and limit).

During first quarter 2020, the company concluded that it is probable that the company will incur at least some costs regarding this matter. Accordingly, the company recorded an estimated liability of $387.8 million for both pre and post-acquisition activity related to the matter. For pre-acquisition activity, the company recorded an adjustment to the initial acquisition accounting for a liability of an estimated amount of $380.5 million in accordance with ASC 805 Business Combinations and a corresponding adjustment was recorded to goodwill and deferred tax assets. (See Note 2. "Business Combinations" for additional information.) This estimate excludes any amounts that may be recovered through seller indemnifications and insurance recoveries. The estimate also excludes other costs related to the matter, such as the costs of remediation or the costs of communicating with fund shareholders. Additionally, the company recognized a liability of an estimated amount of $7.3 million for activity after the acquisition date, which was recorded in earnings. Both amounts reflect management's best estimate based on its current understanding of the relevant facts and circumstances.

16. CONSOLIDATED INVESTMENT PRODUCTS (CIP)

The following table presents the balances related to CIP that are included on the Condensed Consolidated Balance Sheets as well as Invesco's net interest in the CIP for each period presented. See the company's most recently filed Form 10-K for additional disclosures on valuation methodology and fair value.

	As of	
$ in millions	**March 31, 2020**	**December 31, 2019**
Cash and cash equivalents of CIP	289.0	652.2
Accounts receivable and other assets of CIP	359.5	172.9
Investments of CIP	7,563.9	7,808.0
Less: Debt of CIP	(6,172.7)	(6,234.6)
Less: Other liabilities of CIP	(881.6)	(949.6)
Less: Retained earnings	9.6	9.5
Less: Accumulated other comprehensive income, net of tax	(9.5)	(9.4)
Less: Equity attributable to redeemable noncontrolling interests	(176.5)	(383.5)
Less: Equity attributable to nonredeemable noncontrolling interests	(442.2)	(454.9)
Invesco's net interests in CIP	539.5	610.6

The following table reflects the impact of consolidation of investment products into the Condensed Consolidated Statements of Income for the three months ended March 31, 2020 and 2019:

	Three months ended March 31,	
$ in millions	**2020**	**2019**
Total operating revenues	(8.9)	(8.7)
Total operating expenses	17.0	2.8
Operating income	(25.9)	(11.5)
Equity in earnings of unconsolidated affiliates	(16.6)	6.5
Interest and dividend income	(0.1)	(1.3)
Other gains and losses, net	41.8	(20.7)
Interest and dividend income of CIP	85.2	84.7
Interest expense of CIP	(56.9)	(58.0)
Other gains/(losses) of CIP, net	(48.4)	12.2
Income before income taxes	(20.8)	11.9
Income tax provision	—	—
Net income	(20.8)	11.9
Net (income)/loss attributable to noncontrolling interests in consolidated entities	20.7	(12.9)
Net income attributable to Invesco Ltd.	(0.1)	(1.0)

Non-consolidated VIEs

At March 31, 2020, the company's carrying value and maximum risk of loss with respect to variable interest entities (VIEs) in which the company is not the primary beneficiary was $163 million (December 31, 2019: $188 million).

Balance Sheet information - newly consolidated VIEs/VOEs

During the three months ended March 31, 2020, there were three newly consolidated VIEs and no newly consolidated voting rights entities (VOEs) (March 31, 2019: there was one newly consolidated VIE). The table below illustrates the summary balance sheet amounts related to these products before consolidation into the company. The balances below are reflective of the balances existing at the consolidation date after the initial funding of the investments by the company and unrelated third-party investors. The current period activity for the consolidated funds, including the initial funding and subsequent investment of initial cash balances into underlying investments of CIP, is reflected in the company's Condensed Consolidated Financial Statements.

	For the three months ended March 31, 2020	For the three months ended March 31, 2019
$ in millions	**VIEs**	**VIEs**
Cash and cash equivalents of CIP	2.4	0.4
Accounts receivable and other assets of CIP	0.1	2.7
Investments of CIP	26.3	105.9
Total assets	28.8	109.0
Debt of CIP	2.0	97.8
Other liabilities of CIP	15.9	11.2
Total liabilities	17.9	109.0
Total equity	10.9	—
Total liabilities and equity	28.8	109.0

Balance Sheet information - deconsolidated VIEs/VOEs

During the three months ended March 31, 2020, the company determined that it was no longer the primary beneficiary of five VIEs and no longer held the majority voting interest in nine VOEs (March 31, 2019: the company determined that it was

no longer the primary beneficiary of one VIE and no longer held the majority voting interest in two VOEs). The amounts deconsolidated from the Condensed Consolidated Balance Sheets are illustrated in the table below. There was no net impact to the Condensed Consolidated Statements of Income for the three months ended March 31, 2020 and 2019 from the deconsolidation of these investment products.

	For the three months ended March 31, 2020		For the three months ended March 31, 2019	
$ in millions	**VIEs**	**VOEs**	**VIEs**	**VOEs**
Cash and cash equivalents of CIP	0.1	0.2	—	—
Accounts receivable and other assets of CIP	2.9	1.0	—	—
Investments of CIP	127.3	106.0	6.3	4.6
Total assets	130.3	107.2	6.3	4.6
Debt of CIP	—	—	—	—
Other liabilities of CIP	1.5	—	—	—
Total liabilities	1.5	—	—	—
Total equity	128.8	107.2	6.3	4.6
Total liabilities and equity	130.3	107.2	6.3	4.6

The following tables present the fair value hierarchy levels of certain CIP balances which are measured at fair value as of March 31, 2020 and December 31, 2019:

	As of March 31, 2020				
$ in millions	**Fair Value Measurements**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Investments Measured at NAV as a practical expedient**
Assets:					
Bank loans	6,467.6	—	6,467.6	—	—
Bonds	552.3	0.4	551.9	—	—
Equity securities	206.8	124.9	81.9	—	—
Equity and fixed income mutual funds	27.0	17.5	9.5	—	—
Investments in other private equity funds	220.8	—	9.0	—	211.8
Real estate investments	89.4	—	—	89.4	—
Total assets at fair value	7,563.9	142.8	7,119.9	89.4	211.8

	As of December 31, 2019				
$ in millions	**Fair Value Measurements**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Investments Measured at NAV as a practical expedient**
Assets:					
Bank loans	6,504.4	—	6,504.4	—	—
Bonds	705.9	0.5	705.4	—	—
Equity securities	275.9	204.4	71.5	—	—
Equity and fixed income mutual funds	29.8	20.3	9.5	—	—
Investments in other private equity funds	213.4	—	—	—	213.4
Real estate investments	78.6	—	—	78.6	—
Total assets at fair value	7,808.0	225.2	7,290.8	78.6	213.4

The following tables show a reconciliation of the beginning and ending fair value measurements for level 3 assets using significant unobservable inputs:

$ in millions	Three months ended March 31, 2020 Level 3 Assets	Three months ended March 31, 2019 Level 3 Assets
Beginning balance	78.6	11.8
Purchases	—	—
Gains and losses included in the Condensed Consolidated Statements of Income [1]	10.8	0.3
Ending balance	89.4	12.2

(1) Included in gains/(losses) of CIP, net in the Condensed Consolidated Statements of Income for the three months ended March 31, 2020 are $10.8 million in net unrealized gains attributable to investments still held at March 31, 2020 by CIP (for the three months ended March 31, 2019: $0.3 million in net unrealized gains are attributable to investments still held at March 31, 2019 by CIP).

The collateral assets held by consolidated CLOs are primarily invested in senior secured bank loans, bonds, and equity securities. Bank loan investments of $6,427.7 million, which comprise the majority of consolidated CLO portfolio collateral, are senior secured corporate loans from a variety of industries, including but not limited to the aerospace and defense, broadcasting, technology, utilities, household products, healthcare, oil and gas, and finance industries. Bank loan investments mature at various dates between 2020 and 2029, pay interest at LIBOR plus a spread of up to 10.0%, and typically range in S&P credit rating categories from BBB down to unrated. Approximately less than 0.09% of the collateral assets were in default as of March 31, 2020 and 2019. Interest income on bank loans and bonds is recognized based on the unpaid principal balance and stated interest rate of these investments on an accrual basis. At March 31, 2020, the unpaid principal balance exceeds the fair value of the senior secured bank loans and bonds by approximately $198.5 million (December 31, 2019: the unpaid principal balance exceeded the fair value of the senior secured bank loans and bonds by approximately $181.2 million). However, these investments are accounted for on a one-month lag based on the availability of fund financial information which means the fair value does not reflect the market disruption that occurred during March 2020. CLO investments are valued based on price quotations provided by third-party pricing sources. These third-party sources aggregate indicative price quotations to provide the company with a price for the CLO investments. The company has developed internal controls to review the reasonableness and completeness of these price quotations. If necessary, price quotations are challenged through a third-party pricing challenge process.

Notes issued by consolidated CLOs mature at various dates between 2026 and 2032 and have a weighted average maturity of 10.61 years. The notes are issued in various tranches with different risk profiles. The interest rates are generally variable rates based on LIBOR plus a pre-defined spread, which varies from 0.55% for the more senior tranches to 8.07% for the more subordinated tranches. The investors in this debt are not affiliated with the company and have no recourse to the general credit of the company for this debt**.**

Quantitative Information about Level 3 Fair Value Measurements

At March 31, 2020, there were $89.4 million of investments held by consolidated real estate funds that were valued using recent private market transactions.

At December 31, 2019, there were $78.6 million of investments held by consolidated real estate funds that were valued using recent private market transactions.

The table below summarizes as of March 31, 2020 and December 31, 2019, the nature of investments that are valued using the NAV as a practical expedient and any related liquidation restrictions or other factors which may impact the ultimate value realized. These investments are valued on a three-month lag based on the availability of fund financial information.

	March 31, 2020			December 31, 2019		
in millions, except term data	Fair Value	Total Unfunded Commitments	Weighted Average Remaining Term [2]	Fair Value	Total Unfunded Commitments	Weighted Average Remaining Term [2]
Private equity funds [1]	$211.8	$72.3	6.8 years	$213.4	$78.3	6.7 years

(1) These investments are not subject to redemption; however, for certain funds, the investors may sell or transfer their interest, which may require approval by the general partner of the underlying funds.

(2) These investments are expected to be returned through distributions because of liquidations of the funds' underlying assets over the weighted average periods indicated.

17. RELATED PARTIES

Certain managed funds are deemed to be affiliated entities under the related party definition in ASC 850, "Related Party Disclosures." Related parties include those defined in the company's proxy statement. As a result of the OppenheimerFunds acquisition (see Note 2, ""Business Combinations""), MassMutual has an approximate 16.5% stake in the common stock of the company and owns all of the outstanding $4.0 billion in perpetual, non-cumulative preferred shares. Based on the level of shares owned by MassMutual and the corresponding customary minority shareholder rights, which includes representation on Invesco's board of directors, the company considers MassMutual a related party. Affiliated balances are illustrated in the tables below:

	Three months ended March 31,	
$ in millions	2020	2019
Affiliated operating revenues:		
Investment management fees	1,055.9	816.3
Service and distribution fees	349.2	209.9
Performance fees	1.0	10.5
Other	59.4	46.8
Total affiliated operating revenues	1,465.5	1,083.5

$ in millions	March 31, 2020	December 31, 2019
Affiliated asset balances:		
Cash and cash equivalents	379.9	620.9
Unsettled fund receivables	136.4	113.6
Accounts receivable	466.9	599.8
Investments	584.6	633.5
Assets held for policyholders	9,137.0	10,835.3
Other assets	22.5	24.5
Total affiliated asset balances	10,727.3	12,827.6
Affiliated liability balances:		
Accrued compensation and benefits	48.6	65.7
Accounts payable and accrued expenses	61.3	53.8
Unsettled fund payables	153.4	116.6
Total affiliated liability balances	263.3	236.1

18. SUBSEQUENT EVENTS

On April 23, 2020, the company announced a first quarter 2020 dividend of $0.155 per common share, payable on June 3, 2020, to common shareholders of record at the close of business on May 11, 2020 with an ex-dividend date of May 8, 2020.

On April 23, 2020 the company declared a preferred dividend of $14.75 per preferred share, representing the period from March 1, 2020 through May 31, 2020. The preferred dividend is payable on June 1, 2020, to preferred shareholders of record at the close of business on May 15, 2020.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Forward-Looking Statements

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Condensed Consolidated Financial Statements and related Notes thereto, which appear elsewhere in this Report. Except for the historical financial information, this Report may include statements that constitute "forward-looking statements" under the United States securities laws. Forward-looking statements include information concerning future results of our operations, expenses, earnings, liquidity, cash flow and capital expenditures, industry or market conditions, assets under management, geopolitical events the COVID-19 pandemic 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. Although we make such statements based on assumptions that we believe to be reasonable, 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 this Report and our most recent Form 10-K filed with the Securities and Exchange Commission ("SEC").

You may obtain these reports from the SEC's website at 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.

References

In this Report, unless otherwise specified, the terms "we," "our," "us," "company," "firm," "Invesco," and "Invesco Ltd." refer to Invesco Ltd., a company incorporated in Bermuda, and its subsidiaries.

Executive Overview

The following executive overview summarizes the significant trends affecting our results of operations and financial condition for the periods presented. This overview and the remainder of this management's discussion and analysis supplements and should be read in conjunction with the Condensed Consolidated Financial Statements of Invesco Ltd. and its subsidiaries (collectively, the "company" or "Invesco") and the notes thereto contained elsewhere in this Report.

The three months ended March 31, 2020 saw extreme volatility in global equity markets, reacting quickly from highs early in the quarter to extreme lows in the month of March as global markets reacted to the COVID-19 pandemic, governments and populations enacting social containment measures, restricting business and related activities, closing borders, and restricting travel. Central banks globally initiated monetary easing efforts, and governments in major developed countries enacted relief measures, to support and stimulate economies. Despite these efforts, significant uncertainty as to the market outlook and fears of a global recession stemming from the virus-related containment efforts remained at the end of the quarter (which persists as of the date of this report).

In the US, the first quarter was marked by two extreme shifts - equities rose to all-time highs in the middle of the quarter despite a backdrop of continued geopolitical tensions, domestic political tensions, and concerns about a slowing economy. COVID-19 then emerged as a global pandemic, leading the S&P to drop more than 35% from its February 19 record high through March 23, before rising slightly again through the end of the quarter in reaction to monetary, fiscal and public health policy efforts. The US Federal Reserve Bank acted quickly and decisively in the month of March, announcing essentially an unlimited quantitative easing plan that included purchases of securities as well as loans to US businesses. Additionally, the US Congress enacted the largest ever economic stimulus package (the CARES Act), which included a focus on virus vaccine research, state/local aid, sick leave, the Paycheck Protection Program to incentivize small businesses to keep workers on payroll and direct payments to households in efforts to curtail the economic impact of a population in lockdown. The S&P 500 index finished the quarter down 20.0%.

European markets reacted significantly in the quarter to the economic impacts of the virus, with Europe being the largest area affected by the virus outside of China at the end of the first quarter. The UK entered 2020 with the Brexit uncertainty continuing and challenges to work out a deal with the European Union prior to the end of the year. The COVID-19 pandemic challenged markets considerably. The Bank of England acted quickly to cut interest rates to near zero and implement fiscal easing efforts. The FTSE 100 ended the quarter down 24.8%.

Japanese markets were challenged entering 2020 following a fourth quarter 2019 valued added tax increase and the typhoon that impacted the country. The Nikkei 225 finished the period down 20.0%. China was the first country to experience the pandemic. By the end of the quarter, its economy was showing signs of recovery.

At one point during the quarter, bonds were being sold as quickly as equities in a flight to liquidity caused by virus-induced economic uncertainty. US Treasury yields fell to all-time lows. The U.S. Aggregate Bond Index moved 3.2% for the quarter.

The table below summarizes returns based on price appreciation/(depreciation) of several major market indices for the three months ended March 31, 2020 and 2019:

Equity Index	Index expressed in currency	Three months ended March 31, 2020	2019
S&P 500	U.S. Dollar	(20.0)%	13.1%
FTSE 100	British Pound	(24.8)%	8.2%
FTSE 100	U.S. Dollar	(29.7)%	10.3%
Nikkei 225	Japanese Yen	(20.0)%	6.0%
Nikkei 225	U.S. Dollar	(19.2)%	5.6%
MSCI Emerging Markets	U.S. Dollar	(24.6)%	9.6%
Bond Index			
Barclays U.S. Aggregate Bond	U.S. Dollar	3.2 %	2.9%

The company’s financial results are impacted by the fluctuations in exchange rates against the US Dollar, as discussed in the “Foreign Exchange Impact on Balance Sheet, Assets Under Management and Results of Operations” section and the “Results of Operations” section below.

Our revenues are directly influenced by the level and composition of our AUM. As a significant proportion of our AUM is based outside of the U.S., changes in foreign exchange rates result in a change to the mix of U.S. Dollar denominated AUM with AUM denominated in other currencies. As fee rates differ across geographic locations, changes to exchange rates have an impact on the net revenue yields. Therefore, movements in global capital market levels, net new business inflows (or outflows) and changes in the mix of investment products between asset classes and geographies may materially affect our revenues from period to period.

Invesco benefits from our long-term efforts to ensure a diversified base of AUM. One of Invesco's core strengths, and a key differentiator for the company within the industry, is our broad diversification across client domiciles, asset classes and distribution channels. Our geographic diversification recognizes growth opportunities in different parts of the world. This broad diversification mitigates the impact on Invesco of different market cycles and enables the company to take advantage of growth opportunities in various markets and channels.

On May 24, 2019, the company completed the acquisition of OppenheimerFunds, an investment management subsidiary of MassMutual. As part of the acquisition, the company acquired the management contracts of the SteelPath-branded MLP funds and became the Adviser to the funds. In the fourth quarter 2019, the company identified an accounting matter related to the funds’ financial statements and concluded that it was reasonably possible, but not probable, that the company would incur at least some costs associated with the matter. Accordingly, no accrual was made at December 31, 2019.

Following a regulatory consultation on the matter that concluded after the company filed its 2019 Annual Report on Form 10-K, the company changed the assessment of the likelihood of a loss to probable. Based on this new information about the facts and circumstances, the company adjusted the initial accounting for the acquisition by recording a liability of an estimated amount of $380.5 million and a deferred tax asset of $93.5 million (for expected future tax benefits) during the first quarter of 2020 for pre-acquisition activity related to the matter. The liability and associated deferred tax asset recorded represents management’s current best estimate based on its current understanding of the facts and circumstances. As this accounting adjustment was recorded during the measurement period of one year after the acquisition date, a corresponding adjustment of $287.0 million ($380.5 million net of $93.5 million of deferred tax asset) was made to goodwill. As additional information about the matter is finalized, the estimate may change. In accordance with ASC 805 Business Combinations, any further adjustments made during the measurement period, will be recorded as an adjustment to goodwill. See Note 15 -- "Commitments and Contingencies" for additional details regarding the accounting matter.

During the first quarter of 2020, the company did not purchase any of its shares in the open market. As the company's focus is on increasing financial strength and building liquidity, the company does not foresee additional share repurchases in 2020 assuming a continuation of the current unfavorable market environment. The company withheld 2.3 million shares ($31.5 million) related to the settlement of taxes on employee share vestings. In regard to its previously completed forward contracts, the company prepaid $190.6 million against the forward payable, resulting in a remaining forward contract liability of $307.8 million as of March 31, 2020. See Note 8, "Share Capital" for additional details.

Managing our business and meeting client needs through COVID-19

Invesco is committed to helping our employees, our clients and our communities navigate the challenges presented by the spread of COVID-19. The primary focus of our efforts is to ensure the health and safety of our employees while preserving our ability to serve clients and manage assets in a highly dynamic market environment.

As always, we are committed to helping our clients achieve their investment objectives through disciplined long-term investing. To this end, we have intensified our efforts to support clients by proactively engaging with them and providing thought leadership and other value-added services to help them navigate the volatile markets. We believe our client-centric approach in this time of stress will have a lasting impact and allow us and our clients to emerge from this crisis stronger.

As a global firm, we've been responding to the coronavirus since December, when it was first reported in Asia Pacific. Our response in the region included the relocation of a regional trading center, restrictions on employee travel and remote working for the vast majority of our Asia-Pac based employees.

As the virus spread to other parts of the globe, cross-functional teams in each region (Americas, Asia Pacific and EMEA) have monitored the situation closely, leveraging our early experience in Asia Pacific to enhance our business continuity planning and execution. These teams - which include representatives from Distribution, Portfolio Management, Trading, Technology, Operations, Human Resources, Business Continuity, Compliance and other areas - with guidance from the Centers for Disease Control, World Health Organization and local health officials - have been taking the necessary steps to ensure our preparedness during a highly fluid situation

We understand the importance of managing our clients' assets, particularly during times of market volatility. To help ensure we can continue to meet client needs, nearly all our global employees are working remotely, with small select teams working at alternate sites or operating in split shifts to mitigate the risks associated with the virus. Our portfolio managers, research analysts and traders are successfully working remotely or in secure locations with access to all systems necessary to do their jobs and an ability to connect with their teams in managing client assets. Additionally, the client reporting and operational teams that provide information on client portfolios are operating effectively in a work from home status, as are other necessary control and support groups, including our compliance teams. Our teams are in constant communication to ensure timely coordination and early identification of issues. This thoughtful, coordinated approach helps ensure our ability to continue meeting client needs and running our business.

As a result of the recent market reaction to the COVID-19 crisis, AUM declined during the first quarter, but remain above $1 trillion. The decline in AUM adversely impacted our revenues in the first quarter, and we expect it will continue pressuring revenues in the near term.

During this period of market turbulence and uncertainty, we believe it is imperative to maintain financial flexibility. We continue to manage our expense base to align with the current lower revenue environment through reduced variable compensation and discretionary spend. We also plan to redeem up to $200 million of seed capital investments where appropriate from certain of our investment products in the near term. And we will reduce our common dividend to $0.155 per share beginning with the dividend that will be paid in the second quarter. These actions, and others focused on the preservation of capital, seek to help us build liquidity through the present uncertain environment. Combined, these steps will enable us to further strengthen our balance sheet while preserving our ability to invest in future growth for the benefit of our business and our shareholders.

Other External Factors Impacting Invesco

Invesco has a larger global presence in key markets than many of our peers. As one of the leading investment managers in the UK and Europe, we were more impacted by continuing uncertainties surrounding Brexit. Additionally, our strong position in Asia Pacific meant that Invesco was more affected than others by market uncertainties over the trade issues between China and the U.S.

Although negotiations between the UK and EU resulted in the UK leaving the EU under the terms of the Withdrawal Agreement on January 31, 2020, the longer term relationship between the UK and the EU is still uncertain. This may affect the levels and composition of our AUM and also negatively influence investor sentiment, which could result in reduced or negative flows. In addition, because the UK Pound Sterling is the functional currency for certain of our subsidiaries, any weakening of the UK Pound Sterling relative to the U.S. Dollar could negatively impact our reported financial results.

Investment exposure to LIBOR based interest rates could also impact our client portfolios. The U.K. Financial Conduct Authority, has made it clear that the publication of LIBOR is not guaranteed beyond 2021. As a result, firms must transition away from LIBOR to alternative risk-free rates by the end of 2021. The discontinuance of LIBOR may adversely affect the amount of interest payable or interest receivable on certain portfolio investments. These changes may also impact the market liquidity and market value of these portfolio investments. Invesco is finalizing its global assessment of exposure in relation to funds utilizing LIBOR based instruments and benchmarks and is prioritizing the mitigation of risks associated with the forecast changes to financial instruments and performance benchmarks referencing existing LIBOR rates, and concurrently any impact on Invesco portfolios and investment strategies.

Presentation of Management's Discussion and Analysis of Financial Condition and Results of Operations - Impact of Consolidated Investment Products

The company provides investment management services to, and has transactions with, various retail mutual funds and similar entities, private equity, real estate, fund-of-funds, collateralized loan obligation products (CLOs), and other investment entities sponsored by the company for the investment of client assets in the normal course of business. The company serves as the investment manager, making day-to-day investment decisions concerning the assets of the products. Investment products that are consolidated are referred to in this Form 10-Q (Report) as consolidated investment products (CIP). The company's economic risk with respect to each investment in CIP is limited to its equity ownership and any uncollected management and performance fees. See also Note 16, "Consolidated Investment Products", for additional information regarding the impact of the consolidation of managed funds.

The majority of the company's CIP balances are CLO-related. The collateral assets of the CLOs are held solely to satisfy the obligations of the CLOs. The company has no right to the benefits from, nor does it bear the risks associated with, the collateral assets held by the CLOs, beyond the company's direct investments in, and management and performance fees generated from, the CLOs. If the company were to liquidate, the collateral assets would not be available to the general creditors of the company, and as a result, the company does not consider them to be company assets. Likewise, the investors in the CLOs have no recourse to the general credit of the company for the notes issued by the CLOs. The company therefore does not consider this debt to be a company liability.

