# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# Form 10-Q

**(Mark One)**

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

**For the quarterly period ended September 30, 2023**

**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 001-13908**




# 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.)* |
| **1331 Spring Street, Suite 2500, 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, $0.20 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 (§232.405 of this chapter) 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 September 30, 2023, the most recent practicable date, the number of Common Shares outstanding was 449,554,399.

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## GLOSSARY OF DEFINED TERMS

| | | |
|---|---|---|
| APAC | — | Asia-Pacific |
| AUM | — | Assets under management |
| bps | — | Basis points |
| CIP | — | Consolidated investment products |
| CLOs | — | Collateralized loan obligations |
| Covenant Adjusted EBITDA | — | Earnings before income tax, depreciation, amortization, interest expense, common share-based compensation expense, unrealized (gains)/losses from investments, net, and unusual or otherwise non-recurring gains and losses as defined in our credit agreement |
| EMEA | — | Europe, Middle East and Africa |
| EPS | — | Earnings per common share |
| ETFs | — | Exchange-traded funds |
| IGW or Invesco Great Wall | — | Invesco Great Wall Fund Management Company Limited |
| MassMutual | — | Massachusetts Mutual Life Insurance Company |
| NAV | — | Net asset value |
| Report | — | this Form 10-Q |
| S&P | — | Standard & Poor's |
| SEC | — | U.S. Securities and Exchange Commission |
| the company | — | Invesco Ltd. and its consolidated entities |
| the Parent | — | Invesco Ltd. |
| TRS | — | Total return swaps |
| UITs | — | Unit Investment Trusts |
| U.S. GAAP | — | Accounting principles generally accepted in the United States |
| VIEs | — | Variable interest entities |

## PART I. FINANCIAL INFORMATION

**Item 1.** ***Financial Statements***

**Invesco Ltd.**
**Condensed Consolidated Balance Sheets**
**(Unaudited)**

| (in millions, except per share data) | As of September 30, 2023 | As of December 31, 2022 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 1,241.5 | $ 1,234.7 |
| Accounts receivable | 645.4 | 801.8 |
| Investments | 932.6 | 996.6 |
| Assets of consolidated investment products (CIP): | | |
| Cash and cash equivalents of CIP | 313.6 | 199.4 |
| Accounts receivable and other assets of CIP | 257.9 | 203.7 |
| Investments of CIP | 8,612.9 | 8,531.4 |
| Assets held for policyholders | 408.4 | 668.7 |
| Other assets | 764.1 | 860.5 |
| Property, equipment and software, net | 586.2 | 561.1 |
| Intangible assets, net | 7,100.1 | 7,141.2 |
| Goodwill | 8,568.8 | 8,557.7 |
| Total assets | $ 29,431.5 | $ 29,756.8 |
| **LIABILITIES** | | |
| Accrued compensation and benefits | $ 733.6 | $ 860.8 |
| Accounts payable and accrued expenses | 1,291.6 | 1,314.8 |
| Liabilities of CIP: | | |
| Debt of CIP | 6,981.5 | 6,590.4 |
| Other liabilities of CIP | 322.3 | 329.6 |
| Policyholder payables | 408.4 | 668.7 |
| Debt | 1,489.1 | 1,487.6 |
| Deferred tax liabilities, net | 1,613.3 | 1,662.7 |
| Total liabilities | 12,839.8 | 12,914.6 |
| Commitments and contingencies (See Note 10) | | |
| **TEMPORARY EQUITY** | | |
| Redeemable noncontrolling interests in consolidated entities | 754.1 | 998.7 |
| **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 September 30, 2023 and December 31, 2022) | 4,010.5 | 4,010.5 |
| Common shares ($0.20 par value; 1,050.0 million authorized; 566.1 million shares issued as of September 30, 2023 and December 31, 2022) | 113.2 | 113.2 |
| Additional paid-in-capital | 7,442.8 | 7,554.9 |
| Treasury shares | (3,010.8) | (3,040.9) |
| Retained earnings | 7,658.8 | 7,518.3 |
| Accumulated other comprehensive income/(loss), net of tax | (960.6) | (942.4) |
| Total equity attributable to Invesco Ltd. | 15,253.9 | 15,213.6 |
| Equity attributable to nonredeemable noncontrolling interests in consolidated entities | 583.7 | 629.9 |
| Total permanent equity | 15,837.6 | 15,843.5 |
| Total liabilities, temporary and permanent equity | $ 29,431.5 | $ 29,756.8 |

See accompanying notes.

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

| (in millions, except per common share data) | Three months ended September 30, 2023 | Three months ended September 30, 2022 | Nine months ended September 30, 2023 | Nine months ended September 30, 2022 |
|---|---|---|---|---|
| **Operating revenues:** | | | | |
| Investment management fees | $ 1,041.3 | $ 1,057.3 | $ 3,102.7 | $ 3,351.3 |
| Service and distribution fees | 353.5 | 340.2 | 1,030.0 | 1,073.0 |
| Performance fees | 2.0 | 3.0 | 27.2 | 13.2 |
| Other | 45.2 | 45.2 | 143.1 | 168.0 |
| Total operating revenues | 1,442.0 | 1,445.7 | 4,303.0 | 4,605.5 |
| **Operating expenses:** | | | | |
| Third-party distribution, service and advisory | 448.2 | 451.3 | 1,365.8 | 1,438.9 |
| Employee compensation | 478.5 | 420.8 | 1,417.0 | 1,260.9 |
| Marketing | 23.7 | 27.6 | 77.7 | 83.1 |
| Property, office and technology | 135.4 | 133.2 | 406.9 | 400.2 |
| General and administrative | 117.2 | 48.7 | 314.5 | 270.6 |
| Transaction, integration and restructuring | — | (0.6) | 41.6 | 34.8 |
| Amortization of intangibles | 11.3 | 14.5 | 38.5 | 44.4 |
| Total operating expenses | 1,214.3 | 1,095.5 | 3,662.0 | 3,532.9 |
| Operating income | 227.7 | 350.2 | 641.0 | 1,072.6 |
| **Other income/(expense):** | | | | |
| Equity in earnings of unconsolidated affiliates | 16.9 | 20.2 | 62.2 | 78.3 |
| Interest and dividend income | 10.8 | 3.3 | 26.5 | 6.6 |
| Interest expense | (17.3) | (18.6) | (53.7) | (67.6) |
| Other gains/(losses), net | (23.3) | (34.6) | 25.0 | (170.1) |
| Other income/(expense) of CIP, net | 15.2 | (65.4) | (5.4) | (62.5) |
| Income before income taxes | 230.0 | 255.1 | 695.6 | 857.3 |
| Income tax provision | (61.3) | (86.8) | (196.7) | (232.6) |
| Net income | 168.7 | 168.3 | 498.9 | 624.7 |
| Net (income)/loss attributable to noncontrolling interests in consolidated entities | 21.9 | 68.3 | 87.3 | 49.0 |
| Dividends declared on preferred shares | (59.2) | (59.2) | (177.6) | (177.6) |
| Net income attributable to Invesco Ltd. | $ 131.4 | $ 177.4 | $ 408.6 | $ 496.1 |
| | | | | |
| **Earnings per common share:** | | | | |
| -basic | $ 0.29 | $ 0.39 | $ 0.90 | $ 1.08 |
| -diluted | $ 0.29 | $ 0.39 | $ 0.89 | $ 1.08 |

See accompanying notes.

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

| (in millions) | Three months ended September 30, 2023 | Three months ended September 30, 2022 | Nine months ended September 30, 2023 | Nine months ended September 30, 2022 |
|---|---|---|---|---|
| Net income | $ 168.7 | $ 168.3 | $ 498.9 | $ 624.7 |
| | | | | |
| **Other comprehensive income/(loss), net of tax:** | | | | |
| Currency translation differences on investments in foreign subsidiaries | (143.0) | (330.1) | (24.1) | (690.2) |
| Other comprehensive income/(loss), net of tax | 0.7 | 0.2 | 5.9 | 0.7 |
| Other comprehensive income/(loss) | (142.3) | (329.9) | (18.2) | (689.5) |
| | | | | |
| Total comprehensive income/(loss) | 26.4 | (161.6) | 480.7 | (64.8) |
| | | | | |
| Comprehensive loss/(income) attributable to noncontrolling interests in consolidated entities | 21.9 | 68.3 | 87.3 | 49.0 |
| Dividends declared on preferred shares | (59.2) | (59.2) | (177.6) | (177.6) |
| Comprehensive income/(loss) attributable to Invesco Ltd. | $ (10.9) | $ (152.5) | $ 390.4 | $ (193.4) |

See accompanying notes.

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

| (in millions) | Nine months ended September 30, 2023 | 2022 |
|---|---|---|
| **Operating activities:** | | |
| Net income | $ 498.9 | $ 624.7 |
| Adjustments to reconcile net income to net cash provided by/(used in) operating activities: | | |
| Amortization and depreciation | 136.4 | 146.7 |
| Common share-based compensation expense | 93.7 | 83.1 |
| Other (gains)/losses, net | (23.0) | 170.1 |
| Other (gains)/losses of CIP, net | 167.8 | 173.2 |
| Equity in earnings of unconsolidated affiliates | (62.2) | (78.3) |
| Distributions from equity method investees | 67.8 | 64.3 |
| Changes in operating assets and liabilities: | | |
| (Purchase)/sale of investments by CIP, net | (377.7) | (397.2) |
| (Purchase)/sale of investments, net | 17.2 | (20.5) |
| (Increase)/decrease in receivables | 503.5 | 721.9 |
| Increase/(decrease) in payables | (435.9) | (1,248.3) |
| **Net cash provided by/(used in) operating activities** | 586.5 | 239.7 |
| **Investing activities:** | | |
| Purchase of property, equipment and software | (124.0) | (119.8) |
| Purchase of investments by CIP | (1,982.1) | (2,335.7) |
| Sale of investments by CIP | 2,149.7 | 2,274.5 |
| Purchase of investments | (85.1) | (173.5) |
| Sale of investments | 50.8 | 73.4 |
| Capital distribution from equity method investees | 18.5 | 38.7 |
| Net cash inflows/(outflows) upon consolidation/deconsolidation of CIP | (10.5) | 4.4 |
| **Net cash provided by/(used in) investing activities** | 17.3 | (238.0) |
| **Financing activities:** | | |
| Purchases of treasury shares | (183.1) | (240.1) |
| Dividends paid - preferred | (177.6) | (177.6) |
| Dividends paid - common | (267.7) | (249.1) |
| Third-party capital invested into CIP | 120.5 | 608.8 |
| Third-party capital distributed by CIP | (196.2) | (191.2) |
| Borrowings of debt of CIP | 545.1 | 54.3 |
| Repayments of debt of CIP | (316.1) | (3.9) |
| Repayments of senior notes | — | (600.0) |
| **Net cash provided by/(used in) financing activities** | (475.1) | (798.8) |
| Increase/(decrease) in cash and cash equivalents | 128.7 | (797.1) |
| Foreign exchange movement on cash and cash equivalents | (7.3) | (114.0) |
| Foreign exchange movement on cash and cash equivalents of CIP | (0.4) | (10.0) |
| Cash and cash equivalents, beginning of period | 1,434.1 | 2,147.1 |
| **Cash and cash equivalents, end of period** | $ 1,555.1 | $ 1,226.0 |
| Cash and cash equivalents | $ 1,241.5 | $ 1,023.6 |
| Cash and cash equivalents of CIP | 313.6 | 202.4 |
| **Total cash and cash equivalents per condensed consolidated statement of cash flows** | $ 1,555.1 | $ 1,226.0 |

See accompanying notes.

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

**Three months ended September 30, 2023**

| | 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 |
| July 1, 2023 | 4,010.5 | 113.2 | $ 7,433.0 | $(3,027.4) | $7,617.9 | $ (818.3) | $ 15,328.9 | $ 537.8 | $ 15,866.7 | $ 841.9 |
| Net income | — | — | — | — | 190.6 | — | 190.6 | 3.6 | 194.2 | (25.5) |
| Other comprehensive income/(loss) | — | — | — | — | — | (142.3) | (142.3) | — | (142.3) | — |
| Change in noncontrolling interests in consolidated entities, net | — | — | — | — | (0.4) | — | (0.4) | 42.3 | 41.9 | (62.3) |
| Dividends declared - preferred ($14.75 per share) | — | — | — | — | (59.2) | — | (59.2) | — | (59.2) | — |
| Dividends declared - common ($0.20 per share) | — | — | — | — | (90.1) | — | (90.1) | — | (90.1) | — |
| Employee common share plans: | | | | | | | | | | |
| Common share-based compensation | — | — | 23.9 | — | — | — | 23.9 | — | 23.9 | — |
| Vested common shares | — | — | (8.3) | 8.3 | — | — | — | — | — | — |
| Other common share awards | — | — | (5.8) | 12.2 | — | — | 6.4 | — | 6.4 | — |
| Purchase of common shares | — | — | — | (3.9) | — | — | (3.9) | — | (3.9) | — |
| September 30, 2023 | 4,010.5 | 113.2 | $ 7,442.8 | $(3,010.8) | $7,658.8 | $ (960.6) | $ 15,253.9 | $ 583.7 | $ 15,837.6 | $ 754.1 |

**Three months ended September 30, 2022**

| | 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 |
| July 1, 2022 | 4,010.5 | 113.2 | $ 7,563.2 | $(3,095.3) | $7,323.2 | $ (801.1) | $ 15,113.7 | $ 681.1 | $ 15,794.8 | $ 892.8 |
| Net income | — | — | — | — | 236.6 | — | 236.6 | (59.6) | 177.0 | (8.7) |
| Other comprehensive income/(loss) | — | — | — | — | — | (329.9) | (329.9) | — | (329.9) | — |
| Change in noncontrolling interests in consolidated entities, net | — | — | — | — | — | — | — | (12.1) | (12.1) | 106.3 |
| Dividends declared - preferred ($14.75 per share) | — | — | — | — | (59.2) | — | (59.2) | — | (59.2) | — |
| Dividends declared - common ($0.1875 per share) | — | — | — | — | (84.4) | — | (84.4) | — | (84.4) | — |
| Employee common share plans: | | | | | | | | | | |
| Common share-based compensation | — | — | 26.0 | — | — | — | 26.0 | — | 26.0 | — |
| Vested common shares | — | — | (36.6) | 36.6 | — | — | — | — | — | — |
| Other common share awards | — | — | (5.6) | 12.2 | — | — | 6.6 | — | 6.6 | — |
| Purchase of common shares | — | — | — | (5.7) | — | — | (5.7) | — | (5.7) | — |
| September 30, 2022 | 4,010.5 | 113.2 | $ 7,547.0 | $(3,052.2) | $7,416.2 | $ (1,131.0) | $ 14,903.7 | $ 609.4 | $ 15,513.1 | $ 990.4 |

See accompanying notes.

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

**Nine months ended September 30, 2023**

| | 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, 2023 | 4,010.5 | 113.2 | $ 7,554.9 | $(3,040.9) | $7,518.3 | $ (942.4) | $ 15,213.6 | $ 629.9 | $ 15,843.5 | $ 998.7 |
| Net income | — | — | — | — | 586.2 | — | 586.2 | (35.1) | 551.1 | (52.2) |
| Other comprehensive income/(loss) | — | — | — | — | — | (18.2) | (18.2) | — | (18.2) | — |
| Change in noncontrolling interests in consolidated entities, net | — | — | — | — | (0.4) | — | (0.4) | (11.1) | (11.5) | (192.4) |
| Dividends declared - preferred ( $44.25 per share) | — | — | — | — | (177.6) | — | (177.6) | — | (177.6) | — |
| Dividends declared - common ($0.5875 per share) | — | — | — | — | (267.7) | — | (267.7) | — | (267.7) | — |
| Employee common share plans: | | | | | | | | | | |
| Common share-based compensation | — | — | 93.7 | — | — | — | 93.7 | — | 93.7 | — |
| Vested common shares | — | — | (196.6) | 196.6 | — | — | — | — | — | — |
| Other common share awards | — | — | (9.2) | 16.6 | — | — | 7.4 | — | 7.4 | — |
| Purchase of common shares | — | — | — | (183.1) | — | — | (183.1) | — | (183.1) | — |
| September 30, 2023 | 4,010.5 | 113.2 | $ 7,442.8 | $(3,010.8) | $7,658.8 | $ (960.6) | $ 15,253.9 | $ 583.7 | $ 15,837.6 | $ 754.1 |

**Nine months ended September 30, 2022**

| | 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, 2022 | 4,010.5 | 113.2 | $ 7,688.0 | $(3,043.6) | $7,169.2 | $ (441.5) | $ 15,495.8 | $ 672.2 | $ 16,168.0 | $ 510.8 |
| Net income | — | — | — | — | 673.7 | — | 673.7 | (6.9) | 666.8 | (42.1) |
| Other comprehensive income/(loss) | — | — | — | — | — | (689.5) | (689.5) | — | (689.5) | — |
| Change in noncontrolling interests in consolidated entities, net | — | — | — | — | — | — | — | (55.9) | (55.9) | 521.7 |
| Dividends declared - preferred ($44.25 per share) | — | — | — | — | (177.6) | — | (177.6) | — | (177.6) | — |
| Dividends declared - common ($0.5450 per share) | — | — | — | — | (249.1) | — | (249.1) | — | (249.1) | — |
| Employee common share plans: | | | | | | | | | | |
| Common share-based compensation | — | — | 83.1 | — | — | — | 83.1 | — | 83.1 | — |
| Vested common shares | — | — | (219.3) | 219.3 | — | — | — | — | — | — |
| Other common share awards | — | — | (4.8) | 12.2 | — | — | 7.4 | — | 7.4 | — |
| Purchase of common shares | — | — | — | (240.1) | — | — | (240.1) | — | (240.1) | — |
| September 30, 2022 | 4,010.5 | 113.2 | $ 7,547.0 | $(3,052.2) | $7,416.2 | $ (1,131.0) | $ 14,903.7 | $ 609.4 | $ 15,513.1 | $ 990.4 |

See accompanying notes.

