Risk Factors Comparison 2024-02-21 to 2023-02-23 Form: 10-K

Legend: New Text ~~Removed Text~~ Unchanged Text Moved Text Section

Risks Related to Market Dynamics and Volatility • Volatility and disruption in global or regional capital and credit markets, as well as adverse changes in the global economy, could negatively affect our AUM, revenues, net income and liquidity. **• Our revenues and net income would likely be adversely affected by any reduction in AUM as a result of either a decline in market value of such assets or net outflows, each of which would reduce the investment management fees we earn. • Our revenues and net income from money market and other fixed income assets may be harmed by interest rates, liquidity and credit volatility. • Our financial condition and liquidity would be adversely affected by losses on our seed capital and co- investments. • As many of our subsidiary operations are located outside of the U. S. and have functional currencies other than the U. S. Dollar, changes in the exchange rates to the U. S. Dollar impact our reported financial results. Risks Related to Investment Performance and Competition • Poor investment performance of our products could reduce the level of our AUM or affect our sales, and negatively impact our revenues and net income. • Failure to properly address the increased transformative pressures affecting the asset management industry could negatively impact our business. • Competitive pressures may force us to reduce the fees we charge to clients, which could reduce our profitability. • Our private market products include investments in private credit, real estate, and equity investments in early- stage real estate- related companies which may expose our investment products, clients and us, to the extent of our investment in such investment products, to risks and liabilities, and us to reputational harm. • Our investment products, clients and us, to the extent of our investment in such investment products, could incur losses if the allowance for credit losses, including loan and lending- related commitment reserves, of portfolio- level investments is inadequate or if our expectations of future economic conditions deteriorate. • We may be unable to develop new products and services and the development of new products and services may expose us to additional costs or operational risk. • The failure or negative performance of products offered by competitors may have a negative impact on similar Invesco products irrespective of our performance. Risks Related to Talent, Operations and Technology • Our investment management professionals and other key employees are a vital part of our ability to attract and retain clients, and the loss of key individuals or a significant portion of those professionals could result in a reduction of our AUM, revenues and net income. • Changes in the distribution channels on which we depend could reduce our net income and hinder our growth. • Failure to comply with client contractual requirements and / or investment guidelines could result in costs of correction, damage awards and / or regulatory fines and penalties against us and loss of revenues due to client terminations. • Our investment advisory agreements are subject to termination or non- renewal, and our fund and other investors may withdraw their assets at any time. • The quantitative models we use and our index tracking investment solutions may contain errors, which could result in financial losses or adversely impact product performance and client relationships. • Climate change- related risks could adversely affect our business, products, operations and clients, which may cause our AUM, revenue and net income to decline. • If our reputation is harmed, we could suffer losses in our AUM, revenues and net income. • The lack of soundness of other financial institutions could adversely affect us or the client portfolios we manage. • We depend on information technology, and any failures of or damage to, attack on or unauthorized access to our information technology systems or facilities, or those of third parties with which we do business or that facilitate our business activities, including as a result of cyber- attacks, could result in significant limits on our ability to conduct our operations and activities, costs and reputational damage. • Our ability to manage and grow our business successfully can be impeded by systems and other technological limitations. • If we are unable to successfully recover from a man- made or natural disaster, health crisis or pandemic or other business continuity problem, we could suffer material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability. • Our business is vulnerable to deficiencies and failures in support systems, including data management, and customer service functions that could lead to breaches and errors or reputational harm, resulting in loss of customers or claims against us or our subsidiaries. Risks Related to Accounting, Capital Management and Liquidity • The carrying value of goodwill and other intangible assets on our balance sheet could become impaired, which would adversely affect our results of operations. • Our credit agreement imposes operating covenants that impact our ability to conduct certain activities and, if amounts borrowed under it were subject to accelerated repayment, we might not have sufficient assets or liquidity to repay such amounts in full. • We issued perpetual preferred stock having a value of approximately $ 4 billion, which could adversely affect our ability to raise additional capital and may limit our ability to fund other priorities. • Failure to maintain adequate corporate and contingent liquidity may cause our AUM, revenues and net income to decline, as well as harm our prospects for growth. • Distribution of earnings of our subsidiaries may be subject to limitations, including net capital requirements. Risks Related to Strategic Transactions • We may engage in strategic transactions that could create risks. Risks Related to our Significant Shareholders • Future sales of shares of our common stock could adversely impact the trading price of our common stock. • Massachusetts Mutual Life Insurance Company (MassMutual) has the ability to significantly influence our business, and MassMutual' s interest in our business may be different from that of other shareholders. Risks Related to Regulatory and Legal Matters • We operate in an industry that is highly regulated in most countries, and any enforcement action or significant changes in the laws or regulations governing our business or industry could decrease our AUM, revenues, net income and liquidity. • Civil litigation and governmental investigations and enforcement actions could adversely affect our AUM and future net income and increase our costs of doing business.**

• Legislative and other measures that may be taken by governmental authorities could materially increase our tax burden or otherwise adversely affect our net income or liquidity. • Examinations and audits by tax authorities could result in additional tax payments for prior periods. • Bermuda law differs from the laws in effect in the U. S. and may afford less protection to shareholders. • Because we are incorporated in Bermuda, it may be difficult for shareholders to enforce non- monetary judgments against us or any judgment against us or our directors and officers. Shareholders may have to seek independent advice regarding the commencement of proceedings or service of foreign process in Bermuda. • We have anti- takeover provisions in our Bye- Laws that may discourage a change of control. General Risk Factors • Our ability to maintain our credit ratings and to access the capital markets in a timely manner should we seek to do so depends on a number of factors. • Insurance may not be available at a reasonable cost to protect us from loss or liability. PART I Item 1. Business Introduction Invesco Ltd. (the Parent) and its consolidated subsidiaries (collectively, Invesco or the company) is an independent investment management firm dedicated to delivering a superior investment experience. 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. With approximately 8, 500 employees and an on- the- ground presence in more than 20 countries, Invesco is well positioned to meet the needs of investors across the globe. We have specialized investment teams managing investments across a broad range of asset classes, investment styles and geographies. For decades, individuals and institutions have viewed Invesco as a trusted partner for a comprehensive set of investment needs. We have a significant presence in the retail and institutional markets within the investment management industry in the Americas, Europe, Middle East and Africa (EMEA) and Asia- Pacific (APAC), serving clients in more than 120 countries. As of December 31, 2023, the firm managed approximately $ 1. 6 trillion in assets for investors around the world. The key drivers of success for Invesco are long- term investment performance, high- quality client service and effective distribution relationships delivered across a diverse spectrum of investment management capabilities, distribution channels, geographic areas and market exposures. Through our focus on these areas, we seek to deliver better outcomes for clients, generate competitive investment results and positive net flows, and increase AUM and revenues. We measure relative investment performance by comparing our investment capabilities to competitors' products, industry benchmarks and client investment objectives. Generally, distributors, investment advisors and consultants take into consideration longer- term investment performance (e. g., three- year and five- year performance) in their selection of investment products and recommendations to their clients. Third- party ratings may also influence client investment decisions. We monitor the quality of client service in a variety of ways, including periodic client satisfaction surveys, analysis of response times and redemption rates, competitive benchmarking of services and feedback from investment consultants. The company is organized under the laws of Bermuda. Our common shares are listed and traded on the New York Stock Exchange (NYSE) under the symbol " IVZ. " We maintain a website at www. invesco. com / corporate. (Information contained on our website shall not be deemed to be part of, or be incorporated into, this document.) Industry Trends Trends around the world continue to transform the investment management industry and underscore the need to be well diversified with broad capabilities globally: Individuals and Institutions expect personalized outcomes and experience. • Distribution partners are becoming more selective and continuing to maintain fewer relationships and partners, reducing the number of trusted investment managers with whom they work. • Clients and distribution partners are demanding more from investment managers. While performance remains paramount, competitive pricing, best- in class experience and value- added services (including portfolio analytics and consultative solutions) increasingly differentiate managers. • The U. S. and China will continue to be the dominant global wealth markets. Global asset management leaders will need a considerable footprint