The impact of CIP is so significant to the presentation of the company's Condensed Consolidated Financial Statements that the company has elected to deconsolidate these products in its non-GAAP disclosures among other adjustments. See Schedule of Non-GAAP Information for additional information regarding these adjustments. The following discussion therefore combines the results presented under U.S. generally accepted accounting principles (U.S. GAAP) with the company's non-GAAP presentation. This Management's Discussion and Analysis of Financial Condition and Results of Operations contains four distinct sections, which follow the AUM discussion:

- Results of Operations (three months ended March 31, 2020 compared to three months ended March 31, 2019);
- Schedule of Non-GAAP Information;
- Balance Sheet Discussion; and
- Liquidity and Capital Resources.

Wherever a non-GAAP measure is referenced, a disclosure will follow in the narrative or in the note referring the reader to the Schedule of Non-GAAP Information, where additional details regarding the use of the non-GAAP measure by the company are disclosed, along with reconciliations of the most directly comparable U.S. GAAP measures to the non-GAAP measures. To further enhance the readability of the Results of Operations section, separate tables for each of the revenue, expense, and other income and expenses (non-operating income/expense) sections of the income statement introduce the narrative that follows, providing a section-by-section review of the company's income statements for the periods presented.

Summary Operating Information

Summary operating information is presented in the table below:

$ in millions, other than per common share amounts, operating margins and AUM	Three months ended March 31,	
U.S. GAAP Financial Measures Summary	**2020**	**2019**
Operating revenues	1,598.9	1,214.6
Operating income	317.0	200.2
Operating margin	19.8%	16.5%
Net income attributable to Invesco Ltd.	81.5	177.7
Diluted EPS	0.18	0.44
Non-GAAP Financial Measures Summary		
Net revenues [1]	1,145.8	887.1
Adjusted operating income [2]	412.7	284.3
Adjusted operating margin [2]	36.0%	32.0%
Adjusted net income attributable to Invesco Ltd. [3]	155.3	224.8
Adjusted diluted EPS [3]	0.34	0.56
Assets Under Management		
Ending AUM (billions)	1,053.4	954.8
Average AUM (billions)	1,176.3	932.8

(1) Net revenues is a non-GAAP financial measure. Net revenues are operating revenues plus the net revenues of our Great Wall joint venture; less pass-through revenue adjustments to investment management fees, service and distribution fees and other; plus management and performance fees earned from CIP. See "Schedule of Non-GAAP Information" for the reconciliation of operating revenues to net revenues.

(2) Adjusted operating income and adjusted operating margin are non-GAAP financial measures. Adjusted operating margin is adjusted operating income divided by net revenues. Adjusted operating income includes operating income plus the net operating income of our joint venture investments, the operating income impact of the consolidation of investment products, transaction, integration and restructuring adjustments, compensation expense related to market valuation changes in deferred compensation plans and other reconciling items. See "Schedule of Non-GAAP Information," for the reconciliation of operating income to adjusted operating income.

(3) Adjusted net income attributable to Invesco Ltd. and adjusted diluted EPS are non-GAAP financial measures. Adjusted net income attributable to Invesco Ltd. is net income attributable to Invesco Ltd. adjusted to exclude the net income of CIP, transaction, integration and restructuring adjustments, the net income impact of deferred compensation plans and other reconciling items. Adjustments made to net income attributable to Invesco Ltd. are tax-affected in arriving at adjusted net income attributable to Invesco Ltd. By calculation, adjusted diluted EPS is adjusted net income attributable to Invesco Ltd. divided by the weighted average number of common shares outstanding (for diluted EPS). See "Schedule of Non-GAAP Information," for the reconciliation of net income attributable to Invesco Ltd. to adjusted net income attributable to Invesco Ltd.

Investment Capabilities Performance Overview

Invesco's first strategic priority is to achieve strong investment performance over the long-term for our clients. The table below presents the one-, three-, five-, and ten-year performance of our actively managed investment products measured by the percentage of AUM ahead of benchmark and AUM in the top half of peer group.[1]

	Benchmark Comparison				Peer Group Comparison			
	% of AUM Ahead of Benchmark				% of AUM In Top Half of Peer Group			
	1yr	3yr	5yr	10yr	1yr	3yr	5yr	10yr
Equities [2]								
U.S. Core (4%)	31%	8%	8%	10%	71%	21%	18%	58%
U.S. Growth (5%)	43%	43%	34%	34%	86%	26%	24%	39%
U.S. Value (7%)	48%	48%	42%	42%	8%	—%	3%	3%
Sector (1%)	20%	61%	65%	61%	23%	23%	41%	42%
UK (2%)	14%	14%	15%	41%	13%	18%	18%	32%
Canadian (0%)	—%	5%	—%	10%	—%	—%	—%	—%
Asian (3%)	45%	73%	92%	88%	37%	68%	91%	85%
Continental European (2%)	7%	5%	42%	75%	4%	2%	7%	55%
Global (6%)	55%	66%	69%	86%	26%	21%	35%	43%
Global Ex U.S. and Emerging Markets (12%)	87%	87%	87%	99%	84%	67%	83%	97%
Fixed Income [2]								
Money Market (20%)	96%	96%	99%	99%	82%	80%	83%	96%
U.S. Fixed Income (13%)	25%	60%	79%	95%	52%	62%	71%	84%
Global Fixed Income (5%)	47%	51%	55%	52%	49%	51%	34%	49%
Stable Value (6%)	100%	100%	100%	100%	100%	100%	100%	100%
Other [2]								
Alternatives (9%)	42%	21%	51%	45%	45%	72%	77%	52%
Balanced (6%)	49%	72%	73%	47%	13%	17%	44%	52%

(1) 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, five and ten year quartile rankings represents 57%, 57%, 56% and 51% of total Invesco AUM, respectively, and AUM measured versus benchmark on a one, three, five and ten year basis represents 68%, 67%, 64% and 56% of total Invesco AUM as of 3/31/20. 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.

(2) Numbers in parenthesis reflect percentage of Total Ranked AUM. Total Ranked AUM is $589.7 billion for the first quarter.

Foreign Exchange Impact on Balance Sheet, Assets Under Management and Results of Operations

A significant portion of our business is based outside of the U.S. The strengthening or weakening of the U.S. Dollar against other currencies, primarily the Pound Sterling, Euro and Japanese Yen will impact our assets, liabilities, AUM and reported revenues and expenses from period to period. The assets, liabilities and AUM of foreign subsidiaries are translated at period end spot foreign currency exchange rates. The income statements of foreign currency subsidiaries are translated into U.S. Dollars, the reporting currency of the company, using average foreign exchange rates.

The table below illustrates the spot foreign exchange rates used for translation of non-U.S. Dollar denominated assets, liabilities and AUM into U.S. Dollars:

Spot Foreign Exchange Rates	March 31, 2020	December 31, 2019	March 31, 2019	December 31, 2018
Pound Sterling ($ per £)	1.241	1.324	1.306	1.274
Japan (¥ per $)	107.995	108.650	110.575	109.735
Euro ($ per Euro)	1.097	1.122	1.122	1.143

The table below illustrates the average foreign exchange rates used for translation of non-U.S. Dollar denominated income, including revenues and expenses, into U.S. Dollars:

	Three months ended March 31,	
Average Foreign Exchange Rates	2020	2019
Pound Sterling ($ per £)	1.281	1.302
Japan (¥ per $)	108.996	110.122
Euro ($ per Euro)	1.103	1.136

A comparison of period end spot rates between March 31, 2020 and December 31, 2019 shows a weakening of the Pound Sterling and the Euro relative to the U.S. Dollar, while the Japanese Yen strengthened, which is reflected in the translation of our Pound Sterling-based, Euro-based, and Japanese Yen-based assets, liabilities and AUM into U.S. Dollars, respectively.

A comparison of the average foreign exchange rates used for the three months ended March 31, 2020 when compared to the three months ended March 31, 2019 shows a weakening of the Pound Sterling and the Euro relative to the U.S. Dollar, while the Japanese Yen strengthened, which is reflected in the translation of our Pound Sterling-based, Euro-based, and Japanese Yen-based revenue and expenses into U.S. Dollars.

Assets Under Management movements for the three months ended March 31, 2020 compared with the three months ended March 31, 2019

The following presentation and discussion of AUM includes Passive and Active AUM. Passive AUM include index-based ETFs, unit investment trusts (UITs), non-management fee earning AUM and other passive mandates. Active AUM is total AUM less Passive AUM.

Non-management fee earning AUM includes non-management fee earning ETFs, UIT and product leverage. The net flows in non-management fee earning AUM can be relatively short-term in nature and, due to the relatively low revenue yield, these can have a significant impact on overall net revenue yield.

The AUM tables and the discussion below refer to certain AUM as long-term. Long-term inflows and the underlying reasons for the movements in this line item include investments from new clients, existing clients adding new accounts/funds or contributions/subscriptions into existing accounts/funds. Long-term outflows reflect client redemptions from accounts/funds and include the return of invested capital on the maturity. We present net flows into money market funds separately because shareholders of those funds typically use them as short-term funding vehicles and because their flows are particularly sensitive to short-term interest rate movements.

In the second quarter of 2019, the company changed the presentation of its AUM. The new presentation reflects the combination of the U.S and Canada to form Americas and Continental Europe to now be EMEA ex UK. As part of the change in the presentation of AUM, the company made certain reclassifications between geographies, asset classes and active and passive classifications to better reflect the underlying AUM. In the AUM tables below, all periods have been reclassified to conform to the new presentation and reclassifications.

Changes in AUM were as follows:

	For the three months ended March 31,					
	2020			2019		
$ in billions	**Total AUM**	**Active**	**Passive**	**Total AUM**	**Active**	**Passive**
December 31	1,226.2	929.2	297.0	888.2	667.2	221.0
Long-term inflows	84.7	54.7	30.0	53.8	33.7	20.1
Long-term outflows	(103.8)	(75.3)	(28.5)	(59.2)	(43.0)	(16.2)
Long-term net flows	(19.1)	(20.6)	1.5	(5.4)	(9.3)	3.9
Net flows in non-management fee earning AUM	(9.3)	—	(9.3)	2.1	—	2.1
Net flows in institutional money market funds	26.3	26.3	—	6.8	6.8	—
Total net flows	(2.1)	5.7	(7.8)	3.5	(2.5)	6.0
Reinvested distributions	1.1	1.1	—	0.7	0.7	—
Market gains and losses	(162.7)	(120.0)	(42.7)	60.9	37.3	23.6
Foreign currency translation	(9.1)	(8.7)	(0.4)	1.5	1.6	(0.1)
March 31	1,053.4	807.3	246.1	954.8	704.3	250.5
Average AUM						
Average long-term AUM	955.2	792.8	162.4	736.7	599.9	136.7
Average AUM	1,176.3	889.3	287.0	932.8	694.8	238.0
Revenue yield						
Gross revenue yield on AUM [(1)]	56.4	67.9	22.8	53.9	64.3	24.8
Gross revenue yield on AUM before performance fees [(1)]	56.3	67.7	22.8	52.9	63.0	24.8
Net revenue yield on AUM [(2)]	39.0	47.2	13.3	38.0	46.1	14.6
Net revenue yield on AUM before performance fees [(2)]	38.7	46.8	13.3	37.1	44.8	14.6

(1) Gross revenue yield on AUM is equal to annualized total operating revenues divided by average AUM, excluding Invesco Great Wall AUM. The average AUM for Invesco Great Wall in the three months ended March 31, 2020 was $43.3 billion (three months ended March 31, 2019: $31.5 billion). It is appropriate to exclude the average AUM of Invesco Great Wall for purposes of computing gross revenue yield on AUM, because the revenues resulting from these AUM are not presented in our operating revenues. Under U.S. GAAP, our share of the net income of Invesco Great Wall Fund Management Company ("Invesco Great Wall") is recorded as equity in earnings of unconsolidated affiliates on our Condensed Consolidated Statements of Income. Gross revenue yield, the most comparable U.S. GAAP-based measure to net revenue yield, is not considered a meaningful effective fee rate measure. Additionally, the numerator of the gross

revenue yield measure, operating revenues, excludes the management fees earned from CIP; however, the denominator of the measure includes the AUM of these investment products. Therefore, the gross revenue yield measure is not considered representative of the company's effective fee rate from AUM.

(2) Net revenue yield on AUM is equal to annualized net revenues divided by average AUM. See "Schedule of Non-GAAP Information" for a reconciliation of operating revenues to net revenues.

Flows

There are numerous drivers of AUM inflows and outflows, including individual investor decisions to change investment preferences, fiduciaries and other gatekeepers making broad asset allocation decisions on behalf of their clients and reallocation of investments within portfolios. We are not a party to these asset allocation decisions, as the company does not generally have access to the underlying investor's decision-making process, including their risk appetite or liquidity needs. Therefore, the company is not in a position to provide meaningful information regarding the drivers of inflows and outflows.

Average AUM during the three months ended March 31, 2020 were $1,176.3 billion, compared to $932.8 billion for the three months ended March 31, 2019. The acquisition of OppenheimerFunds business on May 24, 2019 added $224.4 billion in AUM at that date.

Market Returns

Market gains and losses include the net change in AUM resulting from changes in market values of the underlying securities from period to period. As discussed in the "Executive Overview" section of this Management's Discussion and Analysis, global equity markets saw volatility and declines due to the COVID-19 pandemic in March 2020. The resulting decline in AUM adversely impacted our revenues in the first quarter, and we expect it will continue pressuring revenues in the near term.

Foreign Exchange Rates

During the three months ended March 31, 2020, we experienced decrease in AUM of $9.1 billion due to changes in foreign exchange rates. In the three months ended March 31, 2019, AUM increased by $1.5 billion due to foreign exchange rate changes. See the company's disclosures regarding the changes in foreign exchange rates during three months ended March 31, 2020 in the "Foreign Exchange Impact on Balance Sheet, Assets Under Management and Results of Operations" section above for additional information regarding the movement of foreign exchange rates.

Revenue Yield

As a significant proportion of our AUM is based outside of the U.S., changes in foreign exchange rates result in a change to the mix of U.S. Dollar denominated AUM with AUM denominated in other currencies. As fee rates differ across geographic locations, changes to exchange rates have an impact on the net revenue yields. See the company's disclosures regarding the changes in foreign exchange rates in the "Foreign Exchange Impact on Balance Sheet, Assets Under Management and Results of Operations" section above for additional information regarding the movement of foreign exchange rates.

In the three months ended March 31, 2020, the net revenue yield was 39.0 basis points compared to 38.0 basis points in the three months ended March 31, 2019, an increase of 1.0 basis point. As a result of the acquisition of OppenheimerFunds, AUM increased $224.4 billion during the second quarter of 2019, which was comprised of $219.9 billion of active and $4.5 billion of passive AUM, increasing the proportion of active AUM and positively impacting net revenue yield. However, the first quarter of 2020 was also impacted by shifts in the mix of AUM, resulting from flows into lower fee products and from the market impact of the COVID-19 pandemic, both of which increased the proportion of lower-risk, lower fee AUM. This change has adversely impacted our revenue and resulting revenue yields in the first quarter, and we expect it will continue to pressure revenues in the near term.

At March 31, 2020, active AUM were $807.3 billion, representing 76.6% of total AUM at that date; whereas at March 31, 2019, active AUM were $704.3 billion, representing 73.8% of our total AUM at that date. In the three months ended March 31, 2020, the net revenue yield on active AUM was 47.2 basis points compared to 46.1 basis points in the three months ended March 31, 2019, an increase of 1.1 basis points.

At March 31, 2020, passive AUM were $246.1 billion, representing 23.4% of total AUM at that date; whereas at March 31, 2019, passive AUM were $250.5 billion, representing 26.2% of our total AUM at that date. In the three months ended March 31, 2020, the net revenue yield on passive AUM was 13.3 basis points compared to 14.6 basis points in the three months ended March 31, 2019, a decrease of 1.3 basis points.

Changes in our AUM by channel, asset class, and client domicile, and average AUM by asset class, are presented below:

Total AUM by Channel[1]

As of and for the Three Months Ended March 31, 2020 and 2019:

$ in billions	Total	Retail	Institutional
December 31, 2019	1,226.2	878.2	348.0
Long-term inflows	84.7	57.8	26.9
Long-term outflows	(103.8)	(88.1)	(15.7)
Long-term net flows	(19.1)	(30.3)	11.2
Net flows in non-management fee earning AUM	(9.3)	3.7	(13.0)
Net flows in institutional money market funds	26.3	4.9	21.4
Total net flows	(2.1)	(21.7)	19.6
Reinvested distributions	1.1	1.1	—
Market gains and losses	(162.7)	(149.3)	(13.4)
Foreign currency translation	(9.1)	(5.8)	(3.3)
March 31, 2020	1,053.4	702.5	350.9
December 31, 2018	888.2	566.7	321.5
Long-term inflows	53.8	40.3	13.5
Long-term outflows	(59.2)	(44.8)	(14.4)
Long-term net flows	(5.4)	(4.5)	(0.9)
Net flows in non-management fee earning AUM	2.1	(0.7)	2.8
Net flows in institutional money market funds	6.8	3.3	3.5
Total net flows	3.5	(1.9)	5.4
Reinvested distributions	0.7	0.6	0.1
Market gains and losses	60.9	53.0	7.9
Foreign currency translation	1.5	1.1	0.4
March 31, 2019	954.8	619.5	335.3

See accompanying notes immediately following these AUM tables.

Passive AUM by Channel[1]

As of and for the Three Months Ended March 31, 2020 and 2019:

$ in billions	Total	Retail	Institutional
December 31, 2019	297.0	275.8	21.2
Long-term inflows	30.0	22.9	7.1
Long-term outflows	(28.5)	(28.4)	(0.1)
Long-term net flows	1.5	(5.5)	7.0
Net flows in non-management fee earning AUM	(9.3)	3.7	(13.0)
Net flows in institutional money market funds	—	—	—
Total net flows	(7.8)	(1.8)	(6.0)
Market gains and losses	(42.7)	(42.8)	0.1
Foreign currency translation	(0.4)	(0.4)	—
March 31, 2020	246.1	230.8	15.3
December 31, 2018	221.0	204.6	16.4
Long-term inflows	20.1	20.1	—
Long-term outflows	(16.2)	(16.2)	—
Long-term net flows	3.9	3.9	—
Net flows in non-management fee earning AUM	2.1	(0.6)	2.7
Net flows in institutional money market funds	—	—	—
Total net flows	6.0	3.3	2.7
Market gains and losses	23.6	23.5	0.1
Foreign currency translation	(0.1)	(0.1)	—
March 31, 2019	250.5	231.3	19.2

_____

See accompanying notes immediately following these AUM tables.

Total AUM by Asset Class[2]

As of and for the Three Months Ended March 31, 2020 and 2019:

$ in billions	Total	Equity	Fixed Income	Balanced	Money Market [3]	Alternatives
December 31, 2019	1,226.2	598.8	283.5	67.3	91.4	185.2
Long-term inflows	84.7	35.9	28.8	6.6	—	13.4
Long-term outflows	(103.8)	(52.3)	(25.7)	(8.3)	—	(17.5)
Long-term net flows	(19.1)	(16.4)	3.1	(1.7)	—	(4.1)
Net flows in non-management fee earning AUM	(9.3)	4.7	(14.0)	—	—	—
Net flows in institutional money market funds	26.3	—	—	—	26.3	—
Total net flows	(2.1)	(11.7)	(10.9)	(1.7)	26.3	(4.1)
Reinvested distributions	1.1	0.3	0.4	0.1	—	0.3
Market gains and losses	(162.7)	(123.9)	(11.8)	(9.9)	0.5	(17.6)
Foreign currency translation	(9.1)	(4.1)	(1.4)	(1.3)	(0.7)	(1.6)
March 31, 2020	1,053.4	459.4	259.8	54.5	117.5	162.2
Average AUM	1,176.3	556.3	281.9	63.4	96.5	178.2
% of total average AUM	100.0%	47.3%	24.0%	5.4%	8.2%	15.1%
December 31, 2018	888.2	369.1	208.6	55.4	89.9	165.2
Long-term inflows	53.8	24.4	16.2	2.9	0.2	10.1
Long-term outflows	(59.2)	(27.4)	(12.3)	(4.8)	(0.1)	(14.6)
Long-term net flows	(5.4)	(3.0)	3.9	(1.9)	0.1	(4.5)
Net flows in non-management fee earning AUM	2.1	(1.0)	3.1	—	—	—
Net flows in institutional money market funds	6.8	—	—	—	6.8	—
Total net flows	3.5	(4.0)	7.0	(1.9)	6.9	(4.5)
Reinvested distributions	0.7	0.3	0.2	0.1	—	0.1
Market gains and losses	60.9	46.2	4.3	4.5	(0.1)	6.0
Foreign currency translation	1.5	0.9	0.2	0.1	0.3	—
March 31, 2019	954.8	412.5	220.3	58.2	97.0	166.8
Average AUM	932.8	398.9	213.8	57.6	94.9	167.6
% of total average AUM	100.0%	42.8%	22.9%	6.2%	10.2%	18.0%

See accompanying notes immediately following these AUM tables.

Passive AUM by Asset Class[2]

As of and for the Three Months Ended March 31, 2020 and 2019:

$ in billions	Total	Equity	Fixed Income	Balanced	Money Market	Alternatives
December 31, 2019	297.0	217.1	58.9	0.9	—	20.1
Long-term inflows	30.0	20.1	3.5	—	—	6.4
Long-term outflows	(28.5)	(19.9)	(3.2)	—	—	(5.4)
Long-term net flows	1.5	0.2	0.3	—	—	1.0
Net flows in non-management fee earning AUM	(9.3)	4.7	(14.0)	—	—	—
Net flows in institutional money market funds	—	—	—	—	—	—
Total net flows	(7.8)	4.9	(13.7)	—	—	1.0
Market gains and losses	(42.7)	(39.0)	(1.8)	(0.2)	—	(1.7)
Foreign currency translation	(0.4)	(0.2)	(0.2)	—	—	—
March 31, 2020	246.1	182.8	43.2	0.7	—	19.4
Average AUM	287.0	209.6	56.6	0.8	—	20.0
% of total average AUM	100.0%	73.0%	19.7%	0.3%	—%	7.0%
December 31, 2018	221.0	155.3	47.2	0.7	—	17.8
Long-term inflows	20.1	13.9	3.6	—	—	2.6
Long-term outflows	(16.2)	(11.4)	(1.6)	—	—	(3.2)
Long-term net flows	3.9	2.5	2.0	—	—	(0.6)
Net flows in non-management fee earning AUM	2.1	(1.0)	3.1	—	—	—
Net flows in institutional money market funds	—	—	—	—	—	—
Total net flows	6.0	1.5	5.1	—	—	(0.6)
Market gains and losses	23.6	22.2	0.6	0.1	—	0.7
Foreign currency translation	(0.1)	(0.1)	—	—	—	—
March 31, 2019	250.5	178.9	52.9	0.8	—	17.9
Average AUM	238.0	169.5	49.4	0.8	—	18.3
% of total average AUM	100.0%	71.2%	20.8%	0.3%	—%	7.7%

See accompanying notes immediately following these AUM tables.

Total AUM by Client Domicile[3]

As of and for the Three Months Ended March 31, 2020 and 2019:

$ in billions	Total	Americas	UK	EMEA Ex UK	Asia
December 31, 2019	1,226.2	879.5	74.4	143.7	128.6
Long-term inflows	84.7	54.6	1.9	16.6	11.6
Long-term outflows	(103.8)	(68.0)	(6.6)	(17.8)	(11.4)
Long-term net flows	(19.1)	(13.4)	(4.7)	(1.2)	0.2
Net flows in non-management fee earning AUM	(9.3)	(8.2)	(0.1)	(1.3)	0.3
Net flows in institutional money market funds	26.3	23.3	0.1	0.1	2.8
Total net flows	(2.1)	1.7	(4.7)	(2.4)	3.3
Reinvested distributions	1.1	1.0	—	—	0.1
Market gains and losses	(162.7)	(123.3)	(11.7)	(17.7)	(10.0)
Foreign currency translation	(9.1)	(2.1)	(4.1)	(1.5)	(1.4)
March 31, 2020	1,053.4	756.8	53.9	122.1	120.6
December 31, 2018	888.2	581.6	76.6	125.5	104.5
Long-term inflows	53.8	29.8	3.2	12.4	8.4
Long-term outflows	(59.2)	(30.8)	(5.7)	(14.1)	(8.6)
Long-term net flows	(5.4)	(1.0)	(2.5)	(1.7)	(0.2)
Net flows in non-management fee earning AUM	2.1	1.4	(0.1)	0.7	0.1
Net flows in institutional money market funds	6.8	3.3	—	0.1	3.4
Total net flows	3.5	3.7	(2.6)	(0.9)	3.3
Reinvested distributions	0.7	0.6	0.1	—	—
Market gains and losses	60.9	43.6	3.1	7.6	6.6
Foreign currency translation	1.5	0.3	1.7	(1.0)	0.5
March 31, 2019	954.8	629.8	78.9	131.2	114.9

See accompanying notes immediately following these AUM tables.

