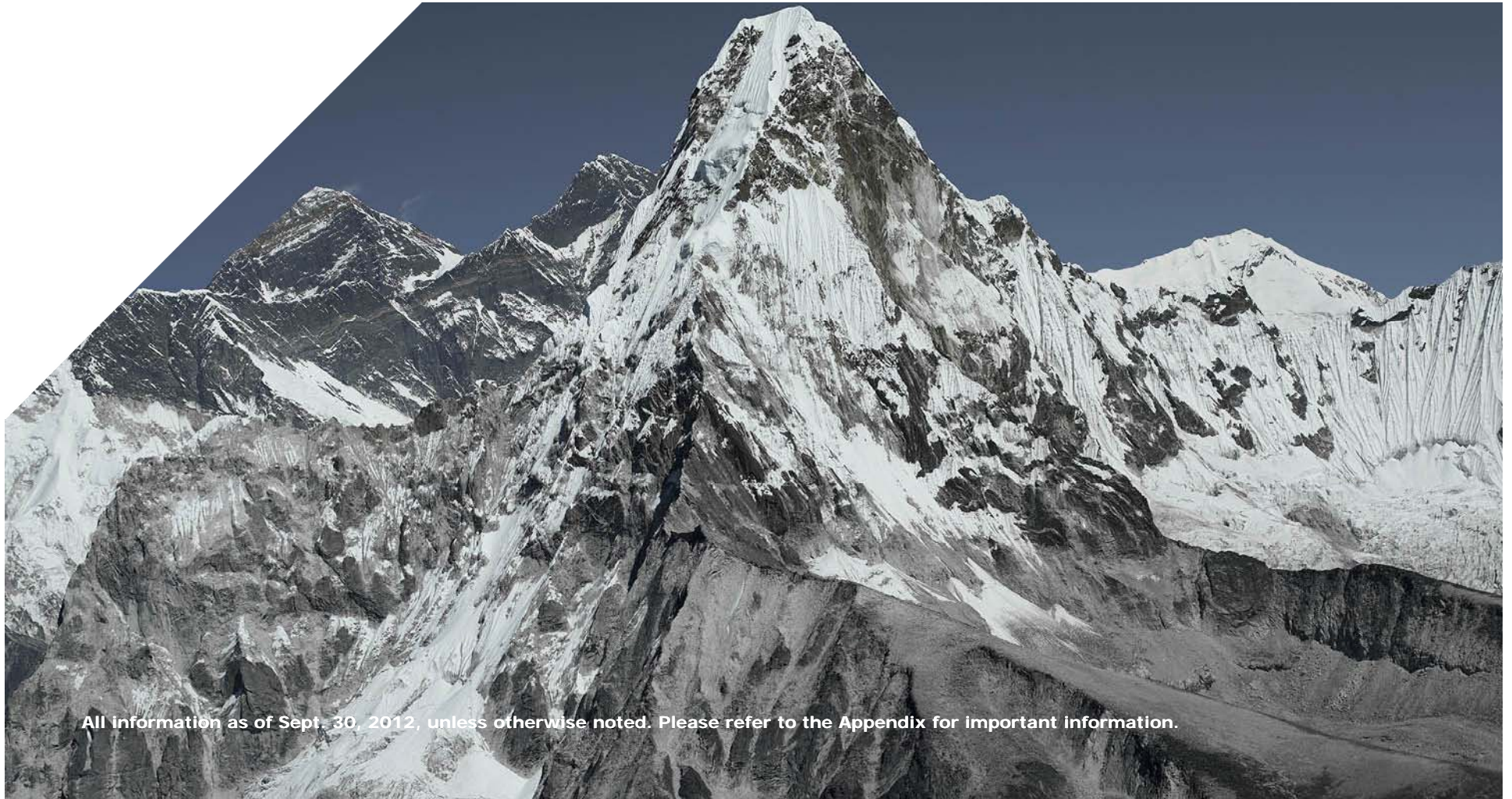




Thriving in the new world order

Martin L. Flanagan
President and CEO
Invesco Ltd.



All information as of Sept. 30, 2012, unless otherwise noted. Please refer to the Appendix for important information.

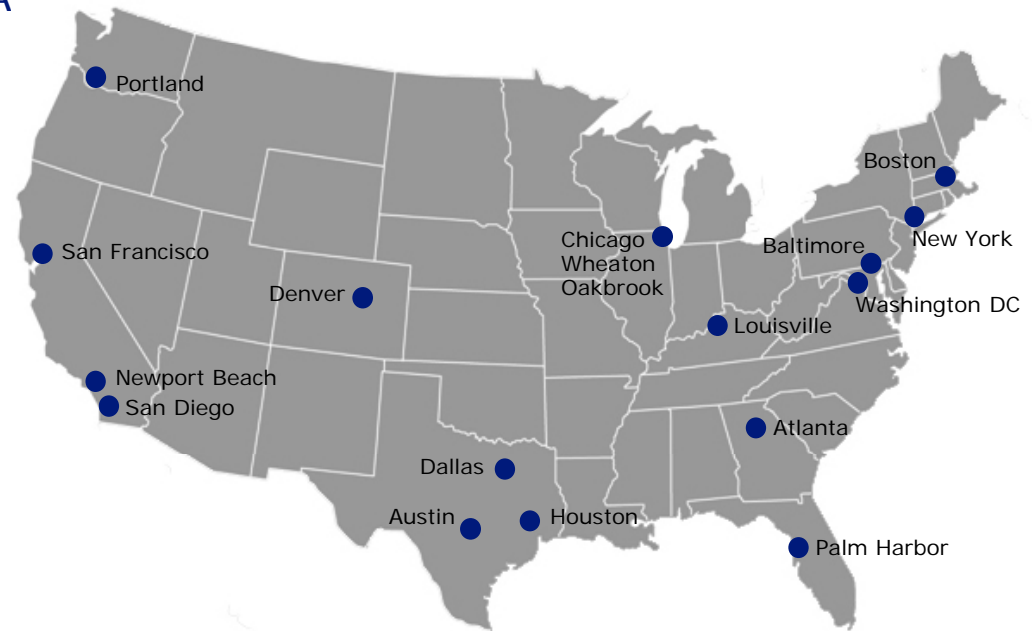
We are a leading independent global investment manager, headquartered in Atlanta

Our profile in the U.S.

- Invesco founded in Atlanta in 1978
- Global headquarters in Atlanta, GA
- Top 10 U.S. fund manager
- 3,000 U.S.-based employees in 18 U.S. cities
- NYSE-listed company and member of the S&P 500
- \$474 billion in assets under management for U.S. investors; \$687 billion in AUM worldwide.
- Manage pension assets for ~600 plans in the U.S.

Our global profile

- \$687 billion in AUM
- More than 6,000 employees worldwide
- Publicly traded on NYSE and S&P 500; market cap of approximately \$10 billion



Source: Invesco. All data as of Sept. 30, 2012.

Our discussion today

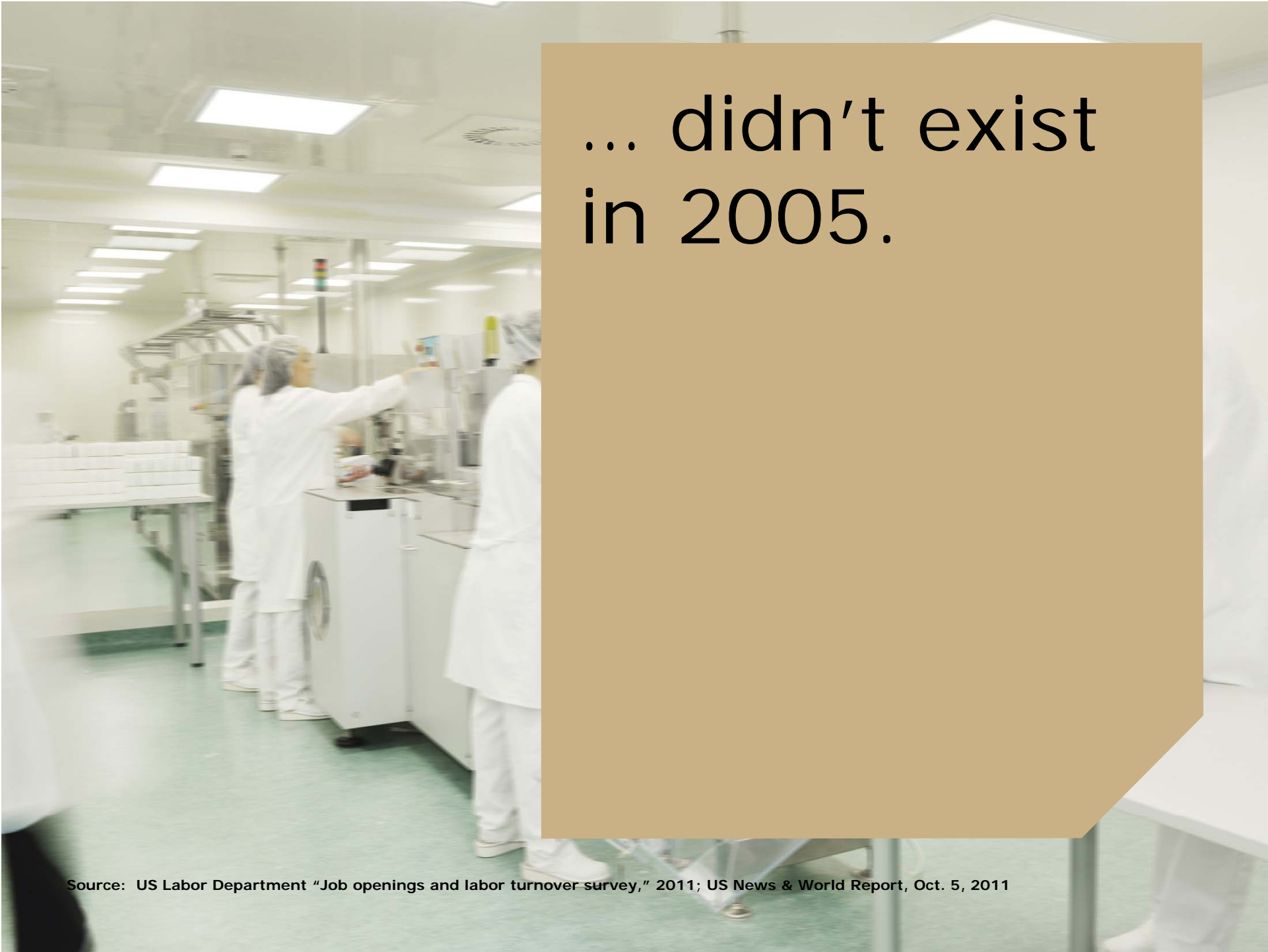


The world is changing around us

Staying ahead of trends in the US

Thriving in the new world order

Some of the top in-demand jobs in 2012 ...



... didn't exist
in 2005.