in these markets. Structural shifts in client portfolio allocations. • Private market allocations continue to increase and become a meaningful part of retail portfolios, driving industry fee growth as well as innovation and democratization. • Beta, factor, and index offerings will continue to be core to portfolios in transparent, efficient markets. In this space, clients will demand ease of access and competitive pricing. • Investors have been selecting active strategies, while placing a high bar on proven superior risk- adjusted returns. • Investors have been favoring fixed income strategies in response to unpredictable market conditions and the higher interest rate environment. • Investors have been shifting their investment strategies toward lower fee offerings, and we believe this trend will continue. Leading asset managers must quickly curate options that solve clients' problems. • Investment capabilities will be delivered efficiently and seamlessly using technologies, platforms, and vehicles. • Investment managers are finding new ways of leveraging data and analytics to create insights that will provide strategic advantage and drive investment, distribution, and operational excellence. • Winners will invest in talent and skills across new ecosystems, requiring new ways of working and strategic partnerships to drive synergies and scale. These dynamics are driving fundamental changes within the industry and, we believe, will drive increasing consolidation. We believe the steps we have taken over the past decade strengthened our ability to understand, anticipate and meet client needs and will help ensure Invesco is well- positioned to compete within our industry over the long term. Strategy At Invesco, we seek to drive sustainable profitable growth by delivering capabilities that build enduring partnerships and create better outcomes for our clients. The company focuses on four key long- term strategic objectives that are designed to sharpen our focus on client needs, further strengthen our business over time and help ensure our long- term success: Deliver the excellence our clients expect • Achieve strong, long- term investment performance. • Deliver a quality investment process and a frictionless experience with superior engagement. • Provide advice and solutions to help our clients best manage their portfolios and succeed with their own clients. Grow high demand investment offerings • Deliver ahead of clients' expectations through product innovation, investment styles, and packaging options. • Focus our offerings at the intersection of high opportunity markets and high demand capabilities. Create an environment where talented people thrive • Attract and develop high performing, diverse talent with skills aligned to deliver against business outcomes. • Create an inclusive and engaging culture that values diversity of thought which enables us to work as one team to deliver better outcomes. Act like owners for all stakeholders • Be disciplined stewards of firm resources with a focus on profitable growth. • Invest in the success of our clients, our shareholders, and ourselves. As an integrated global investment manager, we are keenly focused on meeting clients' needs and operating effectively and efficiently. We take a unified approach to our business and present our financial statements and other disclosures under the single operating segment " investment management. " A key focus of our business is fostering a strong investment culture and providing the support that enables our investment teams to maintain well- performing investment capabilities. We believe the ability to leverage the capabilities of our investment teams to help clients across the globe achieve their investment objectives is a significant differentiator for our firm. Investment Management Capabilities We believe that the proven strength of our distinct and globally located investment teams and their well- defined investment disciplines and risk management approaches provide us with a robust competitive advantage. There are few independent investment managers with teams as globally diverse as Invesco' s and with the same breadth and depth of investment capabilities and vehicles. We offer multiple investment objectives within the various asset classes and products that we manage. Our asset classes, broadly defined, include equity, fixed income, balanced, alternatives and money market. The following sets forth our major managed investment objectives by asset class: Equity Fixed Income Balanced AlternativesMoney Market ● Core / Value / Growth Style ● Buy and Hold ● Balanced Risk ● Absolute Return ● Cash Plus ● Custom Solutions ● Convertibles ● Custom Solutions ● Commodities ● Custom Solutions ● Emerging Markets ● Core / Core Plus ● ESG ● Currencies ● Government / Treasury ● Environmental, Social and Governance (ESG) ● Custom Solutions ● Global / Regional ● Custom Solutions ● Prime ● International / Global ● Emerging Markets ● Single Country ● Direct Lending ● Taxable ● Large / Mid / Small Cap ● ESG ● Target Risk ● Distressed Debt ● Tax- Free ● Low Volatility / Defensive ● Government Bonds ● Traditional Balanced ● ESG ● Passive / Enhanced ● High- Yield Bonds ● Financial Structures ● Regional / Single Country ● International / Global ● Global Macro ● Smart Beta / Factor- based ● Investment Grade Credit ● Infrastructure and MLPs ● Thematic / Sector ● Multi- Sector ● Long / Short Equity ● Municipal Bonds ● Managed Futures ● Passive / Enhanced ● Multi- Alternatives ● Regional / Single Country ● Private Real Estate ● Short / Ultra- Short Duration ● Public Real Estate Securities ● Smart Beta / Factor- based ● Senior Secured Loans ● Stable Value ● Structured Securities Distribution Channels Retail AUM typically originate from clients investing into funds available to the public in the form of shares or units. Institutional AUM originate from entities such as individual corporate clients, insurance companies, endowments, foundations, government authorities, universities or charities. AUM disclosed as retail channel AUM include AUM distributed by the company' s retail sales team. AUM disclosed as institutional channel AUM include AUM distributed by the company' s institutional sales team. The company operates as an integrated global investment manager, presenting itself as a single firm to clients around the world. Dedicated sales forces deliver our investment strategies through a variety of vehicles that meet the needs of retail and institutional clients. Note that not all products sold in the retail distribution channel are in" retail" vehicles, and not all products sold in the institutional channel are in" institutional" vehicles, as described in the table below. This aggregation, however, is viewed as a proxy for presenting AUM in the retail and institutional markets in which we operate. The following lists our primary investment vehicles by distribution channel: Retail Institutional ● Closed- end Mutual Funds ● Collective Trust Funds ● Exchange- traded funds (ETFs) ● ETFs ● Individual Savings Accounts ● Institutional Separate Accounts ● Investment Companies with Variable Capital ● Open- end Mutual Funds ● Investment Trusts ● Private Funds ● Open- end Mutual Funds ● Separately Managed Accounts (SMA) ● Société d' investissement à Capital Variable ● Unit Investment Trusts (UITs) ● Variable Insurance Funds Retail AUM were $ 1, 042. 0 billion at December 31, 2023. We offer retail products within all of the major asset classes. Our retail products are primarily distributed through third- party financial intermediaries, including major wire houses, direct wealth platforms, regional broker- dealers, insurance companies, banks and financial planners in the Americas, and independent brokers and financial advisors, banks and direct wealth platforms in EMEA and APAC. The Americas and EMEA retail operations rank among the largest by AUM in their respective markets. As of December 31, 2023, Invesco' s U. S. retail business, including our ETFs franchise, is among the leading asset managers in the U. S., and Invesco' s retail business in EMEA is among the largest non- proprietary investment managers in the retail channel. In addition, Invesco Great Wall Fund Management Company Limited (IGW or Invesco Great Wall), our joint venture in China, is one of the largest Sino- foreign managers of equity products in China, with total AUM of approximately $ 83. 6 billion at December 31, 2023. We provide our retail clients with one of the industry' s most robust and comprehensive product lines. Institutional AUM were $ 543. 3 billion at December 31, 2023. We offer a broad suite of domestic and global strategies, including traditional and quantitative equities, fixed income (including money market funds for institutional clients), real estate, financial structures and absolute return strategies. Regional sales forces distribute our products and provide services to clients and intermediaries around the world. We have a diversified client base that includes major public and private entities, unions, non- profit organizations, endowments, foundations, pension funds, financial institutions and sovereign wealth funds. Invesco' s institutional money market funds serve some of the largest financial institutions, government entities and companies in the world. AUM Diversification One of Invesco' s competitive strengths is the diversification of AUM by client domicile, distribution channel and asset class. We serve clients in more than 120 countries. The following tables present a breakdown of AUM by client domicile, distribution channel and asset class as of December 31, 2023. Additionally, the fourth table below illustrates the split of our AUM as Passive and Active. Passive AUM include index- based ETFs, UITs, non- management fee earning AUM and other passive mandates. Active AUM are total AUM less Passive AUM. See the company' s