Passive AUM by Client Domicile[3]

As of and for the Three Months Ended March 31, 2020 and 2019:

$ in billions	Total	Americas	UK	EMEA Ex UK	Asia
December 31, 2019	297.0	240.0	0.7	51.4	4.9
Long-term inflows	30.0	18.5	0.3	10.6	0.6
Long-term outflows	(28.5)	(19.7)	(0.2)	(8.2)	(0.4)
Long-term net flows	1.5	(1.2)	0.1	2.4	0.2
Net flows in non-management fee earning AUM	(9.3)	(8.2)	(0.1)	(1.3)	0.3
Net flows in institutional money market funds	—	—	—	—	—
Total net flows	(7.8)	(9.4)	—	1.1	0.5
Market gains and losses	(42.7)	(35.6)	(0.1)	(6.4)	(0.6)
Foreign currency translation	(0.4)	(0.1)	—	(0.3)	—
March 31, 2020	246.1	194.9	0.6	45.8	4.8
December 31, 2018	221.0	184.0	0.7	32.6	3.7
Long-term inflows	20.1	13.0	0.1	6.7	0.3
Long-term outflows	(16.2)	(11.2)	(0.1)	(4.4)	(0.5)
Long-term net flows	3.9	1.8	—	2.3	(0.2)
Net flows in non-management fee earning AUM	2.1	1.4	(0.1)	0.7	0.1
Net flows in institutional money market funds	—	—	—	—	—
Total net flows	6.0	3.2	(0.1)	3.0	(0.1)
Market gains and losses	23.6	20.2	—	2.9	0.5
Foreign currency translation	(0.1)	—	—	(0.1)	—
March 31, 2019	250.5	207.4	0.6	38.4	4.1

(1) Channel refers to the internal distribution channel from which the AUM originated. Retail AUM represents AUM distributed by the company's retail sales team. Institutional AUM represents AUM distributed by our institutional sales team. This aggregation is viewed as a proxy for presenting AUM in the retail and institutional markets in which the company operates.

(2) Asset classes are descriptive groupings of AUM by common type of underlying investments.

(3) Client domicile disclosure groups AUM by the domicile of the underlying clients.

Results of Operations for the three months ended March 31, 2020 compared to the three months ended March 31, 2019

The discussion below includes the use of non-GAAP financial measures. See "Schedule of Non-GAAP Information" for additional details and reconciliations of the most directly comparable U.S. GAAP measures to the non-GAAP measures.

Operating Revenues and Net Revenues

The main categories of revenues, and the dollar and percentage change between the periods, are as follows:

			Variance	
	Three months ended March 31,		2020 vs 2019	
$ in millions	**2020**	**2019**	**$ Change**	**% Change**
Investment management fees	1,168.3	923.7	244.6	26.5 %
Service and distribution fees	365.8	219.3	146.5	66.8 %
Performance fees	4.8	21.8	(17.0)	(78.0)%
Other	60.0	49.8	10.2	20.5 %
Total operating revenues	1,598.9	1,214.6	384.3	31.6 %
Invesco Great Wall	53.1	31.8	21.3	67.0 %
Revenue Adjustments:				
Investment management fees	(204.6)	(187.5)	(17.1)	9.1 %
Service and distribution fees	(256.6)	(140.4)	(116.2)	82.8 %
Other	(53.9)	(40.1)	(13.8)	34.4 %
Total Revenue Adjustments [1]	(515.1)	(368.0)	(147.1)	40.0 %
CIP	8.9	8.7	0.2	2.3 %
Net revenues [2]	1,145.8	887.1	258.7	29.2 %

(1) Total revenue adjustments includes passed through investment management, service and distribution, and other revenues and equal the same amount as the third party distribution, service and advisory expenses.

(2) Net revenues are operating revenues less third-party distribution, service and advisory expenses, plus net revenues from Invesco Great Wall, plus management and performance fees earned from CIP. See "Schedule of Non-GAAP Information" for additional important disclosures regarding the use of net revenues.

The impact of foreign exchange rate movements decreased operating revenues by $5.5 million, equivalent to 0.3% of total operating revenues, during the three months ended March 31, 2020 when compared to the three months ended March 31, 2019.

Additionally, our revenues are directly influenced by the level and composition of our AUM. Therefore, movements in global capital market levels, net new business inflows (or outflows), changes in the mix of investment products between asset classes and geographies and acquisitions may materially affect our revenues from period to period.

The results of the OppenheimerFunds acquisition are included from May 24, 2019 (date of acquisition), which causes a large fluctuation between the periods presented here. As discussed in the "Executive Overview" section above, equity markets showed extreme volatility as global markets reacted to the COVID-19 pandemic during in the three months ended March 31, 2020, which impacted our results in the first quarter of 2020. This market downturn offsets some of the acquisition-related increase when comparing between 2020 and 2019. The first quarter of 2020 was also impacted by shifts in the mix of AUM, resulting both from flows and from the market impact of the COVID-19 pandemic, which has adversely impacted our revenue and resulting revenue yields in the first quarter, and we expect it will continue to pressure revenues in the near term.

Investment Management Fees

Investment management fees increased by $244.6 million (26.5%) in the three months ended March 31, 2020 to $1,168.3 million (three months ended March 31, 2019: $923.7 million). This compares to a 26.1% increase in average AUM. The

impact of foreign exchange rate movements decreased investment management fees by $4.9 million during the three months ended March 31, 2020 as compared to the three months ended March 31, 2019. After allowing for foreign exchange movements, investment management fees increased by $249.5 million (27.0%), which is consistent with the increased average AUM. However, as discussed above, average AUM in first quarter 2020 was impacted negatively by the market reaction to the COVID-19 crisis, which partially offsets the increases driven by the acquired OppenheimerFunds business (acquired May 24, 2019).

See the company's disclosures regarding the changes in AUM and revenue yields during the three months ended March 31, 2020 and March 31, 2019 in the "Assets Under Management" section above for additional information regarding the impact of changes in AUM on management fee yields.

Service and Distribution Fees

In the three months ended March 31, 2020, service and distribution fees increased by $146.5 million (66.8%) to $365.8 million when compared to three months ended March 31, 2019 of $219.3 million. The impact of foreign exchange rate movements decreased service and distribution fees by $0.4 million during the three months ended March 31, 2020 as compared to the first quarter of 2019. The total increase is made up of higher distribution fees of $80.4 million, transfer agency fees of $48.5 million, and administrative fees of $13.6 million. The increase is primarily a result of revenues earned from the acquired OppenheimerFunds business (acquired May 24, 2019).

Performance Fees

Of our $1,053.4 billion in AUM at March 31, 2020, approximately $45.7 billion (4.3%) could potentially earn performance fees, including carried interests and performance fees related to partnership investments and separate accounts.

In the three months ended March 31, 2020, performance fees decreased by $17.0 million (78.0%) to $4.8 million when compared to the performance fees in the three months ended March 31, 2019 of $21.8 million. Performance fees during the first quarter of 2020 were primarily generated from real estate products.

Other Revenues

In the three months ended March 31, 2020, other revenues increased by $10.2 million (20.5%) to $60.0 million (three months ended March 31, 2019: $49.8 million). There was no impact of foreign exchange rate movements during the three months ended March 31, 2020 as compared to the three months ended March 31, 2019. The increase in other revenues was primarily driven by an increase in commissions of $15.1 million as a result of the acquired OppenheimerFunds business (acquired May 24, 2019), partially offset by decreases in UIT revenues of $3.6 million and real estate transaction fees of $2.1 million.

Invesco Great Wall

The company's most significant joint venture arrangement is our 49% investment in Invesco Great Wall Fund Management Company Limited (the "Invesco Great Wall" joint venture). Management believes that the revenues from Invesco Great Wall should be added to operating revenues to arrive at net revenues, as it is important to evaluate the contribution to the business that Invesco Great Wall is making. See "Schedule of Non-GAAP Information" for additional disclosures regarding the use of net revenues.

Net revenue from Invesco Great Wall were $53.1 million and average AUM was $43.3 billion, reflecting 100% of the flows and AUM for the three months ended March 31, 2020 (net revenues were $31.8 million and average AUM was $31.5 billion in the three months ended March 31, 2019). The AUM experienced growth in long-term AUM in the period and started the period with diversified long-term AUM from the net sales in balanced and fixed income funds in 2019 Revenues increased as a result of higher AUM, and the first quarter of 2020 also includes increased performance fees and front-end fees.

Management, performance and other fees earned from CIP

Management believes that the consolidation of investment products may impact a reader's analysis of our underlying results of operations and could result in investor confusion or the production of information about the company by analysts or external credit rating agencies that is not reflective of the underlying results of operations and financial condition of the company. Accordingly, management believes that it is appropriate to adjust operating revenues for the impact of CIP in calculating net revenues. As management and performance fees earned by Invesco from the consolidated products are eliminated upon consolidation of the investment products, management believes that it is appropriate to add these operating revenues back in the calculation of net revenues. See "Schedule of Non-GAAP Information" for additional disclosures regarding the use of net revenues.

The elimination of management fees earned from CIP was $8.9 million in the three months ended March 31, 2020 (three months ended March 31, 2019: $8.7 million). The increase is due to the increase in management fees earned from CLOs.

Operating Expenses

The main categories of operating expenses, and the dollar and percentage changes between periods, are as follows:

	Three months ended March 31,		Variance 2020 vs 2019	
$ in millions	**2020**	**2019**	**$ Change**	**% Change**
Third-party distribution, service and advisory	515.1	368.0	147.1	40.0%
Employee compensation	421.9	381.3	40.6	10.6%
Marketing	32.7	28.0	4.7	16.8%
Property, office and technology	130.4	107.2	23.2	21.6%
General and administrative	106.3	83.8	22.5	26.8%
Transaction, integration, and restructuring	75.5	46.1	29.4	63.8%
Total operating expenses	1,281.9	1,014.4	267.5	26.4%

The tables below set forth these expense categories as a percentage of total operating expenses and operating revenues, which we believe provides useful information as to the relative significance of each type of expense.

$ in millions	**Three months ended March 31, 2020**	**% of Total Operating Expenses**	**% of Operating Revenues**	**Three months ended March 31, 2019**	**% of Total Operating Expenses**	**% of Operating Revenues**
Third-party distribution, service and advisory	515.1	40.2%	32.2%	368.0	36.3%	30.3%
Employee compensation	421.9	32.9%	26.4%	381.3	37.6%	31.4%
Marketing	32.7	2.6%	2.0%	28.0	2.8%	2.3%
Property, office and technology	130.4	10.2%	8.2%	107.2	10.6%	8.8%
General and administrative	106.3	8.3%	6.6%	83.8	8.3%	6.9%
Transaction, integration, and restructuring	75.5	5.9%	4.7%	46.1	4.5%	3.8%
Total operating expenses	1,281.9	100.0%	80.2%	1,014.4	100.0%	83.5%

During the three months ended March 31, 2020, operating expenses increased by $267.5 million (26.4%) to $1,281.9 million (three months ended March 31, 2019: $1,014.4 million). The impact of foreign exchange rate movements decreased operating expenses by $4.8 million, or 0.4% of total operating expenses, during the three months ended March 31, 2020 as compared to the three months ended March 31, 2019.

Third-Party Distribution, Service and Advisory

Third party distribution service and advisory expenses increased $147.1 million 40.0% to $515.1 million in the three months ended March 31, 2020 (three months ended March 31, 2019: $368.0 million). The impact of foreign exchange rate movements decreased third party costs by $0.7 million during the three months ended March 31, 2020 as compared to the three months ended March 31, 2019. After allowing for foreign exchange rate changes, the increase in costs was $147.8 million. Included is an increase of $109.1 million in service fees (primarily 12b-1 fees), $16.5 million in commissions, $12.0 million in asset and sales based fees, $9.6 million in fund expenses, $1.2 million in transaction fees, and $1.0 million in

unitary fees, partially offset by a decrease of $1.9 million in renewal commissions. The increase is primarily a result of costs from the acquired OppenheimerFunds business (acquired May 24, 2019). See "Schedule of Non-GAAP Information" for additional disclosures.

Employee Compensation

Employee compensation increased $40.6 million (10.6%) to $421.9 million in the three months ended March 31, 2020 (three months ended March 31, 2019: $381.3 million). The impact of foreign exchange rate movements decreased employee compensation by $2.6 million during the three months ended March 31, 2020 as compared to the three months ended March 31, 2019. After allowing for foreign exchange rate changes, there was an increase in employee compensation of $43.2 million. The increase was driven by increased headcount as a result of the OppenheimerFunds acquisition (acquired May 24, 2019). This increase was primarily related to increases in commissions and bonuses of $41.5 million, base salaries of $30.9 million, and staff benefits of $9.0 million, partially offset by a decrease of $49.2 million related to the mark-to-market on the deferred compensation liability.

Headcount at March 31, 2020 was 8,757 (March 31, 2019: 7,663), with the increase primarily attributable to acquisitions.

Marketing

Marketing expenses increased $4.7 million (16.8%) to $32.7 million in the three months ended March 31, 2020 (three months ended March 31, 2019: $28.0 million). The impact of foreign exchange rate movements decreased marketing expenses by $0.3 million during the three months ended March 31, 2020 as compared to the three months ended March 31, 2019. After allowing for foreign exchange rate changes, the increase in marketing expenses was $5.0 million.

Property, Office and Technology

Property, office and technology costs increased by $23.2 million (21.6%) to $130.4 million in the three months ended March 31, 2020 (three months ended March 31, 2019: $107.2 million). The impact of foreign exchange rate movements decreased property, office and technology expenses by $0.7 million during the three months ended March 31, 2020 as compared to the three months ended March 31, 2019. After allowing for foreign exchange rate movements, the increase was $23.9 million. This increase was primarily comprised of lease expenses of $8.7 million, software maintenance of $5.9 million outsourced administration costs of $5.1 million, and depreciation of $3.9 million. The increase is primarily a result of the acquired OppenheimerFunds business (acquired May 24, 2019).

General and Administrative

General and administrative expenses increased by $22.5 million (26.8%) to $106.3 million in the three months ended March 31, 2020 (three months ended March 31, 2019: $83.8 million). The impact of foreign exchange rate movements decreased general and administrative expenses by $0.5 million during the three months ended March 31, 2020 as compared to the three months ended March 31, 2019. After allowing for foreign exchange rate movements, the increase was $23.0 million. The increase was comprised of $14.2 million in fund expenses incurred by CIP, $4.5 million in market data services costs, $3.7 million of irrecoverable taxes, $3.3 million in professional services and regulatory costs and $2.4 million in fund expenses, partially offset by $5.4 million on foreign currency revaluation.

Transaction, Integration, and Restructuring

Transaction, integration, and restructuring charges were $75.5 million for the three months ended March 31, 2020 (three months ended March 31, 2019: $46.1 million). Within the transaction, integration, and restructuring related costs, $71.1 million resulted from the OppenheimerFunds acquisition, which included severance and other personnel-related charges of $48.2 million, share-based compensation expenses of $6.1 million, legal, consulting and other professional fees of $13.8 million, property and equipment expenses of $2.0 million, marketing expenses of $1.2 million, and amortization of intangible assets of $9.5 million. The first quarter 2020 transaction, integration and restructuring costs include $7.3 million related to the previously disclosed liability related to the SteelPath-branded MLP funds, which were part of the OppenheimerFunds acquisition. See Note 15. "Commitments and Contingencies" for additional details.

Transaction, integration, and restructuring costs from other acquisitions included amortization of management contracts and other intangible assets of $6.4 million.

Other Income and Expenses

The main categories of other income and expenses, and the dollar and percentage changes between periods are as follows:

	Three months ended March 31,		Variance 2020 vs 2019	
$ in millions	**2020**	**2019**	**$ Change**	**% Change**
Equity in earnings of unconsolidated affiliates	16.9	15.0	1.9	12.7%
Interest and dividend income	6.4	4.7	1.7	36.2%
Interest expense	(36.3)	(33.1)	(3.2)	9.7%
Other gains and losses, net	(106.5)	31.1	(137.6)	N/A
Other income/(expense) of CIP, net	(20.1)	38.9	(59.0)	N/A
Total other income and expenses	(139.6)	56.6	(196.2)	N/A

Equity in earnings of unconsolidated affiliates

Equity in earnings of unconsolidated affiliates increased by $1.9 million to $16.9 million in the three months ended March 31, 2020 (three months ended March 31, 2019: $15.0 million). The increase in equity in earnings is driven by an increase of $6.5 million in Great Wall Funds and $1.1 million in real estate investments, partially offset by decreases of $3.9 million in private equity investments and $1.5 million in other investments. However, certain of these investments are accounted for on a one-month or three-month lag based on the availability of fund financial information; therefore, the equity in earnings may not fully reflect the market disruption that occurred during the three months ended March 31, 2020.

Other gains and losses, net

Other gains and losses, net was a loss of $106.5 million in the three months ended March 31, 2020 (three months ended March 31, 2019: $31.1 million gain). Included in the loss were $67.7 million on investments and instruments held for our deferred compensation plans and $45.6 million of net losses related to the mark-to-market on seed money investments. These losses were partially offset by a gain of $8.8 million on the mark-to-market of an acquisition-related contingent consideration liability.

Other income/(expense) of CIP

Other income/(expense) of CIP includes interest and dividend income, interest expense, and other gains/(losses) of CIP.

In the three months ended March 31, 2020, interest and dividend income of CIP increased by $0.5 million (0.6%) to $85.2 million (three months ended March 31, 2019: $84.7 million). Interest expense of CIP decreased by $1.1 million (1.9%) to $56.9 million (three months ended March 31, 2019: $58.0 million).

Included in other gains/(losses) of CIP, net, are realized and unrealized gains and losses on the underlying investments and debt of CIP. In the three months ended March 31, 2020, other gains and losses of CIP were net losses of $48.4 million as compared to net gains of $12.2 million in the three months ended March 31, 2019.

Net impact of CIP and related noncontrolling interests in consolidated entities

The net impact to net income attributable to Invesco Ltd. in each period primarily represents the changes in the value of the company's holding in its consolidated CLOs, which is reclassified into other gains/(losses) from accumulated other comprehensive income upon consolidation. The consolidation of investment products during the three months ended March 31, 2020 resulted in a net decrease in net income attributable to Invesco Ltd. of $0.1 million (three months ended March 31, 2019: $1.0 million decrease). CIP are taxed at the investor level and not at the product level; therefore, there is no tax provision reflected in the net impact of CIP.

Noncontrolling interests in consolidated entities represent the profit or loss amounts attributed to third-party investors in CIP. The impact of any gains or losses resulting from valuation changes in the investments of non-CLO CIP attributable to the interests of third-parties are offset by resulting changes in gains and losses attributable to noncontrolling interests in consolidated entities and therefore do not have a material effect on the financial condition, operating results (including earnings per common share), liquidity or capital resources of the company's common shareholders. Similarly, any gains or losses resulting from valuation changes in the investments of CLOs attributable to the interests of third-parties are offset by the calculated value of the notes issued by the CLOs (offsetting in other gains/(losses) of CIP) and therefore also do not have

a material effect on the financial condition, operating results (including earnings per common share), liquidity or capital resources of the company's common shareholders.

Additionally, CIP represent less than 1% of the company's AUM. Therefore, the net gains or losses of CIP are not indicative of the performance of the company's aggregate AUM.

Income Tax Expense

The company's subsidiaries operate in several taxing jurisdictions around the world, each with its own statutory income tax rate. As a result, the blended average statutory tax rate will vary from year to year depending on the mix of the profits and losses of the company's subsidiaries.

Our effective tax rate increased to 32.4% for the three months ended March 31, 2020 (three months ended March 31, 2019: 25.8%). The three months ended March 31, 2020 includes a 5.2% rate increase related to the vestings of our annual common share-based compensation awards partially offset by a 4.8% rate decrease related to the reversal of an uncertain tax position due to the expiration of the statute of limitations. The inclusion of non-controlling interests in consolidated entities increased our effective tax rate by 3.4% for the three months ended March 31, 2020 (three months ended March 31, 2019: decreased 1.3%). The remainder of the rate movement for the quarter was primarily due to changes in the mix of pre-tax income.

Schedule of Non-GAAP Information

We utilize 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 common share (EPS). The company believes the adjusted measures provide valuable insight into the company's ongoing operational performance and assist in comparisons to its competitors. These measures also assist the company's management with the establishment of operational budgets and forecasts and assist the Board of Directors and management of the company 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. Each of these measures is discussed more fully below.

The following are reconciliations of operating revenues, operating income (and by calculation, operating margin), and net income attributable to Invesco Ltd. (and by calculation, diluted EPS) on a U.S. GAAP basis to a non-GAAP basis of net revenues, adjusted operating income (and by calculation, adjusted operating margin) and adjusted net income attributable to Invesco Ltd. (and by calculation, adjusted diluted EPS). These non-GAAP measures should not be considered as substitutes for any U.S. GAAP measures and may not be comparable to other similarly titled measures of other companies. Additional reconciling items may be added in the future to these non-GAAP measures if deemed appropriate. The tax effects related to the reconciling items have been calculated based on the tax rate attributable to the jurisdiction to which the transaction relates. Notes to the reconciliations follow the tables.

Reconciliation of Operating revenues to Net revenues:

	Three months ended March 31,	
$ in millions	**2020**	**2019**
Operating revenues, U.S. GAAP basis	1,598.9	1,214.6
Invesco Great Wall [1]	53.1	31.8
Revenue Adjustments [2]		
Investment management fees	(204.6)	(187.5)
Service and distribution fees	(256.6)	(140.4)
Other	(53.9)	(40.1)
Total Revenue Adjustments	(515.1)	(368.0)
CIP [3]	8.9	8.7
Net revenues	1,145.8	887.1

Reconciliation of Operating income to Adjusted operating income:

$ in millions	Three months ended March 31, 2020	2019
Operating income, U.S. GAAP basis	317.0	200.2
Invesco Great Wall [1]	32.1	14.9
CIP [3]	25.9	11.5
Transaction, integration, and restructuring [4]	75.5	46.1
Compensation expense related to market valuation changes in deferred compensation plans [5]	(37.8)	11.6
Adjusted operating income	412.7	284.3
Operating margin*	19.8%	16.5%
Adjusted operating margin**	36.0%	32.0%

Reconciliation of Net income attributable to Invesco Ltd. to Adjusted net income attributable to Invesco Ltd.:

$ in millions, except per common share data	Three months ended March 31, 2020	2019
Net income attributable to Invesco Ltd., U.S. GAAP basis	81.5	177.7
CIP [3]	0.1	1.0
Transaction, integration, and restructuring, net of tax [4]	67.4	44.8
Deferred compensation plan market valuation changes and dividend income less compensation expense, net of tax [5]	22.6	(4.7)
Other reconciling items, net of tax [6]	(16.3)	6.0
Adjusted net income attributable to Invesco Ltd.	155.3	224.8
Average common shares outstanding - diluted	458.9	401.9
Diluted EPS	$0.18	$0.44
Adjusted diluted EPS***	$0.34	$0.56

* Operating margin is equal to operating income divided by operating revenues.

** Adjusted operating margin is equal to adjusted operating income divided by net revenues.

*** Adjusted diluted EPS is equal to adjusted net income attributable to Invesco Ltd. divided by the weighted average number of common and restricted common shares outstanding. There is no difference between the calculated EPS amounts presented above and the calculated EPS amounts under the two class method.

(1) *Invesco Great Wall*

Management reflects 100% of Invesco Great Wall in its net revenues and adjusted operating expenses. The company's non-GAAP operating results reflect the economics of these holdings on a basis consistent with the underlying AUM and flows. Adjusted net income is reduced by the amount of earnings attributable to non-controlling interests.

(2) *Revenue Adjustments*

In the fourth quarter of 2019, the company changed its presentation of the reconciliation between operating revenues and net revenues. All periods have been conformed to the new presentation. Neither operating revenues nor net revenues totals have changed for any historic periods.

Management believes that adjustments to investment management fees, service and distribution fees and other revenues from operating revenues appropriately reflect these revenues as being passed through to external parties who perform functions on behalf of, and distribute, the company's managed funds. Further, these adjustments vary extensively by geography due to the differences in distribution channels. The net revenue presentation assists in identifying the revenue contribution generated by the business, removing distortions caused by the differing distribution channel fees and allowing for a fair comparison with U.S. peer investment managers and within Invesco's own investment units. Additionally, management evaluates net revenue yield on AUM, which is equal to net revenues divided by average AUM during the reporting period. This financial measure is an indicator of the basis point net revenues we receive for each dollar of AUM we manage and is useful when evaluating the company's performance relative to industry competitors and within the company for capital allocation purposes.

Investment management fees are adjusted by renewal commissions and certain administrative fees. Service and distribution fees are primarily adjusted by distribution fees passed through to broker dealers for certain share classes and pass through fund-related costs. Other is primarily adjusted by transaction fees passed through to third parties. While the terms used for these types of adjustments vary by geography, they are all costs that are closely linked to the value of AUM and the revenue earned by Invesco from AUM. Since the company has been deemed to be the principal in the third-party arrangements, the company must reflect these revenues and expenses gross under U.S. GAAP on the consolidated statements of income.

(3) *CIP*

See Part I, Item 1, Financial Statements - Note 16 - “"Consolidated Investment Products"” for a detailed analysis of the impact to the company's Condensed Consolidated Financial Statements from the consolidation of CIP. The reconciling items add back the management and performance fees earned by Invesco from the consolidated products and remove the revenues and expenses recorded by the consolidated products that have been included in the U.S. GAAP Condensed Consolidated Statements of Income.

Management believes that the consolidation of investment products may impact a reader's analysis of our underlying results of operations and could result in investor confusion or the production of information about the company by analysts or external credit rating agencies that is not reflective of the underlying results of operations and financial condition of the company. Accordingly, management believes that it is appropriate to adjust operating revenues, operating income and net income for the impact of CIP in calculating the respective net revenues, adjusted operating income and adjusted net income.