Source: US Labor Department "Job openings and labor turnover survey," 2011; US News & World Report, Oct. 5, 2011



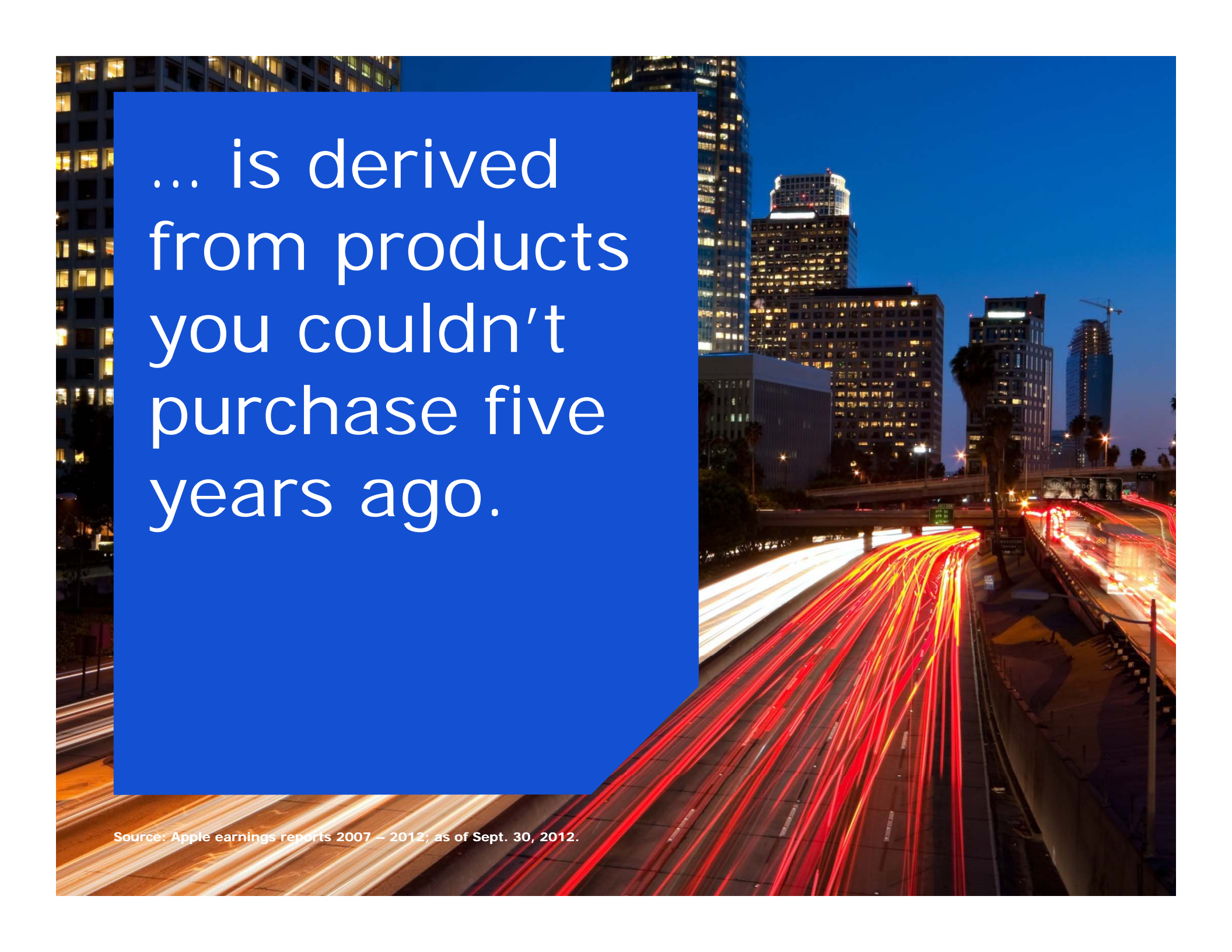
Almost half of the
revenue of S&P 500
companies ...

... comes from
overseas.

Source: RBC Capital Markets Research, Capital IQ. Data as of December 31, 2011. As referenced in businessinsider.com article entitled, "A Breakdown of Where S&P 500 Companies Get Overseas Business".



72 percent of
Apple's total
revenue ...



... is derived
from products
you couldn't
purchase five
years ago.

Source: Apple earnings reports 2007 – 2012; as of Sept. 30, 2012.



During the
course of this
presentation ...

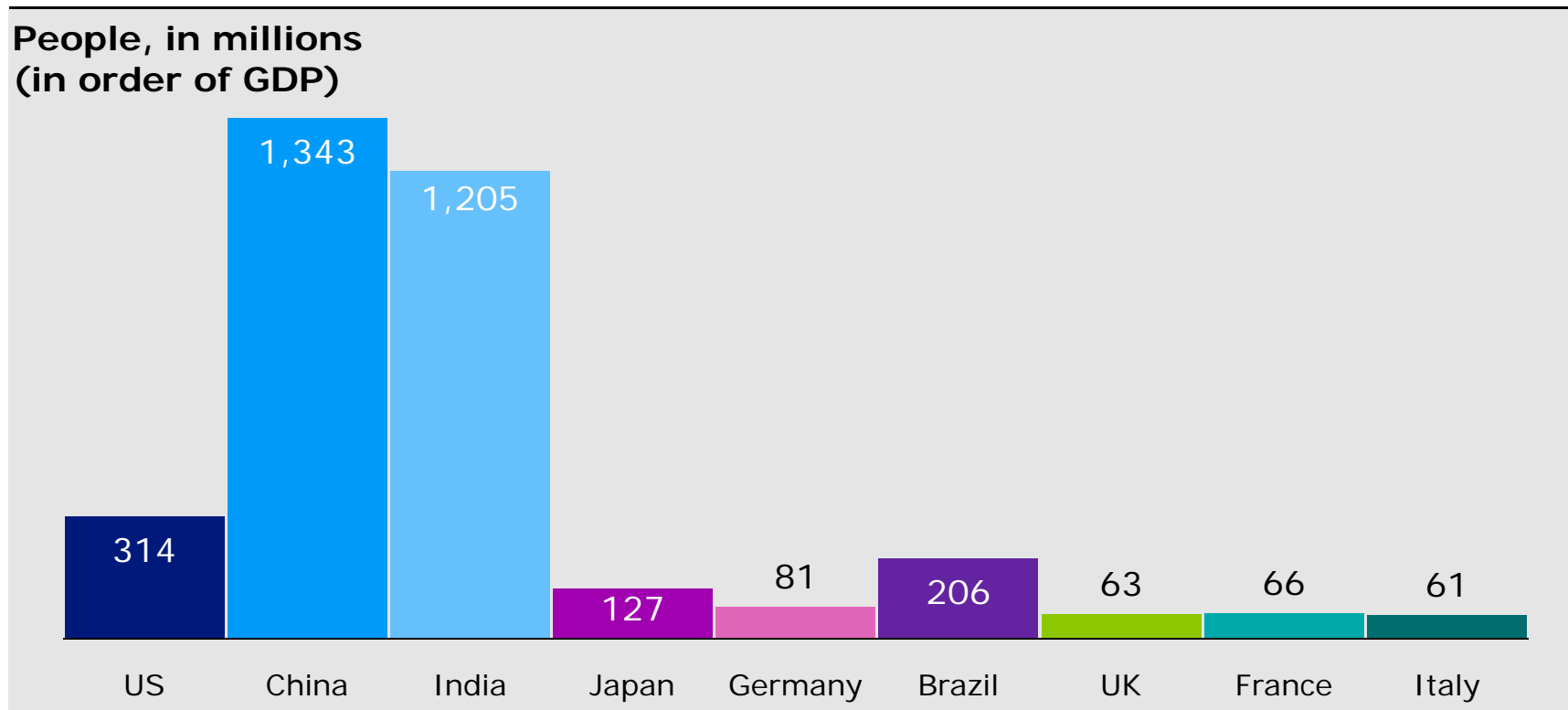
402 babies will be born in the US

402 babies
1,644 babies will be born in China

402 babies
1,644 babies
2,370 babies will be born in India

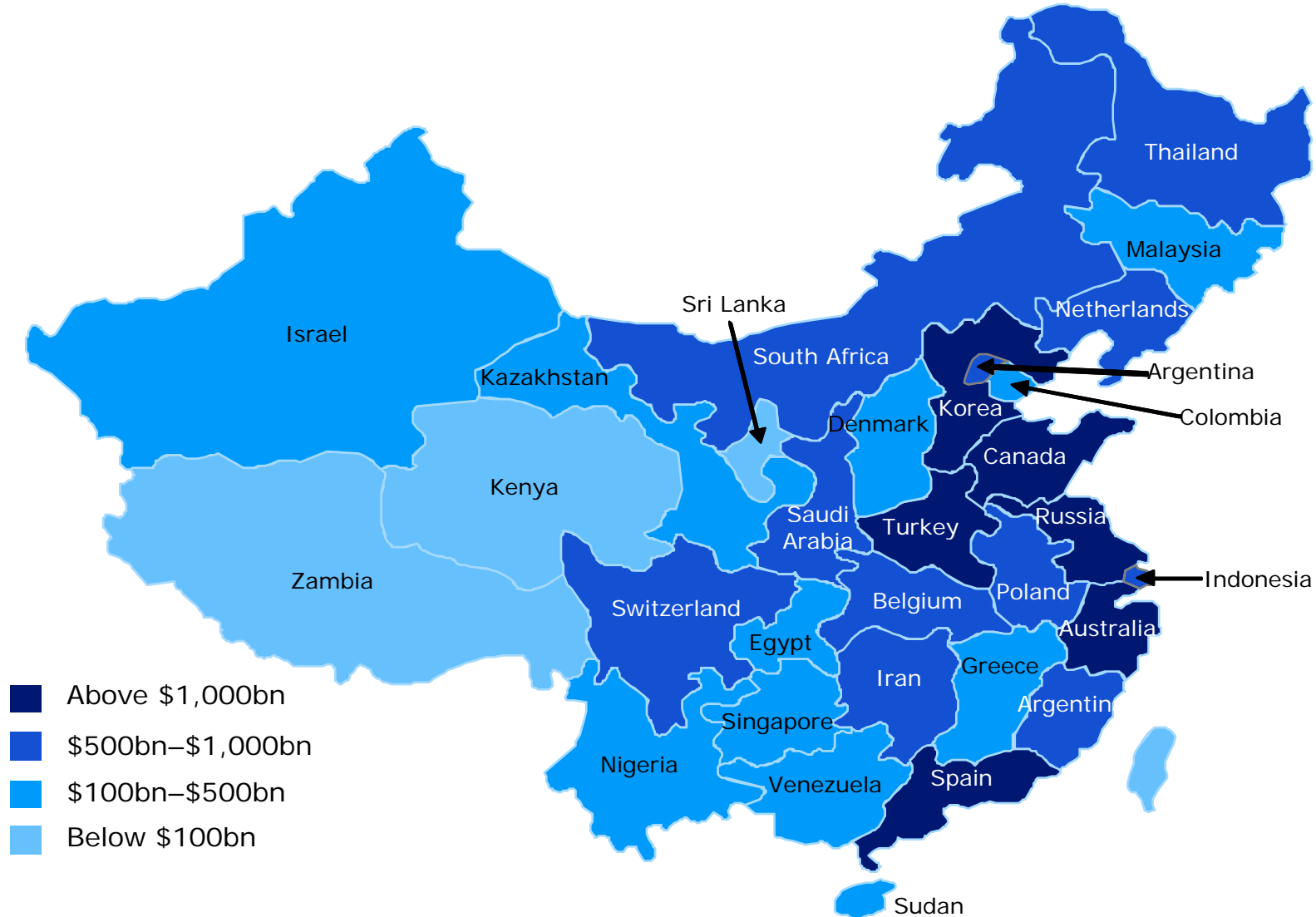
402 babies
1,644 babies
2,370 babies
4,416 potential new investors