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

## 1. ACCOUNTING POLICIES

***Corporate Information***

Invesco Ltd. (the Parent) and its consolidated entities (collectively, the company or Invesco) provide retail and institutional clients with an array of 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, 2022 (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 U.S. Securities and Exchange Commission (SEC) and consolidate the financial statements of the Parent and all of its controlled subsidiaries. In the opinion of management, the Condensed Consolidated Financial Statements reflect all adjustments, consisting of normal recurring accruals, which are necessary for the fair presentation 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.

***Accounting Pronouncements Recently Adopted***

None.

***Pending Accounting Pronouncements***

None.

## 2. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of financial instruments is presented in the below summary table. The fair value of financial instruments held by CIP are presented in Note 11, "Consolidated Investment Products". See the company's most recently filed Form 10-K for additional disclosures on valuation methodology and fair value.

| (in millions) | September 30, 2023 Fair Value | December 31, 2022 Fair Value |
|---|---|---|
| Cash and cash equivalents | $ 1,241.5 | $ 1,234.7 |
| Equity investments | 271.0 | 325.0 |
| Foreign time deposits [1] | — | 25.7 |
| Assets held for policyholders | 408.4 | 668.7 |
| Policyholder payables [1] | (408.4) | (668.7) |
| Total return swaps related to deferred compensation plans | (10.1) | (1.6) |

(1) These financial instruments are not measured at fair value on a recurring basis. Foreign time deposits are measured at cost plus accrued interest, which approximates fair value, and are accordingly classified as Level 2 securities. Policyholder payables are indexed to the value of the assets held for policyholders and changes in fair value are recorded and offset to zero in other operating revenues.

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 September 30, 2023 and December 31, 2022, respectively:

| | As of September 30, 2023 | | | |
|---|---|---|---|---|
| (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 [1] | $ 711.3 | $ 711.3 | $ — | $ — |
| Investments: [2] | | | | |
| Equity investments: | | | | |
| Seed capital | 90.0 | 90.0 | — | — |
| Investments related to deferred compensation plans | 179.6 | 179.6 | — | — |
| Other equity securities | 1.4 | 1.4 | — | — |
| Assets held for policyholders [3] | 408.4 | 408.4 | — | — |
| Total | $ 1,390.7 | $ 1,390.7 | $ — | $ — |
| **Liabilities:** | | | | |
| Total return swaps related to deferred compensation plans | (10.1) | — | (10.1) | — |
| Contingent consideration liability | $ (1.3) | $ — | $ — | $ (1.3) |
| Total | $ (11.4) | $ — | $ (10.1) | $ (1.3) |

| | As of December 31, 2022 | | | |
|---|---|---|---|---|
| (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 [1] | $ 760.8 | $ 760.8 | $ — | $ — |
| Investments [2]: | | | | |
| Equity investments: | | | | |
| Seed capital | 177.9 | 177.9 | — | — |
| Investments related to deferred compensation plans | 146.1 | 146.1 | — | — |
| Other equity securities | 1.0 | 1.0 | — | — |
| Assets held for policyholders [3] | 668.7 | 668.7 | — | — |
| Total | $ 1,754.5 | $ 1,754.5 | $ — | $ — |
| **Liabilities:** | | | | |
| Total return swaps related to deferred compensation plans | $ (1.6) | $ — | $ (1.6) | $ — |
| Contingent consideration liability | (1.3) | — | — | (1.3) |
| Total | $ (2.9) | $ — | $ (1.6) | $ (1.3) |

(1) The balance primarily represents cash held in affiliated money market funds.

(2) Equity method and other investments of $637.0 million and $24.6 million, respectively, are excluded from this table (December 31, 2022: $621.2 million and $24.7 million, respectively). These investments are not measured at fair value, in accordance with applicable accounting standards.

(3) The majority of assets held for policyholders are held in affiliated funds.

***Total Return Swaps (TRS)***

In addition to holding equity investments, the company has TRS to hedge economically certain deferred compensation liabilities. The notional value of the TRS at September 30, 2023 was $366.2 million, and the fair value of the TRS was a liability of $10.1 million (December 31, 2022 notional value was $326.6 million and the fair value was a liability of $1.6 million). The company's net collateral paid balance related to the TRS was $11.9 million at September 30, 2023 (December 31, 2022: $0.0 million). During the three months ended September 30, 2023, market valuation losses related to the TRS of $16.6 million were recognized in Other gains/(losses), net (three months ended September 30, 2022: $19.8 million net loss). During the nine months ended September 30, 2023, market valuation gains related to the TRS of $3.8 million were recognized in Other gains/(losses), net (nine months ended September 30, 2022: $91.9 million net loss).

## 3. INVESTMENTS

The disclosures below include details of the company's investments. Investments held by CIP are detailed in Note 11, "Consolidated Investment Products".

| (in millions) | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Equity investments: | | |
| Seed capital | $ 90.0 | $ 177.9 |
| Investments related to deferred compensation plans | 179.6 | 146.1 |
| Other equity securities | 1.4 | 1.0 |
| Equity method investments | 637.0 | 621.2 |
| Foreign time deposits | — | 25.7 |
| Other | 24.6 | 24.7 |
| Total investments [1] | $ 932.6 | $ 996.6 |

(1) The majority of the company's investment balances relate to balances held in affiliated funds and equity method investees.

***Equity investments***

The unrealized gains and losses for the three and nine months ended September 30, 2023 that relate to equity investments still held at September 30, 2023, were a $10.8 million net loss and $13.2 million net gain (three and nine months ended September 30, 2022: $14.4 million net loss and $84.1 million net loss).

## 4. DEBT

The disclosures below include details of the company's debt. Debt of CIP is detailed in Note 11, "Consolidated Investment Products".

| | September 30, 2023 | | December 31, 2022 | |
|---|---|---|---|---|
| (in millions) | Carrying Value [2] | Fair Value | Carrying Value [2] | Fair Value |
| $2.0 billion floating rate credit facility expiring April 26, 2028 | $ — | $ — | $ — | $ — |
| Unsecured Senior Notes: [1] | | | | |
| $600 million 4.000% - due January 30, 2024 | 599.6 | 596.0 | 598.8 | 591.5 |
| $500 million 3.750% - due January 15, 2026 | 498.4 | 479.2 | 497.9 | 486.4 |
| $400 million 5.375% - due November 30, 2043 | 391.1 | 358.9 | 390.9 | 397.3 |
| Debt | $ 1,489.1 | $ 1,434.1 | $ 1,487.6 | $ 1,475.2 |

(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.

## 5. SHARE CAPITAL

The number of preferred shares issued and outstanding is represented in the table below:

| (in millions) | As of September 30, 2023 | As of December 31, 2022 |
|---|---|---|
| Preferred shares issued [1] | 4.0 | 4.0 |
| Preferred shares outstanding [1] | 4.0 | 4.0 |

(1) Preferred shares are held by Massachusetts Mutual Life Insurance Company (MassMutual) and are subject to a lock-up period of five years, which prohibits the sale of the preferred shares by MassMutual until May 24, 2024.

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

| (in millions) | As of September 30, 2023 | As of December 31, 2022 |
|---|---|---|
| Common shares issued | 566.1 | 566.1 |
| Less: Treasury shares for which dividend and voting rights do not apply | (116.5) | (111.3) |
| Common shares outstanding | 449.6 | 454.8 |

## 6. OTHER COMPREHENSIVE INCOME/(LOSS)

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

| (in millions) | Three months ended September 30, 2023 | | | Three months ended September 30, 2022 | | |
|---|---|---|---|---|---|---|
| | Foreign currency translation | Employee benefit plans | Total | Foreign currency translation | Employee benefit plans | Total |
| **Other comprehensive income/(loss), net of tax:** | | | | | | |
| Currency translation differences on investments in foreign subsidiaries | $ (143.0) | $ — | $ (143.0) | $ (330.1) | $ — | $ (330.1) |
| Other comprehensive income/(loss), net | — | 0.7 | 0.7 | — | 0.2 | 0.2 |
| Other comprehensive income/(loss), net of tax | (143.0) | 0.7 | (142.3) | (330.1) | 0.2 | (329.9) |
| Beginning balance | (696.1) | (122.2) | (818.3) | (712.0) | (89.1) | (801.1) |
| Other comprehensive income/(loss), net of tax | (143.0) | 0.7 | (142.3) | (330.1) | 0.2 | (329.9) |
| Ending balance | $ (839.1) | $ (121.5) | $ (960.6) | $ (1,042.1) | $ (88.9) | $ (1,131.0) |

| (in millions) | Nine months ended September 30, 2023 | | | Nine months ended September 30, 2022 | | |
|---|---|---|---|---|---|---|
| | Foreign currency translation | Employee benefit plans | Total | Foreign currency translation | Employee benefit plans | Total |
| **Other comprehensive income/(loss), net of tax:** | | | | | | |
| Currency translation differences on investments in foreign subsidiaries | $ (24.1) | $ — | $ (24.1) | $ (690.2) | $ — | $ (690.2) |
| Other comprehensive income/(loss), net | — | 5.9 | 5.9 | — | 0.7 | 0.7 |
| Other comprehensive income/(loss), net of tax | (24.1) | 5.9 | (18.2) | (690.2) | 0.7 | (689.5) |
| Beginning balance | (815.0) | (127.4) | (942.4) | (351.9) | (89.6) | (441.5) |
| Other comprehensive income/(loss), net of tax | (24.1) | 5.9 | (18.2) | (690.2) | 0.7 | (689.5) |
| Ending balance | $ (839.1) | $ (121.5) | $ (960.6) | $ (1,042.1) | $ (88.9) | $ (1,131.0) |

## 7. REVENUE

The geographic disaggregation of revenue for the three and nine months ended September 30, 2023 and 2022 are presented below. There are no revenues attributed to the company's country of domicile, Bermuda.

| | Three months ended September 30, | |
|---|---|---|
| (in millions) | 2023 | 2022 |
| Americas | $ 1,107.3 | $ 1,125.1 |
| Asia-Pacific (APAC) | 64.6 | 63.2 |
| Europe, Middle East and Africa (EMEA) | 270.1 | 257.4 |
| Total operating revenues | $ 1,442.0 | $ 1,445.7 |

| | Nine months ended September 30, | |
|---|---|---|
| (in millions) | 2023 | 2022 |
| Americas | $ 3,298.8 | $ 3,553.2 |
| Asia-Pacific (APAC) | $ 198.2 | $ 218.7 |
| Europe, Middle East and Africa (EMEA) | $ 806.0 | $ 833.6 |
| Total operating revenues | $ 4,303.0 | $ 4,605.5 |

## 8. COMMON SHARE-BASED COMPENSATION

The company recognized total compensation expense of $93.7 million and $83.1 million related to equity-settled common share-based payment transactions in the nine months ended September 30, 2023 and 2022, respectively.

Movements on employee common share awards during the periods ended September 30 are detailed below:

| | Nine months ended September 30, 2023 | | | Nine months ended September 30, 2022 | |
|---|---|---|---|---|---|
| (in 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 | 10.3 | 2.1 | $ 19.03 | 13.5 | 1.9 |
| Granted during the period | 5.2 | 0.7 | 17.64 | 3.6 | 1.0 |
| Forfeited during the period | (0.2) | (0.2) | 16.49 | (0.3) | (0.1) |
| Vested and distributed during the period | (5.0) | (0.5) | 18.02 | (6.2) | (0.4) |
| Unvested at the end of the period | 10.3 | 2.1 | $ 18.90 | 10.6 | 2.4 |

The total fair value of common shares that vested during the nine months ended September 30, 2023 was $96.3 million (nine months ended September 30, 2022: $131.7 million). The weighted average grant date fair value of the U.S. dollar share awards that were granted during the nine months ended September 30, 2023 was $17.64 (nine months ended September 30, 2022: $21.23).

At September 30, 2023, there was $143.4 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 2.55 years.

## 9. EARNINGS PER COMMON SHARE

The calculation of earnings per common share (EPS) is as follows:

| (in millions, except per share data) | Three months ended September 30, 2023 | Three months ended September 30, 2022 | Nine months ended September 30, 2023 | Nine months ended September 30, 2022 |
|---|---|---|---|---|
| Net income attributable to Invesco Ltd. | $ 131.4 | $ 177.4 | $ 408.6 | $ 496.1 |
| **Invesco Ltd:** | | | | |
| Weighted average common shares outstanding - basic | 451.7 | 457.0 | 455.9 | 457.7 |
| Dilutive effect of non-participating common share-based awards | 1.4 | 2.5 | 1.3 | 2.3 |
| Weighted average common shares outstanding - diluted | 453.1 | 459.5 | 457.2 | 460.0 |
| | | | | |
| **Earnings per common share:** | | | | |
| -basic | $ 0.29 | $ 0.39 | $ 0.90 | $ 1.08 |
| -diluted | $ 0.29 | $ 0.39 | $ 0.89 | $ 1.08 |

See Note 8, "Common Share-Based Compensation," for a summary of common share awards outstanding under the company's common share-based payment programs. These programs could result in the issuance of common shares that would affect the measurement of basic and diluted EPS.

## 10. COMMITMENTS AND CONTINGENCIES

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

The company has committed to co-invest in certain investment products, which may be called in future periods. At September 30, 2023, the company's undrawn co-invest capital commitments were $659.0 million (December 31, 2022: $336.1 million). The increase in capital commitments is driven by our continued support for private markets' capabilities.

Certain of our managed investment products have entered into revolving credit facilities with financial institutions. Pursuant to these arrangements, the company provided equity commitments and guarantees to certain of these investment products that are temporary in nature. The revolving credit facilities look first to the respective investment products for repayment and servicing. The company's equity commitment or guarantee would only be called in the event a particular investment product is unable to meet its obligation. The company believes the likelihood of being required to fund its equity commitments or guarantees under these arrangements to be remote. To date, the company has not been required to fund any equity commitments or guarantees under these arrangements. The maximum amount of future payments under the commitments is $274 million and under the guarantees is $30.0 million. The fair value of the guarantee liability is not significant to the consolidated financial statements.

The company and some of its 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.

### 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.

The company and certain related entities have in recent years been subject to various regulatory inquiries, reviews and investigations and legal proceedings, including civil litigation and governmental investigations and enforcement actions. These actions can arise from normal business operations and/or matters that have been the subject of previous regulatory reviews. As a global company with investment products registered in numerous countries and subject to the jurisdiction of one or more regulators in each country, at any given time, our business operations may be subject to review, investigation, or disciplinary action. For example, the company is cooperating with requests from the SEC in connection with their investigation of investment advisers' compliance with record retention requirements relating to certain types of electronic business communications.

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 September 30, 2023 to provide for any such losses that may arise from matters for which the company could reasonably estimate an amount and are deemed probable. Management is of the opinion that the ultimate resolution of claims will not materially affect the company's business, revenue, net income or liquidity.

## 11. CONSOLIDATED INVESTMENT PRODUCTS

The balances related to CIP are identified on the Consolidated Balance Sheets. At September 30, 2023, the company's net investment in and net receivables from CIP were $543.6 million (December 31, 2022: $386.6 million). The consolidation of CIP had no impact on net income attributable to the company during the three months and nine months ended September 30, 2023.