(4) *Transaction, integration, and restructuring related adjustments*

Management believes it is useful to investors and other users of our Condensed Consolidated Financial Statements to adjust for the transaction, integration, and restructuring charges in arriving at adjusted operating income, adjusted operating margin and adjusted diluted EPS, as this will aid comparability of our results period to period, and aid comparability with peer companies that may not have similar acquisition and disposition related income or charges. See “Results of Operations for the three months ended months ended March 31, 2020 and 2019 -- Transaction, Integration, and Restructuring” for additional details.

(5) *Market movement on deferred compensation plan liabilities*

Certain deferred compensation plan awards involve a return to the employee linked to the appreciation (depreciation) of specified investments, typically the funds managed by the employee. Invesco hedges economically the exposure to market movements.

Since these plans are hedged economically, management believes it is useful to reflect the offset ultimately achieved from hedging the investment market exposure in the calculation of adjusted operating income (and by calculation, adjusted operating margin) and adjusted net income attributable to Invesco Ltd. (and by calculation, adjusted diluted EPS), to produce results that will be more comparable period to period.

See below for a reconciliation of deferred compensation related items:

$ in millions	Three months ended March 31, 2020	2019
Market movement on deferred compensation plan liabilities:		
Compensation expense related to market valuation changes in deferred compensation liability	(37.8)	11.6
Adjustments to operating income	(37.8)	11.6
Market valuation changes and dividend income from investments and instruments held related to deferred compensation plans in other income/(expense)	67.4	(17.7)
Taxation:		
Taxation on deferred compensation plan market valuation changes and dividend income less compensation expense	(7.0)	1.4
Adjustments to net income attributable to Invesco Ltd.	22.6	(4.7)

(6) *Other reconciling items*

Each of these other reconciling items has been adjusted from U.S. GAAP to arrive at the company's non-GAAP financial measures for the reasons either outlined in the paragraphs above, due to the unique character and magnitude of the reconciling item, or because the item represents a continuation of a reconciling item adjusted from U.S. GAAP in a prior period.

$ in millions	Three months ended March 31, 2020	2019
Other non-GAAP adjustments:		
Foreign exchange hedge [(a)]	(1.0)	2.1
Acquisition-related contingent consideration	(8.7)	5.8
Release of uncertain tax position [(b)]	(9.0)	—
Taxation on foreign exchange hedge amortization [(a)]	0.2	(0.5)
Taxation on acquisition-related contingent consideration	2.2	(1.4)
Adjustments to net income attributable to Invesco Ltd.	(16.3)	6.0

(a) Included within other gains and losses, net is the mark-to-market of foreign exchange put option contracts intended to provide protection against the impact of a significant decline in the Pound Sterling/U.S. Dollar foreign exchange rates. The Pound Sterling contracts provide coverage through June 30, 2020. The adjustment from U.S. GAAP to non-GAAP earnings removes the impact of market volatility; therefore, the company's non-GAAP results include only the amortization of the cost of the contracts during the contract period.

(b) The income tax provision for the three months ended March 31, 2020 includes a tax benefit of $9.0 million resulting from the reversal of an uncertain tax position due to the expiration of statute of limitations. This benefit has been removed from the company's non–GAAP results to be consistent with the exclusion of the original provision in a prior period.

Balance Sheet Discussion[1]

The following table represents a reconciliation of the balance sheet information presented on a U.S. GAAP basis to the balance sheet information excluding the impact of CIP and policyholder balances for the reasons outlined in footnote 1 to the table:

Balance sheet information $ in millions	As of March 31, 2020				As of December 31, 2019			
	U.S. GAAP	Impact of CIP	Impact of Policyholders	As Adjusted	U.S. GAAP	Impact of CIP	Impact of Policyholders	As Adjusted
ASSETS								
Cash and cash equivalents	940.5	—	—	940.5	1,049.0	—	—	1,049.0
Unsettled fund receivables	213.5	—	—	213.5	162.7	—	—	162.7
Investments	744.5	(533.8)	—	1,278.3	829.5	(640.2)	—	1,469.7
Assets of CIP:				—				—
Investments and other assets of CIP	7,923.4	7,923.4	—	—	7,980.9	7,980.9	—	—
Cash and cash equivalents of CIP	289.0	289.0	—	—	652.2	652.2	—	—
Assets held for policyholders	9,137.3	—	9,137.3	—	10,835.6	—	10,835.6	—
Goodwill and intangible assets, net	15,869.2	—	—	15,869.2	15,867.7	—	—	15,867.7
Other assets [2]	1,893.3	(5.7)	—	1,899.0	2,042.7	(5.6)	—	2,048.3
Total assets	37,010.7	7,672.9	9,137.3	20,200.5	39,420.3	7,987.3	10,835.6	20,597.4
LIABILITIES								
Liabilities of CIP:								
Debt of CIP	6,172.7	6,172.7	—	—	6,234.6	6,234.6	—	—
Other liabilities of CIP	881.6	881.6	—	—	949.6	949.6	—	—
Policyholder payables	9,137.3	—	9,137.3	—	10,835.6	—	10,835.6	—
Unsettled fund payables	196.0	—	—	196.0	154.2	—	—	154.2
Long-term debt	2,588.8	—	—	2,588.8	2,080.3	—	—	2,080.3
Other liabilities [3]	3,915.4	—	—	3,915.4	4,464.2	(35.2)	—	4,499.4
Total liabilities	22,891.8	7,054.3	9,137.3	6,700.2	24,718.5	7,149.0	10,835.6	6,733.9
EQUITY								
Total equity attributable to Invesco Ltd.	13,499.3	(0.1)	—	13,499.4	13,862.5	(0.1)	—	13,862.6
Noncontrolling interests [4]	619.6	618.7	—	0.9	839.3	838.4	—	0.9
Total equity	14,118.9	618.6	—	13,500.3	14,701.8	838.3	—	13,863.5
Total liabilities and equity	37,010.7	7,672.9	9,137.3	20,200.5	39,420.3	7,987.3	10,835.6	20,597.4

(1) These tables include non-GAAP presentations. Assets of CIP are not available for use by Invesco. Additionally, there is no recourse to Invesco for CIP debt. Policyholder assets and liabilities are equal and offsetting and have no impact on Invesco's shareholder's equity.

(2) Amounts include accounts receivable, prepaid assets, property, equipment and software and other assets.

(3) Amounts include accrued compensation and benefits, accounts payable and accrued expenses and deferred tax liabilities.

(4) Amounts include redeemable noncontrolling interests in consolidated entities and equity attributable to nonredeemable noncontrolling interests in consolidated entities.

Cash and cash equivalents

Cash and cash equivalents decreased by $108.5 million from $1,049.0 million at December 31, 2019 to $940.5 million at March 31, 2020. See "Cash Flows Discussion" in the following section within this Management's Discussion and Analysis for additional discussion regarding the movements in cash flows during the period.

Investments

As of March 31, 2020, we had $744.5 million in total investments (December 31, 2019: $829.5 million). Included in investments are $175.7 million of seed money investments in affiliated funds used to seed funds as we launch new products, and $155.8 million of investments related to assets held for deferred compensation plans, which are also held primarily in affiliated funds. Seed investments decreased by a net $59.8 million during the three months ended March 31, 2020. The decreases in the period were redemptions of $102.2 million and $46.5 million driven by market valuation changes and foreign exchange movements. The decrease in the period was partially offset by purchases of 5.5 million, a non-cash increase of $83.6 million due to the deconsolidation of certain CIP in the period (restoring the company's formerly eliminated investment balances). Investments related to deferred compensation awards decreased by a net $36.6 million during the period due to the $37.4 million driven by market valuation changes and foreign exchange movements and dispositions of $0.3 million. These decreases were partially offset by net purchases of $1.1 million.

Included in investments are $373.0 million in equity method investments in Invesco Great Wall and in certain of the company's private equity partnerships, real estate partnerships and other co-investments (December 31, 2019: $350.8 million). The increase of $22.2 million in equity method investments was driven by an increase from partnership contributions of $14.2 million and $16.8 million in current period earnings. This increase was partially offset by a decrease of $5.5 million due to distributions from partnership investments and $3.4 million in foreign exchange rates. Also included in investments are foreign time deposits of $25.8 million, a decrease of $6.2 million from the December 31, 2019 balance of $32.0 million.

Assets held for policyholders and policyholder payables

One of our subsidiaries, Invesco Pensions Limited, is an insurance company that was established to facilitate retirement savings plans in the UK. The entity holds assets that are managed for its clients on its balance sheet with an equal and offsetting liability. The decrease in the balance of these accounts from $10,835.6 million at December 31, 2019 to $9,137.3 million at March 31, 2020 was the result of decreases of net business outflows of $1,040.1 million and $658.1 million in foreign exchange rate movements.

Intangible Assets, net

Intangible assets decreased from $7,358.3 million at December 31, 2019, to $7,325.1 million at March 31, 2020. This decrease includes amortization of $15.9 million, foreign exchange movements of $11.8 million, and digital wealth acquisition adjustments of $5.5 million. See Note 5,-- "Intangible Assets" for an analysis of the change in intangible balances between periods.

Given the decline in assets under management in the first quarter of 2020, management determined that an interim impairment test was necessary on certain indefinite-lived management contract assets. The analyses resulted in no impairment; however, to the extent that market conditions or business performance worsens, subsequent impairment tests could result in an impairment of these assets. See Note 5. "Intangible Assets" for additional information regarding the impairment analyses performed in the first quarter.

Goodwill

Goodwill increased from $8,509.4 million at December 31, 2019, to $8,544.1 million at March 31, 2020. The increase includes $287.0 million primarily related to the acquisition adjustment related to the SteelPath-branded MLP funds, $1.1 million related to the preliminary purchase price allocation to intangible assets from the OppenheimerFunds acquisition, partially offset by foreign exchange movements of $253.3 million. See Note 2. "Business Combinations" for additional information regarding Intangible Assets, net and Goodwill.

The company's annual goodwill impairment review is performed as of October 1 of each year; however, given the decline in assets under management in the first quarter of 2020, management determined that an interim impairment test was necessary. The analysis resulted in no impairment; however, to the extent that market conditions or business performance worsens, subsequent impairment tests could result in an impairment of goodwill. See Note 6 -- "Goodwill" for additional information regarding the Goodwill impairment analysis performed in the first quarter.

Other assets

Other assets decreased from $2,042.7 million at December 31, 2019 to $1,893.3 million at March 31, 2020. The decrease includes the decline in account receivable of $154.6 million.

Long-term debt

Long-term debt increased from $2,080.3 million at December 31, 2019, to $2,588.8 million at March 31, 2020, an increase of $508.5 million. As of March 31, 2020, there was $508.0 million balance outstanding on the credit facility (at December 31, 2019: none). The increased balance on the credit facility reflects the seasonal cash requirements of the annual compensation payments.

Other liabilities

Other liabilities decreased from $4,464.2 million at December 31, 2019 to $3,915.4 million at March 31, 2020. The decreases includes $190.6 million of collateral applied against the forward payable. See Note 8. "Share Capital" for additional information regarding the forward contracts. Also included in the decreases was $549.6 million in accrued compensation and benefits primarily driven by the seasonal cash requirements of the annual compensation payout. These decreases were offset by the establishment of a $380.5 million liability related to the SteelPath-branded MLP funds. See Note 15. "Commitments and Contingencies" for additional details.

Liquidity and Capital Resources

During this period of market turbulence and uncertainty, we believe it is imperative to maintain financial flexibility. We therefore have taken actions to improve our capital strength which includes reducing our common dividend to $0.155 per common share beginning with the dividend that will be paid in the second quarter. We also plan to redeem up to $200 million of seed capital investments where appropriate from certain of our investment products this year. As the company's focus is on increasing financial strength and building liquidity, the company does not foresee additional share repurchases in 2020 assuming a continuation of the current unfavorable market environment. We continue to manage our expense base to align with the current lower revenue environment through reduced variable compensation and discretionary spend. These actions, and others focused on preservation of capital, seek to help us build liquidity through the present environment. Combined, these steps will enable us to further strengthen our balance sheet while preserving our ability to invest in future growth for the benefit of our business and our shareholders. Notwithstanding these actions, our capital management priorities will continue to emphasize maintaining a sustainable dividend and returning capital to shareholders.

Our capital structure, together with available cash balances, cash flows generated from operations, existing capacity under our credit facility and further capital market activities, if necessary, should provide us with sufficient resources to meet present and future cash needs, including operating, debt and other obligations as they come due and anticipated future capital requirements.

Our capital management process is executed in a manner consistent with our desire to maintain strong, investment grade credit ratings. As of the filing of the Report, Invesco held credit ratings of BBB+/Stable, A2/Stable and A-/Stable from Standard & Poor's Ratings Service ("S&P"), Moody's Investor Services ("Moody's") and Fitch Ratings ("Fitch"), respectively. Our ability to continue to access the capital markets in a timely manner depends on several factors, including our credit ratings, the condition of the global economy, investors' willingness to purchase our securities, interest rates, credit spreads and the valuation levels of equity markets. If we are unable to access capital markets in a timely manner, our business could be adversely impacted.

During the first quarter, 2.3 million common shares were withheld in the amount of $31.5 million related to tax withholding requirements on employee share vestings.

In regard to its previously completed forward contracts, the company prepaid $190.6 million against the forward payable, resulting in a remaining forward contract liability of $307.8 million as of March 31, 2020. The net collateral paid balance at March 31, 2020 was $87.9 million. Refer to Note 8. "Share Capital" for additional details.

As of March 31, 2020, the outstanding balance on the $1.5 billion capacity credit facility was $508 million. The increased balance on the credit facility reflects the seasonal cash requirements of the annual compensation payments.

Other items

Certain of our subsidiaries are required to maintain minimum levels of capital. Such requirements may change from time-to-time as additional guidance is released based on a variety of factors, including balance sheet composition, assessment of risk exposures and governance, and review from regulators. These and other similar provisions of applicable laws and regulations may have the effect of limiting withdrawals of capital, repayment of intercompany loans and payment of dividends by such entities. All of our regulated EU subsidiaries (the European sub-group) are subject to consolidated capital requirements under

EU Directives, including those arising from the EU's Capital Requirements Directive and the UK's Internal Capital Adequacy Assessment Process (ICAAP), and capital is maintained within this sub-group to satisfy these regulations. We meet these requirements in part by holding cash and cash equivalents. This retained cash can be used for general business purposes in the European sub-group in the countries where it is located. Due to the capital restrictions, the ability to transfer cash between certain jurisdictions may be limited. In addition, transfers of cash between international jurisdictions may have adverse tax consequences. We are in compliance with all regulatory minimum net capital requirements. As of March 31, 2020, the company's minimum regulatory capital requirement was $716.5 million (December 31, 2019: $753.6 million). The total amount of non-U.S. cash and cash equivalents was $733.1 million at March 31, 2020 (December 31, 2019: $847.0 million).

The consolidation of $8.2 billion and $6.2 billion of assets and long-term debt of CIP as of March 31, 2020, respectively, did not impact the company's liquidity and capital resources. The company's risk with respect to each investment in CIP is limited to its equity ownership and any uncollected management and performance fees. The majority of CIP balances related to consolidated CLOs. The collateral assets of the CLOs are held solely to satisfy the obligations of the CLOs. The company has no right to the benefits from, nor does it bear the risks associated with, the collateral assets held by the CLOs, beyond the company's minimal direct investments in, and management and performance fees generated from, these products, which are eliminated upon consolidation. If the company were to liquidate, the collateral assets would not be available to the general creditors of the company, and as a result, the company does not consider them to be company assets. Likewise, if the CLOs were to liquidate, their investors would have no recourse to the general credit of the company. The company therefore does not consider this debt to be an obligation of the company. See Part I, Item 1, Financial Statements - Note 16, ‘"Consolidated Investment Products",’ for additional details.

Cash Flows Discussion

The ability to consistently generate cash flow from operations in excess of dividend payments, common share repurchases, capital expenditures, and ongoing operating expenses is one of our company's fundamental financial strengths. Operations continue to be financed from current earnings and borrowings. Our principal uses of cash, other than for operating expenses, include dividend payments, capital expenditures, acquisitions, purchase of our common shares in the open market, and investments in certain new investment products.

The following table represents a reconciliation of the cash flow information presented on a U.S. GAAP basis to the cash flow information, excluding the impact of the cash flows of Consolidated Investment Products for the reasons outlined in footnote 1 to the table:

Cash flow information[1]	**Three months ended March 31, 2020**			**Three months ended March 31, 2019**		
$ in millions	**U.S. GAAP**	**Impact of CIP**	**Excluding CIP**	**U.S. GAAP**	**Impact of CIP**	**Excluding CIP**
Cash and cash equivalents, beginning of the period	1,701.2	652.2	1,049.0	1,805.4	657.7	1,147.7
Cash flows from operating activities[1]	(77.0)	1.3	(78.3)	(120.4)	(61.3)	(59.1)
Cash flows from investing activities	(452.0)	(382.6)	(69.4)	(333.4)	(349.5)	16.1
Cash flows from financing activities	96.3	23.4	72.9	(87.0)	9.4	(96.4)
Increase/(decrease) in cash and cash equivalents	(432.7)	(357.9)	(74.8)	(540.8)	(401.4)	(139.4)
Foreign exchange movement on cash and cash equivalents	(38.7)	(5.0)	(33.7)	3.6	(5.2)	8.8
Net cash inflows (outflows) upon consolidation/deconsolidation of CIP	(0.3)	(0.3)	—	0.1	0.1	—
Cash and cash equivalents, end of the period	1,229.5	289.0	940.5	1,268.3	251.2	1,017.1
Cash and cash equivalents	940.5	—	940.5	1,017.1	—	1,017.1
Cash and cash equivalents of CIP	289.0	289.0	—	251.2	251.2	—
Total cash and cash equivalents per consolidated statement of cash flows	1,229.5	289.0	940.5	1,268.3	251.2	1,017.1

(1) These tables include non-GAAP presentations. Cash held by CIP is not available for use by Invesco. Additionally, there is no recourse to Invesco for CIP debt. The cash flows of CIP do not form part of the company's cash flow management processes, nor do they form part of the company's significant liquidity evaluations and decisions. Policyholder assets and liabilities are equal and offsetting and have no impact on Invesco's shareholder's equity. The impact of cash inflows/outflows from policyholder assets and liabilities are reflected within cash flows from operating activities as changes in receivables and/or payables, as applicable.

Operating Activities

Operating cash flows include the receipt of investment management and other fees generated from AUM, offset by operating expenses and changes in operating assets and liabilities. Although some receipts and payments are seasonal, particularly bonus payments which are paid out during the first quarter, in general, after allowing for the change in cash held by CIP, and investment activities, our operating cash flows move in the same direction as our operating income.

During the three months ended March 31, 2020, cash used in operating activities was $77.0 million compared to $120.4 million used in during the three months ended March 31, 2019. As shown in the tables above, the impact of CIP to cash used in operating activities was $1.3 million of cash provided by during the three months ended March 31, 2020 compared to $61.3 million of cash used during the three months ended March 31, 2019. Excluding the impact of CIP, cash used in operations was $78.3 million during the three months ended March 31, 2020 compared to $59.1 million of cash used in operating activities during the three months ended March 31, 2019.

There were no significant non-cash items that impacted the comparison between the periods of operating income to net cash provided by operations.

Investing Activities

Net cash used in investing activities totaled $452.0 million for the three months ended March 31, 2020 (three months ended March 31, 2019: net cash used of $333.4 million). As shown in the tables above, the impact of CIP on investing activities, including investment purchases, sales and returns of capital, was $382.6 million used (three months ended March 31, 2019: $349.5 million used). Excluding the impact of CIP cash flows, net cash used in investing activities was $69.4 million (three months ended March 31, 2019: net cash provided of $16.1 million).

Cash outflows for the three months ended March 31, 2020, excluding the impact of CIP, included $50.1 million of net collateral paid on the forward contracts (three months ended March 31, 2019: $42.4 million collateral received) and purchases of investments of $42.8 million (three months ended March 31, 2019: $76.6 million). These outflows were partially offset by proceeds of $42.7 million from sales and returns of capital of investments (three months ended March 31, 2019: $71.4 million).

During the three months ended March 31, 2020, the company had capital expenditures of $19.2 million (three months ended March 31, 2019: $21.1 million). Our capital expenditures related principally in each period to technology initiatives, including enhancements to platforms from which we maintain our portfolio management systems and fund accounting systems, improvements in computer hardware and software desktop products for employees, new telecommunications products to enhance our internal information flow, and back-up disaster recovery systems. Also, in each period, a portion of these costs related to leasehold improvements made to the various buildings and workspaces used in our offices. These projects have been funded with proceeds from our operating cash flows.

Financing Activities

Net cash provided by financing activities totaled $96.3 million for the three months ended March 31, 2020 (three months ended March 31, 2019: net cash used of $87.0 million). As shown in the tables above, the impact of CIP on financing activities provided cash of $23.4 million (three months ended March 31, 2019: cash provided of $9.4 million). Excluding the impact of CIP, financing activities provided net cash of $72.9 million in the three months ended March 31, 2020 (three months ended March 31, 2019: net cash used of $96.4 million).

Financing cash inflows during the three months ended March 31, 2020 included a borrowing of $508.0 million on the credit facility primarily driven by the seasonal cash requirements of the annual compensation payout (three months ended March 31, 2019: borrowing of $106.3 million). These inflows were offset by a $190.6 million pre-payment on the forward contracts, $140.9 million of common dividend payments for the dividends declared in January (three months ended March 31, 2019: common dividends paid of $120.1 million), $59.2 million of preferred dividend payments for dividends declared in January (three months ended March 31, 2019: none), the payment of $31.5 million to meet employees' withholding tax obligations on common share vestings (three months ended March 31, 2019: $28.6 million) and a payment of $12.9 million of contingent consideration (three months ended March 31, 2019: $4.0 million). Financing cash outflows during the three months ended March 31, 2019 also included the purchase of common shares through market transactions totaling $50.0 million.

Dividends

When declared, Invesco pays dividends on a quarterly basis in arrears. Holders of our preferred shares are eligible to receive dividends at an annual rate of 5.9% of the liquidation preference of $1,000 per share, or $59 per share per annum. The preferred stock dividend is payable quarterly on a non-cumulative basis when, if and as declared by our board of directors. However, if we have not declared and paid or set aside for payment full quarterly dividends on the preferred stock for a particular dividend period, we may not declare or pay dividends on, or redeem, purchase or acquire, our common stock or other junior securities in the next succeeding dividend period.

During this period of market turbulence and uncertainty, we believe it is imperative to maintain financial flexibility. We therefore reduced our common dividend to $0.155 per common share beginning with the dividend that will be paid in the second quarter. This action, and others focused on preservation of capital, seek to help us build liquidity through the present uncertain environment. Longer term, the reduction in common dividends will enable us to further strengthen our balance sheet for the benefit of our business and our shareholders.

On April 23, 2020, the company announced a first quarter 2020 cash dividend of $0.155 per share to holders of common shares, payable on June 3, 2020, to shareholders of record at the close of business on May 11, 2020 with an ex-dividend date of May 8, 2020.

On April 23, 2020 the company announced a preferred dividend of $14.75 per share to the holders of preferred shares, representing the period from March 1, 2020 through May 31, 2020. The preferred dividend is payable on June 3, 2020 to shareholders of record at close of business on May 15, 2020.

The declaration, payment and amount of any future dividends will be declared by our board of directors and will depend upon, among other factors, our earnings, financial condition and capital requirements at the time such declaration and payment are considered. The board has a policy of managing dividends in a prudent fashion, with due consideration given to profit levels, overall debt levels, and historical dividend payouts.

Common Share Repurchase Plan

The company did not purchase shares in the open market during the three months ended March 31, 2020, (three months ended March 31, 2019: the company repurchased 2.6 million shares in the market at a cost on $50 million).The company did withhold an aggregate of 2.3 million common shares on vesting events during the three months ended March 31, 2020 to meet employees' withholding tax obligations (three months ended March 31, 2019: 1.4 million shares). The fair value of these common shares withheld at the respective withholding dates was $31.5 million during the three months ended March 31, 2020 (three months ended March 31, 2019: $28.6 million). At March 31, 2020, approximately $732.2 million remains available under the share repurchase authorizations approved by the Board on July 22, 2016.

As the company's focus is on increasing financial strength and building liquidity, the company does not foresee additional share repurchases in 2020 assuming a continuation of the current unfavorable market environment.

Long-term debt

Our long-term debt at March 31, 2020 was $2,588.8 million (December 31, 2019: $2,080.3 million) and was comprised of the following:

$ in millions	March 31, 2020	December 31, 2019
$1.5 billion floating rate credit facility expiring August 11, 2022	508.0	—
Unsecured Senior Notes:		
$600 million 3.125% - due November 30, 2022	598.3	598.1
$600 million 4.000% - due January 30, 2024	596.1	595.8
$500 million 3.750% - due January 15, 2026	496.3	496.1
$400 million 5.375% - due November 30, 2043	390.1	390.3
Long-term debt	2,588.8	2,080.3

For the three months ended March 31, 2020, the company's weighted average cost of debt was 3.94% (three months ended March 31, 2019: 3.93%).