Global population has grown to 7 billion people worldwide



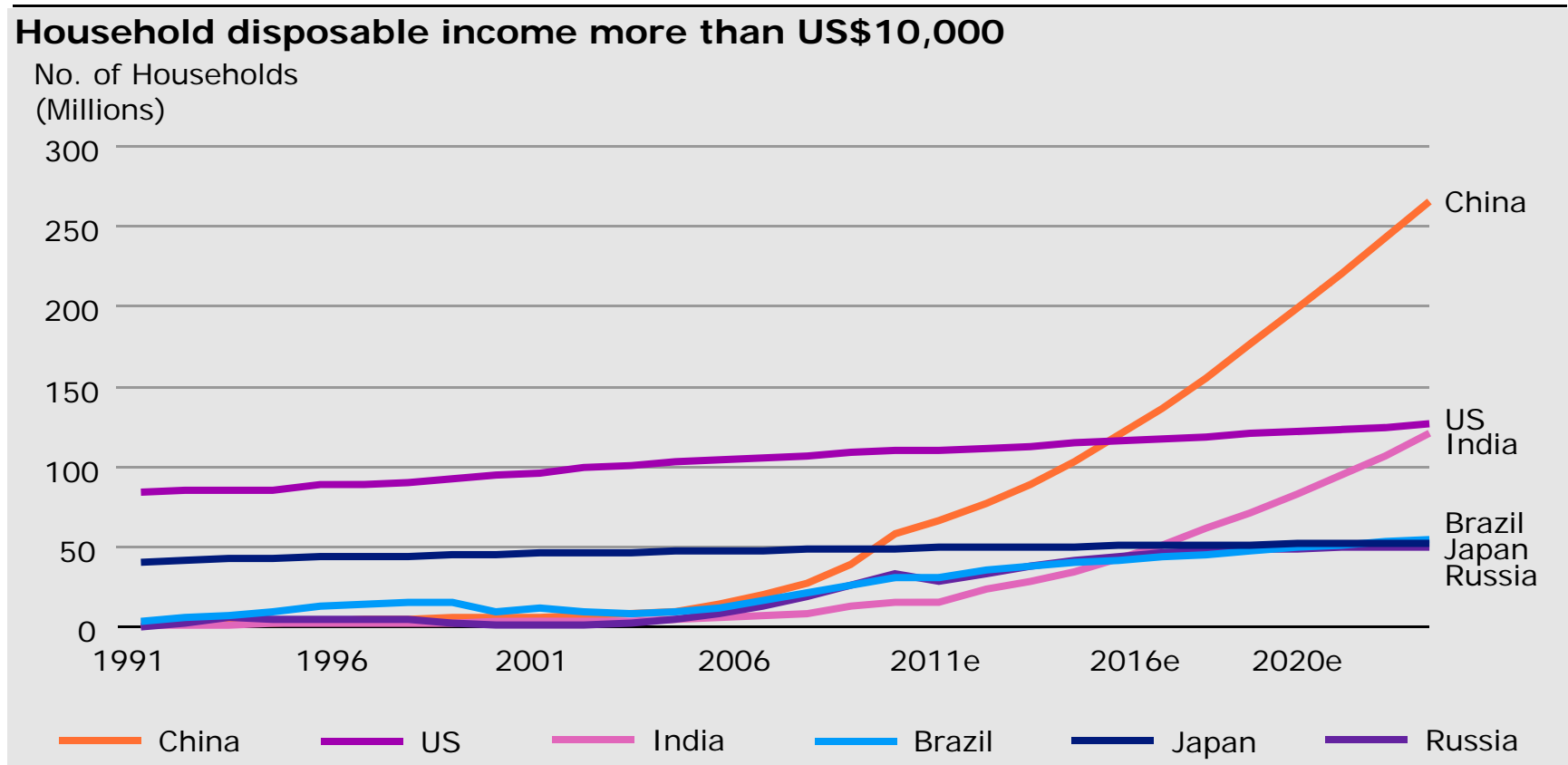
Sources: Invesco; USA Today; US Census Bureau, Population Division, International Programs Center — data estimate as of July 2012; CIA World Fact Book, Eurostat

China's 2020 GDP projection is equal to the combined GDPs of several countries



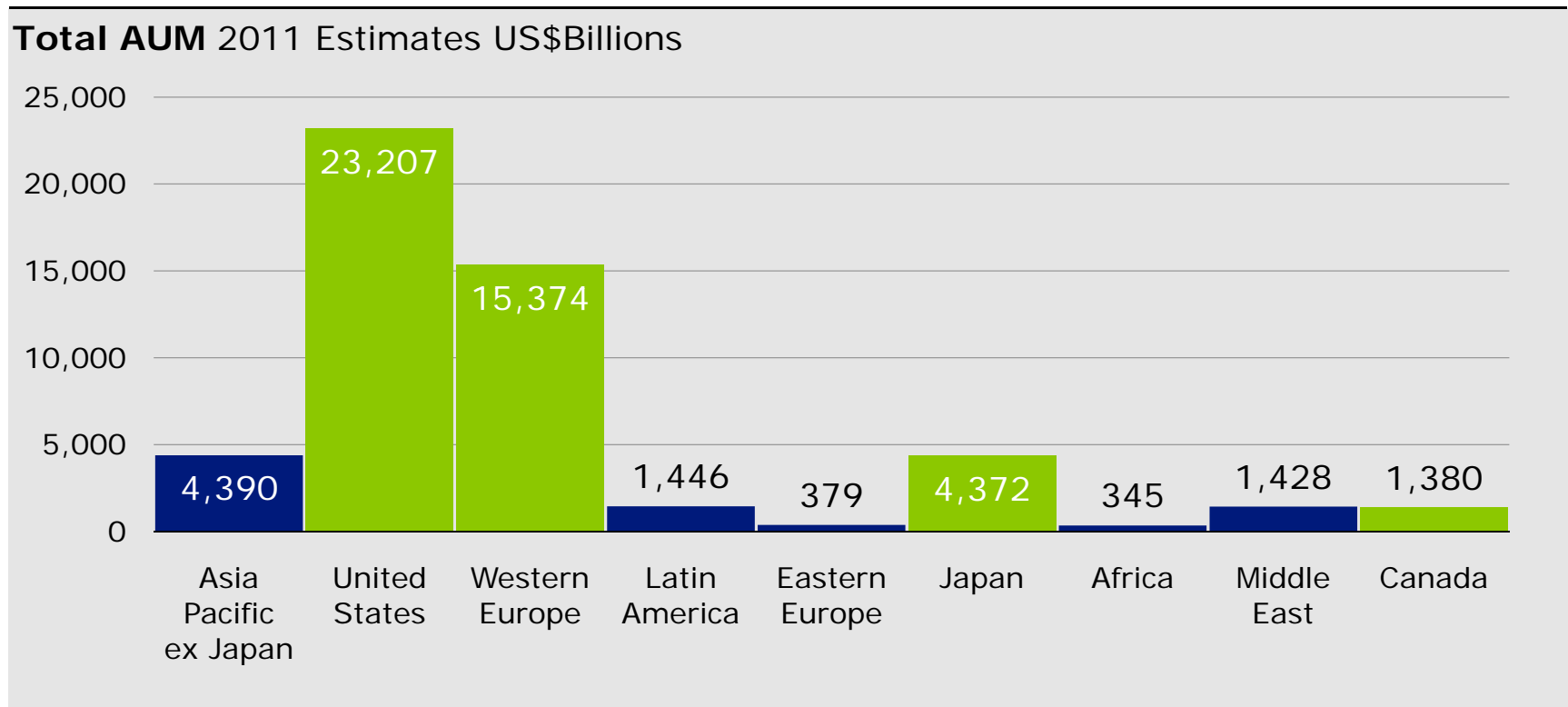
Sources: HSBC, CEIC, IMF, CIA as of December 2011. Actual results may differ from current projections.

Disposable income is expected to grow exponentially in developing countries



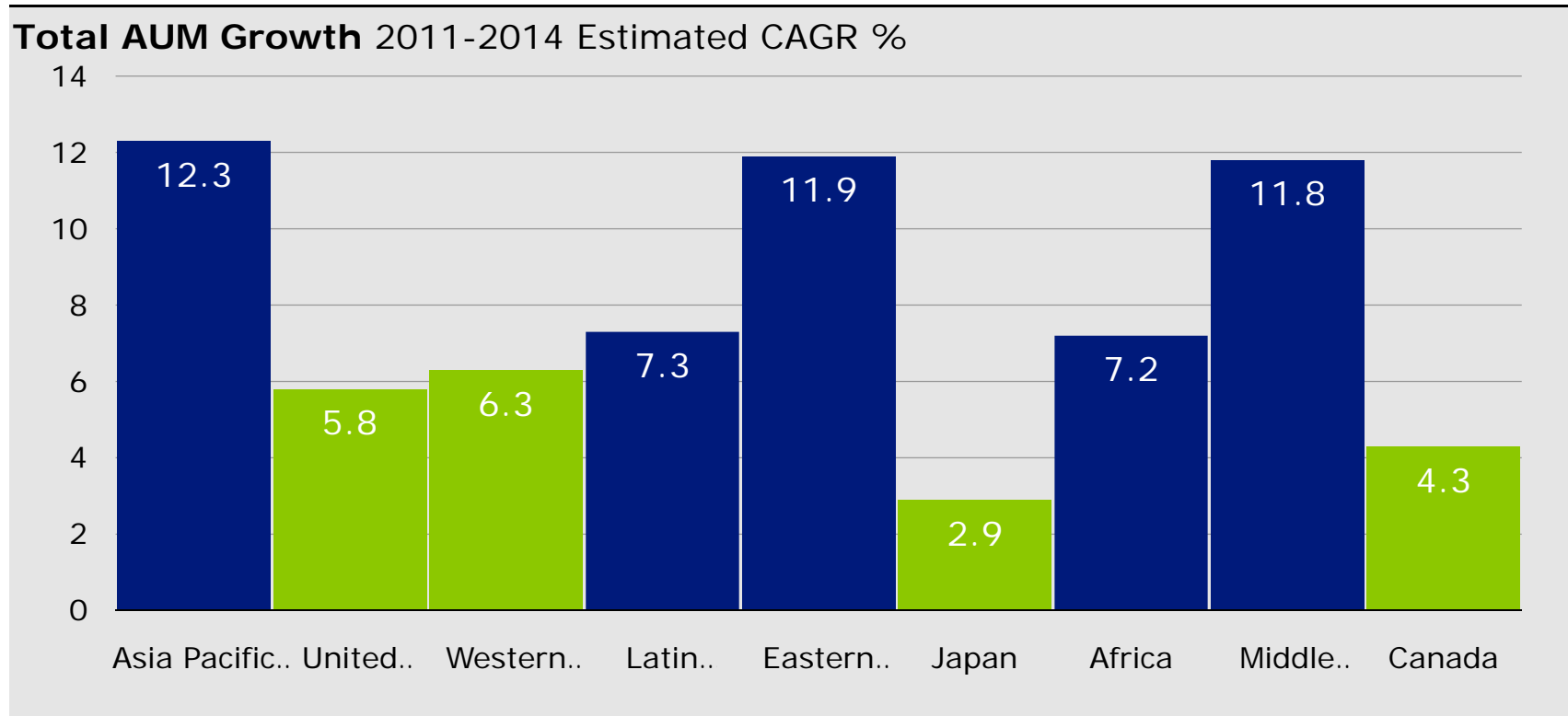
Sources: Bloomberg L.P., Invesco as of December 2011. Actual results may differ from current expectations.