The following tables present the fair value hierarchy levels of certain CIP balances which are measured at fair value as of September 30, 2023 and December 31, 2022:

| | As of September 30, 2023 | | | | |
|---|---|---|---|---|---|
| (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 | $ 6,679.2 | $ — | $ 6,127.7 | $ 551.5 | $ — |
| Bonds | 683.2 | 10.7 | 672.5 | — | — |
| Equity securities | 203.9 | 87.5 | 17.4 | 99.0 | — |
| Equity and fixed income mutual funds | 166.0 | 27.4 | 138.6 | — | — |
| Investments in other private equity funds | 401.2 | — | — | — | 401.2 |
| Real estate investments | 479.4 | — | — | — | 479.4 |
| Total assets at fair value | $ 8,612.9 | $ 125.6 | $ 6,956.2 | $ 650.5 | $ 880.6 |

| | As of December 31, 2022 | | | | |
|---|---|---|---|---|---|
| (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 | $ 6,315.1 | $ — | $ 6,069.8 | $ 245.3 | $ — |
| Bonds | 697.5 | 8.8 | 688.2 | 0.5 | — |
| Equity securities | 274.9 | 129.9 | 29.8 | 115.2 | — |
| Equity and fixed income mutual funds | 230.7 | 38.8 | 191.9 | — | — |
| Investments in other private equity funds | 461.2 | — | — | 7.6 | 453.6 |
| Real estate investments | 552.0 | — | — | — | 552.0 |
| Total assets at fair value | $ 8,531.4 | $ 177.5 | $ 6,979.7 | $ 368.6 | $ 1,005.6 |

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

| | Three months ended September 30, | |
|---|---|---|
| | 2023 | 2022 |
| (in millions) | Level 3 Assets | Level 3 Assets |
| Beginning Balance as of July 1 | $ 490.8 | $ 328.3 |
| Purchases | 220.4 | 2.1 |
| Sales | (11.7) | (2.7) |
| Deconsolidation of CIP | — | — |
| Gains and losses included in the Consolidated Statements of Income | (9.3) | 6.0 |
| Transfers from Level 3 into Levels 1 or 2 | (78.9) | (130.3) |
| Transfers into Level 3 from Levels 1 or 2 | 36.0 | 126.0 |
| Foreign exchange | 3.2 | (0.6) |
| Ending Balance as of September 30 | $ 650.5 | $ 328.8 |

| | Nine months ended September 30, | |
|---|---|---|
| | 2023 | 2022 |
| (in millions) | Level 3 Assets | Level 3 Assets |
| Beginning Balance as of January 1 | $ 368.6 | $ 239.5 |
| Purchases | 430.9 | 2.2 |
| Sales | (53.8) | (11.3) |
| Deconsolidation of CIP | (0.6) | — |
| Gains and losses included in the Consolidated Statements of Income | (10.6) | 3.8 |
| Transfers from Level 3 into Levels 1 or 2 | (321.4) | (223.8) |
| Transfers into Level 3 from Levels 1 or 2 | 231.9 | 319.4 |
| Foreign exchange | 5.5 | (1.0) |
| Ending Balance as of September 30 | $ 650.5 | $ 328.8 |

***Non-consolidated Variable interest entities (VIEs)***

At September 30, 2023, the company's risk of loss with respect to VIEs in which the company is not the primary beneficiary included our investment carrying value of $141.0 million (December 31, 2022: $111.5 million) and unfunded capital commitments of $142.4 million (December 31, 2022: $99.0 million).

See the company’s most recently filed Form 10-K for additional disclosures on valuation methodology and fair value.

## 12. RELATED PARTIES

MassMutual owns approximately 18.1% in common stock of the company and owns all of the outstanding $4.0 billion in perpetual, non-cumulative preferred shares as of September 30, 2023. 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.

Additionally, certain managed funds are deemed to be affiliated entities under the related party definition in ASC 850, “Related Party Disclosures.” The majority of the company's operating revenues and receivables are from Invesco's managed funds. Related parties also include those defined in the company’s proxy statement.

Refer to Note 2, "Fair Value of Assets and Liabilities" and Note 3, "Investments" for more information on balances invested in Invesco affiliated funds.

**13. SUBSEQUENT EVENTS**

On October 24, 2023, the company declared a third quarter 2023 dividend of $0.20 per common share, payable on December 4, 2023, to common shareholders of record at the close of business on November 10, 2023 with an ex-dividend date of November 9, 2023.

On October 24, 2023, the company declared a preferred dividend of $14.75 per preferred share to the holders of preferred shares representing the period from September 1, 2023 through November 30, 2023. The preferred dividend is payable on December 1, 2023 to preferred shareholders of record at the close of business on November 15, 2023.

**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, capital expenditures, and assets under management (AUM) which could differ materially from actual results due to known and unknown risks and other important factors, including, but not limited to, industry or market conditions, geopolitical events and pandemics or health crises and their respective 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, the prospects for certain legal contingencies, 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. None of this information should be considered in isolation from, or as a substitute for, historical financial statements.

Forward-looking statements are not guarantees, and they involve risks, uncertainties and assumptions. There can be no assurance that actual results will not differ materially from our expectations. We caution investors not to rely unduly on any forward-looking statements and urge you to carefully consider the risks described in this Report and our most recent Form 10-K and Forms 10-Q filed with the 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," and "Invesco" 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 and supplements should be read in conjunction with the Condensed Consolidated Financial Statements of Invesco Ltd. and the notes thereto contained elsewhere in this Report.

The company is an independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. Our comprehensive range of active, passive and alternative investment capabilities has been constructed over many years to help clients achieve their investment objectives. We draw on this comprehensive range of capabilities to provide solutions designed to deliver key outcomes aligned to client needs. One of Invesco's core strengths, and a key differentiator for the company within the industry, is our diversification across asset classes, distribution channels and geographies. This broad diversification helps to mitigate the impact on Invesco of different market cycles and enables the company to take advantage of growth opportunities in various markets and channels.

Volatility and uncertainty continued to define global financial markets during the third quarter of 2023. With interest rates rising and investors awaiting more clarity from central bankers, cash has been moved to the sidelines where investors can earn acceptable returns while they await more certainty. We are strongly positioned to capture flows with scale, performance and competitive strength in capabilities that will drive the asset management industry forward including Exchange-traded funds (ETFs), Fixed Income, Private Markets and APAC.

The table below summarizes returns based on price appreciation/(depreciation) of several major market indices for the three and nine months ended September 30, 2023 and 2022:

| Equity Index | Index expressed in currency | Three months ended September 30, 2023 | Three months ended September 30, 2022 | Nine months ended September 30, 2023 | Nine months ended September 30, 2022 |
|---|---|---|---|---|---|
| S&P 500 | U.S. Dollar | (3.7)% | (5.3)% | 11.7 % | (24.8)% |
| FTSE 100 | British Pound | 1.0 % | (3.8)% | 2.1 % | (6.7)% |
| FTSE 100 | U.S. Dollar | (3.0)% | (12.1)% | 3.0 % | (23.2)% |
| S&P/TSX 60 Index | Canadian Dollar | (3.5)% | (2.6)% | 0.3 % | (13.2)% |
| S&P/TSX 60 Index | U.S. Dollar | (5.7)% | (9.0)% | 0.2 % | (20.4)% |
| MSCI Emerging Markets | U.S. Dollar | (3.7)% | (12.5)% | (0.4)% | (28.9)% |
| **Bond Index** | | | | | |
| Barclays U.S. Aggregate Bond | U.S. Dollar | (3.2)% | (4.8)% | (1.2)% | (14.6)% |

We had $2.6 billion of net long-term inflows for the quarter with net long-term inflows of $11.8 billion from ETFs.

We remain highly focused on expense management and capital priorities, investing in our key capabilities, and efficiently allocating our resources. We are undertaking a multi-quarter reorganization plan to simplify and streamline the organization to achieve greater scale, consistent investment quality, and improved profitability. In connection with these efforts, we incurred $39.3 million of costs due to organizational changes during the third quarter.

Consistent with our commitment to improve our leverage profile, we continue to maintain our debt at lower levels. We ended the quarter with no balance on our credit facility and continued to maintain debt below $1.5 billion. We remain committed to a sustainable dividend and to returning capital to shareholders through a combination of modestly increasing dividends and share repurchases.

**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 obligations (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 Report as 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 11, "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.

Due to the significant impact that CIP has on the presentation of the company's Consolidated Financial Statements, 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. 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 and nine months ended September 30, 2023 compared to three and nine months ended September 30, 2022);
- Schedule of Non-GAAP Information;
- Balance Sheet Discussion; and
- Liquidity and Capital Resources.

**Summary Operating Information**

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 is presented in the table below:

| (in millions, other than per common share amounts, operating margins and AUM) | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| U.S. GAAP Financial Measures Summary | 2023 | 2022 | 2023 | 2022 |
| Operating revenues | $ 1,442.0 | $ 1,445.7 | $ 4,303.0 | $ 4,605.5 |
| Operating income | $ 227.7 | $ 350.2 | $ 641.0 | $ 1,072.6 |
| Operating margin | 15.8 % | 24.2 % | 14.9 % | 23.3 % |
| Net income attributable to Invesco Ltd. | $ 131.4 | $ 177.4 | $ 408.6 | $ 496.1 |
| Diluted EPS | $ 0.29 | $ 0.39 | $ 0.89 | $ 1.08 |
| | | | | |
| **Non-GAAP Financial Measures Summary[1]** | | | | |
| Net revenues | $ 1,098.2 | $ 1,110.6 | $ 3,264.8 | $ 3,536.9 |
| Adjusted operating income | $ 309.2 | $ 369.4 | $ 938.1 | $ 1,275.9 |
| Adjusted operating margin | 28.2 % | 33.3 % | 28.7 % | 36.1 % |
| Adjusted net income attributable to Invesco Ltd. | $ 159.2 | $ 155.8 | $ 477.0 | $ 595.4 |
| Adjusted diluted EPS | $ 0.35 | $ 0.34 | $ 1.04 | $ 1.29 |
| | | | | |
| **Assets Under Management** | | | | |
| Ending AUM (billions) | $ 1,487.3 | $ 1,323.3 | $ 1,487.3 | $ 1,323.3 |
| Average AUM (billions) | $ 1,528.7 | $ 1,416.2 | $ 1,495.5 | $ 1,472.8 |

(1) 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) are non-GAAP financial measures, based on methodologies other than U.S. GAAP. See "Schedule of Non-GAAP Information" for a reconciliation of the most directly comparable U.S. GAAP measures to the non-GAAP measures.

**Investment Capabilities Performance Overview**

Invesco's first strategic objective 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 in the top half of benchmark and in the top half of peer group.[1]

| | Benchmark Comparison | | | | Peer Group Comparison | | | |
|---|---|---|---|---|---|---|---|---|
| | % of AUM In Top Half 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 % | 42 % | 21 % | 16 % | 21 % | — % | 16 % | 12 % |
| U.S. Growth (6%) | 37 % | 12 % | 25 % | 42 % | 37 % | — % | 12 % | 12 % |
| U.S. Value (6%) | 70 % | 62 % | 100 % | 62 % | 62 % | 62 % | 49 % | 49 % |
| Sector (1%) | 45 % | 8 % | 2 % | 24 % | 45 % | 43 % | 22 % | 54 % |
| U.K. (1%) | 95 % | 59 % | 40 % | 47 % | 63 % | 100 % | 46 % | 41 % |
| Canadian (<1%) | 88 % | 100 % | 88 % | 45 % | 100 % | 100 % | 67 % | — % |
| Asian (4%) | 45 % | 58 % | 76 % | 91 % | 63 % | 36 % | 36 % | 81 % |
| Continental European (1%) | 73 % | 74 % | 25 % | 74 % | 78 % | 81 % | 40 % | 70 % |
| Global (5%) | 87 % | 33 % | 36 % | 78 % | 85 % | 79 % | 9 % | 15 % |
| Global Ex U.S. and Emerging Markets (7%) | 77 % | 18 % | 35 % | 99 % | 87 % | 13 % | 16 % | 11 % |
| **Fixed Income** [2] | | | | | | | | |
| Money Market (29%) | 97 % | 91 % | 97 % | 100 % | 86 % | 87 % | 87 % | 99 % |
| U.S. Fixed Income (10%) | 74 % | 76 % | 84 % | 97 % | 62 % | 57 % | 63 % | 93 % |
| Global Fixed Income (6%) | 75 % | 80 % | 93 % | 93 % | 69 % | 68 % | 69 % | 93 % |
| Stable Value (6%) | — % | 100 % | 100 % | 100 % | 97 % | 97 % | 97 % | 100 % |
| **Other** [2] | | | | | | | | |
| Alternatives (5%) | 76 % | 76 % | 70 % | 75 % | 41 % | 61 % | 55 % | 56 % |
| Balanced (7%) | 47 % | 62 % | 66 % | 60 % | 51 % | 77 % | 90 % | 94 % |

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

Data as of September 30, 2023. AUM measured versus benchmark on a one, three, five and ten year basis represents 57%, 57%, 54% and 49% of total Invesco AUM, and AUM measured versus peer group in the one, three, five and ten year quartile rankings represents 44%, 44%, 44% and 40% of total Invesco AUM, respectively. Peer group rankings are sourced from a widely-used third-party ranking agency in each fund's market (e.g., Morningstar, IA, Lipper, eVestment, Mercer, Galaxy, 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 AUM for each investment product (see Note above for exclusions) as a percentage of the total AUM for the five-year peer group ($650.3 billion).

**Assets Under Management**

The following presentation and discussion of AUM includes Passive and Active AUM. Passive AUM includes index-based ETFs, 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, UITs 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, 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 upon 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 the flows are particularly sensitive to short-term interest rate movements.

Changes in AUM by Investment approach were as follows:

| | Three months ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| (in billions) | Total AUM | Active | Passive | Total AUM | Active | Passive |
| **Beginning Assets (June 30)** | $ 1,538.2 | $ 1,016.6 | $ 521.6 | $ 1,390.4 | $ 957.9 | $ 432.5 |
| Long-term inflows | 67.4 | 36.0 | 31.4 | 68.7 | 44.5 | 24.2 |
| Long-term outflows | (64.8) | (46.9) | (17.9) | (76.4) | (51.8) | (24.6) |
| Net long-term flows | 2.6 | (10.9) | 13.5 | (7.7) | (7.3) | (0.4) |
| Net flows in non-management fee earning AUM | 3.6 | — | 3.6 | 1.9 | — | 1.9 |
| Net flows in money market funds | (16.1) | (16.1) | — | 10.0 | 10.0 | — |
| Total net flows | (9.9) | (27.0) | 17.1 | 4.2 | 2.7 | 1.5 |
| Reinvested distributions | 1.1 | 1.1 | — | 0.9 | 0.9 | — |
| Market gains and losses | (34.2) | (17.7) | (16.5) | (55.1) | (32.0) | (23.1) |
| Dispositions | (1.4) | (1.4) | — | — | — | — |
| Foreign currency translation | (6.5) | (5.5) | (1.0) | (17.1) | (15.4) | (1.7) |
| **Ending Assets (September 30)** | $ 1,487.3 | $ 966.1 | $ 521.2 | $ 1,323.3 | $ 914.1 | $ 409.2 |
| Average AUM | | | | | | |
| Average long-term AUM | $ 1,101.0 | $ 780.3 | $ 320.7 | $ 1,071.9 | $ 793.0 | $ 278.9 |
| Average AUM | $ 1,528.7 | $ 994.5 | $ 534.2 | $ 1,416.2 | $ 961.6 | $ 454.6 |
| Average QQQ AUM | $ 203.4 | N/A | $ 203.4 | $ 165.9 | N/A | $ 165.9 |

| (in billions) | Nine months ended September 30, 2023 Total AUM | 2023 Active | 2023 Passive | 2022 Total AUM | 2022 Active | 2022 Passive |
|---|---|---|---|---|---|---|
| **Beginning Assets (December 31)** | $ 1,409.2 | $ 976.2 | $ 433.0 | $ 1,610.9 | $ 1,082.5 | $ 528.4 |
| Long-term inflows | 218.1 | 123.0 | 95.1 | 256.4 | 155.0 | 101.4 |
| Long-term outflows | (214.6) | (144.8) | (69.8) | (253.7) | (172.8) | (80.9) |
| Net long-term flows | 3.5 | (21.8) | 25.3 | 2.7 | (17.8) | 20.5 |
| Net flows in non-management fee earning AUM | 3.1 | — | 3.1 | (1.1) | — | (1.1) |
| Net flows in money market funds | 7.0 | 7.0 | — | 26.3 | 26.3 | — |
| Total net flows | 13.6 | (14.8) | 28.4 | 27.9 | 8.5 | 19.4 |
| Reinvested distributions | 3.1 | 3.1 | — | 3.5 | 3.5 | — |
| Market gains and losses | 74.2 | 13.1 | 61.1 | (278.3) | (143.6) | (134.7) |
| Dispositions | (1.4) | (1.4) | — | — | — | — |
| Foreign currency translation | (11.4) | (10.1) | (1.3) | (40.7) | (36.8) | (3.9) |
| **Ending Assets (September 30)** | $ 1,487.3 | $ 966.1 | $ 521.2 | $ 1,323.3 | $ 914.1 | $ 409.2 |
| Average AUM | | | | | | |
| Average long-term AUM | $ 1,090.0 | $ 785.6 | $ 304.4 | $ 1,125.6 | $ 839.4 | $ 286.2 |
| Average AUM | $ 1,495.5 | $ 1,000.9 | $ 494.7 | $ 1,472.8 | $ 1,000.3 | $ 472.5 |
| Average QQQ AUM | $ 180.1 | N/A | $ 180.1 | $ 174.6 | N/A | $ 174.6 |

| | Three months ended September 30, 2023 | 2022 | Nine months ended September 30, 2023 | 2022 |
|---|---|---|---|---|
| **Revenue yield (bps) [1]** | | | | |
| U.S. GAAP Gross revenue yield | 40.0 | 43.7 | 40.8 | 44.6 |
| Net revenue yield ex performance fees ex QQQ [2] | 32.9 | 35.3 | 32.7 | 36.0 |
| Active net revenue yield ex performance fees | 38.5 | 40.6 | 37.9 | 41.3 |
| Passive net revenue yield ex QQQ [2] | 16.3 | 17.8 | 16.3 | 18.2 |

(1) U.S. GAAP Gross revenue yield is not considered a meaningful effective fee rate measure. Gross revenue yield on AUM is equal to U.S. GAAP annualized total Operating revenues divided by average AUM, excluding Invesco Great Wall Fund Management Company Limited (Invesco Great Wall or IGW) AUM. The average AUM for IGW in the three and nine months ended September 30, 2023 was $86.1 billion and $88.9 billion (three and nine months ended September 30, 2022: $93.1 billion and $95.4 billion). It is appropriate to exclude the average AUM of IGW as the revenues resulting from these AUM are not presented in our operating revenues. This ratio is not a good measure because the numerator of the U.S. GAAP Gross revenue yield excludes the management fees earned from CIP; however, the denominator of the measure includes the AUM of these investment products. Net revenue yield metrics include the Net revenues and Average AUM of IGW and CIP. See “Schedule of Non-GAAP Information” for a reconciliation of Operating revenues to Net revenues.