Financial covenants under the credit agreement include: (i) the quarterly maintenance of a debt/EBITDA leverage ratio, as defined in the credit agreement, of not greater than 3.25:1.00, (ii) a coverage ratio (EBITDA, as defined in the credit agreement/interest payable for the four consecutive fiscal quarters ended before the date of determination) of not less than 4.00:1.00. As of March 31, 2020, we were in compliance with our financial covenants. At March 31, 2020, our leverage ratio was 1.68:1.00 (December 31, 2019: 1.31:1.00), and our interest coverage ratio was 11.13:1.00 (December 31, 2019: 11.76:1.00).

The March 31, 2020 coverage ratio calculations are as follows:

$ millions	Total	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Net income attributable to Invesco Ltd.	468.5	81.5	179.8	167.1	40.1
Dividends on preferred shares	182.8	59.2	59.2	64.4	—
Impact of CIP on net income attributable to Invesco Ltd.	0.7	0.1	0.3	1.9	(1.6)
Tax expense	226.3	57.4	80.4	74.0	14.5
Amortization/depreciation	189.7	48.4	52.5	48.5	40.3
Interest expense	138.9	36.3	34.6	35.0	33.0
Common share-based compensation expense	205.1	47.4	48.7	49.4	59.6
Unrealized gains and losses from investments, net*	50.6	74.6	(11.6)	(4.7)	(7.7)
Pre-acquisition EBITDA of acquired business	83.9	—	—	—	83.9
EBITDA**	1,546.5	404.9	443.9	435.6	262.1
Adjusted debt**	$2,599.1				
Leverage ratio (Debt/EBITDA - maximum 3.25:1.00)	1.68				
Interest coverage (EBITDA/Interest Expense - minimum 4.00:1.00)	11.13				

* Adjustments for unrealized gains and losses from investments, as defined in our credit facility, may also include non-cash gains and losses on investments to the extent that they do not represent anticipated future cash receipts or expenditures.

** EBITDA and Adjusted debt are non-GAAP financial measures; however, management does not use these measures for anything other than these debt covenant calculations. The calculation of EBITDA above (a reconciliation from net income attributable to Invesco Ltd.) is defined by our credit agreement, and therefore net income attributable to Invesco Ltd. is the most appropriate GAAP measure from which to reconcile to EBITDA. The calculation of Adjusted debt is defined in our credit facility and equals total debt of $2,588.8 million plus $10.3 million in letters of credit.

Credit and Liquidity Risk

Capital management involves the management of the company's liquidity and cash flows. The company manages its capital by reviewing annual and projected cash flow forecasts and by monitoring credit, liquidity and market risks, such as interest rate and foreign currency risks (as discussed in Part I, Item 3, Quantitative and Qualitative Disclosures About Market Risk), through measurement and analysis. The company is primarily exposed to credit risk through its cash and cash equivalent deposits, which are held by external firms. The company invests its cash balances in its own institutional money market products, as well as with external high credit-quality financial institutions. These arrangements create exposure to concentrations of credit risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. All cash and cash equivalent balances are subject to credit risk, as they represent deposits made by the company with external banks and other institutions. As of March 31, 2020, our maximum exposure to credit risk related to our cash and cash equivalent balances is $940.5 million. See Part I, Item 1, Financial Statements - Note 17, “"Related Parties",” for information regarding cash and cash equivalents invested in affiliated money market funds.

The company does not utilize credit derivatives or similar instruments to mitigate the maximum exposure to credit risk. The company does not expect any counterparties to its financial instruments to fail to meet their obligations.

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities as the same become due. The company is exposed to liquidity risk through its $2,588.8 million in total debt. The company actively manages liquidity risk by preparing cash flow forecasts for future periods, reviewing them regularly with senior management, maintaining a committed credit facility, scheduling significant gaps between major debt maturities, and engaging external financing sources in regular dialogue.

Effects of Inflation

Inflation can impact our organization primarily in two ways. First, inflationary pressures can result in increases in our cost structure, especially to the extent that large expense components such as compensation are impacted. To the degree that these expense increases are not recoverable or cannot be counterbalanced through pricing increases due to the competitive environment, our profitability could be negatively impacted. Secondly, the value of the assets that we manage may be negatively impacted when inflationary expectations result in a rising interest rate environment. Declines in the values of these AUM could lead to reduced revenues as management fees are generally calculated based upon the size of AUM.

Off Balance Sheet Commitments

See Part I, Item 1, Financial Statements - Note 15, “Commitments and Contingencies - Off Balance Sheet Commitments,” for more information regarding undrawn capital commitments.

Contractual Obligations

We have future obligations under various contracts relating to debt and interest payments, financing and operating leases, long-term defined benefit pension, and acquisition contracts. During the three months ended March 31, 2020, there were no material changes to the company’s contractual obligations.

Critical Accounting Policies and Estimates

There have been no significant changes to the critical accounting policies disclosed in our most recent Form 10-K for the year ended December 31, 2019. Critical accounting policies are those that require management’s most difficult, subjective or complex judgments and would therefore be deemed the most critical to an understanding of our results of operations and financial condition.

Recent Accounting Standards

See Part I, Item 1, Financial Statements - Note 1, “"Accounting Policies" - Accounting Pronouncements Recently Adopted.”

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

In the normal course of its business, the company is primarily exposed to market risk in the form of AUM market price risk, securities market risk, interest rate risk, and foreign exchange rate risk. There have not been any material changes to the company's exposures to market risks during the period ended March 31, 2020 that would require an update to the disclosures provided in the most recent Form 10-K.

AUM Market Price Risk

The company's investment management revenues are comprised of fees based on the value of AUM. Declines in the market prices of equity and fixed income securities, commodities and derivatives, or other similar financial instruments held in client portfolios could cause revenues to decline because of lower investment management fees by:

- Causing the value of AUM to decrease.
- Causing the returns realized on AUM to decrease (impacting performance fees).
- Causing clients to withdraw funds in favor of investments in markets that they perceive to offer greater opportunity and that the company does not serve.
- Causing clients to rebalance assets away from investments that the company manages into investments that the company does not manage.
- Causing clients to reallocate assets away from products that earn higher revenues into products that earn lower revenues.

Underperformance of client accounts relative to competing products could exacerbate these factors.

Securities Market Risk

The company has investments in managed investment products that invest in a variety of asset classes. Investments are generally made to establish a track record for a new fund or investment vehicle or to hedge economically exposure to certain deferred compensation plans. The company's exposure to market risk from financial instruments measured at fair value arises from its investments.

Interest Rate Risk

Interest rate risk relates to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk primarily through its external debt and cash and cash equivalent investments. See Part I, Item 1, Financial Statements - Note 7, "Long-Term Debt" for details of the company's long-term debt arrangements. As of March 31, 2020, the interest rates on 80.4% of the company's borrowings were fixed for a weighted average period of 7.7 years, and the company had a $508.0 million balance on its floating rate credit facility.

Foreign Exchange Rate Risk

The company has certain investments in foreign operations, whose net assets and results of operations are exposed to foreign currency translation risk when translated into U.S. Dollars upon consolidation into Invesco Ltd. The company has in place a put option contract to hedge its Pound-Sterling-based operating income through June 30, 2020. The contract is set at a strike level of $1.250 based on the average daily foreign exchange rates for the applicable time period.

The company is exposed to foreign exchange revaluation into the Condensed Consolidated Statements of Income on monetary assets and liabilities that are held by subsidiaries in different functional currencies than the subsidiaries' functional currencies. Net foreign exchange revaluation losses were $1.9 million in the three months ended March 31, 2020 (three months ended March 31, 2019: $0.5 million gains), and are included in general and administrative expenses and other gains and losses, net on the Condensed Consolidated Statements of Income. We continue to monitor our exposure to foreign exchange revaluation and have put in place net investment hedge structures discussed in Part I, Item 1, Financial Statements - Note 9, "Other Comprehensive Income/(Loss)".

Item 4. ***Controls and Procedures***

Our management is responsible for establishing and maintaining disclosure controls and procedures that are designed to ensure that information the company is required to disclose in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in the reports that the company files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate, to allow timely decisions regarding required disclosure.

We have evaluated, with the participation of our chief executive officer and chief financial officer, the effectiveness of our disclosure controls and procedures as of March 31, 2020. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

We have evaluated any change in our internal control over financial reporting that occurred during the three months ended March 31, 2020 and have concluded that there was no change that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. ***Legal Proceedings***

See Part I, Item 1, Financial Statements - Note 15, "Commitments and Contingencies - Legal Contingencies," for information regarding legal proceedings.

Item 1A. ***Risk Factors***

The company has had no significant changes in its risk factors from those previously disclosed in its Annual Report on Form 10-K for the year ended December 31, 2019, other than as noted below.

As a result of the recent global market reactions to the COVID-19 pandemic, our assets under management (AUM) have declined and adversely impacted our revenues and we face various potential operational challenges due to the pandemic.

As a result of the recent global market reactions to the COVID-19 pandemic, our assets under management (AUM) declined significantly during the first quarter of 2020. The decline in AUM adversely impacted our revenues in the first quarter and we expect the decline in AUM to continue adversely impacting our revenues in the near term. The volatility in the global markets has also adversely affected the liquidity of certain managed investment products in which client and company assets are invested. We are unable to predict at this time the full extent of the adverse financial impact on the company associated with market reactions to the COVID-19 pandemic.

Further, in response to mandated precautions where applicable and to ensure the safety of our employees, nearly all our employees are working remotely at this time to seek to mitigate the risks associated with the COVID-19 virus. While our teams have been successful in working remotely, operational challenges may arise in the future. Many of the key service providers we rely on also have transitioned to working remotely. If we or they were to experience material disruptions in the ability for our or their employees to work remotely (e.g., disruption in Internet-based communications systems and networks; or the break-down in the availability of essential goods and services, such as material disruptions to the delivery of food or power), our ability to operate our business normally could be materially adversely disrupted. Similarly, to date our own employees and, we believe, the employees of our key service providers, have not experienced any material degree of illness due to the COVID-19 virus. In the event that our or their workforces, or key components thereof, were to experience significant illness levels, our ability to operate our business normally could be materially adversely disrupted. Any such material adverse disruptions to our business operations could have a material adverse impact on our results of operation or financial condition.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

Repurchases of Equity Securities

The following table sets forth information regarding purchases of our common shares by us and any affiliated purchases during the three months ended March 31, 2020:

Month	Total Number of Shares Purchased[1]	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[2]	Maximum Number at end of period (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs[2] (millions)
January 1-31, 2020	319,804	$ 18.03	—	$732.2
February 1-29, 2020	1,699,375	$ 14.41	—	$732.2
March 1-31, 2020	298,425	$ 13.48	—	$732.2
Total	2,317,604		—	

(1) An aggregate of 2,317,604 shares were surrendered to us by Invesco employees to satisfy tax withholding obligations in connection with the vesting of equity awards.

(2) At March 31, 2020, a balance of $732.2 million remains available under the share repurchase authorization approved by the Board on July 22, 2016.

Item 6. ***Exhibits***

Exhibit Index

3.1	Memorandum of Association of Invesco Ltd., incorporating amendments up to and including December 4, 2007, incorporated by reference to exhibit 3.1 to Invesco's Current Report on Form 8-K, filed with the Securities and Exchange Commission on December 12, 2007
3.2	Third Amended and Restated Bye-Laws of Invesco Ltd., incorporating amendments up to and including May 11, 2017, incorporated by reference to exhibit 3.2 to Invesco's Quarterly Report on Form 10-Q for the period ended June 30, 2017, filed with the Securities and Exchange Commission on July 27, 2017
3.3	Certificate of Designation for the 5.900% fixed rate non-cumulative perpetual series A preference shares, par value $0.20 per share, of Invesco Ltd. incorporated by reference to Exhibit 3.1 to the Invesco's Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 24, 2019
10.1	Form of Restricted Stock Unit Award Agreement - Time Vesting - for UCITS staff - under the Invesco Ltd. 2016 Global Equity Incentive Plan (Feb 2020)
10.2	Form of Restricted Stock Unit Award Agreement - Performance Vesting - for UCITS staff - under the Invesco Ltd. 2016 Global Equity Incentive Plan (Feb 2020)
10.3	Form of Restricted Fund Unit Agreement - Upfront Awards - for UCITS staff - under Invesco Ltd. Deferred Incentive Plan (Feb 2020)
31.1	Certification of Martin L. Flanagan pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Loren M. Starr pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Martin L. Flanagan pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Loren M. Starr pursuant to Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, formatted in Inline XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Income, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Cash Flows, (v) Condensed Consolidated Statements of Changes in Equity, and (vi) Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31 2020, formatted in Inline XBRL

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

INVESCO LTD.

April 23, 2020 /s/ MARTIN L. FLANAGAN

Martin L. Flanagan

President and Chief Executive Officer

April 23, 2020 /s/ LOREN M. STARR

Loren M. Starr

Senior Managing Director and Chief Financial Officer



INVESCO LTD. 2016 GLOBAL EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT – UCITS STAFF TIME VESTING WITH PAYMENT DEFERRAL
Non-transferable

Invesco Ltd. ("Company")

hereby awards to

[Participant Name]
("Participant" or "you")

[Number of Shares Granted]
Restricted Stock Units

as of [Grant Date] ("Grant Date")

Subject to the conditions of (i) the Invesco Ltd. 2016 Global Equity Incentive Plan as in effect from time to time ("Plan"), (ii) any Remuneration Policy of Invesco Ltd. or its Affiliates as in effect from time to time to the extent such policy is applicable to you (the "Remuneration Policy"), and (iii) this Award Agreement (including any applicable addendum), the Company hereby grants to you the number of Restricted Stock Units set forth above, which shall become vested and non-forfeitable in four (4) equal installments on each anniversary of the Grant Date, subject to the terms and conditions of this Award Agreement and applicable law.

This Award shall be effective as of the Grant Date set forth above. By accepting this Award Agreement, you acknowledge that you have received a copy of the Plan's prospectus, that you have read and understood the following Terms and Conditions, which are incorporated herein by reference, and that you agree to the following Terms and Conditions and the terms of the Plan, the Remuneration Policy and this Award Agreement. If you fail to accept this Award Agreement within sixty (60) days after the Grant Date set forth above, the Company may determine that this Award has been forfeited.

ACCEPTED AND AGREED TO by you as of the Grant Date set forth above.

Participant:

_____

Signature

Continued on the following page

TERMS AND CONDITIONS – Restricted Stock Units (UCITS Staff) – Time Vesting

1. Plan Controls; Restricted Stock Units. In consideration of this Award, you hereby promise to honor and to be bound by the Plan, the Remuneration Policy and this Award Agreement, including the following terms and conditions, which serve as the agreed basis for your Award. The terms contained in the Plan and the Remuneration Policy are incorporated into and made a part of this Award Agreement, and this Award Agreement shall be governed by and construed in accordance with the Plan, and, if applicable, the Remuneration Policy. In the event of any actual or alleged conflict between the provisions of any of the Plan, the Remuneration Policy, if applicable, and this Award Agreement, (i) the provisions of the Remuneration Policy, if applicable, shall control and, to the extent of any conflict, be deemed to amend the Plan and the Award Agreement, and (ii) the provisions of the Plan shall control and, to the extent of any conflict, be deemed to amend the Award Agreement. The "Restricted Stock Units" (or "RSUs") represent a contractual obligation of the Company to deliver the number of Shares specified on page 1 hereof that are issued to you pursuant to the terms of Section 10 of the Plan, subject to forfeiture as set forth below and the performance adjustment as set forth in Paragraph 17 hereof, and the additional terms and restrictions hereunder. Unless the context otherwise requires, and solely for purposes of these Terms and Conditions, the term "Company" means Invesco Ltd., its Affiliates and their respective successors and assigns, as applicable and "Employer" means the Company or Affiliate that employs you. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Plan.

2. Restrictions. RSUs may not be sold, assigned, transferred, pledged or otherwise encumbered. Upon your Termination of Service for any reason other than as set forth in paragraphs (b) – (e) of Paragraph 3 hereof, you shall forfeit all of your right, title and interest in and to any unvested RSUs as of the date of your Termination of Service, except as determined by the Committee pursuant to Paragraph 3.1 hereof.

3. Vesting. The RSUs will vest and become nonforfeitable upon the earliest to occur of the following, subject to any performance adjustment as set forth in Paragraph 17 hereof (the "Vesting Date"):

(a) in the event that you have not experienced a Termination of Service before such respective Vesting Dates, as of the dates specified on page 1 hereof; or
(b) in the event of your Termination of Service due to death or Disability, as of the date of your Termination of Service; or
(c) in the event of your involuntary Termination of Service, other than for Cause or unsatisfactory performance, as of the normal Vesting Dates referenced on page 1 hereof; provided, however, that (i) your involuntary Termination of Service is approved in the sole discretion of the Head of Human Resources; (ii) you sign a severance agreement in the form stipulated by the Company or your Employer, within 60 days after your Termination of Service or such other time as the Company or your Employer may determine; and (iii) the severance agreement has become irrevocable; or
(d) in the event of a Change in Control and this Award Agreement is not assumed, converted or replaced in connection with the transaction that constitutes the Change in Control, as of the date of such Change in Control; or
(e) in the event of your Termination of Service during the 24-month period following a Change in Control either (i) by your Employer other than for Cause or unsatisfactory performance, or (ii) by you for Good Reason, as of the normal Vesting Dates referenced on page 1 hereof.

Upon the expiration or termination of an applicable restriction set forth in this Paragraph 3, unrestricted Shares will be delivered to you in accordance with Paragraph 3.2 hereof, on the normal vesting dates referenced on page 1 hereof.

3.1 Discretionary Vesting. If any or all of your RSUs would be forfeited upon your voluntary Termination of Service, you may appeal the forfeiture pursuant to the procedures established by the Committee, and the Committee, in its sole discretion, may vest some or all of such RSUs to the extent permitted under the applicable guidelines adopted by the Committee.

3.2 Conversion and Payment.

(a) *Payment Date.* Upon vesting, the vested portion of the RSUs will be settled as follows (in each of the below cases, a "Payment Date"):

(i) in the event that you have not experienced a Termination of Service, then payment will occur as of August 31 following the Vesting Date;

(ii) in the event of a Termination of Service due to death or Disability, then payment will occur as soon as practicable after the date of your Termination of Service;

(iii) in the event of your involuntary Termination of Service as specified in Paragraph 3(c), then payment will occur as of August 31 following each respective Vesting Date;

(iv) in the event of a Change in Control as specified in Paragraph 3(d), then payment will occur as soon as practicable after the Change in Control; or

(v) in the event of a Change in Control as specified in Paragraph 3(e), then payment will occur as of August 31 following the normal Vesting Dates referenced on page 1 hereof.

(b) Payment. The vested RSUs will be converted into an equal number of Shares and will be delivered as soon as practicable after the Payment Date, but not later than March 15 of the year following the year in which the Vesting Date occurs if you are subject to U.S. federal income tax on such Shares. Notwithstanding anything in these Terms and Conditions or the Plan to the contrary, the Company may, in its sole discretion, settle the RSUs in the form of a cash payment to the extent settlement in Shares is prohibited under local law, rules and regulations, or would require the Company, the Employer and/or you to secure any legal or regulatory approvals, complete any legal or regulatory filings, or is administratively burdensome. In addition, the Company may require you to sell any Shares acquired under the Plan at such times as may be required to comply with any local legal or regulatory requirements (in which case, you hereby expressly authorize the Company to issue sales instructions on your behalf).

4. No Shareholder Rights; Payment in Lieu of Dividends. You shall have none of the rights of a shareholder of the Company with respect to the RSUs. Dividend equivalents shall accrue at the same rate as cash dividends paid on the Shares and applied to the number of

Shares that vest. Such dividend equivalents shall be paid to you in cash as of the Payment Date, or as soon as administratively practicable thereafter, but, if you are subject to U.S. federal income tax on such dividends, not later than March 15 of the year following the year in which the Vesting Date occurs. No dividends will be paid with respect to RSUs that are forfeited for any reason.

5. Notice Period Requirement. During your employment with the Employer, you and, in the absence of Cause, the Employer shall be required to give to the other advance written notice of the intent to terminate your employment relationship as reflected in your Employment Agreement (the "Notice Period"). Your employment with the Employer shall not terminate until the expiration of the Notice Period, *provided, however,* the Employer shall have the right, in its sole discretion, to relieve you of any or all of your duties and responsibilities by placing you on paid administrative leave during the Notice Period and shall not be required to provide you with work or access to the Employer's offices during such leave. You shall be entitled to continue to receive your salary and certain other employee benefits for the entire Notice Period, regardless of whether the Employer exercises its right to place you on paid administrative leave. You are prohibited from working in any capacity for yourself or any other business during the Notice Period without the prior written consent of the Company. Notwithstanding the foregoing, at any time during your employment relationship the Employer may, effective immediately and without the benefit of the Notice Period, terminate the employment relationship for Cause. The date on which your employment terminates shall be your "Termination Date" for purposes of this Award Agreement.

6. Employment Matters. You agree that this Award Agreement is entered into and is reasonably necessary to protect the Company's investment in your advancement opportunity, training and development and to protect the goodwill and other legitimate business interests of the Company. You also agree that, in consideration of the confidential information, trade secrets and training and development provided to you, you will abide by the restrictions set forth in this Paragraph 6, and you further agree and acknowledge that the restrictions set forth in this Paragraph 6 are reasonably necessary to protect the confidential and trade secret information provided to you.

6.1 Nondisclosure. You agree that, in the event of your Termination of Service for any reason, whether during or following the period when the RSUs are subject to vesting restrictions (the "Restriction Period"), you shall not directly or indirectly use for yourself or any other business or disclose to any person any Confidential Information (as defined below) without the prior written consent of the Company during the period that it remains confidential and nonpublic or a trade secret under applicable law. "Confidential Information" means all non-public information (whether a trade secret or not and whether proprietary or not) relating to the Company's business and its customers that the Company either treats as confidential or is of value to the Company or is important to the Company's business and operations, including but not limited to the following specific items: trade secrets (as defined by applicable law); actual or prospective customers and customer lists; marketing strategies; sales; actual and prospective pricing; products; know-how; research and development; intellectual property; information systems and software; business plans and projections; negotiations and contracts; financial or cost data; employment, compensation and personnel information; and any other non-public business information regarding the Company and the Company's Affiliates. In addition, trade secrets will be entitled to all of the protections and benefits available under applicable law.

6.2 Nonrecruitment; Nonsolicitation. You agree that during your employment with your Employer and until six (6) months following your Termination Date, in the event of your Termination of Service for any reason, whether during or following the Restriction Period, (the "Covenant Period"), you shall not directly or indirectly, individually or in concert with any other person or entity (i) recruit, induce or attempt to recruit or induce any employee of the Company or any of its Affiliates with whom you worked or otherwise had Material Contact (as defined below) during your employment to leave the employ of the Company or otherwise lessen that party's affiliation with the Company, or (ii) solicit, divert, take away or attempt to solicit, divert or take away any then-current or proposed client or customer of the Company with whom you had Material Contact during your employment for purposes of offering, providing or selling investment management products or services offered by the Company at the date of your Termination of Service that were offered, provided and/or sold by you on the Company's behalf. For purposes of this provision, you had "Material Contact" with an employee if (i) you had a supervisory relationship with the employee or (ii) you worked or communicated with the employee on a regular basis; and you had "Material Contact" with a current or proposed client or customer if (i) you had business dealings with the current or proposed client or customer on behalf of the Company or (ii) you supervised or coordinated the dealings between the Company and the current or proposed client or customer.

6.3 Enforceability of Covenants. You acknowledge that the Company has a current and future expectation of business from the current and proposed customers of the Company. You acknowledge that the term and scope of the covenants set forth herein are reasonable, and you agree that you will not, in any proceeding, assert the unreasonableness of the premises, consideration or scope of the covenants set forth herein. You and the Company agree that if any portion of the foregoing covenants is deemed to be unenforceable because any of the restrictions contained in this Award Agreement are deemed too broad, the court shall be authorized to provide partial enforcement of such covenants, substitute an enforceable term or otherwise modify the Award Agreement in a manner that will enable the enforcement of the covenants to the maximum extent possible under applicable law. You agree that any breach of these covenants will result in irreparable damage and injury to the Company and that the Company will be entitled to injunctive relief without the necessity of posting any bond. You also agree that you shall be responsible for all damages incurred by the Company due to any breach of the restrictive covenants contained in this Award Agreement and that the Company shall be entitled to have you pay all costs and attorneys' fees incurred by the Company in enforcing the restrictive covenants in this Award Agreement.

7. Relationship to Other Agreements. Subject to the limitations set forth below, in the event of any actual or alleged conflict between the provisions of this Award Agreement and (i) any other agreement regarding your employment with the Employer ("Employment Agreement"), or (ii) any prior agreement or certificate governing any award of any equity or fund award (the documents described in clauses (i) and (ii) hereof being collectively referred to as the "Other Agreements"), the provisions of this Award Agreement shall control

and, to the extent of any conflict, be deemed to amend such Other Agreement. Notwithstanding the foregoing, in the event that the Notice Period referred to in Paragraph 5 or the Nondisclosure Period or Covenant Period referred to in Paragraph 6 of this Award Agreement is shorter in duration than that provided in an Employment Agreement, the Notice Period, Nondisclosure Period or Covenant Period (as applicable) set forth in the Employment Agreement shall apply.