disclosures regarding the changes in AUM for the year ended December 31, 2023 in Part II, Item 7," Management' s Discussion and Analysis of Financial Condition and Results of Operations- Assets Under Management " for additional information regarding the changes in AUM. By Client Domicile (in billions) Total1- Yr Changec Americas $ 1, 133. 9 13. 5 % c EMEA215. 9 15. 9 % c APAC235. 5 5. 4 % Total $ 1, 585. 3 By Distribution Channel (in billions) Total1- Yr Changec Retail $ 1, 042. 0 19. 5 % c Institutional543. 3 1. 2 % Total $ 1, 585. 3 By Asset Class (in billions) Total1- Yr Changec Equity $ 823. 7 29. 3 % c Fixed Income325. 7 3. 8 % c Balanced62. 7 (6. 6) % c Money Market192. 7 (5. 3) % c Alternatives180. 5 (3. 9) % Total $ 1, 585. 3 Active vs. Passive (in billions) Total1- Yr Changec Active $ 985. 3 0. 9 % c Passive600. 0 38. 6 % Total $ 1, 585. 3 Corporate Responsibility and Human Capital Invesco' s long- term success depends on our ability to retain, develop, engage and attract top talent. Invesco invests significantly in talent development, health and welfare programs, technology and other resources that support our employees in developing their full potential both personally and professionally. We believe that an employee community that is diverse and inclusive, engaged in community involvement and invested in employee well- being will drive positive outcomes for our clients and shareholders. We believe that diversity and inclusion are good for business. We are committed to further strengthening diversity at all levels and in all functions across our global business. Increasing representation of women and diverse employees remains a focus for Invesco, as does building a more inclusive work environment. All employees are required to take periodic unconscious bias training. Our employees are also encouraged to participate in any of our various employee resource groups where employees with diverse backgrounds, experiences and perspectives can connect. Our employee resource groups are sponsored by senior leaders and are designed by employees, for employees. As of December 31, 2023, the company had 8, 489 (December 31, 2022: 8, 611) employees with an on- the- ground presence in over 20 countries. Our employees are not covered under collective bargaining agreements. The company is committed to reducing our impact on the environment. Across Invesco offices, we carefully manage our operational activities with a focus on using natural resources wisely, increasing efficiencies wherever possible and providing a safe and healthy workplace for employees and visitors. This is the foundation of our environmental, health and safety management approach. The investment management business is highly competitive, with points of differentiation including investment performance, fees, range of products offered, brand recognition, business reputation, financial strength, depth and continuity of relationships and quality of service. We compete with a large number of investment management firms, commercial banks, investment banks, broker- dealers, hedge funds, insurance companies and, increasingly, firms outside the traditional financial services industry, such as technology providers. Many of these competitors have greater financial resources and higher brand recognition than Invesco. However, we believe our experience as a trusted partner to clients, the quality and diversity of our investment capabilities, product types and channels of distribution, and our commitment to innovation enable us to compete effectively in the global investment management business. There are few independent investment managers with teams as globally diverse as Invesco' s and the same breadth and depth of investment capabilities and vehicles. We offer multiple investment objectives within the various asset classes and products that we manage. We also believe being an independent investment manager is a competitive advantage, as our business model avoids conflicts that are inherent within institutions that both manage and distribute and / or service those products. Lastly, we believe continued execution against our strategic objectives will further strengthen our long- term competitive position. Management Contracts We derive substantially all of our revenues from investment management contracts. Fees vary with the type of assets being managed, with higher fees earned on actively managed equity and balanced accounts, along with real estate and other alternative asset products, and with lower fees earned on fixed income, money market and stable value accounts, and ETFs. Investment management contracts are generally terminable upon thirty or fewer days' notice. Typically, retail investors may withdraw their funds at any time without prior notice and institutional clients may elect to terminate their relationship with investment managers or reduce the aggregate amount of AUM with very short notice periods. Risk Management Invesco is committed to continually strengthening and evolving our risk management approach and activities to ensure they keep pace with business change and client expectations. We believe a key factor in our ability to manage through challenging market conditions and significant business change is our integrated and global approach to risk management. We seek to embed risk management in our day- to- day decision- making as well as our strategic planning process, while our global risk management framework seeks to enable consistent and meaningful risk dialogue up, down and across the company. Our framework leverages two governance structures: (i) our Global Investment Risk and Performance Committee oversees the management of core investment risks; and (ii) our Enterprise Risk Management Committee oversees the management of all other business- and strategy- related risks. A network of regional, business unit and risk- specific management committees, with oversight by the Enterprise Risk Management Committee, provides ongoing identification, assessment, management, monitoring, and reporting of existing and emerging risks across all domains of our business. Available Information The SEC maintains a website that contains reports, proxy and information statements and other information regarding issuers at www. sec. gov. We make available free of charge on our website, www. invesco. com / corporate, our Annual Report on Form 10- K, Quarterly Reports on Form 10- Q, Current Reports on Form 8- K, proxy statement and amendments to those reports filed or furnished pursuant to Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Item 1A. Risk Factors In recent years, capital and credit markets have experienced substantial volatility. In this regard: • In the event of extreme circumstances, including **an** economic, political or business ~~crises~~ **crisis** , such as a widespread systemic failures or disruptions in the global or regional financial systems or failures of firms that have significant obligations as counterparties on financial instruments, we may suffer significant declines in AUM and severe liquidity or valuation issues in managed investment products in which client and company assets are invested, all of which would adversely affect our operating results, financial condition, liquidity, credit ratings, ability to access capital markets and ability to retain and attract key employees. Additionally, these factors could impact our ability to realize the carrying value of our goodwill and other intangible assets. • Illiquidity and / or volatility of the global or regional **risk asset** ~~fixed income and / or equity~~ markets could negatively affect our ability to manage **investment products in which client and company assets are invested or** client inflows and outflows or to timely meet client redemption requests. • Uncertainties regarding geopolitical developments, such as nation state sovereignty, border disputes, diplomatic developments, social instability or changes in governmental policies, can produce volatility in global financial markets **and regulatory environments**. This **volatility, including volatility arising from tensions between the U. S. and China,** may impact the ~~levels~~ - **level** and composition of our AUM and also negatively impact investor sentiment, which could result in reduced or negative flows. • Changes to ~~U. S.~~ tax, tariff and import / export regulations and economic sanctions may have a negative effect on global or regional economic conditions, financial markets and our business. Any changes with respect to trade policies, treaties, taxes, government regulations and tariffs, or the perception that any of these changes could occur, may have a material adverse effect on global or regional economic conditions and the stability of global financial markets ~~,~~ and may significantly reduce global trade or trade between certain nations. Given we are a global business, we could be more adversely affected than others by such market uncertainties. ~~Our revenues and net income would likely be adversely affected by any reduction in AUM as a result of either a decline in market value of such assets or net outflows, each of which would reduce the investment management fees we earn.~~ We derive substantially all our revenues from investment management contracts with clients. Under these contracts, the investment management fees paid to us are generally based on the market value of AUM. AUM may decline for various reasons. For any period in which revenues decline, our net income and operating margin would likely decline by a greater proportion because a majority of our expenses remain fixed. Factors that could decrease AUM, revenues, and net income include the following: Declines in the market value of AUM in client portfolios ~~. Our AUM as of January 31, 2023 were $ 1, 482. 7 billion~~. We cannot predict whether volatility in the markets will result in substantial or sustained declines in the markets generally or result in price declines in market segments in which our AUM are concentrated. Any of the foregoing could negatively impact the market value of our AUM, revenues and net income. Redemptions and other withdrawals from, or shifting among, client portfolios. These changes could be caused by investors reducing their investments in client portfolios in general or in the market segments in which we focus; investors taking profits from their investments; and portfolio risk characteristics, which could cause investors to move assets to other investment managers. ~~Poor performance relative to other competing products tends to result in decreased sales and increased redemptions with corresponding decreases in our revenues, which may have a material adverse effect on us.~~ Furthermore, the fees we earn vary with the types of assets being managed, with higher fees earned on actively managed equity and balanced accounts, ~~real estate and other~~ alternative asset products, and lower fees earned on fixed income, stable value accounts and passively managed products. Our revenues **and net income** may decline **further** if clients continue to shift their investments to lower fee accounts. **Central banks, such as** ~~Our revenues and net income from money market and other~~ -- **the** ~~fixed income assets may be harmed by~~ **Federal Reserve, are maintaining relatively high** interest rates **after numerous hikes** ~~, liquidity and credit volatility. Inflation is currently at its highest level~~ in ~~40 years in the U. S. and is hitting decade- long highs in other countries. Central banks, such as the Federal Reserve, are raising~~ interest rates **during 2022 and early 2023** in response to the increase in inflation, which has negatively impacted and may materially and negatively continue to affect the value of the assets that we manage. Certain institutional investors using money market products and other short- term duration fixed income products for cash management purposes may shift these investments to direct investments in comparable instruments in order to realize higher yields. These redemptions would reduce AUM, thereby reducing our revenues **and net income**. If securities within a money market portfolio default or investor redemptions force the portfolio to realize losses, there could be negative pressure on its net asset value (NAV). Although money market investments are not guaranteed instruments, the company might decide, under such a scenario, that it is in its best interest to provide support in the form of a support agreement, capital infusion or other methods to help stabilize a declining NAV, which may have an adverse impact on our profitability. Additionally, we have investments in fixed income assets, including collateralized loan obligations (CLOs), real estate- related loans, commercial loans and seed ~~money~~ **capital** in fixed income funds, the valuation of which could change with changes in interest and default rates. Declines in the values of AUM could lead to reduced revenues **and net income** as management fees are generally calculated based upon the size of AUM. ~~Certain changes in the manner in which interest rates are calculated could also impact our client portfolios. LIBOR will be eliminated as a benchmark reference rate as a result of regulatory reform. We are transitioning our corporate exposure at a corporate and client portfolio level away from LIBOR to alternative short- term rates (such as the Secured Overnight Financing Rate) according to regulatory timelines and guidance. We continue to actively monitor client portfolios holding LIBOR based instruments and strategies utilizing LIBOR as a benchmark and / or performance target and remediate as necessary. Despite our preparations, the discontinuance of LIBOR may adversely affect our client portfolios or products we manage. These changes may also impact the market liquidity and market value of these portfolio investments decreasing AUM, and therefore revenues and net income of the company. Our financial condition and liquidity would be adversely affected by losses on our seed capital and co- investments.