(2) Performance fees are earned when certain performance metrics are achieved and QQQ ETFs do not earn net revenues. Therefore, net revenue yield is calculated excluding performance fees and QQQ AUM. Passive net revenue yield is calculated excluding QQQ AUM.

*Flows*

There are numerous drivers of AUM inflows and outflows, including individual investor decisions to change investments, 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.

*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. The table in the "Executive Overview" section of this Management's Discussion and Analysis summarizes returns based on price appreciation/(depreciation) of several major market indices for the three and nine months ended September 30, 2023 and 2022.

*Foreign Exchange Rates*

During the three and nine months ended September 30, 2023, we experienced a decrease in AUM of $6.5 billion and $11.4 billion, respectively, due to changes in foreign exchange rates. In the three and nine months ended September 30, 2022, AUM decreased by $17.1 billion and $40.7 billion, respectively, due to foreign exchange rate changes.

***Total AUM by Channel*** [(1)]

| | Three months ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| **(in billions)** | **Total** | **Retail** | **Institutional** | **Total** | **Retail** | **Institutional** |
| **Beginning Assets (June 30)** | $ 1,538.2 | $ 968.5 | $ 569.7 | $ 1,390.4 | $ 898.8 | $ 491.6 |
| Long-term inflows | 67.4 | 49.9 | 17.5 | 68.7 | 47.3 | 21.4 |
| Long-term outflows | (64.8) | (45.6) | (19.2) | (76.4) | (58.9) | (17.5) |
| Net long-term flows | 2.6 | 4.3 | (1.7) | (7.7) | (11.6) | 3.9 |
| Net flows in non-management fee earning AUM | 3.6 | 3.3 | 0.3 | 1.9 | 1.8 | 0.1 |
| Net flows in money market funds | (16.1) | — | (16.1) | 10.0 | (1.0) | 11.0 |
| Total net flows | (9.9) | 7.6 | (17.5) | 4.2 | (10.8) | 15.0 |
| Reinvested distributions | 1.1 | 1.0 | 0.1 | 0.9 | 0.8 | 0.1 |
| Market gains and losses | (34.2) | (32.2) | (2.0) | (55.1) | (47.4) | (7.7) |
| Dispositions | (1.4) | — | (1.4) | — | — | — |
| Foreign currency translation | (6.5) | (2.5) | (4.0) | (17.1) | (7.4) | (9.7) |
| **Ending Assets (September 30)** | $ 1,487.3 | $ 942.4 | $ 544.9 | $ 1,323.3 | $ 834.0 | $ 489.3 |

| | Nine months ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| **(in billions)** | **Total** | **Retail** | **Institutional** | **Total** | **Retail** | **Institutional** |
| **Beginning Assets (December 31)** | $ 1,409.2 | $ 872.3 | $ 536.9 | $ 1,610.9 | $ 1,106.5 | $ 504.4 |
| Long-term inflows | 218.1 | 159.1 | 59.0 | 256.4 | 190.8 | 65.6 |
| Long-term outflows | (214.6) | (158.3) | (56.3) | (253.7) | (200.3) | (53.4) |
| Net long-term flows | 3.5 | 0.8 | 2.7 | 2.7 | (9.5) | 12.2 |
| Net flows in non-management fee earning AUM | 3.1 | 1.7 | 1.4 | (1.1) | 2.4 | (3.5) |
| Net flows in money market funds | 7.0 | 1.1 | 5.9 | 26.3 | 1.5 | 24.8 |
| Total net flows | 13.6 | 3.6 | 10.0 | 27.9 | (5.6) | 33.5 |
| Reinvested distributions | 3.1 | 2.8 | 0.3 | 3.5 | 3.2 | 0.3 |
| Market gains and losses | 74.2 | 67.1 | 7.1 | (278.3) | (254.3) | (24.0) |
| Dispositions | (1.4) | — | (1.4) | — | — | — |
| Foreign currency translation | (11.4) | (3.4) | (8.0) | (40.7) | (15.8) | (24.9) |
| **Ending Assets (September 30)** | $ 1,487.3 | $ 942.4 | $ 544.9 | $ 1,323.3 | $ 834.0 | $ 489.3 |

See accompanying notes immediately following these AUM tables.

***Total AUM by Client Domicile*** [(2)]

| | Three months ended September 30, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2022 | | | |
| **(in billions)** | **Total** | **Americas** | **APAC** | **EMEA** | **Total** | **Americas** | **APAC** | **EMEA** |
| **Beginning Assets (June 30)** | $ 1,538.2 | $ 1,112.8 | $ 221.9 | $ 203.5 | $ 1,390.4 | $ 973.5 | $ 224.4 | $ 192.5 |
| Long-term inflows | 67.4 | 32.7 | 18.3 | 16.4 | 68.7 | 34.8 | 20.1 | 13.8 |
| Long-term outflows | (64.8) | (33.9) | (15.5) | (15.4) | (76.4) | (44.7) | (15.0) | (16.7) |
| Net long-term flows | 2.6 | (1.2) | 2.8 | 1.0 | (7.7) | (9.9) | 5.1 | (2.9) |
| Net flows in non-management fee earning AUM | 3.6 | 5.0 | 0.6 | (2.0) | 1.9 | 2.8 | 0.6 | (1.5) |
| Net flows in money market funds | (16.1) | (15.1) | (1.0) | — | 10.0 | 10.9 | (0.4) | (0.5) |
| Total net flows | (9.9) | (11.3) | 2.4 | (1.0) | 4.2 | 3.8 | 5.3 | (4.9) |
| Reinvested distributions | 1.1 | 1.0 | — | 0.1 | 0.9 | 0.8 | — | 0.1 |
| Market gains and losses | (34.2) | (31.3) | (0.8) | (2.1) | (55.1) | (35.9) | (9.4) | (9.8) |
| Dispositions | (1.4) | (1.4) | — | — | — | — | — | — |
| Foreign currency translation | (6.5) | (0.6) | (3.0) | (2.9) | (17.1) | (1.4) | (10.0) | (5.7) |
| **Ending Assets (September 30)** | $ 1,487.3 | $ 1,069.2 | $ 220.5 | $ 197.6 | $ 1,323.3 | $ 940.8 | $ 210.3 | $ 172.2 |

| | Nine months ended September 30, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2022 | | | |
| **(in billions)** | **Total** | **Americas** | **APAC** | **EMEA** | **Total** | **Americas** | **APAC** | **EMEA** |
| **Beginning Assets (December 31)** | $ 1,409.2 | $ 999.4 | $ 223.5 | $ 186.3 | $ 1,610.9 | $ 1,132.5 | $ 247.3 | $ 231.1 |
| Long-term inflows | 218.1 | 110.7 | 56.5 | 50.9 | 256.4 | 145.3 | 56.9 | 54.2 |
| Long-term outflows | (214.6) | (114.2) | (52.2) | (48.2) | (253.7) | (151.2) | (46.1) | (56.4) |
| Net long-term flows | 3.5 | (3.5) | 4.3 | 2.7 | 2.7 | (5.9) | 10.8 | (2.2) |
| Net flows in non-management fee earning AUM | 3.1 | 5.9 | (0.4) | (2.4) | (1.1) | (1.9) | 1.4 | (0.6) |
| Net flows in money market funds | 7.0 | 5.8 | 0.9 | 0.3 | 26.3 | 27.3 | 0.4 | (1.4) |
| Total net flows | 13.6 | 8.2 | 4.8 | 0.6 | 27.9 | 19.5 | 12.6 | (4.2) |
| Reinvested distributions | 3.1 | 3.0 | — | 0.1 | 3.5 | 3.3 | — | 0.2 |
| Market gains and losses | 74.2 | 60.0 | 4.4 | 9.8 | (278.3) | (212.2) | (25.3) | (40.8) |
| Dispositions | (1.4) | (1.4) | — | — | — | — | — | — |
| Foreign currency translation | (11.4) | — | (12.2) | 0.8 | (40.7) | (2.3) | (24.3) | (14.1) |
| **Ending Assets (September 30)** | $ 1,487.3 | $ 1,069.2 | $ 220.5 | $ 197.6 | $ 1,323.3 | $ 940.8 | $ 210.3 | $ 172.2 |

See accompanying notes immediately following these AUM tables.

***Total AUM by Asset Class*** [3]

| | Three months ended September 30, | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | | | 2022 | | | | | |
| (in billions) | Total | Equity | Fixed Income | Balanced | Money Market | Alternatives | Total | Equity | Fixed Income | Balanced | Money Market | Alternatives |
| **Beginning Assets (June 30)** | $ 1,538.2 | $ 747.1 | $ 319.0 | $ 64.2 | $ 225.7 | $ 182.2 | $ 1,390.4 | $ 644.8 | $ 309.1 | $ 72.9 | $ 164.0 | $ 199.6 |
| Long-term inflows | 67.4 | 34.6 | 23.2 | 2.5 | — | 7.1 | 68.7 | 25.0 | 30.4 | 3.2 | — | 10.1 |
| Long-term outflows | (64.8) | (27.2) | (24.5) | (3.6) | — | (9.5) | (76.4) | (32.4) | (23.9) | (4.7) | — | (15.4) |
| Net long-term flows | 2.6 | 7.4 | (1.3) | (1.1) | — | (2.4) | (7.7) | (7.4) | 6.5 | (1.5) | — | (5.3) |
| Net flows in non-management fee earning AUM | 3.6 | 3.4 | 0.2 | — | — | — | 1.9 | 1.8 | 0.1 | — | — | — |
| Net flows in money market funds | (16.1) | — | — | — | (16.1) | — | 10.0 | — | 0.3 | — | 9.7 | — |
| Total net flows | (9.9) | 10.8 | (1.1) | (1.1) | (16.1) | (2.4) | 4.2 | (5.6) | 6.9 | (1.5) | 9.7 | (5.3) |
| Reinvested distributions | 1.1 | 0.2 | 0.5 | 0.1 | 0.1 | 0.2 | 0.9 | 0.2 | 0.4 | 0.1 | — | 0.2 |
| Market gains and losses | (34.2) | (28.4) | (3.9) | (1.5) | 0.4 | (0.8) | (55.1) | (36.1) | (7.0) | (5.2) | 0.2 | (7.0) |
| Dispositions | (1.4) | — | — | — | — | (1.4) | — | — | — | — | — | — |
| Foreign currency translation | (6.5) | (3.0) | (1.9) | (0.5) | (0.3) | (0.8) | (17.1) | (5.8) | (5.1) | (2.7) | (1.8) | (1.7) |
| **Ending Assets (September 30)** | $ 1,487.3 | $ 726.7 | $ 312.6 | $ 61.2 | $ 209.8 | $ 177.0 | $ 1,323.3 | $ 597.5 | $ 304.3 | $ 63.6 | $ 172.1 | $ 185.8 |
| Average AUM | $ 1,528.7 | $ 754.3 | $ 316.1 | $ 63.6 | $ 214.3 | $ 180.4 | $ 1,416.2 | $ 669.5 | $ 311.4 | $ 69.9 | $ 168.8 | $ 196.6 |
| % of total average AUM | 100.0 % | 49.3 % | 20.7 % | 4.2 % | 14.0 % | 11.8 % | 100.0 % | 47.3 % | 22.0 % | 4.9 % | 11.9 % | 13.9 % |

| | Nine months ended September 30, | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | | | 2022 | | | | | |
| (in billions) | Total | Equity | Fixed Income | Balanced | Money Market | Alternatives | Total | Equity | Fixed Income | Balanced | Money Market | Alternatives |
| **Beginning Assets (December 31)** | $1,409.2 | $ 637.0 | $ 313.7 | $ 67.1 | $203.5 | $ 187.9 | $1,610.9 | $ 841.6 | $334.8 | $ 88.6 | $148.8 | $ 197.1 |
| Long-term inflows | 218.1 | 110.2 | 77.1 | 9.7 | — | 21.1 | 256.4 | 111.5 | 88.9 | 11.8 | — | 44.2 |
| Long-term outflows | (214.6) | (96.1) | (74.9) | (13.7) | — | (29.9) | (253.7) | (121.0) | (72.8) | (16.4) | — | (43.5) |
| Net long-term flows | 3.5 | 14.1 | 2.2 | (4.0) | — | (8.8) | 2.7 | (9.5) | 16.1 | (4.6) | — | 0.7 |
| Net flows in non-management fee earning AUM | 3.1 | 1.9 | 1.2 | — | — | — | (1.1) | 2.4 | (3.5) | — | — | — |
| Net flows in money market funds | 7.0 | — | — | — | 7.0 | — | 26.3 | — | 0.3 | — | 26.0 | — |
| Total net flows | 13.6 | 16.0 | 3.4 | (4.0) | 7.0 | (8.8) | 27.9 | (7.1) | 12.9 | (4.6) | 26.0 | 0.7 |
| Reinvested distributions | 3.1 | 0.6 | 1.3 | 0.4 | 0.2 | 0.6 | 3.5 | 1.4 | 1.1 | 0.3 | — | 0.7 |
| Market gains and losses | 74.2 | 75.7 | (0.2) | (0.9) | 0.5 | (0.9) | (278.3) | (224.5) | (31.3) | (15.3) | 1.2 | (8.4) |
| Dispositions | (1.4) | — | — | — | — | (1.4) | — | — | — | — | — | — |
| Foreign currency translation | (11.4) | (2.6) | (5.6) | (1.4) | (1.4) | (0.4) | (40.7) | (13.9) | (13.2) | (5.4) | (3.9) | (4.3) |
| **Ending Assets (September 30)** | $1,487.3 | $ 726.7 | $ 312.6 | $ 61.2 | $209.8 | $ 177.0 | $1,323.3 | $ 597.5 | $304.3 | $ 63.6 | $172.1 | $ 185.8 |
| Average AUM | $1,495.5 | $ 711.7 | $ 318.4 | $ 66.0 | $215.3 | $ 184.1 | $1,472.8 | $ 716.0 | $317.5 | $ 75.8 | $161.0 | $ 202.5 |
| % of total average AUM | 100.0 % | 47.6 % | 21.3 % | 4.4 % | 14.4 % | 12.3 % | 100.0 % | 48.6 % | 21.6 % | 5.2 % | 10.9 % | 13.7 % |

See accompanying notes immediately following these AUM tables.

***Active AUM by Channel*** [1]

| (in billions) | Three months ended September 30, 2023 Total | 2023 Retail | 2023 Institutional | 2022 Total | 2022 Retail | 2022 Institutional |
|---|---|---|---|---|---|---|
| **Beginning Assets (June 30)** | $ 1,016.6 | $ 498.3 | $ 518.3 | $ 957.9 | $ 509.0 | $ 448.9 |
| Long-term inflows | 36.0 | 22.1 | 13.9 | 44.5 | 23.6 | 20.9 |
| Long-term outflows | (46.9) | (29.5) | (17.4) | (51.8) | (35.8) | (16.0) |
| Net long-term flows | (10.9) | (7.4) | (3.5) | (7.3) | (12.2) | 4.9 |
| Net flows in money market funds | (16.1) | — | (16.1) | 10.0 | (1.0) | 11.0 |
| Total net flows | (27.0) | (7.4) | (19.6) | 2.7 | (13.2) | 15.9 |
| Reinvested distributions | 1.1 | 1.0 | 0.1 | 0.9 | 0.8 | 0.1 |
| Market gains and losses | (17.7) | (15.8) | (1.9) | (32.0) | (27.1) | (4.9) |
| Dispositions | (1.4) | — | (1.4) | — | — | — |
| Foreign currency translation | (5.5) | (2.1) | (3.4) | (15.4) | (6.7) | (8.7) |
| **Ending Assets (September 30)** | $ 966.1 | $ 474.0 | $ 492.1 | $ 914.1 | $ 462.8 | $ 451.3 |

| (in billions) | Nine months ended September 30, 2023 Total | 2023 Retail | 2023 Institutional | 2022 Total | 2022 Retail | 2022 Institutional |
|---|---|---|---|---|---|---|
| **Beginning Assets (December 31)** | $ 976.2 | $ 482.1 | $ 494.1 | $ 1,082.5 | $ 631.7 | $ 450.8 |
| Long-term inflows | 123.0 | 73.4 | 49.6 | 155.0 | 91.6 | 63.4 |
| Long-term outflows | (144.8) | (93.4) | (51.4) | (172.8) | (123.0) | (49.8) |
| Net long-term flows | (21.8) | (20.0) | (1.8) | (17.8) | (31.4) | 13.6 |
| Net flows in money market funds | 7.0 | 1.1 | 5.9 | 26.3 | 1.5 | 24.8 |
| Total net flows | (14.8) | (18.9) | 4.1 | 8.5 | (29.9) | 38.4 |
| Reinvested distributions | 3.1 | 2.8 | 0.3 | 3.5 | 3.2 | 0.3 |
| Market gains and losses | 13.1 | 11.1 | 2.0 | (143.6) | (128.0) | (15.6) |
| Dispositions | (1.4) | — | (1.4) | — | — | — |
| Foreign currency translation | (10.1) | (3.1) | (7.0) | (36.8) | (14.2) | (22.6) |
| **Ending Assets (September 30)** | $ 966.1 | $ 474.0 | $ 492.1 | $ 914.1 | $ 462.8 | $ 451.3 |

See accompanying notes immediately following these AUM tables.