8. Employee Data Privacy. Pursuant to applicable personal data protection laws, the Company hereby notifies you of the following in relation to your personal data and the collection, use, processing and transfer (collectively, the "Use") of such data in relation to the Company's grant of the RSUs and your participation in the Plan. The Use of your personal data is necessary for the Company's administration of the Plan and your participation in the Plan. Your denial and/or objection to the Use of personal data may affect your participation in the Plan. As such, you voluntarily acknowledge, consent and agree (where required by applicable law) to the Use of personal data as described in this Paragraph 8.

The Company and the Employer hold certain personal information about you, which may include your name, home address and telephone number, date of birth, social security number or other employee identification number, salary, job title, any Shares held by you, details of all RSUs or any other entitlement to Shares awarded in your favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by you or collected, where lawful, from the Company, Affiliates or third parties, and the Company or the Employer will process the Data for the exclusive purpose of implementing, administering and managing your participation in the Plan. The data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in your country of residence (and country of employment, if different). Data processing operations will be performed minimizing the use of personal and identification data when such data are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for your participation in the Plan.

The Company and the Employer will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan, and the Company and the Employer may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. You hereby authorize them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf to a broker or other third party with whom you may elect to deposit any Shares acquired pursuant to the Plan.

You may, at any time, exercise your rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) oppose, for legal reasons, the collection, processing or transfer of the Data that is not necessary or required for the implementation, administration and/or operation of the Plan and your participation in the Plan. You may seek to exercise these rights by contacting your Employer's human resources manager or Invesco, Ltd., Manager, Executive Compensation, 1555 Peachtree Street, NE, Atlanta, Georgia 30309.

9. Income Taxes and Social Insurance Contribution Withholding. Regardless of any action the Company or the Employer takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including the grant of the RSUs, the vesting of the RSUs, the settlement of the RSUs, the subsequent sale of any Shares acquired pursuant to the RSUs and the receipt of any dividends and dividend equivalents; and (ii) does not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items. Further, if you become subject to taxation in more than one country between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one country.

If your country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a portion of the Shares otherwise issuable upon vesting of the RSUs that have an aggregate Fair Market Value on the vesting date sufficient to pay the minimum Tax-Related Items required to be withheld with respect to the Shares. For purposes of the foregoing, no fractional Shares will be withheld or issued pursuant to the grant of the RSUs and the issuance of Shares hereunder. Alternatively (or in combination), the Company or the Employer may, in its discretion, withhold any amount necessary to pay the Tax-Related Items from your regular salary or other amounts payable to you, with no withholding of Shares, or may require you to submit payment equivalent to the minimum Tax-Related Items required to be withheld with respect to the Shares by means of certified check, cashier's check or wire transfer. By accepting the RSUs, you expressly consent to the methods of withholding as provided hereunder. All other Tax-Related Items related to the RSUs and any Shares delivered in payment thereof shall be your sole responsibility.

To the extent the Company or the Employer pays any Tax-Related Items that are your responsibility ("Advanced Tax Payments"), the Company or the Employer shall be entitled to recover such Advanced Tax Payments from you in any and all manner that the Company determines appropriate in its sole discretion. For purposes of the foregoing, the manner of recovery of the Advanced Tax Payments shall include (but is not limited to) offsetting the Advanced Tax Payments against any and all amounts that may be otherwise owed to you by the Company or the Employer (including regular salary/

wages, bonuses, incentive payments and Shares acquired by you pursuant to any equity compensation plan that are otherwise held by the Company for your benefit).

10. Code Section 409A. Notwithstanding the terms of this Award Agreement, if you are subject to U.S. federal income tax on any amounts payable hereunder and if any such amounts, including amounts payable pursuant to Paragraph 5 of this Award Agreement, constitute nonqualified deferred compensation under Section 409A of the Code, those amounts shall be subject to the provisions of Section 13(g) of the Plan (as if the amounts were Awards under the Plan, to the extent applicable).

11. Notice. Notices and communications under this Award Agreement must be in writing and either personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to Invesco Ltd., Manager, Executive Compensation, 1555 Peachtree Street, NE, Atlanta, Georgia 30309, or to any other address designated by the Company in a written notice to you. Notices to you will be directed to your address then currently on file with the Company, or to any other address given by you in a written notice to the Company.

12. Repatriation; Compliance with Laws. As a condition to the grant of these RSUs, you agree to repatriate all amounts attributable to the RSUs in accordance with local foreign exchange rules and regulations in your country of residence (and country of employment, if different). In addition, you also agree to take any and all actions, and consent to any and all actions taken by the Company, the Employer and the Company's local Affiliates, as may be required to allow the Company, the Employer and the Company's local Affiliates to comply with local laws, rules and regulations in your country of residence (and country of employment, if different). Finally, you agree to take any and all actions as may be required to comply with your personal legal and tax obligations under local laws, rules and regulations in your country of residence (and country of employment, if different).

13. Discretionary Nature of Plan; No Vested Rights. You acknowledge and agree that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time as provided under the Plan. The grant of the RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive RSUs or other awards or benefits in lieu of RSUs in the future. Future awards, if any, will be at the sole discretion of the Committee, including, but not limited to, the form and timing of an award, the number of Shares subject to an award and the vesting provisions.

14. Termination Indemnities. The value of the RSUs is an extraordinary item of compensation outside the scope of your employment. As such, the RSUs are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments to which you may be otherwise entitled.

15. Compliance with Age Discrimination Rules. For purposes of this Award Agreement, if you are a local national of and employed in a country that is a member of the European Union, the grant of the RSUs and the terms and conditions governing the RSUs are intended to comply with the age discrimination provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the "Age Discrimination Rules"). To the extent a court or tribunal of competent jurisdiction determines that any provision of the RSUs or this Award Agreement or the Plan is invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, the Company shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

16. Use of English Language. You acknowledge and agree that it is your express intent that this Award Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted with respect to the RSUs be drawn up in English. If you have received this Award Agreement, the Plan or any other documents related to the RSUs translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.

17. Performance Adjustment – Malus and Claw Back. Notwithstanding any other provision of this Award Agreement or the Plan, prior to the Payment Date the Committee may determine, in good faith, whether any of the following circumstances have occurred during the time period between the Grant Date and the Payment Date:

(a) the financial performance of the Company has suffered a significant downturn or deterioration; or

(b) the investment performance of the Company has suffered a significant deterioration; or

(c) there is evidence of your fraud or willful misconduct; or

(d) there is a significant failure of risk management in relation to the Company or its investment portfolios.

If the Committee determines, in its sole discretion, that your actions were a significant contributing factor towards any of the situations set forth in (a) through (d) above, the Committee, in its sole discretion may reduce or eliminate entirely the number of Restricted Shares granted hereunder, and you will forfeit all right, title and interest in and to such Restricted Shares so reduced or eliminated (the "Forfeit Obligation"). You agree that the Company shall have the right to enforce the Forfeit Obligation by all legal means available, including without limitation, by withholding other amounts or property owed to you by the Company.

18. Compliance with the EU Directive on Undertakings for Collective Investments in Transferable Securities. To the extent the RSUs are subject to the EU Directive on Undertakings for Collective Investments in Transferable Securities ("UCITS"), the RSUs shall be administered and settled in accordance with applicable requirements, including the timing and method of distribution.

19. Value of Benefit. The future value of the Shares subject to the RSUs is unknown and cannot be predicted with certainty. Neither the Company, the Employer nor any Affiliate shall be liable for any foreign exchange rate fluctuation, where applicable, between your local currency and the United States dollar that may affect the value of the RSUs or of any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

20. Addendum to Award Agreement. Notwithstanding any provisions in this Award Agreement to the contrary, the RSUs shall be subject to any special terms and conditions for your country of residence (and country of employment, if different), as may be set forth in an addendum to this Award Agreement ("Addendum"). Further, if you transfer residency and/or employment to another country as may be reflected in an Addendum to this Award Agreement, the special terms and conditions for such country will apply to your RSUs to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and regulations or to facilitate the administration of the RSUs and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer). Any applicable Addendum shall constitute part of this Award Agreement.

21. Additional Requirements. The Company reserves the right to impose other requirements on the RSUs, any Shares acquired pursuant to the RSUs, and your participation in the Plan, to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the RSUs and the Plan. Such requirements may include (but are not limited to) requiring you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

22. Insider Trading / Market Abuse Laws. Your country of residence (and country of employment, if different) may have insider trading and/or market abuse laws that may affect your ability to acquire or sell Shares under the Plan during such times you are considered to have "inside information" (as defined under local law). These laws may be the same or different from any Company insider trading policy. You acknowledge that it is your responsibility to be informed of and compliant with such regulations, and you should consult with your personal advisors for additional information.

23. Severability. The invalidity or unenforceability of any provision of the Plan or this Award Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Award Agreement.

24. Electronic Delivery and Signature. The Committee may, in its sole discretion, decide to deliver any documents related to the RSUs by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Further, to the extent applicable, all references to signatures and delivery of documents in this Award Agreement can be satisfied by procedures that the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents, including this Award Agreement. Your electronic signature is the same as, and shall have the same force and effect as, your manual signature. Any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the Plan.



INVESCO LTD. 2016 GLOBAL EQUITY INCENTIVE PLAN

ADDENDUM TO

RESTRICTED STOCK UNIT AGREEMENT – UCITS STAFF TIME VESTING
Non-transferable

In addition to the terms of the Invesco Ltd. 2016 Global Equity Incentive Plan (the "Plan") and the Restricted Stock Unit Agreement – Time Vesting (the "Agreement"), the RSUs are subject to the following additional terms and conditions as set forth in this addendum (the "Addendum"). All defined terms as contained in this Addendum shall have the same meaning as set forth in the Plan and the Agreement. To the extent you relocate your residency and/or employment to another country, the additional terms and conditions as set forth in the addendum for such country (if any) also shall apply to the RSUs to the extent the Company determines, in its sole discretion, that the application of such addendum is necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the operation and administration of the RSUs and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer).

AUSTRALIA

1. Breach of Law. Notwithstanding anything to the contrary in the Agreement or the Plan, you will not be entitled to, and shall not claim any benefit (including without limitation a legal right) under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth), any other provision of that Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits.

CANADA

1. Settlement in Shares Only. Notwithstanding any provision of the Agreement, the RSUs shall be settled in Shares only (and shall not be settled in cash).

2. Securities Law Information. You are permitted to sell Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside Canada through the facilities of a stock exchange on which the Shares are listed. The Shares currently are listed on the New York Stock Exchange.

3. Use of English Language. If you are a resident of Quebec, by accepting the RSUs, you acknowledge and agree that it is your express wish that the Agreement, this Addendum, as well as all other documents, notices and legal proceedings entered into, given or instituted pursuant to the RSUs, either directly or indirectly, be drawn up in English.

L'utilisation de la langue anglaise. Si le participant est un résident du Québec, en acceptant le RSUs, le participant reconnaît et accepte que ce est la volonté expresse du participant que l'Accord, le présent addenda, ainsi que tous les autres documents, avis et procédures judiciaires exécutés, donnés ou engagée conformément à la RSUs, soit directement ou indirectement, être rédigés en anglais.

BY SIGNING BELOW, YOU ACKNOWLEDGE, UNDERSTAND AND AGREE TO THE TERMS AND CONDITIONS OF THE PLAN, THE AGREEMENT AND THIS ADDENDUM.

For residents of Quebec: Please sign and return this addendum to: IVZequityplanadministration@invesco.com by no later than sixty (60) days after the Grant Date set forth in the Agreement.

_____ _____
Participant Signature Participant Name (Printed)

_____
Date

FRANCE

1. Nature of the Award. The RSUs are not granted under the French specific regime provided by Articles L225-197-1 and seq. of the French Commercial Code.

2. Use of English Language. By accepting the RSUs, you acknowledge and agree that it is your express wish that the Agreement, this Addendum, as well as all other documents, notices and legal proceedings entered into, given or instituted pursuant to the RSUs, either directly or indirectly, be drawn up in English.

L'utilisation de la langue anglaise. En acceptant le RSUs, le participant reconnaît et accepte que ce est la volonté expresse du participant que l'Accord, le présent addenda, ainsi que tous les autres documents, avis et procédures judiciaires exécutés, donnés ou engagée conformément à la RSUs, soit directement ou indirectement, être rédigés en anglais.

BY SIGNING BELOW, YOU ACKNOWLEDGE, UNDERSTAND AND AGREE TO THE TERMS AND CONDITIONS OF THE PLAN, THE AGREEMENT AND THIS ADDENDUM.

Please sign and return this addendum to: IVZequityplanadministration@invesco.com by no later than sixty (60) days after the Grant Date set forth in the Agreement.

_____ _____

Participant Signature Participant Name (Printed)

_____

Date

HONG KONG

1. Settlement in Shares. Notwithstanding anything to the contrary in the Agreement, Addendum or the Plan, the RSUs shall be settled only in Shares (and may not be settled in cash).

2. Lapse of Restrictions. If, for any reason, Shares are issued to you within six (6) months of the Grant Date, you may not sell or otherwise dispose of any such Shares prior to the six-month anniversary of the Grant Date.

2. Nature of the Plan. The Company specifically intends that the Plan will not be treated as an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance ("ORSO"). To the extent any court, tribunal or legal/regulatory body in Hong Kong determines that the Plan constitutes an occupational retirement scheme for the purposes of ORSO, the grant of the RSU shall be null and void.

3. Wages. The RSUs and Shares subject to the RSUs do not form part of your wages for the purposes of calculating any statutory or contractual payments under Hong Kong law.

4. IMPORTANT NOTICE. WARNING: The contents of the Agreement, the Addendum, the Plan, and all other materials pertaining to the RSUs and/or the Plan have not been reviewed by any regulatory authority in Hong Kong. You are hereby advised to exercise caution in relation to the offer thereunder. If you have any doubts about any of the contents of the aforesaid materials, you should obtain independent professional advice.

INDIA

1. Repatriation Requirements. As a condition of the grant of the RSUs, you agree to repatriate all sales proceeds and dividends attributable to Shares acquired under the Plan in accordance with local foreign exchange rules and regulations. Neither the Company, nor your Employer, nor any of its Affiliates shall be liable for any fines or penalties resulting from your failure to comply with applicable laws.

NETHERLANDS

1. Waiver of Termination Rights. You waive any and all rights to compensation or damages as a result of any termination of employment for any reason whatsoever, insofar as those rights result or may result from (a) the loss or diminution in value of such rights or

entitlements under the Plan, or (b) you ceasing to have rights under, or ceasing to be entitled to any awards under the Plan as a result of such termination.

SINGAPORE

1. Securities Law Notification. The RSUs are being granted pursuant to the "Qualifying Person" exemption" under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. You should note that the RSUs are subject to section 257 of the SFA and you will not be able to make (i) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares underlying the RSUs in Singapore unless such sale or offer in is made more than six (6) months from the Grant Date or pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA.

2. Chief Executive Officer / Director Notification Requirement. If you are the chief executive officer ("CEO") or a director, associate director or shadow director of a Singapore Affiliate, you must notify the Singapore Affiliate in writing of an interest (e.g., RSUs, Shares, etc.) in the Company or any Affiliate within two (2) business days of (i) acquiring or disposing of such interest, (ii) any change in a previously disclosed interest (e.g., sale of Shares), or (iii) becoming the CEO or a director, associate director or shadow director of the Singapore Affiliate.

SOUTH AFRICA

1. Tax Obligations. The following provision supplements Paragraph 9 of the Agreement:

By accepting the RSUs, you agree to notify your Employer of the amount of any income realized upon vesting of the RSUs. If you fail to advise your Employer of the income realized upon vesting of the RSUs, you may be liable for a fine. You will be responsible for paying any difference between the actual tax liability and the amount withheld by your Employer.

2. Exchange Control Obligations. You are solely responsible for complying with applicable exchange control regulations and rulings (the "Exchange Control Regulations") in South Africa. As the Exchange Control Regulations change frequently and without notice, you should consult your legal advisor prior to the acquisition or sale of Shares under the Plan to ensure compliance with current Exchange Control Regulations. Neither the Company, nor your Employer nor any of its Affiliates will be liable for any fines or penalties resulting from your failure to comply with applicable laws.

3. Securities Law Information and Deemed Acceptance of RSUs. Neither the RSUs nor the underlying Shares shall be publicly offered or listed on any stock exchange in South Africa. The offer is intended to be private pursuant to Section 96 of the Companies Act and is not subject to the supervision of any South African governmental authority.

Pursuant to Section 96 of the Companies Act, the RSU offer must be finalized on or before the 60th day following the Grant Date. If you do not want to accept the RSUs, you are required to decline the RSUs no later than the 60th day following the Grant Date. If you do not reject the RSUs on or before the 60th day following the Grant Date, you will be deemed to accept the RSUs.

SOUTH KOREA

1. Consent to Collection/Processing/Transfer of Personal Data. Pursuant to applicable personal data protection laws, the Company hereby notifies you of the following in relation to your personal data and the collection, processing and transfer of such data in relation to the Company's grant of RSUs and your participation in the Plan. The collection, processing and transfer of your personal data is necessary for the Company's administration of the Plan and your participation in the Plan, and although you have the right to deny or object to the collection, processing and transfer of personal data, you denial and/or objection to the collection, processing and transfer of personal data may affect your participation in the Plan. As such, you voluntarily acknowledge and consent (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.

The Company and your Employer hold certain personal information about you, including your name, home address and telephone number, date of birth, social security number (resident registration number) or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs, options or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in your favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by you or collected, where lawful, from third parties, and the Company and your Employer will process the Data for the exclusive purpose of implementing, administering and managing your participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in your country of residence (and country of employment, if different). Data processing operations will be performed minimizing the use of personal and identification data when such

operations are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for RSUs participation in the Plan.

The Company and your Employer will transfer Data internally as necessary for the purpose of implementation, administration and management of your participation in the Plan, and the Company and your Employer may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. The third party recipients of Data may be Affiliates of the Company and / or a third party service provider or any successor or any other third party that the Company or third party service provider (or its successor) may engage to assist with the implementation, administration and management of the Plan from time to time. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. You hereby authorize (where required under applicable law) them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf to a broker or other third party with whom you may elect to deposit any Shares acquired pursuant to the Plan.

The Company, your Employer and any third party recipient of the Data will use, process and store the Data only to the extent they are necessary for the purposes described above.

You may, at any time, exercise your rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, (d) to oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and your participation in the Plan, and (e) withdraw your consent to the collection, processing or transfer of Data as provided hereunder (in which case, the RSUs will be null and void). You may seek to exercise these rights by contacting your local Human Resources manager or the Company's third party administrator.

BY ELECTRONICALLY ACCEPTING THIS AGREEMENT AND ADDENDUM:

1) I AGREE TO THE COLLECTION, USE, PROCESSING AND TRANSFER OF THE DATA AS DESCRIBED ABOVE.
2) I AGREE TO THE PROCESSING OF MY UNIQUE IDENTIFYING INFORMATION (RESIDENT REGISTRATION NUMBER) AS DESCRIBED ABOVE.

BY SIGNING BELOW, YOU ACKNOWLEDGE, UNDERSTAND AND AGREE TO THE TERMS AND CONDITIONS OF THE PLAN, THE AGREEMENT AND THIS ADDENDUM.

Please sign and return this addendum to: IVZequityplanadministration@invesco.com by no later than sixty (60) days after the Grant Date set forth in the Agreement.

_____ _____

Participant Signature Participant Name (Printed)

_____

Date

SPAIN

1. Acknowledgement of Discretionary Nature of the Plan; No Vested Rights. By accepting the RSUs, you consent to participation in the Plan and acknowledge receipt of a copy of the Plan.

You understand that the Company has unilaterally, gratuitously and in its sole discretion granted the RSUs under the Plan to individuals who may be employees of the Company or its Affiliates throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any of its Affiliates on an ongoing basis. Consequently, you understand that the RSUs are granted on the assumption and condition that the RSUs and the Shares acquired upon settlement of the RSUs shall not become a part of any employment contract (either with the Company or any of its Affiliates) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, you understand that this grant would not be made to you but for the assumptions and conditions referenced above; thus, you acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason the RSUs shall be null and void.

You understand and agree that, as a condition of the RSUs, unless otherwise provided in the Agreement, any unvested RSUs as of the date you cease active employment will be forfeited without entitlement to the underlying Shares or to any amount of indemnification in the event of Termination of Service. You acknowledge that you have read and specifically accept the conditions referred to in the Agreement regarding the impact of a Termination of Service on the RSUs.

2. Termination for Cause. Notwithstanding anything to the contrary in the Plan or the Agreement, "Cause" shall be defined as set forth in the Plan, regardless of whether the termination is considered a fair termination (i.e., "*despido procedente*") under Spanish legislation.

BY SIGNING BELOW, YOU ACKNOWLEDGE, UNDERSTAND AND AGREE TO THE TERMS AND CONDITIONS OF THE PLAN, THE AGREEMENT AND THIS ADDENDUM.

Please sign and return this addendum to: IVZequityplanadministration@invesco.com by no later than sixty (60) days after the Grant Date set forth in the Agreement.

_____ _____

Participant Signature Participant Name (Printed)

_____

Date

SWITZERLAND

1. Securities Law Notification. The grant of the RSUs and the issuance of any Shares is not intended to be a public offering in Switzerland. Neither this document nor any other materials relating to the RSUs constitute a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, and neither this document nor any other materials relating to the RSUs may be publicly distributed nor otherwise made publicly available in Switzerland.

UNITED KINGDOM

1. Indemnification for Tax-Related Items. Without limitation to Paragraph 9 of the Award Agreement, you hereby agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items, as and when requested by the Employer or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). You also hereby agree to indemnify and keep indemnified the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on your behalf to HMRC (or any other tax authority or any other relevant authority).

2. Exclusion of Claim. You acknowledge and agree that you have no entitlement to compensation or damages insofar as such entitlement arises or may arise from your ceasing to have rights under or to be entitled to the RSUs, whether or not as a result of your termination (whether such termination is in breach of contract or otherwise), or from the loss or diminution in value of the RSUs. Upon the grant of the RSUs, you shall be deemed irrevocably to have waived any such entitlement.

* * * * *



INVESCO LTD. 2016 GLOBAL EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT
PERFORMANCE VESTING – UCITS STAFF – NO DEFERRAL
Non-transferable

Invesco Ltd. ("Company")

hereby awards to

[Participant Name]
("Participant" or "you")

[Number of Shares Granted]

Restricted Stock Units ("**Target Total Award**")

as of [Grant Date] ("Grant Date")

Subject to the conditions of (i) the Invesco Ltd. 2016 Global Equity Incentive Plan as in effect from time to time ("Plan"), (ii) the Remuneration Policy of Invesco Ltd. or any of its Affiliates as in effect from time to time to the extent such policy is applicable to you (the "Remuneration Policy") and (iii) this Award Agreement, the Company hereby grants to you the number of Restricted Stock Units ("RSUs") set forth above, which shall become vested and non-forfeitable as follows:

On the third anniversary of the Grant Date (the "Determination Date"), the number of RSUs that shall become vested and non-forfeitable shall equal 100% of the Target Total Award multiplied by the Vesting Percentage (as defined in Exhibit 1), rounded down to the nearest full Share, all as calculated by the Committee in accordance with the Performance Vesting Formula set forth on Exhibit 1.

This Award shall be effective as of the Grant Date set forth above. By accepting this Award Agreement, you acknowledge that you have received a copy of the Plan's prospectus, that you have read and understood the following Terms and Conditions, which are incorporated herein by reference, and that you agree to the following Terms and Conditions and the terms of the Plan, the Remuneration Policy and this Award Agreement. If you fail to accept this Award Agreement within sixty (60) days after the Grant Date set forth above, the Company may determine that this Award has been forfeited.

ACCEPTED AND AGREED TO by the Participant as of the Grant Date set forth above.

Participant:

_____

Signature

Continued on the following page

1. Plan Controls; Restricted Stock Units. In consideration of this Award, you hereby promise to honor and to be bound by the Plan, the Remuneration Policy, and this Award Agreement, including the following terms and conditions, which serve as the agreed basis for your Award. The terms contained in the Plan are incorporated into and made a part of this Award Agreement, and this Award Agreement shall be governed by and construed in accordance with the Plan and, if applicable, the Remuneration Policy. The terms contained in the Plan and the Remuneration Policy are incorporated into and made a part of this Award Agreement, and this Award Agreement shall be governed by and construed in accordance with the Plan and, if applicable, the Remuneration Policy. In the event of any actual or alleged conflict between the provisions of any of the Plan, the Remuneration Policy, if applicable, and this Award Agreement, (i) the provisions of the Remuneration Policy, if applicable, shall control and, to the extent of any conflict, be deemed to amend the Plan and the Award Agreement, and (ii) the provisions of the Plan shall control and, to the extent of any conflict, be deemed to amend the Award Agreement. The RSUs represent a contractual obligation of the Company to deliver the number of Shares specified on page 1 hereof pursuant to the terms of Section 10 of the Plan, subject to forfeiture as set forth below and the performance adjustment as set forth in Paragraph 18 hereof, and the additional terms and restrictions hereunder. Unless the context otherwise requires, and solely for purposes of these Terms and Conditions, the term "Company" means Invesco Ltd., its Affiliates and their respective successors and assigns, as applicable, and "Employer" means the Company or the Affiliate that employs you. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Plan.