~~ The company has investments in managed investment products that invest in a variety of asset classes, including equities, fixed income products, commodities, derivatives, other similar financial instruments, ~~real estate~~ and ~~other~~ alternative ~~investments~~ - **investment products**. Investments in these products are generally made to establish a track record, meet purchase size requirements for trading blocks or demonstrate economic alignment with other investors in our funds. Adverse market conditions may result in the need to write down the value of these seed capital and co- investments, which may adversely affect our results of operations or liquidity. As of December 31, ~~2022~~ **2023**, we had approximately $ ~~909~~ **956**. ~~2~~ **0** million in seed capital and co- investments ~~, including direct investments in consolidated investment products (CIP). Since many of our subsidiary operations are located outside of the U. S. and have functional currencies other than the U. S. Dollar, changes in the~~

~~exchange rates to the U. S. Dollar affect our reported financial results from one period to the next~~. The largest component of our net assets, revenues and expenses, as well as our AUM, is presently denominated in U. S. Dollars. However, we have a large number of subsidiaries outside of the U. S. whose functional currencies are not the U. S. Dollar. As a result, fluctuations in the exchange rates to the U. S. Dollar ~~affect~~ **impact** our reported financial results ~~from one period to the next~~. Consequently, significant strengthening of the U. S. Dollar relative to the **United Kingdom (** U. K. **)** Pound Sterling, Euro **, Chinese RMB, Japanese Yen** or Canadian Dollar, among other currencies, could have a material negative impact on our reported financial results ~~. Risks Related to Investment Performance and Competition Poor investment performance of our products could reduce the level of our AUM or affect our sales, and negatively impact our revenues and net income~~. Our investment performance is critical to the success of our business. Strong investment performance often stimulates sales of our products. Poor investment performance (on a relative or absolute basis) as compared to third- party benchmarks or competitive products has in the past led, and could in the future lead, to a **termination of investment management agreements, a** decrease in sales of our products and stimulate redemptions from existing products, each of which could lower the overall level of AUM ~~and~~ **,** reduce our management fees **and negatively impact our revenues and net income** . There is no assurance that past or present investment performance in our products will be indicative of future performance. If we fail, or appear to fail, to address successfully and promptly the underlying causes of any poor investment performance, we may be unsuccessful in reversing such under performance ~~and~~ **, which could result in client loss** ~~our~~ **or redemptions and the loss of** future business prospects **, both of which** would ~~likely be negatively affected and redemptions could~~ negatively impact our revenues and net income. ~~Competitive~~ **The asset management industry is facing transformative** pressures **and trends from a variety of different sources, including increased fee pressure; a continued shift away from actively managed fundamental equities and fixed income strategies towards alternative, passive index and smart beta strategies; increased demands from clients and distributors for client engagement and services; a trend towards institutions concentrating on fewer relationships and partners and reducing the number of investment managers they work with; increased regulatory activity and scrutiny of many aspects of the asset management industry, including ESG practices and related matters, transparency / unbundling of fees, inducements, conflicts of interest, capital, liquidity, solvency, leverage, operational risk management, controls and compensation; addressing the key emerging markets in the world, such as China and India, which often have populations with different needs, preferences and horizons than the more developed U. S. and European markets; advances in technology and digital wealth and distribution tools and increasing client interest in interacting digitally with their investment portfolios; and growing crypto asset markets that remain subject to substantial volatility and significant regulatory uncertainty. As a result of these trends and pressures, the asset management industry is facing an increased level of disruption. If we are unable to adapt our strategy and business to adequately address these trends and pressures, we** may ~~force us~~ **be unable** to **satisfactorily meet** ~~reduce the fees we charge to clients~~ **client needs** , ~~which could reduce~~ our ~~profitability~~ **competitive position may weaken, and our AUM, revenues, and net income may be adversely affected** . The investment management business is highly competitive, and we compete based on a variety of factors, including investment performance, range of products offered, brand recognition, business reputation, financial strength, stability and continuity of client and financial intermediary relationships, quality of service, level of fees charged for services and the level of compensation paid and distribution support offered to financial intermediaries. We continue to face market pressures regarding fee levels in many products, including low fee, passively managed products ~~which~~ **that** compete with our actively managed products. Our competitors include many investment management firms and other financial institutions. Some of these institutions have greater capital and other resources, and offer more comprehensive lines of products and services, than we do. There are relatively few barriers to entry by new investment management firms, and the successful efforts of new entrants around the world have also resulted in increased competition. ~~Industry consolidation has increased in recent years, both in the area of distributors and asset managers.~~ Further ~~consolidation~~ **, our competitors** may ~~occur in these areas in the future. Our competitors can~~ increase their market share to our detriment by reducing fees. The increasing size and market influence of certain distributors of our products and of certain direct competitors may have a negative impact on our ability to compete at the same levels of profitability in the future. In addition, technology is subject to rapid advancements and changes and our competitors may, from time to time, implement newer technologies or more advanced platforms for their services and products, including digital advisers **, low cost, high speed financial applications and services and investment platforms based on artificial intelligence** and other advanced electronic systems, which could adversely affect our business if we are unable to remain competitive. ~~We~~ **Our private market products include investments in private credit, real estate, and equity investments in early- stage real estate- related companies that** may ~~be unable~~ **expose our investment products, clients and us,** to ~~develop~~ **the extent of our investment in such investment products, to risks and liabilities that are inherent in the ownership, management and operation of such investments. These may include: • risks related to the potential illiquidity, valuation and disposition of such investments; • risks related to emerging and less established companies that have, among other things, short operating histories, not yet achieved or sustained profitability,** new **technologies and** products **, nascent control functions, quickly evolving markets and limited financial resources; • construction risks, including as a result of force majeure, labor disputes or work stoppages, shortages of material or interruptions to the availability of necessary equipment; • credit risks, including interest- rate movements and** ~~and~~ **an issuer' s ability to make principal and interest payments on the debt it issues; • risks related to investment in " distressed " securities, including abrupt and erratic market movements and above- average price volatility; • risks associated with a lack of diversification, such that any adverse change in one or a small number of issuers could have a material adverse effect on an investment product' s or client' s investments; • accidents, pandemics, health crises or catastrophic events, climate- related risks, including greater frequency or intensity of adverse weather and natural disasters, that are beyond our control; • personal injury or property damage; • risks relating to the use of leverage, including as a result of increasing interest rates or an inability**