***Active AUM by Client Domicile*** [2]

| | Three months ended September 30, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2022 | | | |
| **(in billions)** | **Total** | **Americas** | **APAC** | **EMEA** | **Total** | **Americas** | **APAC** | **EMEA** |
| **Beginning Assets (June 30)** | $ 1,016.6 | $ 706.6 | $ 187.1 | $ 122.9 | $ 957.9 | $ 649.1 | $ 191.3 | $ 117.5 |
| Long-term inflows | 36.0 | 17.0 | 13.7 | 5.3 | 44.5 | 20.6 | 18.9 | 5.0 |
| Long-term outflows | (46.9) | (25.9) | (12.6) | (8.4) | (51.8) | (31.1) | (13.3) | (7.4) |
| Net long-term flows | (10.9) | (8.9) | 1.1 | (3.1) | (7.3) | (10.5) | 5.6 | (2.4) |
| Net flows in non-management fee earning AUM | — | — | — | — | — | — | — | — |
| Net flows in money market funds | (16.1) | (15.1) | (1.0) | — | 10.0 | 10.9 | (0.4) | (0.5) |
| Total net flows | (27.0) | (24.0) | 0.1 | (3.1) | 2.7 | 0.4 | 5.2 | (2.9) |
| Reinvested distributions | 1.1 | 1.0 | — | 0.1 | 0.9 | 0.8 | — | 0.1 |
| Market gains and losses | (17.7) | (13.9) | (2.3) | (1.5) | (32.0) | (19.7) | (6.8) | (5.5) |
| Dispositions | (1.4) | (1.4) | — | — | — | — | — | — |
| Foreign currency translation | (5.5) | (0.6) | (2.4) | (2.5) | (15.4) | (1.3) | (8.8) | (5.3) |
| **Ending Assets (September 30)** | $ 966.1 | $ 667.7 | $ 182.5 | $ 115.9 | $ 914.1 | $ 629.3 | $ 180.9 | $ 103.9 |

| | Nine months ended September 30, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2022 | | | |
| **(in billions)** | **Total** | **Americas** | **APAC** | **EMEA** | **Total** | **Americas** | **APAC** | **EMEA** |
| **Beginning Assets (December 31)** | $ 976.2 | $ 670.8 | $ 191.0 | $ 114.4 | $ 1,082.5 | $ 724.5 | $ 208.8 | $ 149.2 |
| Long-term inflows | 123.0 | 56.4 | 46.5 | 20.1 | 155.0 | 83.8 | 52.5 | 18.7 |
| Long-term outflows | (144.8) | (79.8) | (43.4) | (21.6) | (172.8) | (102.9) | (41.2) | (28.7) |
| Net long-term flows | (21.8) | (23.4) | 3.1 | (1.5) | (17.8) | (19.1) | 11.3 | (10.0) |
| Net flows in non-management fee earning AUM | — | — | — | — | — | — | 0.1 | (0.1) |
| Net flows in money market funds | 7.0 | 5.8 | 0.9 | 0.3 | 26.3 | 27.3 | 0.4 | (1.4) |
| Total net flows | (14.8) | (17.6) | 4.0 | (1.2) | 8.5 | 8.2 | 11.8 | (11.5) |
| Reinvested distributions | 3.1 | 3.0 | — | 0.1 | 3.5 | 3.3 | — | 0.2 |
| Market gains and losses | 13.1 | 12.9 | (1.6) | 1.8 | (143.6) | (104.5) | (18.2) | (20.9) |
| Dispositions | (1.4) | (1.4) | — | — | — | — | — | — |
| Foreign currency translation | (10.1) | — | (10.9) | 0.8 | (36.8) | (2.2) | (21.5) | (13.1) |
| **Ending Assets (September 30)** | $ 966.1 | $ 667.7 | $ 182.5 | $ 115.9 | $ 914.1 | $ 629.3 | $ 180.9 | $ 103.9 |

See accompanying notes immediately following these AUM tables.

***Active AUM by Asset Class*** [3]

| | Three months ended September 30, | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | | | 2022 | | | | | |
| (in billions) | Total | Equity | Fixed Income | Balanced | Money Market | Alternatives | Total | Equity | Fixed Income | Balanced | Money Market | Alternatives |
| **Beginning Assets (June 30)** | $1,016.6 | $300.6 | $274.0 | $ 63.4 | $225.7 | $ 152.9 | $ 957.9 | $ 287.5 | $270.6 | $ 72.0 | $164.0 | $ 163.8 |
| Long-term inflows | 36.0 | 10.2 | 19.4 | 2.5 | — | 3.9 | 44.5 | 10.4 | 25.2 | 3.2 | — | 5.7 |
| Long-term outflows | (46.9) | (14.9) | (21.4) | (3.6) | — | (7.0) | (51.8) | (16.9) | (21.5) | (4.7) | — | (8.7) |
| Net long-term flows | (10.9) | (4.7) | (2.0) | (1.1) | — | (3.1) | (7.3) | (6.5) | 3.7 | (1.5) | — | (3.0) |
| Net flows in non-management fee earning AUM | — | 0.1 | (0.1) | — | — | — | — | — | — | — | — | — |
| Net flows in money market funds | (16.1) | — | — | — | (16.1) | — | 10.0 | — | 0.3 | — | 9.7 | — |
| Total net flows | (27.0) | (4.6) | (2.1) | (1.1) | (16.1) | (3.1) | 2.7 | (6.5) | 4.0 | (1.5) | 9.7 | (3.0) |
| Reinvested distributions | 1.1 | 0.2 | 0.5 | 0.1 | 0.1 | 0.2 | 0.9 | 0.2 | 0.4 | 0.1 | — | 0.2 |
| Market gains and losses | (17.7) | (11.8) | (4.1) | (1.5) | 0.4 | (0.7) | (32.0) | (16.5) | (5.6) | (5.1) | 0.2 | (5.0) |
| Dispositions | (1.4) | — | — | — | — | (1.4) | — | — | — | — | — | — |
| Foreign currency translation | (5.5) | (2.3) | (1.7) | (0.5) | (0.3) | (0.7) | (15.4) | (4.7) | (4.7) | (2.7) | (1.8) | (1.5) |
| **Ending Assets (September 30)** | $ 966.1 | $282.1 | $266.6 | $ 60.4 | $209.8 | $ 147.2 | $ 914.1 | $ 260.0 | $264.7 | $ 62.8 | $172.1 | $ 154.5 |
| Average AUM | $ 994.5 | $296.9 | $269.9 | $ 62.8 | $214.3 | $ 150.6 | $ 961.6 | $ 290.7 | $271.7 | $ 69.0 | $168.8 | $ 161.4 |
| % of total average AUM | 100.0 % | 29.9 % | 27.1 % | 6.3 % | 21.6 % | 15.1 % | 100.0 % | 30.2 % | 28.3 % | 7.1 % | 17.6 % | 16.8 % |

| | Nine months ended September 30, | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | | | 2022 | | | | | |
| (in billions) | Total | Equity | Fixed Income | Balanced | Money Market | Alternatives | Total | Equity | Fixed Income | Balanced | Money Market | Alternatives |
| **Beginning Assets (December 31)** | $ 976.2 | $ 277.5 | $ 273.0 | $ 66.3 | $203.5 | $ 155.9 | $1,082.5 | $ 389.6 | $293.1 | $ 87.4 | $148.8 | $ 163.6 |
| Long-term inflows | 123.0 | 37.6 | 63.2 | 9.7 | — | 12.5 | 155.0 | 43.2 | 73.5 | 11.8 | — | 26.5 |
| Long-term outflows | (144.8) | (47.2) | (64.9) | (13.7) | — | (19.0) | (172.8) | (65.6) | (65.1) | (16.3) | — | (25.8) |
| Net long-term flows | (21.8) | (9.6) | (1.7) | (4.0) | — | (6.5) | (17.8) | (22.4) | 8.4 | (4.5) | — | 0.7 |
| Net flows in non-management fee earning AUM | — | — | — | — | — | — | — | — | — | — | — | — |
| Net flows in money market funds | 7.0 | — | — | — | 7.0 | — | 26.3 | — | 0.3 | — | 26.0 | — |
| Total net flows | (14.8) | (9.6) | (1.7) | (4.0) | 7.0 | (6.5) | 8.5 | (22.4) | 8.7 | (4.5) | 26.0 | 0.7 |
| Reinvested distributions | 3.1 | 0.6 | 1.3 | 0.4 | 0.2 | 0.6 | 3.5 | 1.4 | 1.1 | 0.3 | — | 0.7 |
| Market gains and losses | 13.1 | 15.2 | (0.5) | (0.9) | 0.5 | (1.2) | (143.6) | (97.2) | (25.9) | (15.0) | 1.2 | (6.7) |
| Dispositions | (1.4) | — | — | — | — | (1.4) | — | — | — | — | — | — |
| Foreign currency translation | (10.1) | (1.6) | (5.5) | (1.4) | (1.4) | (0.2) | (36.8) | (11.4) | (12.3) | (5.4) | (3.9) | (3.8) |
| **Ending Assets (September 30)** | $ 966.1 | $ 282.1 | $ 266.6 | $ 60.4 | $209.8 | $ 147.2 | $ 914.1 | $ 260.0 | $264.7 | $ 62.8 | $172.1 | $ 154.5 |
| Average AUM | $1,000.9 | $ 293.7 | $ 273.4 | $ 65.2 | $215.3 | $ 153.3 | $1,000.3 | $ 320.8 | $277.7 | $ 75.0 | $161.0 | $ 165.8 |
| % of total average AUM | 100.0 % | 29.4 % | 27.3 % | 6.5 % | 21.5 % | 15.3 % | 100.0 % | 32.1 % | 27.8 % | 7.4 % | 16.1 % | 16.6 % |

See accompanying notes immediately following these AUM tables.

***Passive AUM by Channel*** [1]

| | Three months ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| (in billions) | Total | Retail | Institutional | Total | Retail | Institutional |
| **Beginning Assets (June 30)** | $ 521.6 | $ 470.2 | $ 51.4 | $ 432.5 | $ 389.8 | $ 42.7 |
| Long-term inflows | 31.4 | 27.8 | 3.6 | 24.2 | 23.7 | 0.5 |
| Long-term outflows | (17.9) | (16.1) | (1.8) | (24.6) | (23.1) | (1.5) |
| Net long-term flows | 13.5 | 11.7 | 1.8 | (0.4) | 0.6 | (1.0) |
| Net flows in non-management fee earning AUM | 3.6 | 3.3 | 0.3 | 1.9 | 1.8 | 0.1 |
| Total net flows | 17.1 | 15.0 | 2.1 | 1.5 | 2.4 | (0.9) |
| Market gains and losses | (16.5) | (16.4) | (0.1) | (23.1) | (20.3) | (2.8) |
| Foreign currency translation | (1.0) | (0.4) | (0.6) | (1.7) | (0.7) | (1.0) |
| **Ending Assets (September 30)** | $ 521.2 | $ 468.4 | $ 52.8 | $ 409.2 | $ 371.2 | $ 38.0 |

| | Nine months ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | | | 2022 | | |
| (in billions) | Total | Retail | Institutional | Total | Retail | Institutional |
| **Beginning Assets (December 31)** | $ 433.0 | $ 390.2 | $ 42.8 | $ 528.4 | $ 474.8 | $ 53.6 |
| Long-term inflows | 95.1 | 85.7 | 9.4 | 101.4 | 99.2 | 2.2 |
| Long-term outflows | (69.8) | (64.9) | (4.9) | (80.9) | (77.3) | (3.6) |
| Net long-term flows | 25.3 | 20.8 | 4.5 | 20.5 | 21.9 | (1.4) |
| Net flows in non-management fee earning AUM | 3.1 | 1.7 | 1.4 | (1.1) | 2.4 | (3.5) |
| Total net flows | 28.4 | 22.5 | 5.9 | 19.4 | 24.3 | (4.9) |
| Market gains and losses | 61.1 | 56.0 | 5.1 | (134.7) | (126.3) | (8.4) |
| Foreign currency translation | (1.3) | (0.3) | (1.0) | (3.9) | (1.6) | (2.3) |
| **Ending Assets (September 30)** | $ 521.2 | $ 468.4 | $ 52.8 | $ 409.2 | $ 371.2 | $ 38.0 |

***Passive AUM by Client Domicile*** [2]

| | Three months ended September 30, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2022 | | | |
| (in billions) | Total | Americas | APAC | EMEA | Total | Americas | APAC | EMEA |
| **Beginning Assets (June 30)** | $ 521.6 | $ 406.2 | $ 34.8 | $ 80.6 | $ 432.5 | $ 324.4 | $ 33.1 | $ 75.0 |
| Long-term inflows | 31.4 | 15.7 | 4.6 | 11.1 | 24.2 | 14.2 | 1.2 | 8.8 |
| Long-term outflows | (17.9) | (8.0) | (2.9) | (7.0) | (24.6) | (13.6) | (1.7) | (9.3) |
| Net long-term flows | 13.5 | 7.7 | 1.7 | 4.1 | (0.4) | 0.6 | (0.5) | (0.5) |
| Net flows in non-management fee earning AUM | 3.6 | 5.0 | 0.6 | (2.0) | 1.9 | 2.8 | 0.6 | (1.5) |
| Total net flows | 17.1 | 12.7 | 2.3 | 2.1 | 1.5 | 3.4 | 0.1 | (2.0) |
| Market gains and losses | (16.5) | (17.4) | 1.5 | (0.6) | (23.1) | (16.2) | (2.6) | (4.3) |
| Foreign currency translation | (1.0) | — | (0.6) | (0.4) | (1.7) | (0.1) | (1.2) | (0.4) |
| **Ending Assets (September 30)** | $ 521.2 | $ 401.5 | $ 38.0 | $ 81.7 | $ 409.2 | $ 311.5 | $ 29.4 | $ 68.3 |

| | Nine months ended September 30, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | 2022 | | | |
| (in billions) | Total | Americas | APAC | EMEA | Total | Americas | APAC | EMEA |
| **Beginning Assets (December 31)** | $ 433.0 | $ 328.6 | $ 32.5 | $ 71.9 | $ 528.4 | $ 408.0 | $ 38.5 | $ 81.9 |
| Long-term inflows | 95.1 | 54.3 | 10.0 | 30.8 | 101.4 | 61.5 | 4.4 | 35.5 |
| Long-term outflows | (69.8) | (34.4) | (8.8) | (26.6) | (80.9) | (48.3) | (4.9) | (27.7) |
| Net long-term flows | 25.3 | 19.9 | 1.2 | 4.2 | 20.5 | 13.2 | (0.5) | 7.8 |
| Net flows in non-management fee earning AUM | 3.1 | 5.9 | (0.4) | (2.4) | (1.1) | (1.9) | 1.3 | (0.5) |
| Total net flows | 28.4 | 25.8 | 0.8 | 1.8 | 19.4 | 11.3 | 0.8 | 7.3 |
| Market gains and losses | 61.1 | 47.1 | 6.0 | 8.0 | (134.7) | (107.7) | (7.1) | (19.9) |
| Foreign currency translation | (1.3) | — | (1.3) | — | (3.9) | (0.1) | (2.8) | (1.0) |
| **Ending Assets (September 30)** | $ 521.2 | $ 401.5 | $ 38.0 | $ 81.7 | $ 409.2 | $ 311.5 | $ 29.4 | $ 68.3 |

See accompanying notes immediately following these AUM tables.