2. Restrictions and Forfeiture. The RSUs may not be sold, assigned, transferred, pledged or otherwise encumbered. Upon your Termination of Service for any reason, other than as set forth in paragraphs (b) – (e) of Paragraph 3 hereof, you shall forfeit all of your right, title and interest in and to all unvested RSUs, except as determined by the Committee pursuant to Paragraph 3.1 hereof. In addition, upon the Determination Date, you shall forfeit all of your right, title and interest in and to any RSUs that are eligible to vest and become non-forfeitable on such date, but which fail to vest and become non-forfeitable on such date pursuant to the Performance Vesting Formula.

3. Vesting and Conversion to Shares. The Target Total Award will vest and become non-forfeitable upon the earliest to occur of the following, subject to any performance adjustment as set forth in Paragraph 18 hereof:

(a) in the event you have not experienced a Termination of Service before the Determination Date, as of the Determination Date to the extent provided under the Performance Vesting Formula, or
(b) in the event of your death or Disability, as of your Termination of Service, or
(c) in the event of your involuntary Termination of Service, other than for Cause or unsatisfactory performance, as of the Determination Date, to the extent provided under the Performance Vesting Formula; provided, however, that (i) your involuntary Termination of Service is approved in the sole discretion of the Head of Human Resources; (ii) you sign a severance agreement in the form stipulated by the Company or your Employer within 60 days after your Termination of Service or such other time as the Company or your Employer may determine; and (iii) the severance agreement has become irrevocable, or
(d) in the event of a Change in Control, if this Award Agreement is not assumed, converted or replaced in connection with the transaction that constitutes the Change in Control, immediately before such Change in Control, or
(e) in the event your Termination of Service during the 24-month period following a Change in Control either (i) by the Company other than for Cause or unsatisfactory performance, or (ii) by you for Good Reason, as of the Determination Date, to the extent provided under the Performance Vesting Formula.

3.1 Discretionary Vesting. If any or all of your RSUs would be forfeited upon your voluntary Termination of Service, you may appeal the forfeiture pursuant to the procedures established by the Committee, and the Committee, in its sole discretion, may vest some or all of such RSUs to the extent permitted under the applicable guidelines adopted by the Committee.

3.2 Conversion and Payment. Unless the RSUs are forfeited on or before the Vesting Date, the RSUs will be converted into an equal number of Shares, which will be registered in your name as of the Determination Date, and such Shares will be delivered as soon as practicable thereafter, but not later than March 15 of the year following the year in which the Determination Date occurs if you are subject to U.S. federal income tax on such Shares. Notwithstanding anything in these Terms and Conditions or the Plan to the contrary, the Company may, in its sole discretion, settle the RSUs in the form of a cash payment to the extent settlement in Shares is prohibited under local law, rules and regulations, or would require the Company, the Employer and/or you to secure any legal or regulatory approvals, complete any legal or regulatory filings or is administratively burdensome.

4. No Shareholder Rights; Payment in Lieu of Dividends. You shall have none of the rights of a shareholder of the Company with respect to the RSUs. Dividend equivalents shall accrue at the same rate as cash dividends paid on the Shares and applied to the number of Shares that vest. Such dividend equivalents shall be paid to you in cash at the time the Shares are delivered to you, or as soon as administratively practicable thereafter, but not later than March 15 of the year following the year in which the Vesting Date occurs if you are subject to U.S. federal income tax on such dividends. No dividends will be paid with respect to RSUs that are forfeited for any reason.

5. Notice Period Requirement. During your employment with the Employer, you and, in the absence of Cause, the Employer shall be required to give to the other six (6) months' advance written notice of the intent to terminate your employment relationship (the "Notice Period"). Your employment with the Employer shall not terminate until the expiration of the Notice Period, *provided, however,* that the Employer shall have the right, in its sole discretion, to relieve you of any or all of your duties and responsibilities by placing you on paid administrative leave during the Notice Period and shall not be required to provide you with work or access to the Employer's offices during such leave.

You shall be entitled to continue to receive your salary and certain other employee benefits for the entire Notice Period, regardless of whether the Employer exercises its right to place you on paid administrative leave. You are prohibited from working in any capacity for yourself or any other business during the Notice Period without the prior written consent of the Company. Notwithstanding the foregoing, at any time during your employment relationship the Employer may, effective immediately and without the benefit of the Notice Period, terminate the employment relationship for Cause. The date on which your employment terminates shall be your "Termination Date" for purposes of this Award Agreement.

6. Employment Matters. You agree that this Award Agreement is entered into and is reasonably necessary to protect the Company's investment in your advancement opportunity, training and development and to protect the goodwill and other legitimate business interests of the Company. You also agree that, in consideration of the confidential information, trade secrets and training and development provided to you, you will abide by the restrictions set forth in this Paragraph 6, and you further agree and acknowledge that the restrictions set forth in this Paragraph 6 are reasonably necessary to protect the confidential and trade secret information provided to you.

6.1 Nondisclosure. You agree that, in the event of your Termination of Service for any reason, whether during or following the period when the RSUs are subject to vesting restrictions (the "Restriction Period"), you shall not directly or indirectly use for yourself or any other business or disclose to any person any Confidential Information (as defined below) without the prior written consent of the Company during the period that it remains confidential and non public or a trade secret under applicable law. "Confidential Information" means all non-public information (whether a trade secret or not and whether proprietary or not) relating to the Company's business and its customers that the Company either treats as confidential or is of value to the Company or is important to the Company's business and operations, including but not limited to the following specific items: trade secrets (as defined by applicable law); actual or prospective customers and customer lists; marketing strategies; sales; actual and prospective pricing; products; know-how; research and development; intellectual property; information systems and software; business plans and projections; negotiations and contracts; financial or cost data; employment, compensation and personnel information; and any other non-public business information regarding the Company and the Company's Affiliates. In addition, trade secrets will be entitled to all of the protections and benefits available under applicable law.

6.2 Nonrecruitment; Nonsolicitation. You agree that during your employment with the Company and until six (6) months following your Termination Date, in the event of your Termination of Service for any reason, whether during or following the Restriction Period (the "Covenant Period"), you shall not directly or indirectly, individually or in concert with any other person or entity (i) recruit, induce or attempt to recruit or induce any employee of the Company with whom you worked or otherwise had Material Contact (as defined below) during your employment to leave the employ of the Company or otherwise lessen that party's affiliation with the Company, or (ii) solicit, divert, take away or attempt to solicit, divert or take away any then-current or proposed client or customer of the Company with whom you had Material Contact during your employment for purposes of offering, providing or selling investment management products or services offered by the Company at the date of your Termination of Service that were offered, provided and/or sold by you on the Company's behalf. For purposes of this provision, you had "Material Contact" with an employee if (i) you had a supervisory relationship with the employee or (ii) you worked or communicated with the employee on a regular basis; and you had "Material Contact" with a current or proposed client or customer if (i) you had business dealings with the current or proposed client or customer on behalf of the Company or (ii) you supervised or coordinated the dealings between the Company and the current or proposed client or customer.

6.3 Enforceability of Covenants. You acknowledge that the Company has a current and future expectation of business from the current and proposed customers of the Company. You acknowledge that the term and scope of the covenants set forth herein are reasonable, and you agree that you will not, in any proceeding, assert the unreasonableness of the premises, consideration or scope of the covenants set forth herein. You and the Company agree that if any portion of the foregoing covenants is deemed to be unenforceable because any of the restrictions contained in this Award Agreement are deemed too broad, the court shall be authorized to provide partial enforcement of such covenants, substitute an enforceable term or otherwise modify the Award Agreement in a manner that will enable the enforcement of the covenants to the maximum extent possible under applicable law. You agree that any breach of these covenants will result in irreparable damage and injury to the Company and that the Company will be entitled to injunctive relief without the necessity of posting any bond. You also agree that you shall be responsible for all damages incurred by the Company due to any breach of the restrictive covenants contained in this Award Agreement and that the Company shall be entitled to have you pay all costs and attorneys' fees incurred by the Company in enforcing the restrictive covenants in this Award Agreement.

7. Relationship to Other Agreements. Subject to the limitations set forth below, in the event of any actual or alleged conflict between the provisions of this Award Agreement and (i) any other agreement regarding your employment with the Employer ("Employment Agreement"), or (ii) any prior agreement or certificate governing any award of a direct or indirect equity interest in the Company (the documents described in clauses (i) and (ii) hereof being collectively referred to as the "Other Agreements"), the provisions of this Award Agreement shall control and, to the extent of any conflict, be deemed to amend such Other Agreements. Notwithstanding the foregoing, in the event that the Notice Period referred to in Paragraph 5 or the Nondisclosure Period or Covenant Period referred to in Paragraph 6 of this Award Agreement is shorter in duration than that provided in an Employment Agreement, the Notice Period, Nondisclosure Period or Covenant Period (as applicable) set forth in the Employment Agreement shall apply.

8. Employee Data Privacy. Pursuant to applicable personal data protection laws, the Company hereby notifies you of the following in relation to your personal data and the collection, use, processing and transfer (collectively, the "Use") of such data in relation to the Company's grant of the RSUs and your participation in the Plan. The Use of your personal data is necessary for the Company's administration of the Plan and your participation in the Plan. Your denial and/or objection to the Use of personal data may affect your participation in the Plan. As such, you voluntarily acknowledge, consent and agree (where required by applicable law) to the Use of personal data as described in this Paragraph 8.

The Company and the Employer hold certain personal information about you, which may include your name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares held by you, details of all RSUs or any other entitlement to Shares awarded in your favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by you or collected, where lawful, from the Company, Affiliates or third parties, and the Company or Employer will process the Data for the exclusive purpose of implementing, administering and managing your participation in the Plan. The data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in your country of residence (and country of employment, if different). Data processing operations will be performed minimizing the use of personal and identification data when such data are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for your participation in the Plan.

The Company and the Employer will transfer Data amongst themselves as necessary for the purpose of implementation, administration and management of your participation in the Plan, and the Company and the Employer may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. You hereby authorize them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on your behalf to a broker or other third party with whom you may elect to deposit any Shares acquired pursuant to the Plan.

You may, at any time, exercise your rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) oppose, for legal reasons, the Use of the Data that is not necessary or required for the implementation, administration and/or operation of the Plan and your participation in the Plan. You may seek to exercise these rights by contacting your Employer's human resources manager or Invesco, Ltd., Manager, Executive Compensation, 1555 Peachtree Street, NE, Atlanta, Georgia 30309.

9. Income Taxes and Social Insurance Contribution Withholding. Regardless of any action the Company or the Employer takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Company and/or the Employer (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including the grant of the RSUs, the vesting of the RSUs, the settlement of the RSUs, the subsequent sale of any Shares acquired pursuant to the RSUs and the receipt of any dividends or dividend equivalents; and (ii) does not commit to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items.

If your country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a portion of the Shares otherwise issuable upon vesting of the RSUs that have an aggregate Fair Market Value on the vesting date sufficient to pay the minimum Tax-Related Items required to be withheld with respect to the Shares. For purposes of the foregoing, no fractional Shares will be withheld or issued pursuant to the grant of the RSUs and the issuance of Shares hereunder. Alternatively (or in combination), the Company or the Employer may, in its discretion, withhold any amount necessary to pay the Tax-Related Items from your regular salary or other amounts payable to you, with no withholding of Shares, or may require you to submit payment equivalent to the minimum Tax-Related Items required to be withheld with respect to the Shares by means of certified check, cashier's check or wire transfer. By accepting the RSUs, you expressly consent to the methods of withholding as provided hereunder. All other Tax-Related Items related to the RSUs and any Shares delivered in payment thereof shall be your sole responsibility. Further, if you become subject to taxation in more than one country between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company may be required to withhold or account for Tax-Related Items in more than one country.

To the extent the Company or the Employer pays any Tax-Related Items that are your responsibility ("Advanced Tax Payments"), the Company or the Employer shall be entitled to recover such Advanced Tax Payments from you in any and all manner that the Company determines appropriate in its sole discretion. For purposes of the foregoing, the manner of recovery of the Advanced Tax Payments shall include (but is not limited to) offsetting the Advanced Tax Payments against any and all amounts that may be otherwise owed to you by the Company or the Employer (including regular salary/wages, bonuses, incentive payments and Shares acquired by you pursuant to any equity

compensation plan that are otherwise held by the Company for your benefit).

10. [RESERVED]

11. Code Section 409A. The RSUs granted under this Award Agreement are not intended to constitute a nonqualified deferred compensation plan within the meaning of Section 409A of the Code, and the Plan and this Award Agreement shall be interpreted, administered and deemed amended, if applicable, in a manner consistent with this intention. Notwithstanding the terms of this Award Agreement, if you are subject to U.S. federal income tax on any amounts payable hereunder and if any such amounts, including amounts payable pursuant to Paragraph 5 hereof, constitute nonqualified deferred compensation under Section 409A of the Code, those amounts shall be subject to the provisions of Section 13(g) of the Plan (as if the amounts were Awards under the Plan, to the extent applicable).

12. Notice. Notices and communications under this Award Agreement must be in writing and either personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid. Notices to the Company must be addressed to Invesco Ltd., Manager, Executive Compensation, 1555 Peachtree Street, NE, Atlanta, Georgia 30309, or to any other address designated by the Company in a written notice to you. Notices to you will be directed to your address then currently on file with the Company, or to any other address given by you in a written notice to the Company.

13. Repatriation; Compliance with Laws. As a condition to the grant of these RSUs, you agree to repatriate all amounts attributable to the RSUs in accordance with local foreign exchange rules and regulations in your country of residence (and country of employment, if different). In addition, you also agree to take any and all actions, and consent to any and all actions taken by the Company, the Employer and the Company's local Affiliates, as may be required to allow the Company, the Employer and the Company's local Affiliates to comply with local laws, rules and regulations in your country of residence (and country of employment, if different). Finally, you agree to take any and all actions as may be required to comply with your personal legal and tax obligations under local laws, rules and regulations in your country of residence (and country of employment, if different).

14. Discretionary Nature of Plan; No Vested Rights. You acknowledge and agree that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled or terminated by the Company, in its sole discretion, at any time as provided under the Plan. The grant of the RSUs under the Plan is a one-time benefit and does not create any contractual or other right to receive RSUs or other awards or benefits in lieu of RSUs in the future. Future awards, if any, will be at the sole discretion of the Committee, including, but not limited to, the form and timing of an award, the number of Shares subject to an award and the vesting provisions.

15. Termination Indemnities. The value of the RSUs is an extraordinary item of compensation outside the scope of your employment contract, if any. As such, the RSUs are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments to which you may be otherwise entitled.

16. Compliance with Age Discrimination Rules. For purposes of this Award Agreement, if you are a local national of and employed in a country that is a member of the European Union, the grant of the RSUs and the terms and conditions governing the RSUs are intended to comply with the age discrimination provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the "Age Discrimination Rules"). To the extent a court or tribunal of competent jurisdiction determines that any provision of the RSUs or this Award Agreement or the Plan is invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, the Company shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

17. Use of English Language. You acknowledge and agree that it is your express intent that this Award Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted with respect to the RSUs be drawn up in English. If you have received this Award Agreement, the Plan or any other documents related to the RSUs translated into a language other than English, and if the meaning of the translated version is different from the English version, the English version shall control.

18. Performance Adjustment – Malus and Claw Back. Notwithstanding any other provision of this Award Agreement or the Plan, prior to the Payment Date the Committee may determine, in good faith, whether any of the following circumstances have occurred during the time period between the Grant Date and the Payment Date:

(a) the financial performance of the Company has suffered a significant downturn or deterioration; or

(b) the investment performance of the Company has suffered a significant deterioration; or

(c) there is evidence of your fraud or willful misconduct; or

(d) there is a significant failure of risk management in relation to the Company or its investment portfolios.

If the Committee determines, in its sole discretion, that your actions were a significant contributing factor towards any of the situations set forth in (a) through (d) above, the Committee, in its sole discretion may reduce or eliminate entirely the number of Restricted Shares granted hereunder, and you will forfeit all right, title and interest in and to such Restricted Shares so reduced or eliminated (the "Forfeit Obligation"). You agree that the Company shall have the right to enforce the Forfeit Obligation by all legal means available, including without limitation, by withholding other amounts or property owed to you by the Company.

19. Compliance with the EU Directive on Undertakings for Collective Investments in Transferable Securities. To the extent the RSUs are subject to the EU Directive on Undertakings for Collective Investments in Transferable Securities ("UCITS"), the RSUs shall be administered and settled in accordance with applicable requirements, including the timing and method of distribution.

20. Value of Benefit. The future value of the Shares subject to the RSUs is unknown and cannot be predicted with certainty. Neither the Company, the Employer nor any Affiliate shall be liable for any foreign exchange rate fluctuation, where applicable, between your local currency and the United States dollar that may affect the value of the RSUs or of any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement.

21. Addendum to Award Agreement. Notwithstanding any provisions in this Award Agreement to the contrary, the RSUs shall be subject to any special terms and conditions for your country of residence (and country of employment, if different), as may be set forth in an addendum to this Award Agreement ("Addendum"). Further, if you transfer residency and/or employment to another country as may be reflected in an Addendum to this Award Agreement, the special terms and conditions for such country will apply to your RSUs to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local law or to facilitate the administration of the Plan. Any applicable Addendum shall constitute part of this Award Agreement.

22. Additional Requirements. The Company reserves the right to impose other requirements on the Award and your participation in the Plan, to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Award and the Plan. Such requirements may include (but are not limited to) requiring you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

23. Insider Trading / Market Abuse Laws. Your country of residence (and country of employment, if different) may have insider trading and/or market abuse laws that may affect your ability to acquire or sell Shares under the Plan during such times you are considered to have "inside information" (as defined under local law). These laws may be the same or different from any Company insider trading policy. You acknowledge that it is your responsibility to be informed of and compliant with such regulations, and you should consult with your personal advisors for additional information.

24. Severability. The invalidity or unenforceability of any provision of the Plan or this Award Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Award Agreement.

25. Electronic Delivery and Signature. The Committee may, in its sole discretion, decide to deliver any documents related to the RSUs by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Further, to the extent applicable, all references to signatures and delivery of documents in this Award Agreement can be satisfied by procedures that the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents, including this Award Agreement. Your electronic signature is the same as, and shall have the same force and effect as, your manual signature. Any such procedures and delivery may be effected by a third party engaged by the Company to provide administrative services related to the Plan.

EXHIBIT 1
TO THE
INVESCO LTD. 2016 GLOBAL EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT – PERFORMANCE VESTING

I. Definitions

The term "**AOM Calculation**" means the adjusted operating margin of the Company as set forth in the Company's Form 10-K filed with the Securities and Exchange Commission for each fiscal year of the Grant Performance Measurement Period, which will not be adjusted for any accounting expense or credit associated with the Vesting Percentage falling below (or rising above) 100% with respect to any Award.

The term "**TSR Calculation**" means the total shareholder return ("TSR") of the Company and the constituents of the S&P 500 asset management sub-index.

The term "**Vesting Percentage**" means the percentage by which the Target Total Award is multiplied as set forth in the chart in Section II below.

The term "**Grant Performance Measurement Period**" means the period commencing January 1 of the grant year and ending December 31 of the second year after the grant.

The term "**Grant Average AOM**" means the sum of the AOM Calculation for each fiscal year of the Grant Performance Measurement Period divided by three.

The term "**Relative TSR Ranking**" means the percentile ranking of the TSR Calculation for the Grant Performance Measurement Period.

II. Performance Vesting Formula

On the third anniversary of the Grant Date, the number of RSUs that shall become vested and non-forfeitable shall equal 100% of the Target Total Award multiplied by the Vesting Percentage associated with the both Grant Average AOM and relative TSR ranking on the chart below, rounded down to the nearest full Share, as the same shall be calculated by the Committee. The Committee's good faith calculation of the number of RSUs that become vested and non-forfeitable pursuant to the Performance Vesting Formula shall be final and binding upon you and the Company. Vesting to range from 0% to 150%; straight line interpolation to be used for actual results.

Grant Average AOM (%)	Relative TSR					
	≤ 25th%ile	> 25th%ile and <55th%ile	55th%ile	>55th%ile and < 75th%ile	≥ 75th%ile	
≥ 44.5	100	113	125	138	150	Vesting percentage
42.5	83	101	117	129	142	
40.5	67	88	108	121	133	
38.5	50	75	100	113	125	
36.5	33	58	83	101	117	
34.5	17	42	68	88	108	
≤ 28.0	0	25	50	75	100	



INVESCO LTD. 2016 GLOBAL EQUITY INCENTIVE PLAN

ADDENDUM TO

RESTRICTED STOCK UNIT AGREEMENT – UCITS STAFFF - PERFORMANCE VESTING
Non-transferable

In addition to the terms of the Invesco Ltd. 2016 Global Equity Incentive Plan (the "Plan") and the Restricted Stock Unit Agreement – Performance Vesting (the "Agreement"), the performance-vesting RSUs are subject to the following additional terms and conditions as set forth in this addendum (the "Addendum"). All defined terms as contained in this Addendum shall have the same meaning as set forth in the Plan and the Agreement. To the extent you relocate your residency and/or employment to another country, the additional terms and conditions as set forth in the addendum for such country (if any) also shall apply to the performance-vesting RSUs to the extent the Company determines, in its sole discretion, that the application of such addendum is necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the operation and administration of the performance-vesting RSUs and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer).

HONG KONG

1. Settlement in Shares. Notwithstanding anything to the contrary in the Agreement, Addendum or the Plan, the RSUs shall be settled only in Shares (and may not be settled in cash).

2. Lapse of Restrictions. If, for any reason, Shares are issued to you within six (6) months of the Grant Date, you may not sell or otherwise dispose of any such Shares prior to the six-month anniversary of the Grant Date.

2. Nature of the Plan. The Company specifically intends that the Plan will not be treated as an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance ("ORSO"). To the extent any court, tribunal or legal/regulatory body in Hong Kong determines that the Plan constitutes an occupational retirement scheme for the purposes of ORSO, the grant of the RSU shall be null and void.

3. Wages. The RSUs and Shares subject to the RSUs do not form part of your wages for the purposes of calculating any statutory or contractual payments under Hong Kong law.

4. IMPORTANT NOTICE. WARNING: The contents of the Agreement, the Addendum, the Plan, and all other materials pertaining to the RSUs and/or the Plan have not been reviewed by any regulatory authority in Hong Kong. You are hereby advised to exercise caution in relation to the offer thereunder. If you have any doubts about any of the contents of the aforesaid materials, you should obtain independent professional advice.

UNITED KINGDOM

1. Income Tax and Social Insurance Contribution Withholding. The following provision shall replace Section 9 of the Agreement:

Regardless of any action the Company and the Employer takes with respect to any or all income tax, primary Class 1 National Insurance contributions, payroll tax or other tax-related withholding attributable to or payable in connection with or pursuant to the grant or vesting of any Restricted Shares or the release or assignment of any Restricted Shares for consideration, or the receipt of any other benefit in connection with the Restricted Shares ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility. Furthermore, the Company and the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Shares, including the grant or vesting of the Restricted Shares, the subsequent sale of any unrestricted Shares and the receipt of any dividends or dividend equivalents; and (b) do not commit to structure the terms of the grant or any aspect of the Restricted Shares to reduce or eliminate your liability for Tax-Related Items.

As a condition of the lifting of restrictions on the Restricted Shares upon vesting of the Restricted Shares, the Company and/or the Employer shall be entitled to withhold and you agree to pay, or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy, all obligations of the Company and/or the Employer to account to HM Revenue & Customs ("HMRC") for any Tax-Related Items. In this regard, you authorize the Company and/or the Employer to withhold all applicable Tax-Related Items legally payable by you from any salary/wages or any other cash compensation payable to you. Alternatively, or in addition, if permissible under local law, you authorize the Company and/or the Employer, at its discretion and pursuant to such procedures as it may specify from time to time, to satisfy the obligations with regard to all Tax-Related Items legally payable by you by one or a combination of the following: (a) withholding otherwise deliverable Shares; (b) arranging for the sale of Shares otherwise deliverable to you (on your behalf and at your direction pursuant to this authorization); or (c) withholding from the proceeds of the sale of Shares acquired upon the vesting of the Restricted Shares. If the obligation for Tax-Related Items is satisfied by withholding a number of Shares as described herein, you shall be deemed to have been issued the full number of Shares subject to the Restricted Shares, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Restricted Shares. If, by the date on which the event giving rise to the Tax-Related Items occurs (the "Chargeable Event"), you have relocated to a jurisdiction other than the United Kingdom, you acknowledge that the Company and/or the Employer may be required to withhold or account for Tax-Related Items in more than one jurisdiction, including the United Kingdom. You also agree that the Company and the Employer may determine the amount of Tax-Related Items to be withheld and accounted for by reference to the maximum applicable rates, without prejudice to any right which you may have to recover any overpayment from the relevant tax authorities.

You shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to account to HMRC with respect to the Chargeable Event that cannot be satisfied by the means previously described. If payment or withholding is not made within 90 calendar days of the Chargeable Event or such other period as required under U.K. law (the "Due Date"), you agree that the amount of any uncollected Tax-Related Items shall (assuming you are not a director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), constitute a loan owed by you to the Employer, effective on the Due Date. You agree that the loan will bear interest at the then-current HMRC Official Rate and it will be immediately due and repayable, and the Company and/or the Employer may recover it at any time thereafter by any of the means referred to above.