Established markets currently have the lion's share of \$52 trillion global AUM ...



Green color in chart denotes developed economies as defined by the IMF's World Economic Outlook Report, April 2012.
Source: McKinsey & Company Global Banking Pools; Empirical Research Partners, as of August 2012.
Note: Includes all institutional and retail AUM.

... However, China and other emerging markets are experiencing the greatest growth



Green color in chart denotes developed economies as defined by the IMF's World Economic Outlook Report, April 2012
Source: McKinsey & Company Global Banking Pools; Empirical Research Partners, as of August 2012.
Note: Includes all institutional and retail AUM.



Summary of significant global trends

- US remains the dominant market
- Critical to be an established market leader in developed markets
- Strong presence in emerging markets a key driver of long-term success

Our discussion today



The world is changing around us

Staying ahead of trends in the US

Thriving in the new world order

Key US market realities



-
- 1** Post-crisis uncertainty and broad structural reform creating instability

 - 2** Risk mitigation driving evolution of asset allocation

 - 3** Aging US population driving need for income solutions

 - 4** Increased market complexity accelerating need for advice

1 Post-crisis uncertainty and broad structural reform creating instability

Advisors and investors are concerned

- Uncertainty around tax policy
- Eurozone crisis
- Government debt and impending fiscal cliff
- Market volatility



1 Then and now

The Great Depression

- Increased legislation driving financial reform
- Government spending to drive employment
- Enduring market volatility
- Prolonged investor anxiety

The Great Recession

- Increased legislation driving financial reform
- Government spending to drive employment
- Enduring market volatility
- Prolonged investor anxiety



1 Then and now

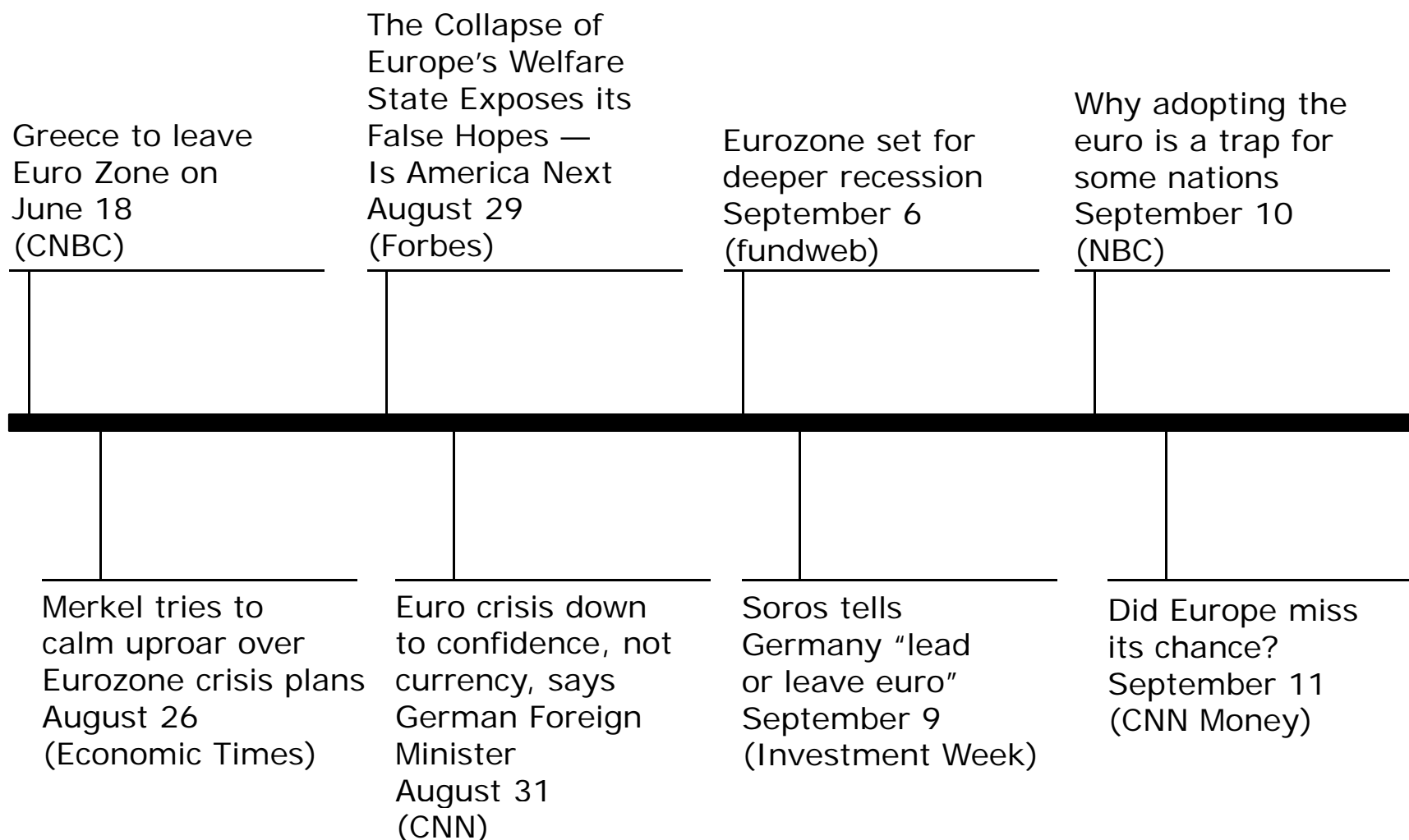
The Great Depression

- Increased legislation driving financial reform
- Government spending to drive employment
- Enduring market volatility
- Prolonged investor anxiety

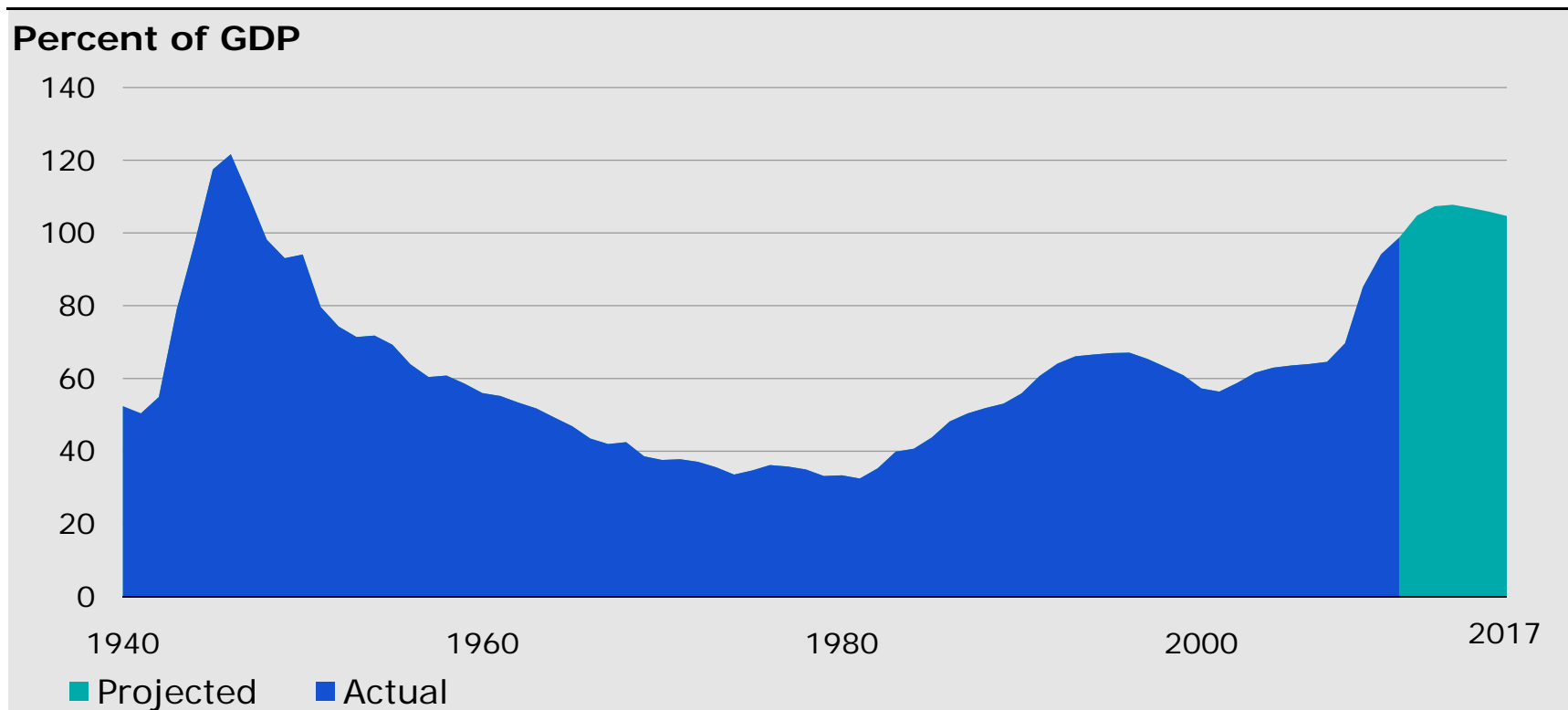
The Great Recession

- Increased legislation driving financial reform
- Government spending to drive employment
- Enduring market volatility
- Prolonged investor anxiety
- **Globalization**
- **Aging population**