***Passive AUM by Asset Class*** [3]

| | Three months ended September 30, | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | | | 2022 | | | | | |
| (in billions) | Total | Equity | Fixed Income | Balanced | Money Market | Alternatives | Total | Equity | Fixed Income | Balanced | Money Market | Alternatives |
| **Beginning Assets (June 30)** | $ 521.6 | $ 446.5 | $ 45.0 | $ 0.8 | $ — | $ 29.3 | $ 432.5 | $ 357.3 | $ 38.5 | $ 0.9 | $ — | $ 35.8 |
| Long-term inflows | 31.4 | 24.4 | 3.8 | — | — | 3.2 | 24.2 | 14.6 | 5.2 | — | — | 4.4 |
| Long-term outflows | (17.9) | (12.3) | (3.1) | — | — | (2.5) | (24.6) | (15.5) | (2.4) | — | — | (6.7) |
| Net long-term flows | 13.5 | 12.1 | 0.7 | — | — | 0.7 | (0.4) | (0.9) | 2.8 | — | — | (2.3) |
| Net flows in non-management fee earning AUM | 3.6 | 3.3 | 0.3 | — | — | — | 1.9 | 1.8 | 0.1 | — | — | — |
| Net flows in money market funds | — | — | — | — | — | — | — | — | — | — | — | — |
| Total net flows | 17.1 | 15.4 | 1.0 | — | — | 0.7 | 1.5 | 0.9 | 2.9 | — | — | (2.3) |
| Reinvested distributions | — | — | — | — | — | — | — | — | — | — | — | — |
| Market gains and losses | (16.5) | (16.6) | 0.2 | — | — | (0.1) | (23.1) | (19.6) | (1.4) | (0.1) | — | (2.0) |
| Foreign currency translation | (1.0) | (0.7) | (0.2) | — | — | (0.1) | (1.7) | (1.1) | (0.4) | — | — | (0.2) |
| **Ending Assets (September 30)** | $ 521.2 | $ 444.6 | $ 46.0 | $ 0.8 | $ — | $ 29.8 | $ 409.2 | $ 337.5 | $ 39.6 | $ 0.8 | $ — | $ 31.3 |
| Average AUM | $ 534.2 | $ 457.4 | $ 46.2 | $ 0.8 | $ — | $ 29.8 | $ 454.6 | $ 378.8 | $ 39.7 | $ 0.9 | $ — | $ 35.2 |
| % of total average AUM | 100.0 % | 85.6 % | 8.7 % | 0.1 % | — % | 5.6 % | 100.0 % | 83.3 % | 8.7 % | 0.3 % | — % | 7.7 % |

| | Nine months ended September 30, | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2023 | | | | | | 2022 | | | | | |
| (in billions) | Total | Equity | Fixed Income | Balanced | Money Market | Alternatives | Total | Equity | Fixed Income | Balanced | Money Market | Alternatives |
| **Beginning Assets (December 31)** | $ 433.0 | $ 359.5 | $ 40.7 | $ 0.8 | $ — | $ 32.0 | $ 528.4 | $ 452.0 | $ 41.7 | $ 1.2 | $ — | $ 33.5 |
| Long-term inflows | 95.1 | 72.6 | 13.9 | — | — | 8.6 | 101.4 | 68.3 | 15.4 | — | — | 17.7 |
| Long-term outflows | (69.8) | (48.9) | (10.0) | — | — | (10.9) | (80.9) | (55.4) | (7.7) | (0.1) | — | (17.7) |
| Net long-term flows | 25.3 | 23.7 | 3.9 | — | — | (2.3) | 20.5 | 12.9 | 7.7 | (0.1) | — | — |
| Net flows in non-management fee earning AUM | 3.1 | 1.9 | 1.2 | — | — | — | (1.1) | 2.4 | (3.5) | — | — | — |
| Net flows in money market funds | — | — | — | — | — | — | — | — | — | — | — | — |
| Total net flows | 28.4 | 25.6 | 5.1 | — | — | (2.3) | 19.4 | 15.3 | 4.2 | (0.1) | — | — |
| Reinvested distributions | — | — | — | — | — | — | — | — | — | — | — | — |
| Market gains and losses | 61.1 | 60.5 | 0.3 | — | — | 0.3 | (134.7) | (127.3) | (5.4) | (0.3) | — | (1.7) |
| Foreign currency translation | (1.3) | (1.0) | (0.1) | — | — | (0.2) | (3.9) | (2.5) | (0.9) | — | — | (0.5) |
| **Ending Assets (September 30)** | $ 521.2 | $ 444.6 | $ 46.0 | $ 0.8 | $ — | $ 29.8 | $ 409.2 | $ 337.5 | $ 39.6 | $ 0.8 | $ — | $ 31.3 |
| Average AUM | $ 494.7 | $ 418.1 | $ 45.0 | $ 0.8 | $ — | $ 30.8 | $ 472.5 | $ 395.2 | $ 39.8 | $ 0.9 | $ — | $ 36.6 |
| % of total average AUM | 100.0 % | 84.5 % | 9.1 % | 0.2 % | — % | 6.2 % | 100.0 % | 83.6 % | 8.4 % | 0.2 % | — % | 7.8 % |

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

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

**Results of Operations for the three and nine months ended September 30, 2023 compared to the three and nine months ended September 30, 2022**

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:

| | Three months ended | | | | Nine months ended | | | |
|---|---|---|---|---|---|---|---|---|
| | September 30, | | Variance | | September 30, | | Variance | |
| (in millions) | 2023 | 2022 | $ Change | % Change | 2023 | 2022 | $ Change | % Change |
| Investment management fees | $ 1,041.3 | $ 1,057.3 | $ (16.0) | (1.5)% | $ 3,102.7 | $ 3,351.3 | $ (248.6) | (7.4)% |
| Service and distribution fees | 353.5 | 340.2 | 13.3 | 3.9 % | 1,030.0 | 1,073.0 | (43.0) | (4.0)% |
| Performance fees | 2.0 | 3.0 | (1.0) | (33.3)% | 27.2 | 13.2 | 14.0 | 106.1 % |
| Other | 45.2 | 45.2 | — | — % | 143.1 | 168.0 | (24.9) | (14.8)% |
| Total operating revenues | $ 1,442.0 | $ 1,445.7 | $ (3.7) | (0.3)% | $ 4,303.0 | $ 4,605.5 | $ (302.5) | (6.6)% |
| Revenue Adjustments: | | | | | | | | |
| Investment management fees | $ (193.7) | $ (185.5) | $ (8.2) | 4.4 % | $ (578.9) | $ (584.5) | $ 5.6 | (1.0)% |
| Service and distribution fees | (219.2) | (232.1) | 12.9 | (5.6)% | (675.4) | (730.1) | 54.7 | (7.5)% |
| Other | (35.3) | (33.7) | (1.6) | 4.7 % | (111.5) | (124.3) | 12.8 | (10.3)% |
| Total Revenue Adjustments [1] | (448.2) | (451.3) | 3.1 | (0.7)% | (1,365.8) | (1,438.9) | 73.1 | (5.1)% |
| Invesco Great Wall | 90.7 | 104.6 | (13.9) | (13.3)% | 288.8 | 334.8 | (46.0) | (13.7)% |
| CIP | 13.7 | 11.6 | 2.1 | 18.1 % | 38.8 | 35.5 | 3.3 | 9.3 % |
| Net revenues [2] | $ 1,098.2 | $ 1,110.6 | $ (12.4) | (1.1)% | $ 3,264.8 | $ 3,536.9 | $ (272.1) | (7.7)% |

(1) Total revenue adjustments remove pass through investment management, service and distribution, and other revenues and equal the same amount as the Third-party distribution, service and advisory expenses.

(2) See "Schedule of Non-GAAP Information" for additional important disclosures regarding the use of net revenues.

Our revenues are directly influenced by the level and composition of our AUM. Therefore, movements in global capital market levels, net business inflows (or outflows), changes in the mix of investment products between asset classes and geographies may materially affect our revenues from period to period. See the company's disclosures regarding the changes in AUM during the three and nine months ended September 30, 2023 and September 30, 2022 in the "Assets Under Management" section above for additional information.

Passive AUM generally earn a lower effective fee rate than active asset classes, and therefore, changes in the mix of AUM have an impact on revenues and net revenue yield. In addition, as fee rates differ across geographic locations, changes to exchange rates have an impact on revenues and net revenue yields.

Average AUM was $1,528.7 billion in the three months ended September 30, 2023 as compared to $1,416.2 billion in the three months ended September 30, 2022. The impact of the increase in AUM on our revenues was offset by changes in the mix of the AUM between the periods as investors continued to shift AUM toward lower yield products during the three months ended September 30, 2023. The impact of foreign exchange rate movements increased Operating revenues by $16.7 million during the three months ended September 30, 2023 as compared to the three months ended September 30, 2022.

Average AUM was $1,495.5 billion in the nine months ended September 30, 2023 as compared to $1,472.8 billion in the nine months ended September 30, 2022. The impact of the increase in AUM on our revenues was offset by changes in the mix of the AUM between the periods as investors continued to shift AUM toward lower yield products during the nine months ended September 30, 2023. The impact of foreign exchange rate movements decreased Operating revenues by $12.6 million during the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022.

*Investment Management Fees*

Investment management fees were $1,041.3 million for three months ended September 30, 2023 as compared to $1,057.3 million for three months ended September 30, 2022. The impact of foreign exchange rate movements increased Investment management fees by $13.6 million during the three months ended September 30, 2023 as compared to the three months ended September 30, 2022. After allowing for foreign exchange movements, Investment management fees decreased by $29.6 million. See discussion above on how AUM changes impact our Investment management fees.

Investment management fees were $3,102.7 million for nine months ended September 30, 2023 as compared to $3,351.3 million for nine months ended September 30, 2022. The impact of foreign exchange rate movements decreased Investment management fees by $12.7 million during the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. After allowing for foreign exchange movements, Investment management fees decreased by $235.9 million. See discussion above on how AUM changes impact our Investment management fees.

*Service and Distribution Fees*

In the three months ended September 30, 2023, Service and distribution fees were $353.5 million as compared to $340.2 million for the three months ended September 30, 2022. The increase was a result of higher AUM to which these fees apply.

In the nine months ended September 30, 2023, Service and distribution fees were $1,030.0 million as compared to $1,073.0 million for the nine months ended September 30, 2022. The decrease was primarily due to lower AUM to which these fees apply.

*Performance Fees*

Performance fees were $2.0 million and $27.2 million for the three and nine months ended September 30, 2023, respectively. Performance fees for the nine months ended September 30, 2023 were primarily generated from real estate products.

*Other Revenues*

In the three months ended September 30, 2023, Other revenues were flat as compared to the three months ended September 30, 2022.

In the nine months ended September 30, 2023, Other revenues were $143.1 million as compared to $168.0 million for the nine months ended September 30, 2022. The decrease in Other revenues was primarily driven by lower real estate transaction fees and front end fees of $15.8 million and $13.9 million, respectively, partially offset by a $5.0 million increase in other transaction fees.

*Invesco Great Wall*

The company’s most significant joint venture is our 49% investment in IGW. Management reflects 100% of IGW's results in its Net revenues and Adjusted operating expenses because it is important to evaluate the contribution that IGW is making to the business. 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 the 51% noncontrolling interests. See “Schedule of Non-GAAP Information” for additional disclosures regarding the use of Net revenues.

Net revenues from IGW were $90.7 million and average AUM was $86.1 billion for the three months ended September 30, 2023 (Net revenues were $104.6 million and average AUM was $93.1 billion for the three months ended September 30, 2022). The impact of foreign exchange rate movements during the three months ended September 30, 2023 decreased Net revenues by $5.4 million as compared to the three months ended September 30, 2022. After allowing for foreign exchange movements, Net revenues from IGW decreased $8.5 million. The decrease in IGW revenues is a result of lower average AUM.

Net revenues from IGW were $288.8 million and average AUM was $88.9 billion for the nine months ended September 30, 2023 (Net revenues were $334.8 million and average AUM was $95.4 billion for the nine months ended September 30, 2022). The impact of foreign exchange rate movements during the nine months ended September 30, 2023 decreased Net revenues by $19.2 million as compared to the nine months ended September 30, 2022. After allowing for foreign exchange movements, Net revenues from IGW decreased $26.8 million. The decrease in IGW revenues is a result of changes in the mix of AUM and lower performance 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 fees into Operating revenues in the calculation of Net revenues. See “Schedule of Non-GAAP Information” for additional disclosures regarding the use of Net revenues.

Management and Performance fees earned from CIP were $13.7 million for the three months ended September 30, 2023 (three months ended September 30, 2022: $11.6 million).

Management and Performance fees earned from CIP were $38.8 million for the nine months ended September 30, 2023 (nine months ended September 30, 2022: $35.5 million).

***Operating Expenses***

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

| | Three months ended | | | | Nine months ended | | | |
|---|---|---|---|---|---|---|---|---|
| | September 30, | | Variance | | September 30, | | Variance | |
| (in millions) | 2023 | 2022 | $ Change | % Change | 2023 | 2022 | $ Change | % Change |
| Third-party distribution, service and advisory | $ 448.2 | $ 451.3 | $ (3.1) | (0.7)% | $ 1,365.8 | $ 1,438.9 | $ (73.1) | (5.1)% |
| Employee compensation | 478.5 | 420.8 | 57.7 | 13.7 % | 1,417.0 | 1,260.9 | 156.1 | 12.4 % |
| Marketing | 23.7 | 27.6 | (3.9) | (14.1)% | 77.7 | 83.1 | (5.4) | (6.5)% |
| Property, office and technology | 135.4 | 133.2 | 2.2 | 1.7 % | 406.9 | 400.2 | 6.7 | 1.7 % |
| General and administrative | 117.2 | 48.7 | 68.5 | 140.7 % | 314.5 | 270.6 | 43.9 | 16.2 % |
| Transaction, integration and restructuring | — | (0.6) | 0.6 | N/A | 41.6 | 34.8 | 6.8 | 19.5 % |
| Amortization of intangibles | 11.3 | 14.5 | (3.2) | (22.1)% | 38.5 | 44.4 | (5.9) | (13.3)% |
| Total operating expenses | $ 1,214.3 | $ 1,095.5 | $ 118.8 | 10.8 % | $ 3,662.0 | $ 3,532.9 | $ 129.1 | 3.7 % |

The table below sets 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 September 30, 2023 | % of Total Operating Expenses | % of Operating Revenues | Three months ended September 30, 2022 | % of Total Operating Expenses | % of Operating Revenues |
|---|---|---|---|---|---|---|
| Third-party distribution, service and advisory | $ 448.2 | 36.9 % | 31.1 % | $ 451.3 | 41.2 % | 31.2 % |
| Employee compensation | 478.5 | 39.4 % | 33.2 % | 420.8 | 38.4 % | 29.1 % |
| Marketing | 23.7 | 2.0 % | 1.6 % | 27.6 | 2.5 % | 1.9 % |
| Property, office and technology | 135.4 | 11.2 % | 9.4 % | 133.2 | 12.2 % | 9.2 % |
| General and administrative | 117.2 | 9.6 % | 8.1 % | 48.7 | 4.4 % | 3.4 % |
| Transaction, integration and restructuring | — | — % | — % | (0.6) | (0.1)% | — % |
| Amortization of intangibles | 11.3 | 0.9 % | 0.8 % | 14.5 | 1.4 % | 1.0 % |
| Total operating expenses | $ 1,214.3 | 100.0 % | 84.2 % | $ 1,095.5 | 100.0 % | 75.8 % |

| (in millions) | Nine months ended September 30, 2023 | % of Total Operating Expenses | % of Operating Revenues | Nine months ended September 30, 2022 | % of Total Operating Expenses | % of Operating Revenues |
|---|---|---|---|---|---|---|
| Third-party distribution, service and advisory | $ 1,365.8 | 37.3 % | 31.7 % | $ 1,438.9 | 40.7 % | 31.2 % |
| Employee compensation | 1,417.0 | 38.7 % | 32.9 % | 1,260.9 | 35.7 % | 27.4 % |
| Marketing | 77.7 | 2.1 % | 1.8 % | 83.1 | 2.4 % | 1.8 % |
| Property, office and technology | 406.9 | 11.1 % | 9.5 % | 400.2 | 11.3 % | 8.7 % |
| General and administrative | 314.5 | 8.6 % | 7.3 % | 270.6 | 7.7 % | 5.9 % |
| Transaction, integration and restructuring | 41.6 | 1.1 % | 1.0 % | 34.8 | 1.0 % | 0.8 % |
| Amortization of intangibles | 38.5 | 1.1 % | 0.9 % | 44.4 | 1.2 % | 1.0 % |
| Total operating expenses | $ 3,662.0 | 100.0 % | 85.1 % | $ 3,532.9 | 100.0 % | 76.8 % |

During the three months ended September 30, 2023, Operating expenses increased by $118.8 million as compared to the three months ended September 30, 2022. The impact of foreign exchange rate movements increased Operating expenses by $14.9 million during the three months ended September 30, 2023 as compared to the three months ended September 30, 2022.

During the nine months ended September 30, 2023, Operating expenses increased by $129.1 million as compared to the nine months ended September 30, 2022. The impact of foreign exchange rate movements decreased Operating expenses by $13.0 million during the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022.

*Third-Party Distribution, Service and Advisory*

Third-party distribution, service and advisory expenses were $448.2 million for the three months ended September 30, 2023 as compared to $451.3 million for the three months ended September 30, 2022. The impact of foreign exchange rate movements increased third-party expenses by $5.2 million during the three months ended September 30, 2023 as compared to the three months ended September 30, 2022. After allowing for foreign exchange rate changes, the decrease in expenses was $8.3 million. The decrease is primarily due to a net decrease in pass-through service and distribution fees.

Third-party distribution, service and advisory expenses were $1,365.8 million for the nine months ended September 30, 2023 as compared to $1,438.9 million for the nine months ended September 30, 2022. The decrease is primarily due to a net decrease in pass-through service and distribution fees due to lower AUM to which these fees apply.

*Employee Compensation*

Employee compensation was $478.5 million for the three months ended September 30, 2023 as compared to $420.8 million for the three months ended September 30, 2022. The impact of foreign exchange rate movements increased Employee compensation by $5.5 million during the three months ended September 30, 2023 as compared to the three months ended September 30, 2022. After allowing for foreign exchange rate changes, there was an increase in Employee compensation of $52.2 million. This increase was primarily driven by costs related to organizational changes of $39.3 million and $14.8 million of higher staff and variable compensation costs.

Employee compensation was $1,417.0 million for the nine months ended September 30, 2023 as compared to $1,260.9 million for the nine months ended September 30, 2022. The impact of foreign exchange rate movements decreased Employee compensation by $9.7 million during the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022. After allowing for foreign exchange rate changes, there was an increase in Employee compensation of $165.8 million. This increase was primarily driven by $75.0 million in higher mark-to-market gains on deferred compensation liabilities and costs related to executive retirements and organizational changes of $79.6 million.

Headcount at September 30, 2023 was 8,603 (September 30, 2022: 8,621).

*Marketing*

Marketing expenses were $23.7 million for the three months ended September 30, 2023 as compared to $27.6 million for the three months ended September 30, 2022. The decrease in Marketing expenses was primarily driven by lower advertising spend.