to timely obtain and effectively deploy leverage; • failures on the part of third- party managers, ~~services~~ **service** ~~and~~ **providers or sub- contractors appointed in connection with investments or projects to adequately perform** ~~the~~ **their contractual duties or operate in accordance with applicable laws; • exposure to stringent and complex foreign, federal, state and local laws, ordinances and regulations, including those related to private fund advisers, financial crime, permits, government contracting, conservation, exploration and production, lending, tenancy, occupational health and safety, foreign investment and environmental protection; • environmental hazards; • changes to the supply and demand for properties and / or tenancies; • risks related to the availability, cost, coverage and other limitations on insurance; • the financial resources of tenants or loan counterparties; and • contingent liabilities on disposition of investments. The above risks may expose our investment products, clients and us, to the extent of our investment in such investment products, to expenses and liabilities, including costs associated with delays or remediation and increased legal or regulatory costs, all of which could impact the returns earned by our investment products and clients. These risks could also result in direct liability for us by exposing us to losses, regulatory sanctions or litigation, including claims for compensatory or punitive damages. In addition, market conditions may change during the course of real estate** development ~~of new~~ **projects in which our investment** products and ~~services~~ **clients invest that make such developments less attractive than at the time it was commenced and potentially harm the investment returns of our investment products and clients and us, to the extent of our investment in such investment products. The occurrence of any such events** may expose us to ~~additional costs~~ **reputational harm, or cause** ~~or~~ **our** ~~operational~~ **AUM, revenues and net income to decline. When our investment products or clients loan money, commit to loan money, provide credit or enter into a credit- related contract or mortgage loan with a counterparty, our investment products, client and us, to the extent of our investment in such investment products, incur credit** risk **, or the risk of loss if the borrower or counterparty does not timely repay their loans or fail to perform according to the terms of their agreements. The revenues and profitability of investment products and clients may be subordinated (and thus exposed to the first level of default risk) or otherwise subject to substantial credit risks. Certain investments have a comparatively higher degree of risk of a loss of capital and may not show any return for a considerable period of time, including second lien debt. The revenues and profitability of investment products, clients and us, to the extent of our investment in such investment products, are adversely affected when borrowers and counterparties default, in whole or in part, on their obligations or when there is a significant deterioration in the credit quality of the loan portfolio. Certain debt- related holdings may be difficult or impossible to dispose of readily at what we believe to be a fair price. Investment products and clients can have exposure to lower- rated instruments and securities, which generally reflects a greater possibility that adverse changes in the financial condition of the borrower or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the borrower to make payment of principal and interest. Current and future market and economic developments may increase default and delinquency rates and negatively impact the quality of the credit portfolio. Although our estimates contemplate current conditions and how we expect them to change over the life of the investment portfolio, it is reasonably possible that actual conditions could be worse than anticipated, which could cause our revenues and net income to decline** . Our financial performance depends, in part, on our ability to develop, market and manage new investment products and services. The development and introduction of new products and services requires continued innovative efforts on our part and may require significant time and resources as well as ongoing support and investment. Substantial risk and uncertainties are associated with the introduction of new products and services, including the implementation of new and appropriate operational controls and procedures, shifting client and market preferences, the introduction of competing products or services and compliance with regulatory requirements. New products often must be in the market place for three or more years in order to generate the track records required to attract significant AUM inflows. Increasingly, clients and intermediaries are looking to investment managers to be able to deliver investment outcomes tailored to particular circumstances and needs, and to augment traditional investment management products and services with additional value- added services. A failure to continue to innovate and introduce successful new products and services or to manage effectively the risks associated with such products and services may impact our market share relevance and may cause our AUM, ~~revenue~~ **revenues** and ~~earnings~~ **net income** to decline ~~. The failure or negative performance of products offered by competitors may have a negative impact on similar Invesco products irrespective of our performance~~ . Many competitors offer similar products to those offered by us, and the failure or negative performance of competitors' products could lead to a loss of confidence in similar Invesco products, irrespective of the performance of our products. Any loss of confidence in a product type could lead to withdrawals, redemptions and liquidity issues in such products, which could have a material adverse effect on our ~~results of operations, financial condition or liquidity. Risks Related to Operations and Technology Our investment management professionals and other key employees are a vital part of our ability to attract and retain clients, and the loss of key individuals or a significant portion of those professionals could result in a reduction of our~~ AUM, revenues and net income **or liquidity** . Retaining highly skilled investment management and other in- high demand personnel is important to our ability to attract and retain our clients. The market for skilled investment management professionals and other key personnel is highly competitive. Our policy has been to provide our investment management professionals and other key personnel with a supportive professional working environment and compensation and benefits that we believe are competitive with other leading investment management firms. However, we may not be successful in retaining our investment management professionals and other key personnel, and the loss of significant investment professionals or other key personnel could reduce the attractiveness of our products and services to potential and current clients and could, therefore, adversely affect our AUM, revenues and net income. ~~Changes in the distribution channels on which we depend could reduce our net income and hinder our growth.~~ We sell substantially all of our retail investment products through a variety of third- party financial intermediaries. Increasing competition for these distribution channels could ~~nevertheless~~ cause our distribution costs to rise, which would lower our net income. Certain of the third- party intermediaries upon whom we rely to distribute our investment products also sell their own competing proprietary investment products, which could limit the distribution of our products **and certain distributors may demand higher levels of revenue sharing** . Similarly, particularly in the U. S., certain distributors have substantially reduced the number of investment funds they make available to their customers. If a material portion of our distributors were to substantially narrow their product offerings, it could have a significant adverse effect on our AUM, revenues and net income. More broadly, in both retail and institutional channels, intermediaries (distribution firms and consultants) are seeking to reduce the number of investment management firms they do business with. While this offers opportunities to the company to have broader and deeper relationships with firms that continue to do business with us, it also poses risks of additional lost business if a particular firm chooses to stop or significantly reduce its business relationship with the company. Any failure to maintain strong business relationships with these intermediaries due to any of the above- described factors would impair our ability to sell our products, which in turn could have a negative effect on our AUM, revenues and net income. Investors, particularly in the institutional market, rely on external consultants and other third parties for advice on the choice of investment manager. These consultants and third parties tend to exert a significant degree of influence over their clients' choices, and they may favor one of our competitors over us as better meeting their particular clients' needs. There is no assurance that our investment products will be among their recommended choices in the future. Any failure to maintain strong business relationships with the consultant community would impair our ability to sell our products, which in turn could have a negative effect on our AUM, revenues and net income. ~~Failure to comply with client contractual requirements and / or investment guidelines could result in costs of correction, damage awards or regulatory fines and penalties against us and loss of revenues due to client terminations.~~ Many of the investment management agreements under which we manage assets or provide products or services specify investment guidelines or requirements, such as adherence to investment restrictions or limits, that we are required to observe in the provision of our services. Laws and regulations impose similar requirements for certain investment products. A failure to comply with these guidelines or requirements could result in damage to our reputation or in our clients seeking to recover losses, withdrawing their assets or terminating their contracts. Regulators likewise may commence enforcement actions for violations of such requirements, which could lead to fines and penalties against the company **, which** ~~. Any such effects~~ could cause our AUM, revenues and net income to decline. We maintain various compliance procedures and other controls to seek to prevent, detect and correct such errors. ~~When an error is detected, a payment will typically be made into the applicable client account to correct it.~~ Significant errors **by the company** ~~for which we are responsible~~ could impact our reputation, **AUM** ~~results of operations~~ , ~~financial condition~~ **revenues, net income** or liquidity ~~. Our investment advisory agreements are subject to termination or non- renewal, and our fund and other investors may withdraw their assets at any time~~ . Substantially all our revenues are derived from investment management agreements. Investment management agreements are generally terminable upon 30 or fewer days' notice. Agreements with U. S. registered funds may be terminated with notice, or terminated in the event of an " assignment " (as defined in the **U. S.** Investment Company Act of 1940, as amended), and must be renewed annually by the disinterested members of each fund' s Board of Trustees or Directors, as required by law. In addition, the Boards of Trustees or Directors of certain other funds generally may terminate these investment management agreements upon written notice for any reason. Open- end registered fund and unit trust investors may generally withdraw their funds at any time without prior notice. Institutional clients may elect to terminate their relationships with us or reduce the aggregate amount of AUM, generally on short notice. Any termination of or failure to renew a significant number of these agreements, or any other loss of a significant number of our clients or AUM, would adversely affect our revenues, net income, and liquidity. ~~The quantitative models we use and our index tracking investment solutions may contain errors, which could result in financial losses or adversely impact product performance and client relationships.