1 Lack of confidence in peripheral Eurozone countries continues

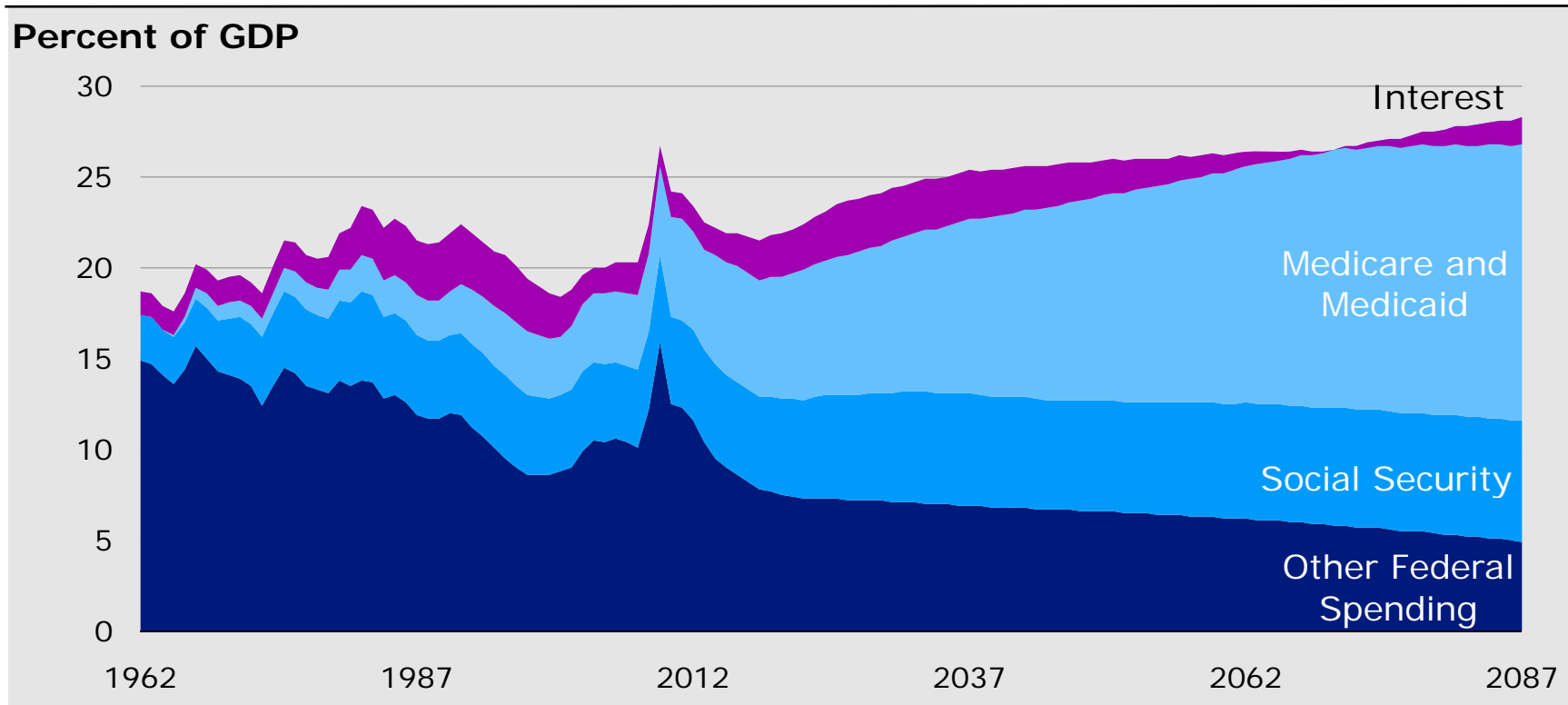


1 Total US government debt is approaching 100% of GDP



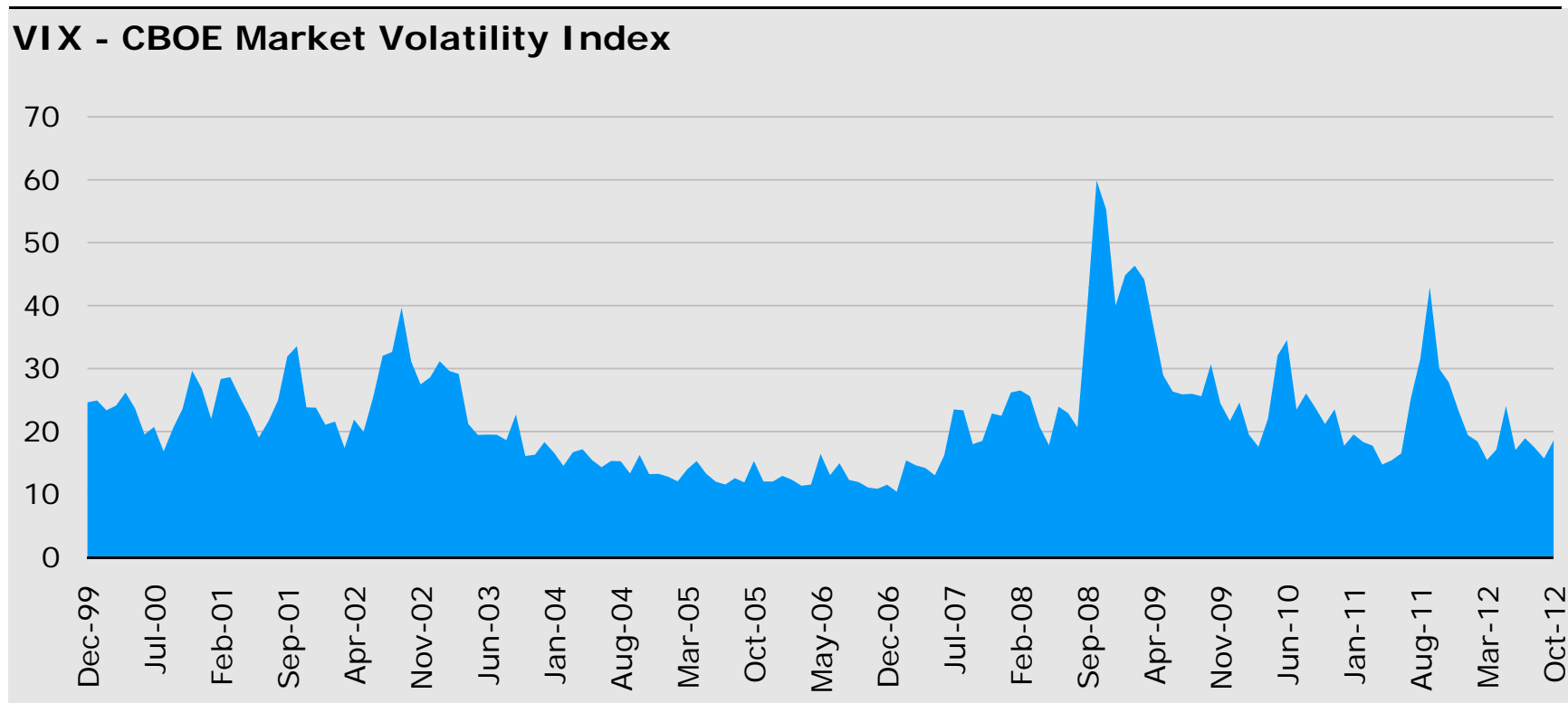
Sources: US Office of Management and Budget data through Dec. 31, 2011, Congressional Budget Office's (CBO) January 2011 baseline budget projections

1 The importance of restoring confidence



Source: Congressional Budget Office (CBO), The Long-Term Budget Outlook, July 2012; extended-baseline scenario

1 Uncertainty driving market volatility and investor anxiety



Source: Bloomberg L.P. , Invesco. Data as of Oct. 31, 2012.

VIX is based on real-time option prices, which reflect investors' consensus view of future expected stock market volatility. During periods of financial stress, which are often accompanied by steep market declines, option prices - and VIX - tend to rise. The greater the fear, the higher the VIX level. As investor fear subsides, option prices tend to decline, which in turn causes VIX to decline. It is important to note, however, that past performance does not necessarily indicate future results.



1 Post-crisis uncertainty and broad structural reform creating instability

How to stay ahead of the trend

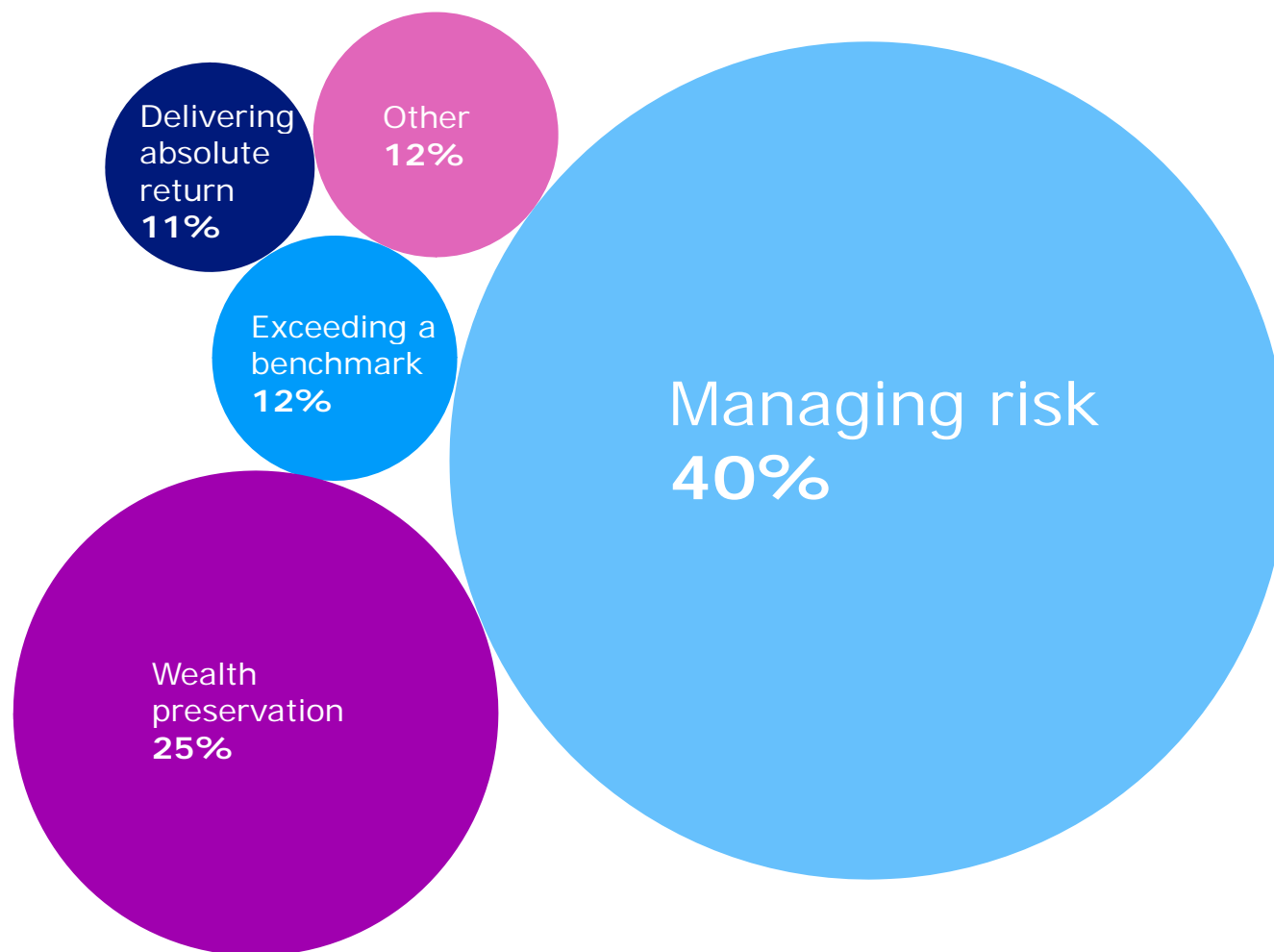
- Stay invested for the long term
- Find low-volatility opportunities
- Create risk-balanced portfolios to prepare for various outcomes
- Invest in equities for the long term