Marketing expenses were $77.7 million for the nine months ended September 30, 2023 as compared to $83.1 million for the nine months ended September 30, 2022. The decrease in Marketing expenses was primarily driven by lower advertising spend.

*Property, Office and Technology*

Property, office and technology costs were $135.4 million for the three months ended September 30, 2023 as compared to $133.2 million for the three months ended September 30, 2022.

Property, office and technology costs were $406.9 million for the nine months ended September 30, 2023 as compared to $400.2 million for the nine months ended September 30, 2022. The increase was driven by higher technology costs, including software maintenance and outsourced administration costs, and higher property expenses including overlapping rent in the first quarter associated with the move to our new Atlanta headquarters.

*General and Administrative*

General and administrative expenses were $117.2 million for the three months ended September 30, 2023 as compared to $48.7 million for the three months ended September 30, 2022. The increase was primarily due to $60 million of insurance recoveries received during the three months ended September 30, 2022.

General and administrative expenses were $314.5 million for the nine months ended September 30, 2023 as compared to $270.6 million for the nine months ended September 30, 2022. The increase was primarily due to insurance recoveries of $60.0 million received during the nine months ended September 30, 2022 as compared to $20.0 million received during the nine months ended September 30, 2023. The increase also includes fees related to the Alpha platform of $14.3 million and costs associated with the move to the new Atlanta headquarters, partially offset by $14.8 million of indirect tax refunds received during the nine months ended September 30, 2023.

*Transaction, Integration and Restructuring*

For the three months ended September 30, 2023, Transaction, integration and restructuring costs were zero due to the completion of our strategic evaluation in the first quarter. Any costs related to on-going projects are classified in the income statement based on the nature of the expense.

For the nine months ended September 30, 2023, Transaction, integration and restructuring charges were $41.6 million as compared to $34.8 million for the nine months ended September 30, 2022. These costs are primarily comprised of compensation-related restructuring costs in connection with our strategic evaluation which we completed during the first quarter of 2023.

***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 September 30, | | Variance 2023 vs 2022 | | Nine months ended September 30, | | Variance 2023 vs 2022 | |
|---|---|---|---|---|---|---|---|---|
| **(in millions)** | **2023** | **2022** | **$ Change** | **% Change** | **2023** | **2022** | **$ Change** | **% Change** |
| Equity in earnings of unconsolidated affiliates | $ 16.9 | $ 20.2 | $ (3.3) | (16.3)% | $ 62.2 | $ 78.3 | $ (16.1) | (20.6)% |
| Interest and dividend income | 10.8 | 3.3 | 7.5 | 227.3 % | 26.5 | 6.6 | 19.9 | 301.5 % |
| Interest expense | (17.3) | (18.6) | 1.3 | (7.0)% | (53.7) | (67.6) | 13.9 | (20.6)% |
| Other gains/(losses), net | (23.3) | (34.6) | 11.3 | (32.7)% | 25.0 | (170.1) | 195.1 | N/A |
| Other income/(expense) of CIP, net | 15.2 | (65.4) | 80.6 | N/A | (5.4) | (62.5) | 57.1 | (91.4)% |
| Total other income and expenses | $ 2.3 | $ (95.1) | $ 97.4 | N/A | $ 54.6 | $ (215.3) | $ 269.9 | N/A |

*Equity in earnings of unconsolidated affiliates*

Equity in earnings of unconsolidated affiliates decreased $3.3 million to $16.9 million for the three months ended September 30, 2023 as compared to $20.2 million for the three months ended September 30, 2022.

Equity in earnings of unconsolidated affiliates decreased $16.1 million to $62.2 million for the nine months ended September 30, 2023 as compared to $78.3 million for the nine months ended September 30, 2022. The decrease was primarily driven by decreases of $29.1 million in our income from our real estate investments and $11.8 million from our joint venture investment in IGW which were partially offset by increases of $24.8 million in our income from private equity and other investments.

*Interest and dividend income*

Interest and dividend income increased $7.5 million to $10.8 million for the three months ended September 30, 2023 as compared to $3.3 million for the three months ended September 30, 2022. The increase was due to higher levels of interest income from the company's cash and cash equivalents.

Interest and dividend income increased 19.9 million to $26.5 million for the nine months ended September 30, 2023 as compared to $6.6 million for the nine months ended September 30, 2022. The increase was due to higher levels of interest income from the company's cash and cash equivalents.

*Interest expense*

Interest expense was $17.3 million for the three months ended September 30, 2023 as compared to $18.6 million for the three months ended September 30, 2022.

Interest expense was $53.7 million for the nine months ended September 30, 2023 as compared to $67.6 million for the nine months ended September 30, 2022 as a result of a decrease in debt.

*Other gains/(losses), net*

Other gains/(losses), net was a loss of $23.3 million for the three months ended September 30, 2023 as compared to a $34.6 million loss for the three months ended September 30, 2022. Included in the net loss for the third quarter of 2023 were $23.2 million of net losses on investments and instruments held for our deferred compensation plans and $2.1 million in net losses related to the mark-to-market on seed capital investments. Included in the net loss for the three months ended September 30, 2022 were $29.7 million of net losses on investments and instruments held for our deferred compensation plans and $4.2 million of net losses related to the mark-to-market on seed capital investments.

Other gains/(losses), net was a gain of $25.0 million for the nine months ended September 30, 2023 as compared to a $170.1 million loss for the nine months ended September 30, 2022. Included in the net gain for the nine months ended September 30, 2023 were $13.8 million of net gains on investments and instruments held for our deferred compensation plans and $6.8 million of net gains related to the mark-to-market on seed capital investments. Included in the net loss for the nine months ended September 30, 2022 were $151.8 million of net losses on investments and instruments held for our deferred compensation plans and $26.3 million of net losses related to the mark-to-market on seed capital investments.

*Other income/(expense) of CIP, net*

For the three months ended September 30, 2023, Other income/(expense) of CIP, net was net income of $15.2 million for the three months ended September 30, 2023 (three months ended September 30, 2022: net expense of $65.4 million). Interest and dividend income of CIP increased $83.3 million to $181.2 million (three months ended September 30, 2022: $97.9 million). Interest expense of CIP increased $60.7 million to $118.1 million (three months ended September 30, 2022: $57.4 million). Unrealized gains/(losses) of CIP were net losses of $47.9 million (three months ended September 30, 2022: net losses of $105.9 million).

For the nine months ended September 30, 2023, Other income/(expense) of CIP, net was a net expense of $5.4 million for the nine months ended September 30, 2023 (nine months ended September 30, 2022: net expense of $62.5 million). Interest and dividend income of CIP increased $229.5 million to $484.5 million (nine months ended September 30, 2022: $255.0 million). Interest expense of CIP increased $177.2 million to $322.1 million (nine months ended September 30, 2022: $144.9 million). Unrealized gains/(losses) of CIP were net losses of $167.8 million (nine months ended September 30, 2022: net losses of $172.6 million). The net losses during the months ended September 30, 2023 and 2022 were attributable to market-driven losses on investments held by consolidated funds.

*Net impact of CIP and related noncontrolling interests in consolidated entities*

The consolidation of investment products did not have an impact on Net income attributable to Invesco for the three and nine months ended September 30, 2023 and September 30, 2022. The adjustment to net income for the Net income/(loss) attributable to noncontrolling interests in consolidated entities represents the profit or loss attributable to third-party investors. The impact of any realized or unrealized gains or losses attributable to the interests of third-parties, which is reflected in Other income/(expense) of CIP, net, is offset by this adjustment to arrive at Net income attributable to Invesco. Also, the net income or loss of CIP is taxed at the investor level, not at the product level; therefore, a tax provision is not reflected in the net impact of CIP.

*Income Tax Expense*

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

Our effective tax rate decreased to 26.7% for the three months ended September 30, 2023 (three months ended September 30, 2022: 34.0%).The rate decrease was primarily due to the favorable impact of the change in the mix of income across tax jurisdictions.

Our effective tax rate increased to 28.3% for the nine months ended September 30, 2023 (nine months ended September 30, 2022: 27.1%).

**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 and Adjusted diluted 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. 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 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 (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 (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 September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| (in millions) | 2023 | 2022 | 2023 | 2022 |
| Operating revenues, U.S. GAAP basis | $ 1,442.0 | $ 1,445.7 | $ 4,303.0 | $ 4,605.5 |
| Revenue Adjustments [2] | | | | |
| Investment management fees | (193.7) | (185.5) | (578.9) | (584.5) |
| Service and distribution fees | (219.2) | (232.1) | (675.4) | (730.1) |
| Other | (35.3) | (33.7) | (111.5) | (124.3) |
| Total Revenue Adjustments | (448.2) | (451.3) | (1,365.8) | (1,438.9) |
| Invesco Great Wall [1] | 90.7 | 104.6 | 288.8 | 334.8 |
| CIP [3] | 13.7 | 11.6 | 38.8 | 35.5 |
| Net revenues | $ 1,098.2 | $ 1,110.6 | $ 3,264.8 | $ 3,536.9 |

**Reconciliation of Operating income to Adjusted operating income:**

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| (in millions) | 2023 | 2022 | 2023 | 2022 |
| Operating income, U.S. GAAP basis | $ 227.7 | $ 350.2 | $ 641.0 | $ 1,072.6 |
| Invesco Great Wall [1] | 52.1 | 61.8 | 160.3 | 197.7 |
| CIP [3] | 24.7 | 15.7 | 61.1 | 46.6 |
| Transaction, integration and restructuring [4] | — | (0.6) | 41.6 | 34.8 |
| Amortization of intangible assets [8] | 11.3 | 14.5 | 38.5 | 44.4 |
| Compensation expense related to market valuation changes in deferred compensation plans [10] | (6.6) | (12.2) | 15.6 | (60.2) |
| General and administrative [7] | — | (60.0) | (20.0) | (60.0) |
| Adjusted operating income | $ 309.2 | $ 369.4 | $ 938.1 | $ 1,275.9 |
| | | | | |
| Operating margin[5] | 15.8 % | 24.2 % | 14.9 % | 23.3 % |
| Adjusted operating margin[6] | 28.2 % | 33.3 % | 28.7 % | 36.1 % |

**Reconciliation of net income attributable to Invesco to Adjusted net income attributable to Invesco:**

| (in millions, except per common share data) | Three months ended September 30, 2023 | Three months ended September 30, 2022 | Nine months ended September 30, 2023 | Nine months ended September 30, 2022 |
|---|---|---|---|---|
| Net income attributable to Invesco Ltd., U.S. GAAP basis | $ 131.4 | $ 177.4 | $ 408.6 | $ 496.1 |
| Adjustments (excluding tax): | | | | |
| Transaction, integration and restructuring [4] | — | (0.6) | 41.6 | 34.8 |
| Amortization of intangible assets [8] | 11.3 | 14.5 | 38.5 | 44.4 |
| Deferred compensation plan market valuation changes and dividend income less compensation expense [10] | 15.9 | 16.9 | (0.6) | 89.9 |
| General and administrative [7] | — | (60.0) | (20.0) | (60.0) |
| Total adjustments excluding tax | $ 27.2 | $ (29.2) | $ 59.5 | $ 109.1 |
| Tax adjustment for amortization of intangible assets and goodwill [9] | $ 4.4 | $ 3.8 | $ 12.2 | $ 11.3 |
| Other tax effects of adjustments above | (3.8) | 3.8 | (3.3) | (21.1) |
| Adjusted net income attributable to Invesco Ltd. [11] | $ 159.2 | $ 155.8 | $ 477.0 | $ 595.4 |
| | | | | |
| Average common shares outstanding - diluted | 453.1 | 459.5 | 457.2 | 460.0 |
| Diluted EPS | $ 0.29 | $ 0.39 | $ 0.89 | $ 1.08 |
| Adjusted diluted EPS[12] | $ 0.35 | $ 0.34 | $ 1.04 | $ 1.29 |

_____

(1) Invesco Great Wall: The company reflects 100% of IGW in its Net revenues and Adjusted operating income (and by calculation, Adjusted operating margin). 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 the 51% noncontrolling interests.

(2) Revenue adjustments: The company calculates Net revenues by reducing Operating revenues to exclude fees that are passed through to external parties who perform functions on behalf of, and distribute, the company's managed funds. The Net revenue presentation assists in identifying the revenue contribution generated by the company, 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, as an indicator of the basis point Net revenues we receive for each dollar of AUM we manage.

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 revenues are primarily adjusted by transaction fees passed through to third parties.

(3) CIP: See note 11, "Consolidated Investment Products," for a detailed analysis of the impact to the company's Condensed Consolidated Financial Statements from the consolidation of CIP. The company believes that the CIP 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, the company believes that it is appropriate to adjust Operating revenues and Operating income for the impact of CIP in calculating the respective Net revenues and Adjusted operating income (and by calculation, Adjusted operating margin).

(4) Transaction, integration and restructuring: The company believes it is useful to adjust for the Transaction, integration and restructuring charges in arriving at Adjusted operating income, Adjusted operating margin, Adjusted net income, 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 restructuring related charges. Transaction, integration and restructuring costs were zero for the third quarter 2023 due to the completion of our strategic evaluation in the first quarter.

(5) Operating margin is equal to Operating income divided by Operating revenues.

(6) Adjusted operating margin is equal to Adjusted operating income divided by Net revenues.

(7) General and administrative: The adjustment removes insurance recoveries related to fund-related losses incurred in prior periods.

(8) Amortization of intangible assets: The company removes amortization expense related to acquired assets 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-related charges.

(9) Tax adjustment for amortization of intangible assets and goodwill: The company reflects the tax benefit realized on the tax amortization of goodwill and intangibles in Adjusted net income. The company believes it is useful to include this tax benefit in arriving at the Adjusted diluted EPS measure.

(10) 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. The company hedges economically the exposure to market movements for these investments. Since these plans are hedged economically, the company believes it is useful to reflect the offset ultimately achieved from hedging the market exposure in the calculation of Adjusted operating income (and by calculation, Adjusted operating margin) and Adjusted net income (and by calculation, Adjusted diluted EPS) to produce results that will be more comparable period to period.

(11) The effective tax rate on Adjusted net income attributable to Invesco Ltd. for the three months and nine months ended September 30, 2023 is 23.6% and 24.1%, respectively (for the three months and nine months ended September 30, 2022, it was 28.7% and 25.7%, respectively).

(12) 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.

**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 September 30, 2023 | | | | As of December 31, 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | 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 | $ 1,241.5 | $ — | $ — | $ 1,241.5 | $ 1,234.7 | $ — | $ — | $ 1,234.7 |
| Investments | 932.6 | 528.8 | — | 1,461.4 | 996.6 | 376.8 | — | 1,373.4 |
| Assets of CIP: | | | | | | | | |
| Investments and other assets of CIP | 8,870.8 | (8,870.8) | — | — | 8,735.1 | (8,735.1) | — | — |
| Cash and cash equivalents of CIP | 313.6 | (313.6) | — | — | 199.4 | (199.4) | — | — |
| Assets held for policyholders | 408.4 | — | (408.4) | — | 668.7 | — | (668.7) | — |
| Goodwill and intangible assets, net | 15,668.9 | — | — | 15,668.9 | 15,698.9 | — | — | 15,698.9 |
| Other assets [2] | 1,995.7 | 14.8 | — | 2,010.5 | 2,223.4 | 9.8 | — | 2,233.2 |
| Total assets | $ 29,431.5 | $ (8,640.8) | $ (408.4) | $ 20,382.3 | $ 29,756.8 | $ (8,547.9) | $ (668.7) | $ 20,540.2 |
| **LIABILITIES** | | | | | | | | |
| Liabilities of CIP: | | | | | | | | |
| Debt of CIP | $ 6,981.5 | $ (6,981.5) | $ — | $ — | $ 6,590.4 | $ (6,590.4) | $ — | $ — |
| Other liabilities of CIP | 322.3 | (322.3) | — | — | 329.6 | (329.6) | — | — |
| Policyholder payables | 408.4 | — | (408.4) | — | 668.7 | — | (668.7) | — |
| Debt | 1,489.1 | — | — | 1,489.1 | 1,487.6 | — | — | 1,487.6 |
| Other liabilities [3] | 3,638.5 | — | — | 3,638.5 | 3,838.3 | — | — | 3,838.3 |
| Total liabilities | $ 12,839.8 | $ (7,303.8) | $ (408.4) | $ 5,127.6 | $ 12,914.6 | $ (6,920.0) | $ (668.7) | $ 5,325.9 |
| **EQUITY** | | | | | | | | |
| Total equity attributable to Invesco Ltd. | $ 15,253.9 | $ 0.1 | $ — | $ 15,254.0 | $ 15,213.6 | $ 0.1 | $ — | $ 15,213.7 |
| Noncontrolling interests [4] | 1,337.8 | (1,337.1) | — | 0.7 | 1,628.6 | (1,628.0) | — | 0.6 |
| Total equity | 16,591.7 | (1,337.0) | — | 15,254.7 | 16,842.2 | (1,627.9) | — | 15,214.3 |
| Total liabilities and equity | $ 29,431.5 | $ (8,640.8) | $ (408.4) | $ 20,382.3 | $ 29,756.8 | $ (8,547.9) | $ (668.7) | $ 20,540.2 |

(1) This table includes 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 shareholders' equity.

(2) Amounts include Accounts receivable, 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 increased by $6.8 million from $1,234.7 million at December 31, 2022 to $1,241.5 million at September 30, 2023. 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*

Investments are comprised primarily of the equity method investment in IGW, seed capital and co-investments in affiliated funds, and investments related to the company's deferred compensation plans.