~~ We use various quantitative models to support investment decisions and investment processes, including those related to portfolio management, portfolio risk analysis, and client investment guidance. While we maintain controls to seek to prevent, detect and correct any errors, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Any errors in the underlying models or model assumptions could have unanticipated and adverse consequences on our business and reputation **. These risks may be heightened by the rapid growth and complexity of new models, evolving data sets and standards, and market volatility** . In addition, we offer index tracking investment solutions for our passive products, and any errors or disruptions in our ability to accurately track a subject index could materially adversely affect our business or reputation, which would adversely affect our AUM, revenues, net income, and liquidity ~~. Climate change- related risks could adversely affect our business, products, operations and clients, which may cause our AUM, revenue and net income to decline~~ . Our business and those of our clients could be impacted by climate change- related risks. Climate change may present risk to us through changes in the physical climate or from the climate change- related legislative and regulatory initiatives and the transition to a lower- carbon economy. Climate- related physical risks arise from the direct impacts of a changing climate, such as extreme weather events and changes in temperature, which may damage infrastructure and facilities as well as disrupt connectivity or supply chains. Impacts associated with climate change- related legislative and regulatory initiatives and the transition to a low carbon economy may result in operational changes and additional expenditures that could adversely affect us. Our reputation and business prospects may also be damaged if we do not, or are perceived not to, effectively prepare for the potential business and operational opportunities and risks associated with climate change, including ~~through~~ the development and marketing of effective and competitive new products and services designed to address ~~our~~ **certain** clients' climate risk- related investment objectives. These risks include negative market perception, diminished sales effectiveness and regulatory and litigation consequences associated with greenwashing claims or driven by association with **certain** clients, industries or products that may be inconsistent with our other clients' ESG priorities or stated positions on climate change issues. ~~If our reputation is harmed, we could suffer losses in our AUM, revenues and net income.~~ Our business depends on earning and maintaining the trust and confidence of clients, other market participants and regulators, and our good reputation is critical to our business. Our reputation is vulnerable to many threats that can be difficult or impossible to control, and costly or impossible to remediate. Regulatory inquiries, investigations or findings of wrongdoing, intentional or unintentional misrepresentation of our products and services in **regulatory filings, product literature,** advertising materials, public relations information, social media or other external communications, operational failures (including portfolio management errors or cyber breaches), employee dishonesty or other misconduct and rumors, among other things, can substantially damage our reputation, even if they are baseless or eventually satisfactorily addressed. Our business also requires us to continuously manage actual and potential conflicts of interest, including situations where our services to a particular client conflict, or are perceived to conflict, with the interests of other clients or those of Invesco. The willingness of clients to enter into transactions in which such a conflict might arise may be affected if we fail- or appear to fail- to deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions. We have **policies,** procedures and controls that are designed to address and manage these risks **; however** , ~~but this task~~ **even effective procedures and controls** can ~~be complex and difficult, and if~~ **only provide reasonable assurance of achieving their objectives. If** our **policies,** procedures ~~and~~ **or** controls fail, our reputation could be damaged. Any damage to our reputation could impede our ability to attract and retain clients and key personnel, and lead to a reduction in the amount of our AUM, any of which could have a material adverse effect on our revenues, net income or liquidity ~~. The soundness of other financial institutions could adversely affect us or the client portfolios we manage~~ . Financial services institutions are interrelated as a result of trading, clearing, counterparty or other relationships. We, and the client portfolios that we manage, have exposure to many different industries and counterparties, and routinely execute transactions with counterparties in the financial services industry. Many of these transactions expose us or such client portfolios to credit risk in the event of default of their counterparties. While we regularly conduct assessments of such risk posed by counterparties, an event of default may occur due to market factors, such as sudden swings in the financial and credit markets that may occur swiftly and without warning. Such event of default could produce a financial loss for the company or the client portfolios we manage. We ~~depend on information technology, and any failures of or damage to, attack on or unauthorized access to our information technology systems or facilities, or those of third parties with which we do business or that facilitate our business activities, including as a result of cyber- attacks, could result in significant limits on our ability to conduct our operations and activities, costs and reputational damage. We~~ are highly dependent upon the use of various proprietary and third-party information and security technology, software applications and other technology systems to operate our business. We are also dependent on the effectiveness of our information and cyber security infrastructure, policies, procedures and capabilities to protect our ~~computer~~ **technology** and ~~telecommunications~~ **digital** systems and the data that reside on or are transmitted through them **, including data provided by third parties that is significant to portions of our business and products** . We use our technology to, among other things, manage and trade portfolio investments, obtain securities pricing information, process client transactions, protect the privacy of clients', employees' and business partners' data, support our other operations and provide other services to our clients. In recent years, several financial services firms suffered cyber- attacks launched both domestically and from abroad, resulting in the disruption of services to clients, loss or misappropriation of confidential data, litigation and regulatory enforcement actions and reputational harm. Cyber security incidents and cyber- attacks have been occurring globally at a more frequent and severe level. Our status as a global financial institution and the nature of our client base may enhance the risk that we are targeted by such cyber threats. Although we take protective measures, including measures to effectively secure information through system security technology, **have many controls, processes, digital backup and recovery processes in place,** and seek to continually monitor and develop our systems to protect our technology infrastructure and data from misappropriation or corruption, our technology systems may still be vulnerable to unauthorized access as a result of an external attack, actions by employees or vendors with access to our systems, computer malware or other events that have a security impact and that result in the disclosure or release of confidential information inadvertently or through malfeasance, or result in the loss (temporarily or permanently) of data, applications or systems. The third parties with which we do business or which facilitate our business activities, including financial intermediaries and technology infrastructure, data storage and service providers, are also susceptible to the foregoing risks (including those related to the third parties with which they are similarly interconnected or on which they otherwise rely), and our or their business operations and activities may therefore be adversely affected, perhaps materially, by failures, terminations, errors or malfeasance by, or attacks or constraints on, one or more financial, technology or infrastructure institutions or intermediaries with whom we or they are interconnected or conduct business. Further, third- party service providers may have limited indemnification obligations to us in the event a cyber incident causes us to incur loss or damages. A breach of our technology systems could damage our reputation and could result in the unauthorized disclosure or modification or loss of sensitive or confidential information (including client data); unauthorized disclosure, modification or loss of proprietary information relating to our business; inability to process client or company transactions and processes; breach and termination of client contracts; liability for stolen assets, information or identity; remediation costs to repair damage caused by the breach, including damage to systems and recovery of lost data; additional security costs to mitigate against future incidents; regulatory actions (including fines and penalties, which could be material) and litigation costs resulting from the incident. Such consequences could ~~result in material financial loss and~~ have a negative effect on our AUM, revenues and net income ~~. Our ability to manage and grow our business successfully can be impeded by systems and other technological limitations~~ . Our continued success in effectively managing and growing our business depends on our ability to integrate our varied accounting, financial, information and operational systems on a global basis. Moreover, adapting or developing the existing technology systems we use to meet our internal needs, as well as client needs, industry demands and new regulatory requirements, is also critical for our business. The introduction of new technologies **, such as our State Street Alpha platform,** presents new challenges and new potential risks to us. On an ongoing basis, we need to upgrade and improve our technology, including our data processing, financial, accounting, shareholder servicing and trading systems. Implementing any such upgrades, updates or other changes or replacements for our systems may be expensive and time- consuming, could divert management' s focus away from core business activities and may adversely affect our business if additional or unanticipated time or resources are necessary to complete any such changes to our systems **. If the updated or new systems** , ~~if~~ such ~~changed systems~~ **as our State Street Alpha platform,** do not operate as anticipated or if other unforeseen issues arise ~~in connection~~ with **the transition** ~~any such