2 Risk mitigation driving evolution of asset allocation

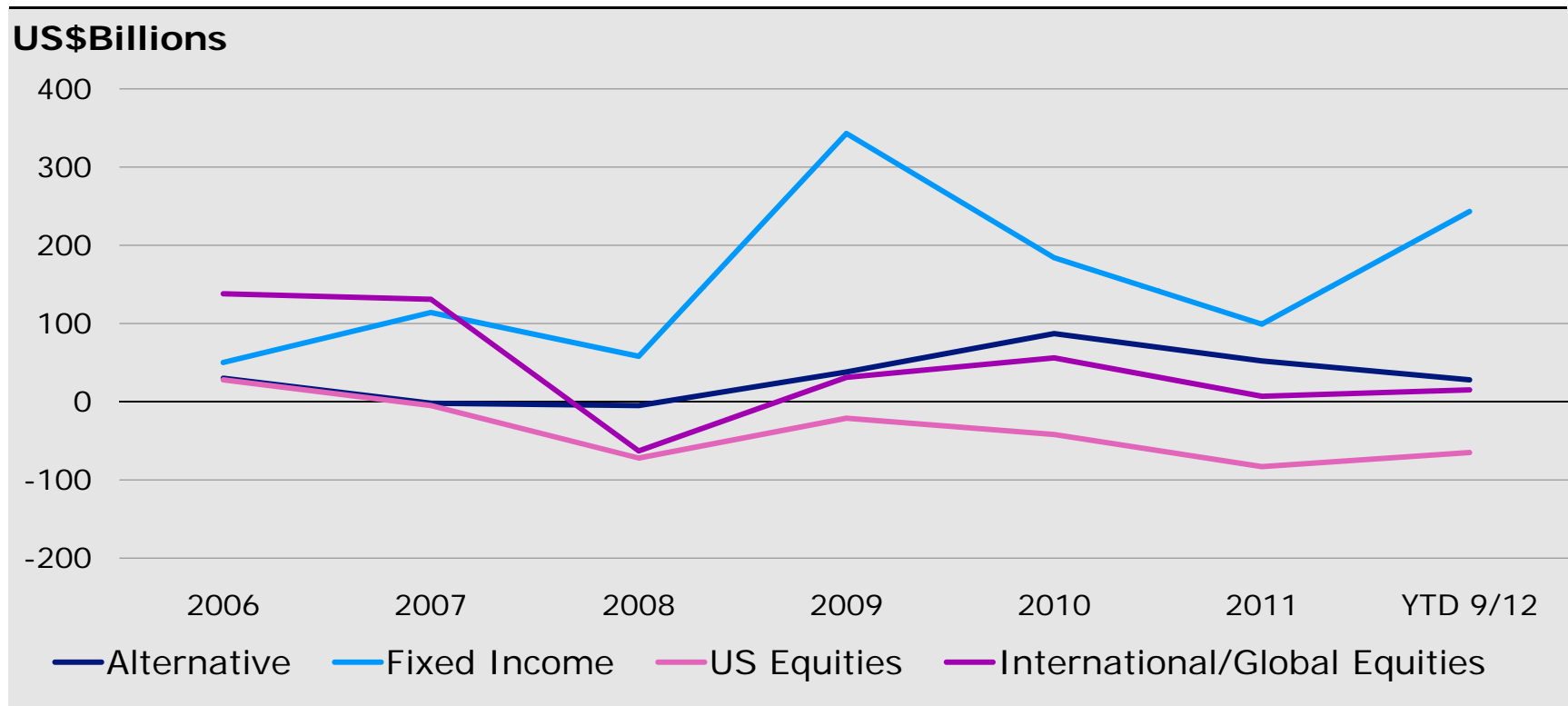
- Advisors are focused on managing risk
- Increasing allocations to income (equity and fixed)
- Alternatives are no longer alternative
- Growth of risk parity and world allocation strategies
- Blending of mutual funds and ETFs in client portfolios

2 Invesco research indicates advisors are focused on managing risk post-crisis



Source: Invesco RIA Survey conducted by Cogent Research, 2012. Results based on web survey of 189 registered investment advisors with \$50M+ in AUM.

2 Flows into fixed income underscore challenges of risk mitigation



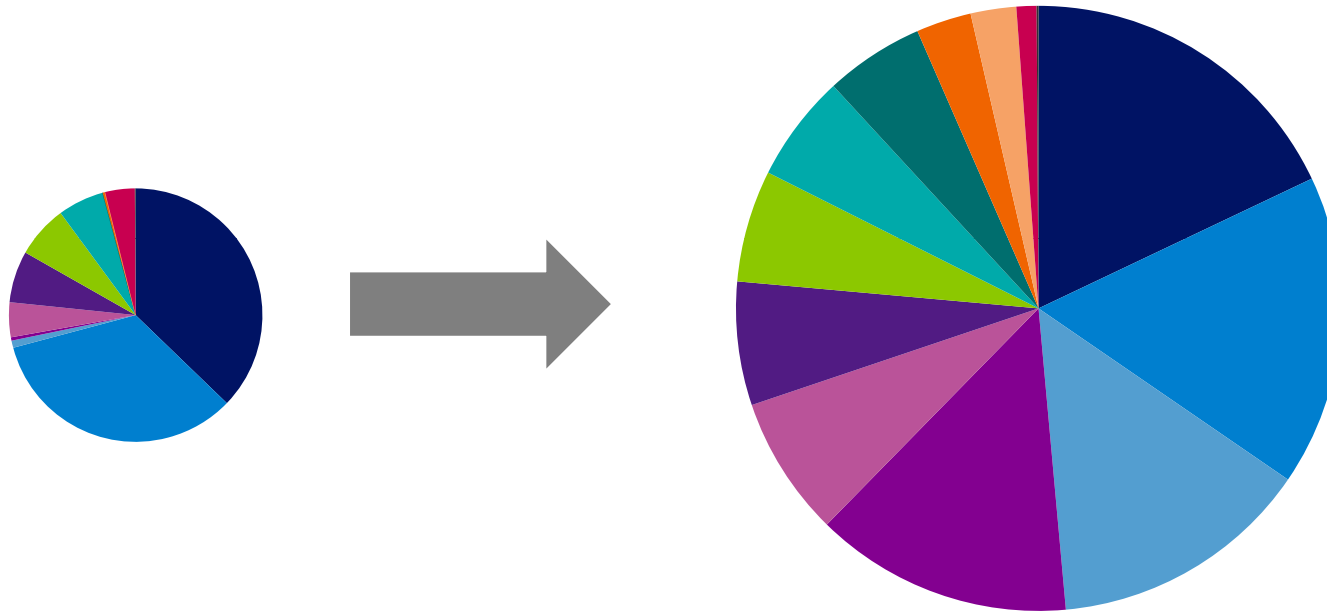
Source: Strategic Insight 9/30/12 (LT-OE Mutual Funds & ETFs; Includes fund of funds). Values represent sum of annual net flows for each category.

2 Alternative mutual fund assets have experienced significant growth and diversification



2001: \$27B

2012: \$374B



- Real Estate
- Bank Loan
- Nontraditional Bond
- Commodities Broad Basket
- Global Real Estate
- Long/Short Equity
- Equity Precious Metals
- Market Neutral
- Multi-alternative
- Currency
- Managed Futures
- Bear Market
- Trading-Based

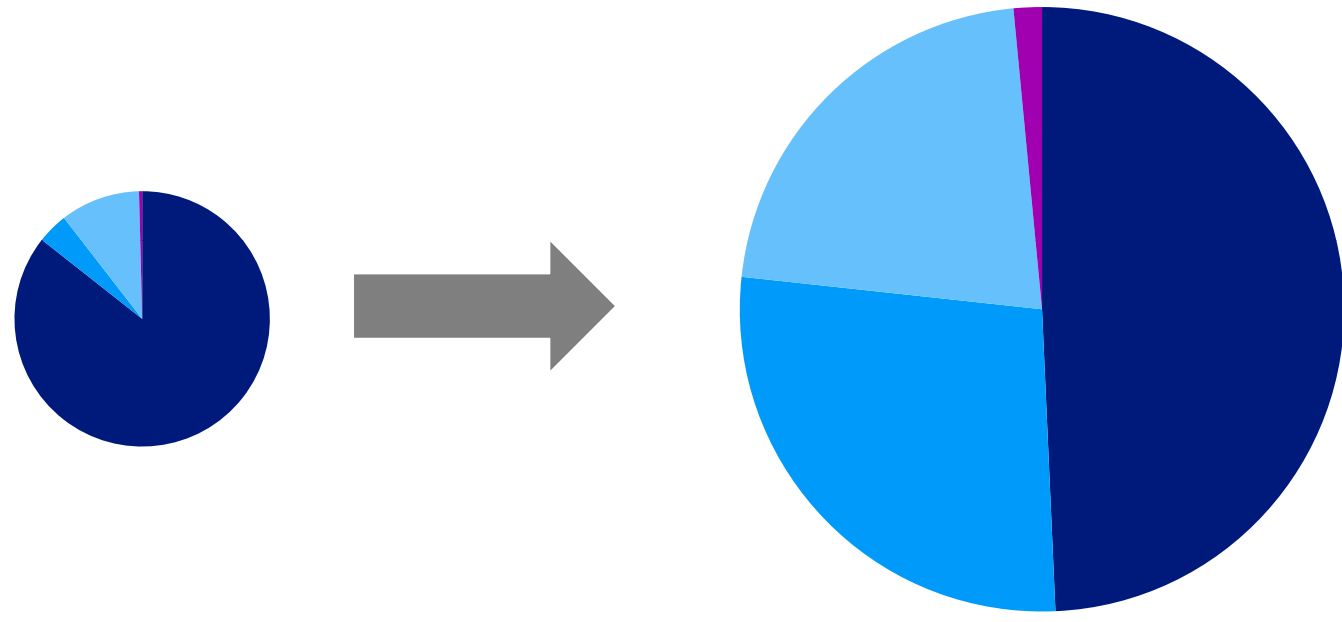
Source: Simfund. Data as of July 31, 2012. Includes fund of funds.