As of September 30, 2023, the company had $1,001.4 million in seed capital and co-investments (December 31, 2022: $909.2 million), including direct investments in CIP. Total seed capital and co-investments is presented as a helpful measure for investors and represents our total net investment interest including our investment in CIP. The following table reconciles the investments balance to the total seed capital and co-investment balance.

| | As of | |
|---|---|---|
| **(in millions)** | **September 30, 2023** | **December 31, 2022** |
| Investments | $ 932.6 | $ 996.6 |
| Net investment in CIP | 528.8 | 376.8 |
| Less: Investments related to deferred compensation plans, joint ventures, and other investments | (460.0) | (464.2) |
| Total seed capital and co-investments [1] | $ 1,001.4 | $ 909.2 |

(1) Included in the total seed capital and co-investments balance as of September 30, 2023 is $348.3 million of seed capital and $653.1 million of co-investments (December 31, 2022: $305.4 million of seed capital and $603.8 million of co-investments).

*Goodwill and intangible assets, net*

Goodwill and intangible assets, net decreased from $15,698.9 million at December 31, 2022, to $15,668.9 million at September 30, 2023. The decrease includes amortization of $39.0 million, partially offset by foreign exchange impacts of $9.0 million. If our revenue and operating income continue to be adversely impacted by our AUM mix or unfavorable market conditions, an impairment of goodwill and intangible assets may occur in future periods.

**Liquidity and Capital Resources**

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 expenses, debt and other obligations as they come due and anticipated future capital requirements.

**Sources of Liquidity by Type**

| | As of | |
|---|---|---|
| **(in millions)** | **September 30, 2023** | **December 31, 2022** |
| Cash and cash equivalents | $ 1,241.5 | $ 1,234.7 |
| Available revolver | 2,000.0 | 1,500.0 |
| Total sources of liquidity by type | $ 3,241.5 | $ 2,734.7 |

**Capital Management**

Our capital management priorities have evolved with the growth and success of our business and include, in no particular order of priority: reinvestment in the business, maintaining a strong balance sheet and returning capital to shareholders longer term through a combination of modestly increasing dividends and share repurchases.

The company did not repurchase any of its shares in the open market during the three months ended September 30, 2023. During the nine months ended September 30, 2023, the company repurchased 9.6 million common shares for $150.0 million in the open market. As of September 30, 2023, approximately $382.2 million remained authorized under the company's common share repurchase authorization approved by the Board on July 22, 2016.

Our capital process is executed in a manner consistent with our desire to maintain strong, investment grade credit ratings. As of the date of our filing, Invesco held credit ratings of BBB+/Stable, A3/Stable and A/Stable from Standard & Poor's Ratings Service (S&P), Moody's Investor Services and Fitch Ratings, respectively.

***Other Items***

Certain of our subsidiaries are required to maintain minimum levels of regulatory capital, liquidity, and working 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. Our financial condition or liquidity could be adversely affected if certain of our subsidiaries are unable to distribute funds to us.

We are in compliance with all regulatory minimum net capital requirements. As of September 30, 2023, the company's minimum regulatory capital requirement was $384.9 million (December 31, 2022: $639.8 million). The decrease was driven by a reduction in regulatory capital requirements as part of a transition into a new regulatory regime in the United Kingdom (Investment Firm Prudential Regime) during the second quarter of 2023. However, there has been no change to the related regulatory liquidity and working capital requirements, and as such, there has not been a material reduction in the level of cash and cash equivalents required outside of the US.

We meet the regulatory liquidity and working capital requirements by holding cash and cash equivalents in the European sub-group. 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 liquidity and working capital requirements, the ability to transfer cash between certain jurisdictions may be limited. In addition, transfers of cash between international jurisdictions may have adverse tax consequences.

The consolidation of $9,184.4 million and $6,981.5 million of assets and debt of CIP as of September 30, 2023, respectively, did not impact the company's liquidity and capital resources. See Part I, Item 1, Financial Statements - Note 11, "Consolidated Investment Products," for additional details.

***Cash Flows Discussion***

The ability to consistently generate cash flows 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.

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

| **Cash flows information** [1] | **Nine months ended September 30, 2023** | | | **Nine months ended September 30, 2022** | | |
|---|---|---|---|---|---|---|
| **(in millions)** | **U.S. GAAP** | **Impact of CIP** | **As Adjusted** | **U.S. GAAP** | **Impact of CIP** | **As Adjusted** |
| **Cash and cash equivalents, beginning of the period** | $ 1,434.1 | $ (199.4) | $ 1,234.7 | $ 2,147.1 | $ (250.7) | $ 1,896.4 |
| Cash flows from operating activities | 586.5 | 227.8 | 814.3 | 239.7 | 452.7 | 692.4 |
| Cash flows from investing activities | 17.3 | (189.1) | (171.8) | (238.0) | 53.6 | (184.4) |
| Cash flows from financing activities | (475.1) | (153.3) | (628.4) | (798.8) | (468.0) | (1,266.8) |
| Increase/(decrease) in cash and cash equivalents | 128.7 | (114.6) | 14.1 | (797.1) | 38.3 | (758.8) |
| Foreign exchange movement on cash and cash equivalents | (7.7) | 0.4 | (7.3) | (124.0) | 10.0 | (114.0) |
| **Cash and cash equivalents, end of the period** | $ 1,555.1 | $ (313.6) | $ 1,241.5 | $ 1,226.0 | $ (202.4) | $ 1,023.6 |
| | | | | | | |
| Cash and cash equivalents | $ 1,241.5 | $ — | $ 1,241.5 | $ 1,023.6 | $ — | $ 1,023.6 |
| Cash and cash equivalents of CIP | 313.6 | (313.6) | — | 202.4 | (202.4) | — |
| **Total cash and cash equivalents per condensed consolidated statement of cash flows** | $ 1,555.1 | $ (313.6) | $ 1,241.5 | $ 1,226.0 | $ (202.4) | $ 1,023.6 |

(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.

*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. After allowing for the change in cash held by CIP, investment activities, and seasonal payments such as bonus payments in the first quarter, our operating cash flows generally move in the same direction as our Operating income.

Cash inflows for the nine months ended September 30, 2023, excluding the impact of the consolidation of CIP, was primarily driven by net inflows from changes in payables and receivables due to timing of payments and receipts as compared to net outflows from changes in payables and receivables due to timing of payments and receipts for the nine months ended September 30, 2022 which were partially offset by a decrease of $431.6 million in Operating Income.

*Investing Activities*

Investing cash outflows for the nine months ended September 30, 2023, excluding the impact of the consolidation of CIP, included Purchase of investments of $118.0 million (nine months ended September 30, 2022: $191.1 million purchases), partially offset by proceeds of $70.2 million from sales and returns of capital of investments (nine months ended September 30, 2022: $126.5 million proceeds). In addition, the company had capital expenditures of $124.0 million for the nine months ended September 30, 2023 (nine months ended September 30, 2022: $119.8 million). Our capital expenditures related principally to technology initiatives related to investments in foundational technology projects as well as facilities costs related to our move to our new Atlanta headquarters.

*Financing Activities*

Financing cash outflows during the nine months ended September 30, 2023, excluding the impact of the consolidation of CIP, included $267.7 million of common dividend payments for the dividends declared in January, April and July (nine months ended September 30, 2022: common dividends paid of $249.1 million), $177.6 million of preferred dividend payments for dividends declared in January, April and July (nine months ended September 30, 2022: $177.6 million) and the payment of $33.1 million to meet employees' withholding tax obligations on common share vestings (nine months ended September 30, 2022: $40.1 million). The nine months ended September 30, 2023 also included purchases of common shares through the open market of $150.0 million (nine months ended September 30, 2022 purchases of common shares through the open market of $200.0 million). Financing cash outflows for the nine months ended September 30, 2022 also included the $600.0 million redemption of senior notes.

**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, redeem, purchase or acquire, our common stock or other junior securities in the next succeeding dividend period. In addition, if we have not declared and paid or set aside for payment quarterly dividends on the preferred stock for six quarterly periods, whether or not consecutive, the number of directors of the company will be increased by two and the holders of the preferred shares shall have the right to elect such two additional members of the Board of Directors.

On October 24, 2023, the company announced a third quarter 2023 cash dividend of $0.20 per share, payable on December 4, 2023, to shareholders of record at the close of business on November 10, 2023 with an ex-dividend date of November 9, 2023.

On October 24, 2023, the company announced a preferred dividend of $14.75 per share to the holders of preferred shares, representing the period from September 1, 2023 through November 30, 2023. The preferred dividend is payable on December 1, 2023 to shareholders of record at close of business on November 15, 2023.

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

**Debt**

The carrying value of our debt at September 30, 2023 was $1,489.1 million (December 31, 2022: $1,487.6 million). See Part I, Item 1, Financial Statements - Note 4, "Debt," for additional disclosures.

For the nine months ended September 30, 2023, the company's weighted average cost of debt was 4.28% (nine months ended September 30, 2022: 4.10%).

Financial covenants under the credit facility agreement include: (i) the quarterly maintenance of an Adjusted debt/Earnings before income tax, depreciation, amortization, interest expense, common share-based compensation expense, unrealized (gains)/losses from investments, net, and unusual or otherwise non-recurring gains and losses (Covenant Adjusted EBITDA) leverage ratio, as defined in the credit facility agreement, of not greater than 3.25:1.00, (ii) an interest coverage ratio (Covenant Adjusted EBITDA/interest payable for the four consecutive fiscal quarters ended before the date of determination) of not less than 4.00:1.00. As of September 30, 2023, we were in compliance with our financial covenants. At September 30, 2023, our leverage ratio was 0.69:1.00 (December 31, 2022: 0.78:1.00), and our interest coverage ratio was 20.03:1.00 (December 31, 2022: 19.51:1.00).

The September 30, 2023 coverage ratio calculations are as follows:

| (in millions) | Total | Q3 2023 | Q2 2023 | Q1 2023 | Q4 2022 |
|---|---|---|---|---|---|
| Net income attributable to Invesco Ltd. | $ 596.4 | $ 131.4 | $ 132.2 | $ 145.0 | $ 187.8 |
| Dividends on preferred shares | 236.8 | 59.2 | 59.2 | 59.2 | 59.2 |
| Tax expense | 286.3 | 61.3 | 65.5 | 69.9 | 89.6 |
| Amortization/depreciation | 185.0 | 42.2 | 47.4 | 46.8 | 48.6 |
| Interest expense | 71.3 | 17.3 | 18.4 | 18.0 | 17.6 |
| Common share-based compensation expense | 116.9 | 24.0 | 32.0 | 37.8 | 23.1 |
| Unrealized (gains)/losses from investments, net [1] | (39.5) | 18.3 | (8.6) | (17.1) | (32.1) |
| OppenheimerFunds acquisition-related matter recoveries [2] | (25.0) | — | — | — | (25.0) |
| Covenant Adjusted EBITDA [3] | $ 1,428.2 | $ 353.7 | $ 346.1 | $ 359.6 | $ 368.8 |
| Adjusted debt [3] | $ 991.7 | | | | |
| Leverage ratio as of September 30, 2023 (Adjusted debt/Covenant Adjusted EBITDA - maximum 3.25:1.00) | 0.69 | | | | |
| Interest coverage ratio as of September 30, 2023 (Covenant Adjusted EBITDA/Interest expense - minimum 4.00:1.00) | 20.03 | | | | |

(1) 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.

(2) Unusual or otherwise non-recurring gains and losses, as defined in our credit facility, are adjusted for in the determination of Covenant Adjusted EBITDA. The insurance recoveries related to the OppenheimerFunds acquisition-related matter are considered unusual and have been removed from the determination of Covenant Adjusted EBITDA.

(3) Covenant Adjusted EBITDA and Adjusted debt are non-GAAP financial measures that are used by management in connection with certain debt covenant calculations under our credit agreement. The calculation of Covenant Adjusted EBITDA above (a reconciliation from Net income attributable to Invesco Ltd.) is defined by our credit facility agreement, and therefore Net income attributable to Invesco Ltd. is the most appropriate GAAP measure from which to reconcile to Covenant Adjusted EBITDA. The calculation of Adjusted debt is defined in our credit facility and equals debt of $1,489.1 million plus $2.7 million in letters of credit less $500.0 million of excess unrestricted cash (cash and cash equivalents less the minimum regulatory capital requirement, not to exceed $500 million).

**Credit and Liquidity Risk**

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 September 30, 2023, our maximum exposure to credit risk related to our cash and cash equivalent balances is $1,241.5 million, of which $711.3 million is invested in affiliated money market funds. No more than 10% of our cash and cash equivalent balances is held with any one third-party financial institution. See Part I, Item 1, Financial Statements - Note 2, "Fair Value of Assets and Liabilities," for information regarding cash and cash equivalents invested in affiliated money market funds.

*Liquidity Risk*

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities as they become due. The company is exposed to liquidity risk through its $1,489.1 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. A decline in the values of AUM could lead to reduced revenues as management fees are generally calculated based upon the size of AUM.

**Common Share Repurchase Plan**

The company did not purchase shares in the open market during the three months ended September 30, 2023. During the nine months ended September 30, 2023, the company repurchased 9.6 million common shares for $150.0 million in the open market (three months ended September 30, 2022: none; nine months ended September 30, 2022: 8.9 million common shares for $200.0 million). At September 30, 2023, approximately $382.2 million remains available under the share repurchase authorizations approved by the Board on July 22, 2016.

**Off Balance Sheet Commitments**

See Part I, Item 1, Financial Statements - Note 10, “Commitments and Contingencies - Legal Contingencies”, for more information regarding undrawn capital commitments.

**Critical Accounting Policies and Estimates**

There have been no changes to the critical accounting policies disclosed in our most recent Forms 10-K and 10-Q for the year ended December 31, 2022 and the three months ended June 30, 2023, respectively. 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 September 30, 2023 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 4, "Debt," for details of the company's debt arrangements. As of September 30, 2023, the interest rates on 100.0% of the company's borrowings were fixed for a weighted average period of 6.2 years, and the company had a zero 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.

The company is also exposed to foreign translation risk on monetary assets and liabilities that are held by subsidiaries in different functional currencies than the subsidiaries' functional currencies. Net foreign exchange revaluation gains were $1.9 million during the nine months ended September 30, 2023 (nine months ended September 30, 2022: $4.1 million gains) and are included in General and administrative expenses and Other gains/(losses), net on the Condensed Consolidated Statements of Income.

**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 SEC'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 September 30, 2023. 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 nine months ended September 30, 2023 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 10, “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, 2022.

### 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 September 30, 2023:

| 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) |
|---|---|---|---|---|
| July 1-31, 2023 | 22,435 | $ 16.79 | — | $ 382.2 |
| August 1-31, 2023 | 53,243 | $ 16.17 | — | $ 382.2 |
| September 1-30, 2023 | 30,217 | $ 15.71 | — | $ 382.2 |
| Total | 105,895 | | — | |

(1) An aggregate of 105,895 shares were surrendered to us by Invesco employees to satisfy tax withholding obligations in connection with the vesting of equity awards.

(2) At September 30, 2023, a balance of $382.2 million remains available under the share repurchase authorization approved by the Board on July 22, 2016.

### Item 5. *Other Information*

None.

**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 | Fourth Amended and Restated Bye-Laws of Invesco Ltd., incorporated by reference to Exhibit 3.2 to Invesco's Quarterly Report on Form 10-Q for the period ended June 30, 2023, filed with the Securities and Exchange Commission on August 2, 2023 |
| 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 Invesco's Current Report on Form 8-K, filed with the Securities and Exchange Commission on May 24, 2019 |
| 22 | Subsidiary Guarantors and Issuers of Guaranteed Securities, incorporated by reference to Exhibit 22 to Invesco's Quarterly Report on Form 10-Q for the period ended March 31, 2021, filed with the Securities and Exchange Commission on April 30, 2021 |
| 31.1 | Certification of Andrew R. Schlossberg pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of L. Allison Dukes pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of Andrew R. Schlossberg 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 L. Allison Dukes 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 September 30, 2023, formatted in Inline Extensible Business Reporting Language (iXBRL): (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 September 30, 2023, 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.

October 31, 2023 /s/ ANDREW R. SCHLOSSBERG

Andrew Schlossberg
President and Chief Executive Officer

October 31, 2023 /s/ L. ALLISON DUKES

L. Allison Dukes
Senior Managing Director and Chief Financial Officer

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

I, Andrew R. Schlossberg, 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.

**October 31, 2023**

/s/ ANDREW R. SCHLOSSBERG

**Andrew R. Schlossberg**
**President and Chief Executive Officer**

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

I, L. Allison Dukes, 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.

**October 31, 2023**

/s/ L. ALLISON DUKES

**L. Allison Dukes**
**Senior Managing Director and Chief Financial Officer**

**CERTIFICATION OF ANDREW R. SCHLOSSBERG**
**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 September 30, 2023 (the "Report"), I, Andrew R. Schlossberg, 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.

**October 31, 2023**

/s/ ANDREW R. SCHLOSSBERG

**Andrew R. Schlossberg**
**President and Chief Executive Officer**

Exhibit 32.2

**CERTIFICATION OF L. ALLISON DUKES**
**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 September 30, 2023 (the "Report"), I, L. Allison Dukes, 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.

**October 31, 2023**

/s/ L. ALLISON DUKES

**L. Allison Dukes**
**Senior Managing Director and Chief Financial Officer**