changes~~ to **the new** ~~our~~ - **or updated** systems **it may adversely affect our business** . Further, we also must be proactive and prepared to implement new technology when growth opportunities present themselves, whether as a result of a business acquisition or rapidly increasing business activities in particular markets or regions. These needs could present operational issues or require significant capital ~~spending~~ and may require us to reevaluate the current value and / or expected useful lives of the technology we use, which could negatively impact our AUM, revenues, ~~and~~ net income **and liquidity** . **If we were** ~~As a result of the global market reactions~~ to ~~the~~ **experience a man- made or natural disaster, health crisis or pandemic, such as new variant of** COVID- 19 ~~pandemic~~ , ~~our AUM, revenues and net income have at times been negatively impacted and we have in the past and may in the future face various potential operational challenges due to the pandemic. As a result of the global market reactions to the COVID- 19 pandemic, our AUM, revenues and net income declined significantly during the early phases of the pandemic as governments enacted social containment measures and central banks and governments sought to enact economic relief measures. While many global markets, and our AUM, revenues and net income, have improved materially since the early stages of the pandemic, further negative market reactions may occur as a result of failures to limit infections or deaths due to the COVID- 19 virus, delays in developing and / or delivering effective treatments for the virus, increased infections due to new variants or vaccine hesitancy, and reduced support or positive impact of central banks and government economic relief measures. Additional negative market reactions could further negatively impact our AUM, revenues and net income. The volatility in the global markets has also adversely affected the liquidity of certain managed investment products in which client and company assets are invested. Our efforts to mitigate the impact of the COVID- 19 pandemic have required, and will continue to require, a significant investment of time and resources across our business. Going forward, the vast majority of employees will be working in their assigned office location at least part of the time, but we expect a significant degree of remote work to continue for the foreseeable future. To date, our own employees and, we believe, the employees of our key service providers, have not experienced any material degree of illness due to the COVID- 19 virus. If our or their workforce, or key components thereof, were to experience significant illness levels, our ability to operate our business could be materially adversely disrupted. The extent to which our business, revenues, AUM and net income are further affected by the COVID - 19 pandemic will largely depend on future developments, which cannot be accurately predicted and are uncertain, including the duration and severity of the pandemic and the length of time it will take for the economy to recover, along with potentially more permanent impacts on how we operate and serve our clients. In addition, many of the risk factors described herein may be heightened by the effects of the COVID - 19 pandemic and related economic conditions. If we are unable to successfully recover from a disaster~~ or other business continuity problem ~~, we could suffer material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability. If we were to experience a disaster or other business continuity problem, such as a pandemic or other natural or man- made disaster~~ , our continued success will depend, in part, on the availability of our personnel, our office facilities and the proper functioning of our computer, telecommunication and other related systems and operations. In such an event, we believe our operational size, multiple office locations and our existing back- up systems should mitigate adverse impacts. Nevertheless **, given our global presence** , we could still experience near- term operational problems with regard to particular areas of our operations. Although we seek to **regularly** assess ~~regularly~~ and improve our existing business continuity plans, a major disaster, a disaster that affected certain important operating areas, or our inability to **successfully** recover ~~successfully~~ should we experience a disaster or other business continuity problem, could materially interrupt our business operations and cause material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability. ~~Our~~ **The extent to which our** business ~~is vulnerable to deficiencies~~ **, revenues, AUM** and ~~failures in support systems~~ **net income are affected by a future pandemic or a new variant of COVID- 19 will largely depend on new events or future developments, which cannot be accurately predicted** and ~~customer~~ **are uncertain, including the duration, severity and the length of time it will take for the economy to recover from the negative impacts on human capital and potentially more permanent impacts on how we operate and** ~~service~~ -- **serve** ~~functions that could lead to breaches and errors or~~ **our clients** ~~reputational harm, resulting in loss of customers or claims against us or our subsidiaries~~ . In addition to investment management, our services include fund administration, sales, distribution, marketing, shareholder servicing and trust, custody and other fiduciary services and portfolio management software services. We must properly perform our responsibilities associated with the forgoing services, including portfolio recordkeeping and accounting, security pricing, corporate actions, investment restrictions compliance, daily NAV computations, account reconciliations and required distributions to fund shareholders. The ability to consistently and reliably perform such services is essential to our continuing success. Certain types of securities may experience liquidity constraints that could impact fair value pricing, which is dependent on certain subjective judgments that have the potential to be challenged. Any delays or inaccuracies in obtaining pricing information, processing ~~such~~ transactions or ~~such~~ reports ~~or~~ **,** other breaches and errors and **/ or** any inadequacies in ~~other~~ customer service, could result in reimbursement obligations or other liabilities, or alienate clients or distributors and **/ or** ~~potentially give rise to~~ claims against us. Our ~~customer service capability, as well as our~~ ability to **conduct any of the foregoing actions** ~~obtain prompt and accurate securities pricing information and to process transactions and reports,~~ is highly dependent on communications and information systems and on third- party service providers and their related technology systems and platforms. Certain of these processes involve a degree of manual input, and thus ~~problems~~ **errors** could occur ~~from time- to- time due to human~~ **. In addition, our operations and processes rely on commercially available data provided by third parties as well as providers of services, including technology services, and operating** ~~error~~ **errors , process failures or failures to comply with data usage requirements with respect to these service providers may adversely impact us. Our data providers commonly disclaim the accuracy and completeness of data and we do not have the ability to validate or**

verify the accuracy and completeness of commercially sourced datasets . Our failure to properly perform and monitor our operations **, including data management,** or our otherwise suffering deficiencies and failures in these systems or service functions due to a failure of a third- party service provider or other key vendor could result in material financial loss or costs, regulatory actions, breach of client contracts, reputational harm or legal claims and liability, which in turn could have a negative effect on our AUM, revenues and net income ~~. Risks Related to Accounting, Capital Management and Liquidity The carrying value of goodwill and other intangible assets on our balance sheet could become impaired, which would adversely affect our results of operations~~ . We have goodwill and indefinite- lived intangible assets on our balance sheet that are subject to annual impairment reviews. We also have definite- lived intangible assets on our balance sheet that are subject to impairment testing. Goodwill and intangible assets totaled $ 8, ~~557~~ **691** . ~~7~~ **5** million and $ ~~7~~ **5** , ~~141~~ **848** . ~~2~~ **1** million, respectively, at December 31, ~~2022~~ **2023** . We **recorded a non- cash impairment of $ 1, 248. 9 million related to our indefinite- live intangible assets related to acquired management contracts of U. S. retail mutual funds during the 12 months ended December 31, 2023, and we** may not realize the **full** value of ~~such~~ **our remaining goodwill and indefinite- lived intangible** assets. We perform impairment reviews ~~of the book values~~ of these assets on an annual basis, or more frequently if impairment indicators are present. A variety of factors **can result in** ~~could cause such book values to become impaired~~ **impairment** . Should ~~valuations~~ **the fair value** be ~~deemed to be impaired~~ **less than the carrying amount of either the goodwill or intangible assets** , a write- down of the related assets would occur, adversely affecting our **net income** ~~results of operations~~ for the period. See Item 7, " Management' s Discussion and Analysis of Financial Condition and Results of Operations- Critical Accounting Policies- Goodwill " and "- Intangibles, " for additional details of our impairment analysis process. Our credit **agreement** ~~facility imposes operating covenants that impact our ability to conduct certain activities and, if amounts borrowed under it were subject to accelerated repayment, we might not have sufficient assets or liquidity to repay such amounts in full. Our credit facility~~ requires us to maintain specified financial ratios, including maximum debt- to- earnings and minimum interest coverage ratios. The credit ~~facility~~ **agreement** also contains customary affirmative operating covenants and negative covenants that, among other things, restrict certain of our subsidiaries' ability to incur debt and restrict our ability to transfer assets, merge, make loans and other investments and create liens. The breach of any covenant could result in a default under the credit ~~facility~~ **agreement** . In the event of any such default, lenders that are party to the credit ~~facility~~ **agreement** could refuse to make further extensions of credit to us and require all amounts borrowed under the credit ~~facility~~ **agreement** , together with accrued interest and other fees, to be immediately due and payable. If any indebtedness under the credit ~~facility~~ **agreement** were subject to accelerated repayment and if we had at that time a significant amount of outstanding debt under the credit ~~facility~~ **agreement** , we might not have sufficient liquid assets to repay such indebtedness in full. We issued ~~perpetual preferred stock having a value of approximately $ 4 billion, which could adversely affect our ability to raise additional capital and may limit our ability to fund other priorities. We issued~~ approximately $ 4 billion of 5. 