2. Exclusion of Claim. You acknowledge and agree that you shall have no entitlement to compensation or damages insofar as such entitlement arises or may arise from you ceasing to have rights under or to be entitled to vest in your Restricted Shares as a result of such termination (whether the termination is in breach of contract or otherwise), or from the loss or diminution in value of your Restricted Shares. Upon the grant of your Restricted Shares, you shall be deemed to have waived irrevocably any such entitlement.

Award Agreement - Upfront Restricted Fund Units (this “RFU Agreement”)

Effective as of February 28, 2020 (the “Grant Date”), the subsidiary of Invesco Ltd. that employs you (the "Grantor") hereby allocates mutual fund shares (the "Investment Alternative(s)") to your account on a notional basis as indicated below (“2020 Upfront Restricted Fund Units”). The information contained in this acceptance screen (this “Grant Notice”) and in the attached Terms and Conditions (see link below) constitute this RFU Agreement in its entirety that governs your 2020 Upfront Restricted Fund Units.

Subject to the terms of the Invesco Ltd. Deferred Incentive Plan (the “Plan”), the terms of any Remuneration Policy of Invesco Ltd. or its Affiliates as in effect from time to time to the extent such policy is applicable to you (the “Remuneration Policy”), and this RFU Agreement, your 2020 Upfront Restricted Fund Units are fully vested and non-forfeitable as of the Grant Date. Distribution of the 2020 Upfront Restricted Fund Units to be governed as detailed in the Terms and Conditions of your RFU Agreement.

By accepting this RFU Agreement, you acknowledge that you have received a copy of the Plan, that you have read and understood this RFU Agreement in its entirety, and that you agree to this RFU Agreement in its entirety, the terms of the Plan, and the terms of any Remuneration Policy. This RFU Agreement may be amended only by a written agreement between the Grantor and you. If you fail to accept this RFU Agreement within sixty (60) days of the Grant Date, the Grantor may terminate your 2020 Upfront Restricted Fund Units.

Terms and Conditions

Please print a copy of this Grant Notice and attached Terms and Conditions for your records.

Note: You must timely select the appropriate radio button and click Confirm.

☐ I acknowledge that I have read and understood this RFU Agreement, including the attached Terms and Conditions, and cause this RFU Agreement to be executed as of the Grant Date.

☐ I DECLINE. I do not agree with the Terms and Conditions of this RFU Agreement and decline my 2020 Upfront Restricted Fund Units.

CANCEL

CONFIRM

TERMS AND CONDITIONS – Upfront Restricted Fund Units (UCITS Staff)

1. Plan Controls; Restricted Fund Units. In consideration of the Upfront Restricted Fund Units (the "Upfront RFUs") granted hereunder, you hereby promise to honor and to be bound by the terms of the Invesco Ltd. Deferred Incentive Plan (the "Plan") and any Remuneration Policy of Invesco Ltd. ("Invesco") or its Affiliates as in effect from time to time to the extent such policy is applicable to you (the "Remuneration Policy"). In addition, you hereby promise to honor and to be bound by the following terms and conditions, together with the Grant Notice, which constitute this Restricted Fund Unit Agreement (this "RFU Agreement") which serves as the agreed basis for your Upfront RFUs. The terms contained in the Plan and the Remuneration Policy are incorporated into and made a part of this RFU Agreement, and this RFU Agreement shall be governed by and construed in accordance with the Plan and Remuneration Policy. In the event of any actual or alleged conflict between the provisions of any of the Plan, the Remuneration Policy, if applicable, and this RFU Agreement, (i) the provisions of the Remuneration Policy, if applicable, shall control and, to the extent of any conflict, be deemed to amend the Plan and this RFU Agreement, and (ii) the provisions of the Plan shall control and, to the extent of any conflict, be deemed to amend this RFU Agreement. The Upfront RFUs, which are denominated in shares of the Investment Alternative(s), represent a contractual obligation of the Grantor (as defined in the Grant Notice) to pay an amount in cash equal to the Fair Market Value of the number of shares of the Investment Alternative(s) identified in this RFU Agreement pursuant to Section 6 of the Plan and the additional terms and restrictions hereunder and in any applicable Remuneration Policy and as per applicable law. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Plan.

2. Restrictions. The Upfront RFUs may not be sold, assigned, transferred, pledged or otherwise encumbered.

3.Full Vesting. The Upfront RFUs are vested and nonforfeitable as of the Grant Date, subject to the performance adjustment as set forth in Paragraph 17 hereof.

3.1 Payment Date and Payment.

(a) *Payment Date.* The Upfront RFUs shall be settled upon the earliest to occur of the following: (i) as of August 31 of the calendar year in which the Grant Date falls; or (ii) as of the date of your Termination of Service due to death or Disability.

(b) *Payment.* An amount equal to the Fair Market Value of the fund and/or trust shares of the Investment Alternative(s) represented by the Upfront RFUs will be paid in a lump sum in local currency within 30 days following the Payment Date.

4. No Shareholder Rights; Payment in Lieu of Dividends. You shall have none of the rights of a shareholder of any funds with respect to the Upfront RFUs, including voting or dividend rights. If and when any cash dividends or distributions are paid with respect to the shares of the Investment Alternative(s) represented by the Upfront RFUs while Upfront RFUs are outstanding, your Investment Funds Account will be credited with additional Upfront RFUs relating to the same Investment Alternative(s) as the shares on which such dividends or distributions are paid, and such additional Upfront RFUs shall be subject to the same Terms and Conditions, including vesting and distribution requirements, as are applicable to the underlying the Upfront RFUs.

5. Notice Period Requirement. During your employment with the Grantor, you and, in the absence of Cause, the Grantor shall be required to give to the other advance written notice of the intent to terminate your employment relationship as reflected in your Employment Agreement (the "Notice Period"). Your employment with the Grantor shall not terminate until the expiration of the Notice Period, *provided, however,* that the Grantor shall have the right, in its sole discretion, to relieve you of any or all of your duties and responsibilities by placing you on paid administrative leave during the Notice Period and shall not be required to provide you with work or access to the Grantor's offices during such leave. You shall be entitled to continue to receive your salary and certain other employee benefits for the entire Notice Period, regardless of whether the Grantor exercises its right to place you on paid administrative leave. You are prohibited from working in any capacity for yourself or any other business during the Notice Period without the prior written consent of the Grantor. Notwithstanding the foregoing, at any time during your employment relationship, the Grantor may, effective immediately and without the benefit of the Notice Period, terminate the employment relationship for Cause. The date on which your employment terminates shall be your "Termination Date" for purposes of this RFU Agreement.

6. Employment Matters. You agree that this RFU Agreement is entered into and is reasonably necessary to protect the Grantor's investment in your advancement opportunity, training and development and to protect the goodwill and other legitimate business interests of Invesco. You also agree that, in consideration of the confidential information, trade secrets and training and development provided to you, you will abide by the restrictions set forth in this Paragraph 6, and you further agree and acknowledge that the restrictions set forth in this Paragraph 6 are reasonably necessary to protect the confidential and trade secret information provided to you.

6.1 Nondisclosure. You agree that, in the event of your Termination of Service for any reason, whether during or following the period when the Upfront RFUs are subject to vesting restrictions (the "Restriction Period"), you shall not directly or indirectly use for yourself or any other business or disclose to any person any Confidential Information (as defined below) without the prior written consent of Invesco during the period that it remains confidential and nonpublic or a trade secret under applicable law. "Confidential Information" means all non-public information (whether a trade secret or not and whether proprietary or not) relating to Invesco's business and its customers that Invesco either treats as confidential or is of value to Invesco or is important to Invesco's business or operations, including but not limited to the following specific items: trade secrets (as defined by applicable law); actual or prospective customers and customer lists; marketing strategies; sales; actual

and prospective pricing; products; know-how; research and development; intellectual property; information systems and software; business plans and projections; negotiations and contracts; financial or cost data; employment, compensation and personnel information; and any other non-public business information regarding Invesco or its Affiliates. In addition, trade secrets will be entitled to all of the protections and benefits available under applicable law.

6.2 Nonrecruitment; Nonsolicitation. You agree that during your employment with the Grantor and until six (6) months following your Termination Date, in the event of your Termination of Service for any reason, whether during or following the Restriction Period (the "Covenant Period"), you shall not directly or indirectly, individually or in concert with any other person or entity (i) recruit, induce or attempt to recruit or induce any employee of Invesco with whom you worked or otherwise had Material Contact (as defined below) during your employment to leave the employ of Invesco or otherwise lessen that party's affiliation with Invesco, or (ii) solicit, divert, take away or attempt to solicit, divert or take away any then-current or proposed client or customer of Invesco with whom you had Material Contact during your employment for purposes of offering, providing or selling investment management products or services offered by Invesco at the date of your Termination of Service that were offered, provided and/or sold by you on Invesco's behalf. For purposes of this provision, you had "Material Contact" with an employee if (i) you had a supervisory relationship with the employee or (ii) you worked or communicated with the employee on a regular basis; and you had "Material Contact" with a current or proposed client or customer if (i) you had business dealings with the current or proposed client or customer on behalf of Invesco or (ii) you supervised or coordinated the dealings between Invesco and the current or proposed client or customer.

6.3 Enforceability of Covenants. You acknowledge that Invesco has a current and future expectation of business from the current and proposed customers of Invesco. You acknowledge that the term and scope of the covenants set forth herein are reasonable, and you agree that you will not, in any proceeding, assert the unreasonableness of the premises, consideration or scope of the covenants set forth herein. You and the Grantor agree that if any portion of the foregoing covenants is deemed to be unenforceable because any of the restrictions contained in this RFU Agreement are deemed too broad, the court shall be authorized to provide partial enforcement of such covenants, substitute an enforceable term or otherwise modify this RFU Agreement in a manner that will enable the enforcement of the covenants to the maximum extent possible under applicable law. You agree that any breach of these covenants will result in irreparable damage and injury to Invesco and that Invesco will be entitled to injunctive relief without the necessity of posting any bond. You also agree that you shall be responsible for all damages incurred by the Invesco due to any breach of the restrictive covenants contained in this RFU Agreement and that Invesco and/or the Grantor shall be entitled to have you pay all costs and attorneys' fees incurred by Invesco and the Grantor in enforcing the restrictive covenants in this RFU Agreement.

7. Relationship to Other Agreements. Subject to the limitations set forth below, in the event of any actual or alleged conflict between the provisions of this RFU Agreement and (i) any other agreement regarding your employment with the Grantor ("Employment Agreement"), or (ii) any prior agreement or certificate governing any fund or equity award (the documents described in clauses (i) and (ii) hereof being collectively referred to as the "Other Agreements"), the provisions of this RFU Agreement shall control and, to the extent of any conflict, be deemed to amend such Other Agreement. Notwithstanding the foregoing, in the event that the Nondisclosure Period or Covenant Period referred to in Paragraph 6 of this RFU Agreement is shorter in duration than that provided in an Employment Agreement, Nondisclosure Period or Covenant Period (as applicable) set forth in the Employment Agreement shall apply.

8. Employee Data Privacy. Pursuant to applicable personal data protection laws, Invesco and the Grantor hereby notify you of the following in relation to your personal data and the collection, use, processing and transfer (collectively, the "Use") of such data in relation to the Grantor's grant of the Upfront RFUs and your participation in the Plan. The Use of your personal data is necessary for Invesco's and the Grantor's administration of the Plan and your participation in the Plan. Your denial and/or objection to the Use of personal data may affect your participation in the Plan. As such, you voluntarily acknowledge, consent and agree (where required by law) to the Use of personal data ("Data") as described in this Paragraph 8.

Invesco and the Grantor hold certain Data about you, which may include your name, home address, email address and telephone number, date of birth, social security number or other employee identification number, salary, job title, any shares held by you, details of all Upfront RFUs or any other entitlement under the Plan awarded in your favor, for the purpose of managing and administering the Plan Data. Data may be provided by you or collected, where lawful, from Invesco, Affiliates or third parties, and Invesco or the Grantor will process Data for the exclusive purpose of implementing, administering and managing your participation in the Plan. Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which the Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in your country of residence (and country of employment, if different). The Data processing operations will be performed minimizing the use of personal and identification data when such data are unnecessary for the processing purposes sought. The Data will be accessible within Invesco's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for your participation in the Plan.

Invesco and the Grantor will transfer the Data as necessary for the purpose of implementation, administration and management of your participation in the Plan, and Invesco and the Grantor may each further transfer the Data to any third parties assisting Invesco in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the

United States. You hereby authorize them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan.

You may, at any time, exercise your rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) oppose, for legal reasons, the collection, processing or transfer of the Data that is not necessary or required for the implementation, administration and/or operation of the Plan and your participation in the Plan. You may seek to exercise these rights by contacting the Grantor's local human resources manager or Invesco, Ltd., Manager, Executive Compensation, 1555 Peachtree Street, NE, Atlanta, Georgia 30309.

9. Income Taxes and Social Insurance Contribution Withholding. Regardless of any action the Grantor takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and that the Grantor (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Upfront RFUs, including the grant of the Upfront RFUs, the vesting of the Upfront RFUs, the settlement of the Upfront RFUs and the receipt of any dividends and dividend equivalents; and (ii) does not commit to structure the terms of the grant or any aspect of the Upfront RFUs to reduce or eliminate your liability for Tax-Related Items. Further, if you become subject to taxation in more than one country between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Grantor may be required to withhold or account for Tax-Related Items in more than one country.

If your country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Grantor may withhold a portion of the amount otherwise payable to you pursuant to the Upfront RFUs to pay the Tax-Related Items required to be withheld with respect to Upfront RFUs. Alternatively (or in combination), the Grantor may, in its discretion, withhold any amount necessary to pay the Tax-Related Items from your regular salary or other amounts payable to you or may require you to submit payment equivalent to the Tax-Related Items required to be withheld with respect to the Upfront RFUs by means of certified check, cashier's check or wire transfer. By accepting the Upfront RFUs, you expressly consent to the methods of withholding as provided hereunder. All other Tax-Related Items related to the Upfront RFUs shall be your sole responsibility.

To the extent the Grantor pays any Tax-Related Items that are your responsibility ("Advanced Tax Payments"), the Grantor shall be entitled to recover such Advanced Tax Payments from you in any and all manner that the Grantor determines appropriate in its sole discretion. For purposes of the foregoing, the manner of recovery of the Advanced Tax Payments shall include (but is not limited to) offsetting the Advanced Tax Payments against any and all amounts that may be otherwise owed to you by the Grantor (including regular salary/wages, bonuses, incentive payments and shares acquired by you pursuant to any equity compensation plan that are otherwise held by the Grantor or Invesco for your benefit).

10. Code Section 409A. The Upfront RFUs issued under this Agreement are not intended to constitute a nonqualified deferred compensation plan within the meaning of Section 409A of the Code, and the Plan and this RFU Agreement shall be interpreted, administered and deemed amended, if applicable, in a manner consistent with that intention. Notwithstanding the foregoing, if you are subject to U.S. federal income tax on any amounts payable hereunder and if any such amounts, including amounts payable pursuant to Paragraph 5 of this RFU Agreement, constitute nonqualified deferred compensation under Section 409A of the Code, those amounts shall be paid in accordance with the requirements of Section 409A of the Code and shall be subject to the provisions of Section 9 of the Plan.

11. Notice. Notices and communications under this RFU Agreement must be in writing and either personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid. Notices to the Grantor must be addressed to the Grantor's registered address or any address designated by the Grantor in a written notice to you. Notices to Invesco must be addressed to Invesco Ltd., Manager, Executive Compensation, 1555 Peachtree Street, NE, Atlanta, Georgia 30309, or to any other address designated by Invesco in a written notice to you. Notices to you will be directed to your address then currently on file with the Grantor, or to any other address given by you in a written notice to the Grantor.

12. Compliance with Laws. As a condition to the grant of these Upfront RFUs, you agree to repatriate all amounts attributable to the Upfront RFUs in accordance with local foreign exchange rules and regulations in your country of residence (and country of employment, if different), to the extent applicable. In addition, you also agree to take any and all actions, and consent to any and all actions taken by Invesco and its Affiliates as may be required to allow Invesco and its Affiliates to comply with local laws, rules and regulations in your country of residence (and country of employment, if different). Finally, you agree to take any and all actions as may be required to comply with your personal legal and tax obligations under local laws, rules and regulations in your country of residence (and country of employment, if different).

13. Discretionary Nature of Plan; No Vested Rights. You acknowledge and agree that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Grantor, in its sole discretion, at any time as provided under the Plan. The grant of the Upfront RFUs under the Plan is a one-time benefit and does not create any contractual or other right to receive the Upfront RFUs or other awards or benefits in lieu of the Upfront RFUs in the future. Future awards, if any, will be at the sole discretion of the Grantor, including, but not limited to, the form and timing of an

award, the amounts granted thereunder and the vesting provisions.

14. Termination Indemnities. The value of the Upfront RFUs is an extraordinary item of compensation outside the scope of your employment contract, if any. As such, the Upfront RFUs are not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments to which you may be otherwise entitled.

15. Compliance with Age Discrimination Rules. For purposes of this RFU Agreement, if you are a local national of and employed in a country that is a member of the European Union, the grant of the Upfront RFUs and these Terms and Conditions governing the Upfront RFUs are intended to comply with the age discrimination provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the "Age Discrimination Rules"). To the extent a court or tribunal of competent jurisdiction determines that any provision of this RFU Agreement or the Plan is invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, the Grantor shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

16. Use of English Language. You acknowledge and agree that it is your express intent that this RFU Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted with respect to the Upfront RFUs be drawn up in English. If you have received this RFU Agreement, the Plan or any other documents related to the Upfront RFUs translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.

17. Performance Adjustment – Malus and Claw Back. Notwithstanding any other provision of this RFU Agreement or the Plan, prior to the Payment Date the Committee may determine, in good faith, whether any of the following circumstances have occurred during the time period between the Grant Date and the Payment Date:

(a) the financial performance of Invesco as a whole or the Grantor has suffered a significant downturn or deterioration; or

(b) the investment performance of the Grantor has suffered a significant deterioration; or

(c) there is evidence of your fraud or willful misconduct; or

(d) there is a significant failure of risk management in relation to the Grantor or its investment portfolios.

If the Committee determines, in its sole discretion, that your actions were a significant contributing factor towards any of the situations set forth in (a) through (d) above, the Committee, in its sole discretion may reduce or eliminate entirely the number of Upfront RFUs granted hereunder, and you will forfeit all right, title and interest in and to such Upfront RFUs so reduced or eliminated (the "Forfeit Obligation"). You agree that the Grantor shall have the right to enforce the Forfeit Obligation by all legal means available, including without limitation, by withholding other amounts or property owed to you by the Grantor.

18. Compliance with the EU Directive on Undertakings for Collective Investments in Transferable Securities. To the extent the Upfront RFUs are subject by the EU Directive on Undertakings for Collective Investments in Transferable Securities ("UCITS"), the Upfront RFUs shall be administered and settled in accordance with applicable requirements, including the timing and method of distribution.

19. Value of Benefit. The future value of the Upfront RFUs is unknown and cannot be predicted with certainty. Neither the Company, the Grantor nor any Affiliate shall be liable for any foreign exchange rate fluctuation, where applicable, that may affect the value of the Upfront RFUs or of any amounts due to you pursuant to the settlement of the Upfront RFUs.

20. Addendum to this RFU Agreement. Notwithstanding any provisions in this RFU Agreement to the contrary, the Upfront RFUs shall be subject to any special terms and conditions for your country of residence (and country of employment, if different), as may be set forth in an addendum to this RFU Agreement ("Addendum"). Further, if you transfer residency and/or employment to another country as may be reflected in an Addendum to this RFU Agreement, the special terms and conditions for such country will apply to your Upfront RFUs to the extent Invesco determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local law or to facilitate the administration of the Plan. Any applicable Addendum shall constitute part of this RFU Agreement.

21. Additional Requirements. The Grantor reserves the right to impose other requirements on the Upfront RFUs and your participation in the Plan, to the extent the Grantor determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law, rules and regulations or to facilitate the operation and administration of the Upfront RFUs and the Plan. Such requirements may include (but are not limited to) requiring you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

22. [Reserved]

23. Severability. The invalidity or unenforceability of any provision of the Plan or these Terms and Conditions shall not affect the validity or enforceability of any other provision of the Plan or these Terms and Conditions.

24. Electronic Delivery. The Grantor may, in its sole discretion, decide to deliver any documents related to the Upfront RFUs by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Grantor or a third party designated by the

Grantor. Further, to the extent applicable, all references to signatures and delivery of documents in this RFU Agreement can be satisfied by procedures that the Grantor has established or may establish for an electronic signature system for delivery and acceptance of any such documents, including this RFU Agreement. Your electronic signature is the same as, and shall have the same force and effect as, your manual signature. Any such procedures and delivery may be effected by a third party engaged by the Grantor to provide administrative services related to the Plan.

ADDENDUM TO THE TERMS AND CONDITIONS -
UPFRONT RESTRICTED FUND UNITS
(UCITS STAFF)

In addition to the terms of the Invesco Ltd. Deferred Incentive Plan (the "Plan") and the RFU Agreement, the Upfront RFUs are subject to the following additional terms and conditions as set forth in this addendum (this "Addendum"). All defined terms as contained in this Addendum shall have the same meaning as set forth in the Plan and the RFU Agreement. To the extent you relocate your residency and/or employment to another country, the additional terms and conditions as set forth in this Addendum for such country (if any) also shall apply to the Upfront RFUs to the extent the Grantor determines, in its sole discretion, that the application of such addendum is necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the operation and administration of the Upfront RFUs and the Plan (or the Grantor may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer).

FRANCE

1. Language Consent. The parties acknowledge that it is their express wish that the RFU Agreement, as well as all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention ("RFU Agreement"), ainsi que de tous documents exécutés, avis donnés et procédures judiciaries intentées, directement ou indirectement, relativement à ou suite à la présente convention.

ITALY

1. Plan Acknowledgment. In accepting the Upfront RFUs, you acknowledge that a copy of the Plan was made available to you, and you have reviewed the Plan and the RFU Agreement, including this Addendum, in their entirety and fully understand and accept all provisions of the Plan, the RFU Agreement and this Addendum.

You further acknowledge that you have read and specifically approve of the following provisions in the RFU Agreement: Paragraph 3: Full Vesting; Paragraph 8: Employee Data Privacy; Paragraph 9: Income Taxes and Social Insurance Contribution Withholding; and Paragraph 13: Discretionary Nature of the Plan; No Vested Rights.

SPAIN

1. Acknowledgment of Discretionary Nature of the Plan. By accepting the Upfront RFUs, you consent to participation in the Plan and acknowledge receipt of a copy of the Plan.

You understand that the Grantor has unilaterally and gratuitously granted the Upfront RFUs under the Plan to individuals who may be employees of the Grantor. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Grantor on an ongoing basis. Consequently, you understand that the Upfront RFUs are granted on the assumption and condition that the Upfront RFUs and payment made upon settlement of the Upfront RFUs shall not become a part of any employment contract (either with Invesco or the Grantor) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, you understand that this grant would not be made to you but for the assumptions and conditions referenced above; thus, you acknowledge and freely accept that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason the Upfront RFUs shall be null and void.

UNITED KINGDOM

1. Indemnification for Tax-Related Items. Without limitation to Paragraph 9 of the RFU Agreement, you hereby agree that you are liable for all Tax-Related Items and hereby covenant to pay all such Tax-Related Items, as and when requested by the Grantor or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). You also hereby agree to indemnify and keep indemnified the Grantor against any Tax-Related Items that they are required to pay or withhold or have paid or will pay on your behalf to HMRC (or any other tax authority or any other relevant authority).

2. Exclusion of Claim. You acknowledge and agree that you have no entitlement to compensation or damages insofar as such entitlement arises or may arise from your ceasing to have rights under or to be entitled to the Upfront RFUs, whether or not as a result of your termination (whether such termination is in breach of contract or otherwise), or from the loss or diminution in value of the Upfront RFUs. Upon the grant of the Upfront RFUs, you shall be deemed irrevocably to have waived any such entitlement.

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Martin L. Flanagan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Invesco Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 23, 2020

/s/ MARTIN L. FLANAGAN

Martin L. Flanagan

President and Chief Executive Officer

Certification Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Loren M. Starr, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Invesco Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 23, 2020

/s/ LOREN M. STARR

Loren M. Starr

Senior Managing Director and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF MARTIN L. FLANAGAN
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Invesco Ltd.'s (the "Company") Quarterly Report on Form 10-Q for the period ended March 31, 2020 (the "Report"), I, Martin L. Flanagan, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 23, 2020

/s/ MARTIN L. FLANAGAN

Martin L. Flanagan

President and Chief Executive Officer

CERTIFICATION OF LOREN M. STARR
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with Invesco Ltd.'s (the "Company") Quarterly Report on Form 10-Q for the period ended March 31, 2020 (the "Report"), I, Loren M. Starr, do hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 23, 2020

/s/ LOREN M. STARR

Loren M. Starr

Senior Managing Director and Chief Financial Officer