2 Major shift from traditional balanced funds to target date and world allocation funds



2001: \$208B

2012: \$1,287B



■ Balanced and Target Risk

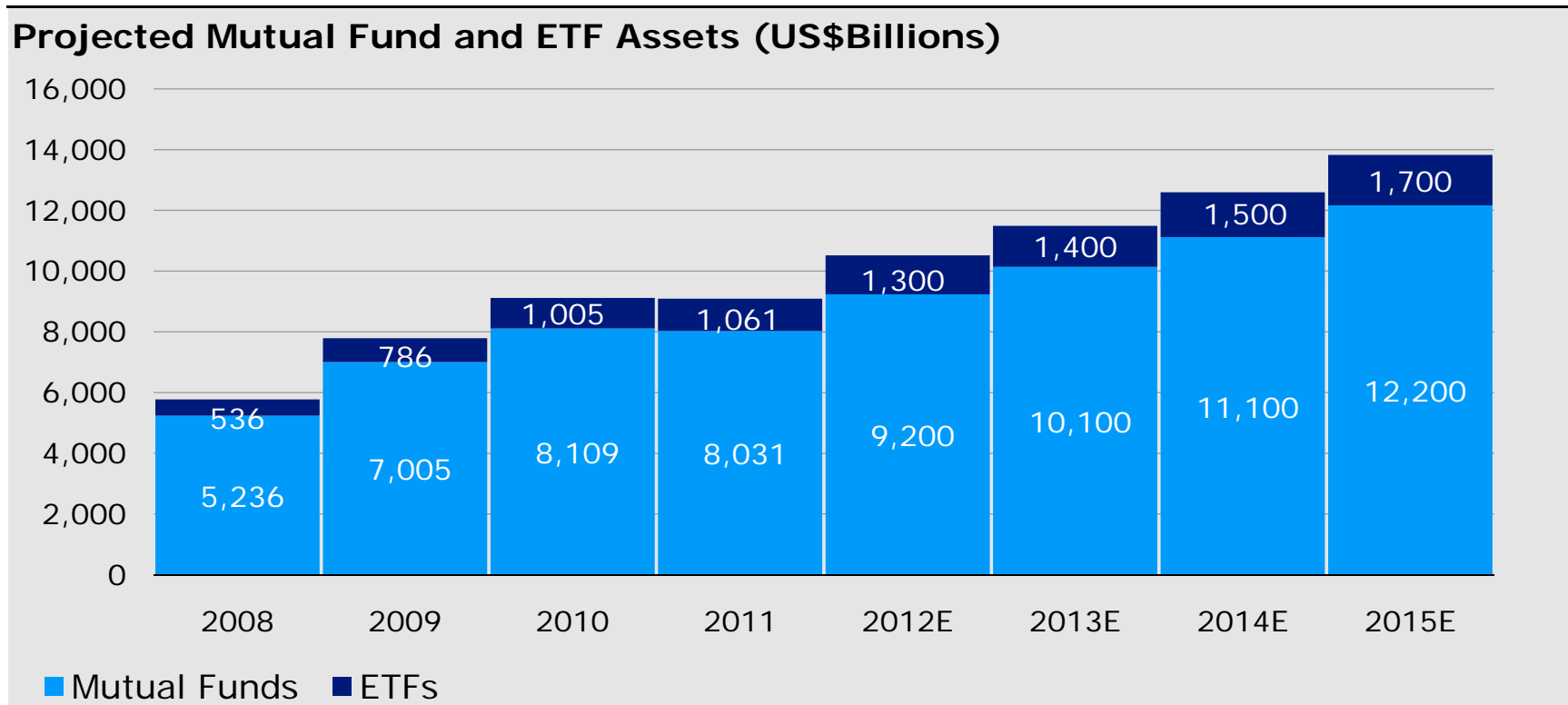
■ Target Date

■ World Allocation

■ Retirement Income

Source: Simfund. Data as of July 31, 2012. Includes fund of funds.

2 ETF growth continues



Source: Strategic Insight and Cerulli. 2012-2015 estimated projections, not actual figures.



2 Risk mitigation driving evolution of asset allocation

How to stay ahead of the trend

- Identify and understand risk before you try to mitigate it
- Reconsider sources of risk
- Adjusting asset allocation mix could improve portfolio outcomes
- Invest in equities for the long term

3 Aging US population driving need for income solutions



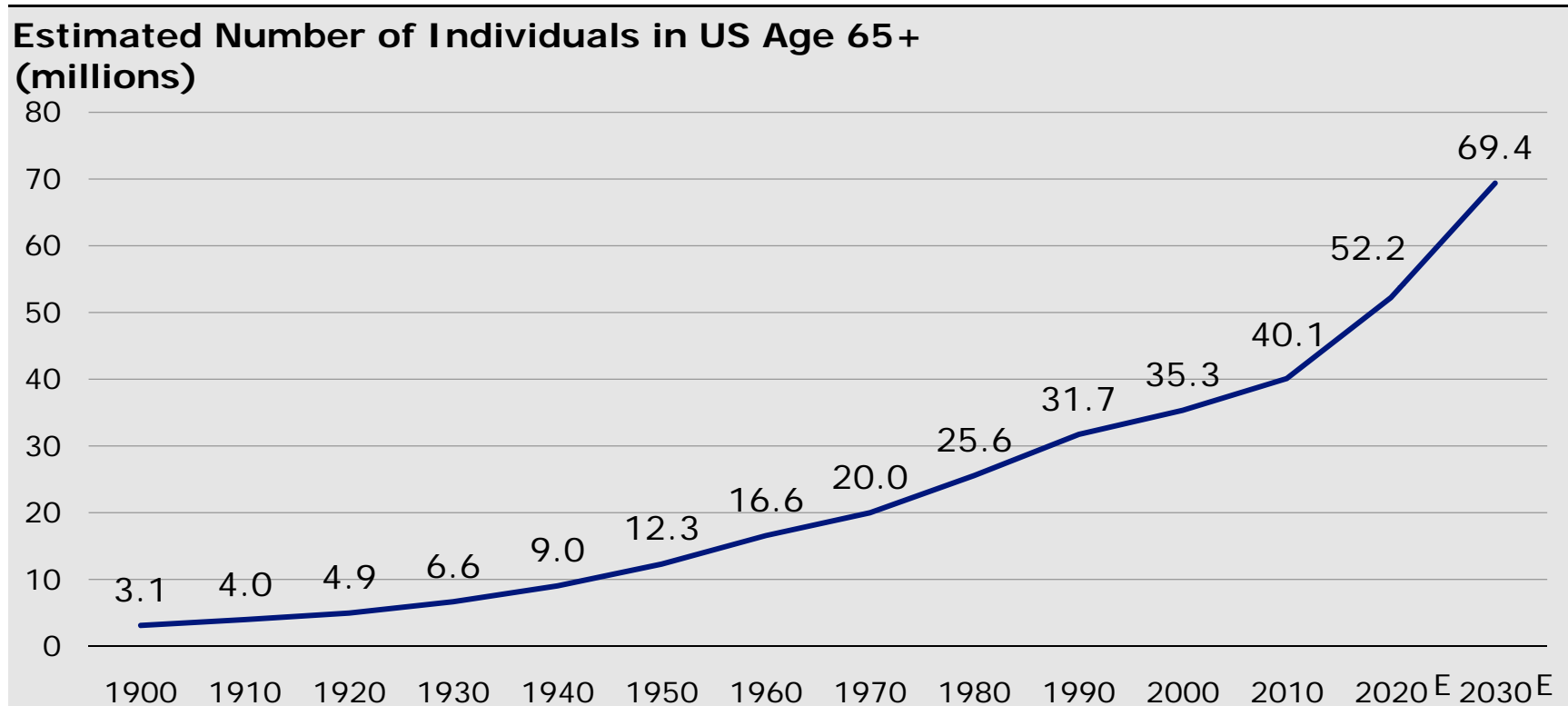
What the industry has been expecting...

- A wave of baby boomers retiring soon
- Money moving from DB to DC plans
- Increasing interest in retirement income products


What's actually happening today...

- Baby boomers are hitting retirement age NOW
- The real money in motion is from DC plans to IRAs
- Advisors prefer to build their own retirement income portfolios

3 Baby boomers have started to turn 65



Source: U.S. Bureau of the Census (middle series projections)

An aerial night photograph of a city street, likely in New York City, showing light trails from cars and taxis, and illuminated buildings. The scene is viewed from a high angle, looking down on the street and surrounding skyscrapers. The lights from the buildings and streetlights create a vibrant, colorful scene. The text is overlaid on a dark blue rectangular area on the left side of the image.

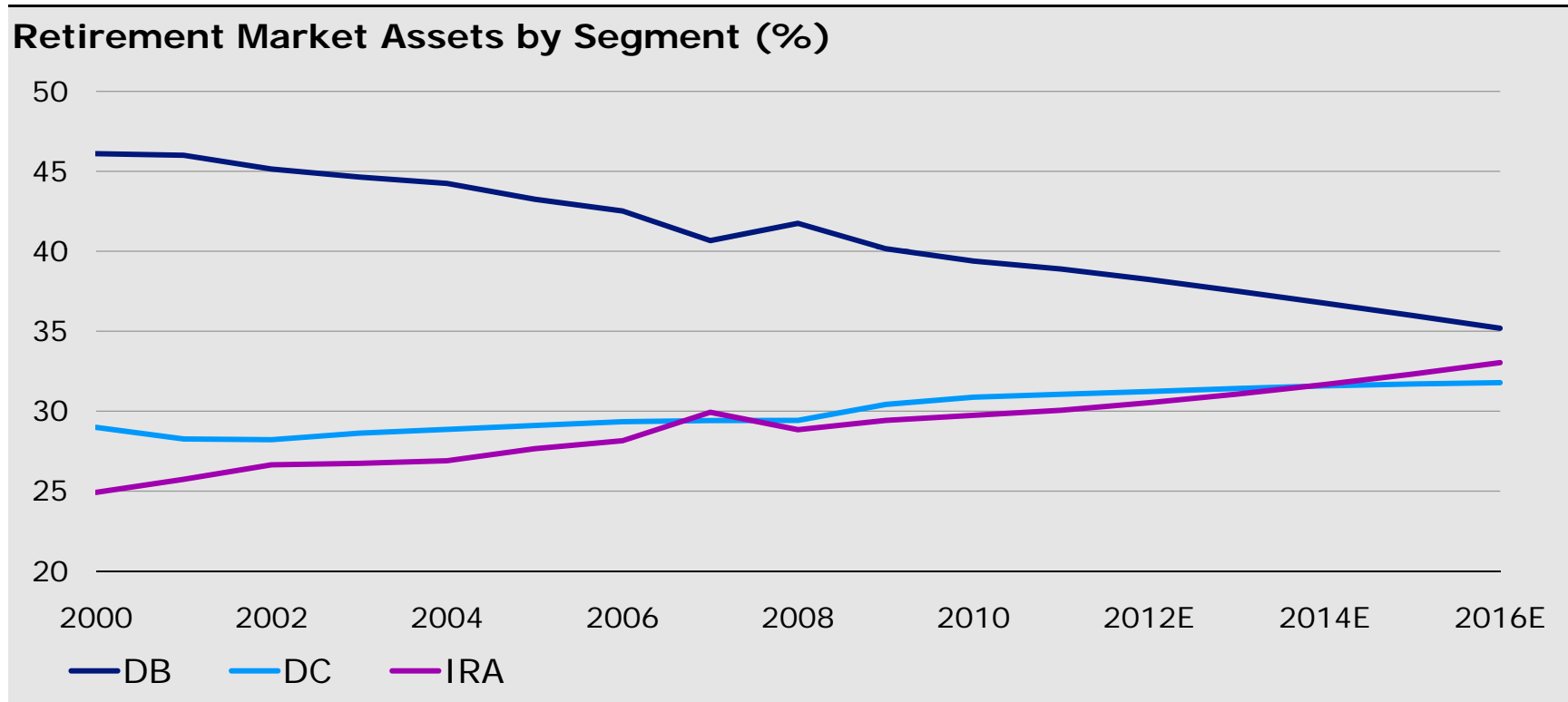
10,000 baby boomers will file for Social Security benefits every day for the next 20 years.

Source: "Annual Performance Plan for FY 2012," Social Security Administration

Social Security
trust fund
exhausted
by 2033.

Sources: Social Security Online Actuarial Publications, "Status of the Social Security and Medicare Programs, A Summary of the 2012 Annual Reports," Social Security and Medicare Boards of Trustees

3 IRA assets growing at the fastest rate

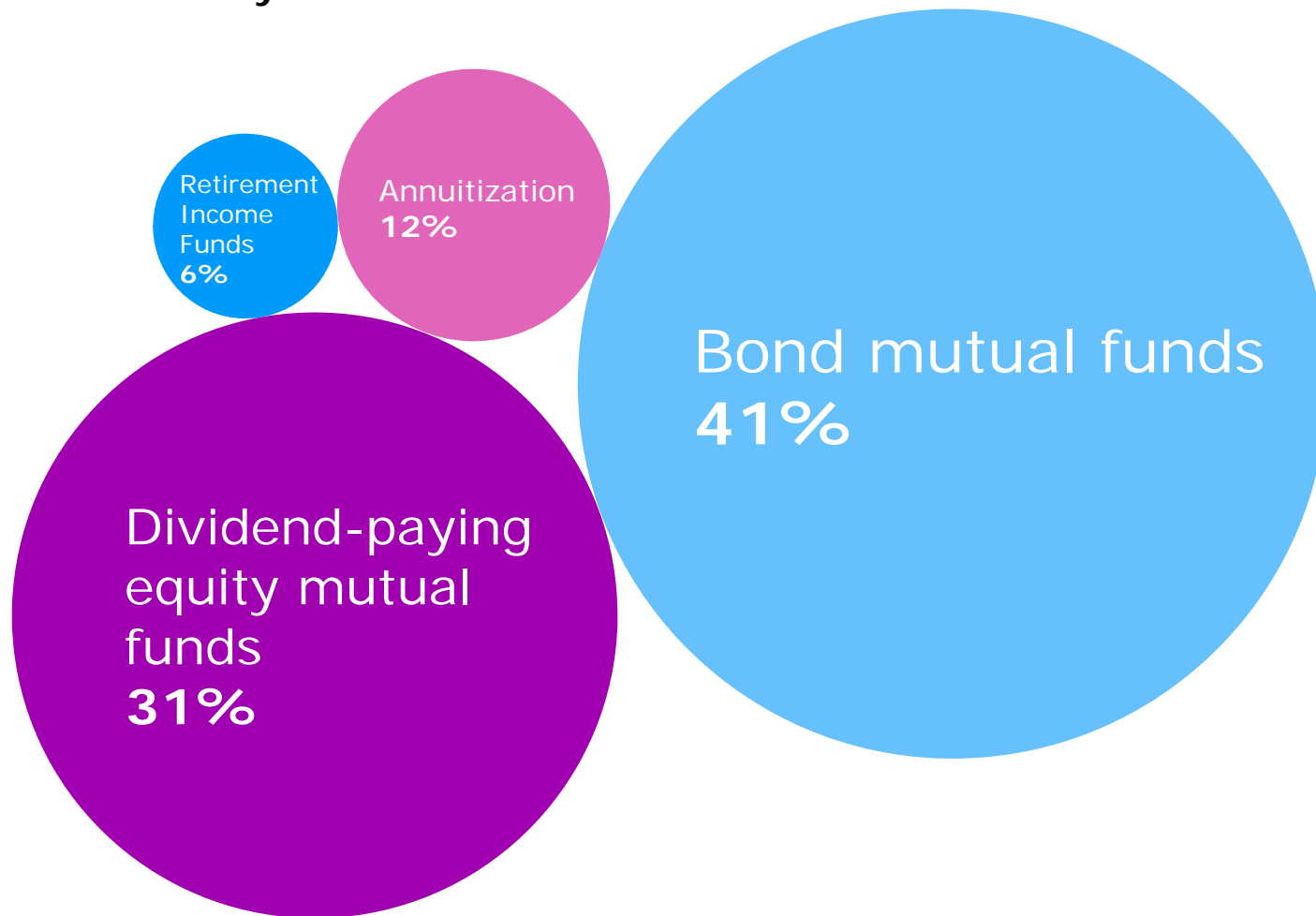


Sources: Department of Labor, ICI, U.S. Census Bureau, Federal Reserve, PBGC, EBRI, Cerulli Associates

3 Advisors prefer to build retirement income portfolios



What Advisors "Always Use" for Retirement Income



Source: Cerulli Associates. Advisor Portfolio Construction Dynamics. 2011.

3 Aging US population driving need for income solutions



How to stay ahead of the trend

- Provide advice to DC plan participants for IRA rollover capture
- Deliver strategies to meet today's investor income needs
- Identify diversified sources of income in today's market
- Ensure that income strategies take into account tomorrow's outcomes
- Invest in equities for the long term



4 Increased market complexity accelerating need for advice

Key Trends

- Markets are becoming more complex
- Consumers live in a customized world
- Discretionary advice is growing rapidly

4 Increasing complexity for investors



Then

- More time
- Limited information
- Domestic markets
- Stocks and bonds

Now

- Limited time
- Unlimited data
- Global markets
- Broad array of investment solutions

4 Customization is expected



Then

- Generic
- Buy an album
- Select a shoe style
- Products

Now

- Personalized
- Build your own playlist
- “Choose your outsole, cushioning, colors — even weather protection”
- Solutions



4 Increased market complexity accelerating need for advice

How to stay ahead of the trend

- Build relationships by delivering value
- Provide a clear framework to turn data into actionable information
- Offer easy, tailored solutions that holistically meet investor needs

Our discussion today



The world is changing around us

Staying ahead of trends in the US

Thriving in the new world order



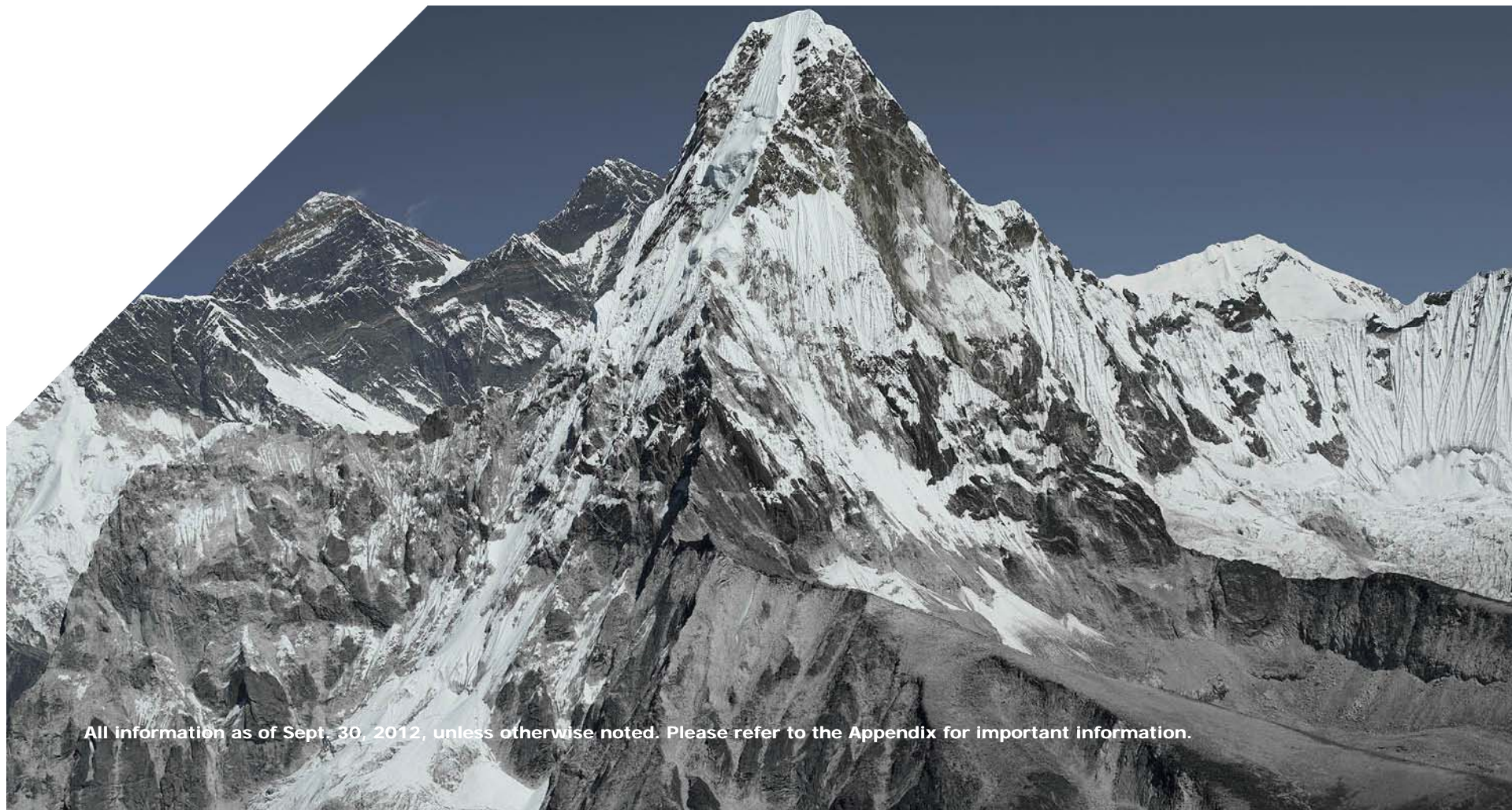
Thriving in the new world order

- Focused on distinct client needs
- Ability to capitalize on global opportunities
- Broadly diversified
- Ability to effectively deliver tailored solutions
- Being indispensable to clients



Thriving in the new world order

Martin L. Flanagan
President and CEO
Invesco Ltd.



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