9 % fixed rate perpetual preferred stock in connection with the acquisition of OppenheimerFunds Inc. ~~in May 2019.~~ This issuance may limit our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes, may restrict our ability to pay dividends to holders of common shares in certain circumstances, may increase our vulnerability to general economic and industry conditions, and will require a significant portion of cash flow from operations to make required dividend payments to preferred shareholders ~~. Failure to maintain adequate corporate and contingent liquidity may cause our AUM, liquidity and net income to decline, as well as harm our prospects for growth~~ . Our ability to meet anticipated cash needs depends upon a number of factors, including our creditworthiness and ability to generate operating cash flows. Failure to maintain adequate liquidity could lead to unanticipated costs and force us to revise existing strategic and business initiatives. Our access to equity and debt markets on reasonable terms may be limited by adverse market conditions, including tax and interest rates, a reduction in our long- or short- term credit ratings, or changes in government regulations. Failure to obtain funds and / or financing, or any adverse change to the cost of obtaining such funds and / or financing, may cause our AUM, ~~revenue~~ **revenues** and net income to decline, curtail our operations and limit or impede our prospects for growth ~~. Distribution of earnings of our subsidiaries may be subject to limitations, including net capital requirements~~ . Substantially all of our operations are conducted through our subsidiaries. As a result, our cash flow and ~~our~~ ability to fund operations are dependent upon the earnings of our subsidiaries and the distribution of earnings, intercompany loans or other payments by our subsidiaries to us. Any payments to us by our subsidiaries could be subject to statutory, regulatory or contractual restrictions and are contingent upon our subsidiaries' earnings and business or regulatory considerations. For example, certain of our subsidiaries are required under applicable laws and regulations to maintain appropriate levels of capital. Our financial condition or liquidity could be adversely affected if certain of our subsidiaries are unable to distribute funds to us. All of our regulated European Union (EU) and U. K. subsidiaries are subject to ~~consolidated~~ capital requirements under applicable EU and U. K. requirements, and we maintain capital within this European sub- group to satisfy these regulations. We meet these requirements in part by holding cash and cash equivalents. This retained cash can be used for general business purposes in the European sub- group in the countries where it is located. Due to the capital restrictions, the ability to transfer cash between certain jurisdictions may be limited. In addition, transfers of cash between international jurisdictions may have adverse tax consequences. As of December 31, ~~2022~~ **2023** , our minimum regulatory capital requirement was $ ~~639~~ **395** . 8 million. Complying with our regulatory commitments may result in an increase in the capital requirements applicable to the European sub- group. ~~As~~ **Finally, as** a result of regulatory requirements, certain of these subsidiaries may be required to limit their dividends to the company ~~. Risks Related to Strategic Transactions We may engage in strategic transactions that could create risks~~ . We regularly review, and from time- to- time engage in strategic transactions, some of which may be material. Strategic transactions also pose the risk that any business we acquire may lose customers or employees or could underperform relative to expectations. We could also experience financial or other setbacks if potential or actual ~~transactions~~ **acquisitions or divestitures** encounter unanticipated problems, including problems related to closing or integration. Following the completion of a strategic ~~transaction~~ **acquisition** , we may have to rely on the seller to provide administrative and other support, including financial reporting and internal controls, to the acquired business for a period of time. There can be no assurance that such sellers will do so in a manner that is acceptable to us. ~~Risks Related to our Significant Shareholders Future sales of shares of our common stock could adversely impact the trading price of our common stock.~~ If our significant shareholders sell substantial amounts of our common stock ~~,~~ or express an intention to sell **,** or there is the perception that such sales may occur, ~~that~~ **such** ~~action~~ **actions** could have a significant impact on our common share trading price. In addition, if we sell substantial amounts of our common stock in the public market, or there is a perception that such sales may occur, the market price of our common stock could be negatively impacted ~~. Massachusetts Mutual Life Insurance Company (MassMutual) has the ability to significantly influence our business, and MassMutual' s interest in our business may be different from that of other shareholders~~ . MassMutual is entitled to designate an individual to serve on our board so long as it beneficially owns at least (i) 10 % of our issued and outstanding shares of common stock or (ii) ~~(x)~~ 5 % of our issued and outstanding shares of common stock and ~~(y)~~ $ 2. 0 billion in aggregate liquidation preference of our Series A preferred shares. Additionally, we are not permitted to take certain actions without the prior written approval of MassMutual, including making certain changes in our capital structure or our organizational documents, adopting a shareholder rights plan or effectuating certain business combination transactions. MassMutual' s level of ownership and influence may make some transactions (such as those involving mergers, material share issuances or changes in control) more difficult or impossible without the support of MassMutual, which in turn could adversely affect the market price of our shares of common stock or prevent our shareholders from realizing a premium over the market price for their shares of our common stock. The interests of MassMutual may conflict with the interests of other shareholders. Further, MassMutual has made significant capital or seed investments in several of our products. If MassMutual decides not to provide additional capital or seed investments in the future or to withdraw material amounts of capital or seed investments in existing products, it could impact our ability to timely launch new products or impact existing products. ~~Risks Related to Regulatory and Legal Matters We operate in an industry that is highly regulated in most countries, and any enforcement action or significant changes in the laws or regulations governing our business or industry or enforcement actions against us could decrease our AUM, revenues and net income.~~ As with all investment management companies, our activities are highly regulated in almost every country in which we conduct business. The regulatory environment in which we operate frequently changes, and we have seen a significant increase in regulatory changes, actions and scrutiny in recent years. Without limiting the generality of the foregoing, regulators in the U. S. and other jurisdictions have taken and can be expected to continue to take a more aggressive posture ~~on~~ **in** bringing enforcement proceedings. Laws and regulations generally grant governmental agencies and industry self- regulatory authorities broad administrative discretion over our activities, including the power to require registration or licenses, limit or restrict our business activities, conduct examinations, risk assessments, investigations and capital adequacy reviews and impose remedial programs to address perceived deficiencies. As a result of regulatory oversight, we could face requirements or actions which negatively impact the way in which we conduct business, delay or deny approval for new products or service offerings, cause or contribute to reduced sales or increased redemptions of our products or services, impair the investment performance of other products or services, impact product mix, increase compliance costs and / or impose additional capital requirements. Our regulators likewise have the authority to commence enforcement actions which could lead to sanctions up to and including the revocation of licenses to operate certain businesses, the suspension or expulsion from a particular jurisdiction or market of any of our business organizations or their key personnel or the imposition of fines and censures on us or our employees. Further, regulators across borders could coordinate actions against us as issues arise resulting in impacts on our business in multiple jurisdictions. Judgments or findings of wrongdoing by regulatory or governmental authorities, or in private litigation against us, could affect our reputation, increase our costs of doing business and / or negatively impact our revenues. Any of the effects discussed above could have a material negative impact on our AUM, revenue, net income or liquidity. A substantial portion of the products and services we offer are regulated by the SEC, Financial Industry Regulatory Authority, the Commodity Future Trading Commission (CFTC), the National Futures Association, the Department of Labor (DOL) and the Texas Department of Banking in the ~~United States~~ **U. S.** and by the Financial Conduct Authority (FCA), ~~the Prudential Regulatory Authority in the United Kingdom~~ and the Securities Futures Commission of Hong Kong (SFC) and the China Securities Regulatory Commission **in Hong Kong and China, respectively** . Subsidiaries operating in the EU are mainly regulated by the Commission de Surveillance du Secteur Financier in Luxembourg, the Central Bank of Ireland, and the Bundesanstalt für Finanzdienstleistungsaufsicht in Germany. Such subsidiaries are also subject to various EU Directives, which generally are implemented by member state national legislation and by EU Regulations. Our operations elsewhere in the world are regulated by similar organizations. Regulators in the U. S., U. K. and the EU, in particular, have promulgated or are considering various new or revised regulatory measures pertaining to financial services, including investment managers. Such measures are progressing at various stages, but several may become effective around the same time, which would put additional pressure on our subsidiaries. Such measures in the EU generally have been, are being or will or would be implemented by national legislation in member states. Regulatory developments and changes specific to our business will or may include, without limitation: • Regulations pertaining to the privacy and use, security, transfer and management of personal data with respect to clients, employees and business partners. Privacy regulations such as the General Data Protection Regulation (GDPR) in Europe have strengthened privacy rules for organizations handling personal data, granting individuals more rights and control over the use of their personal data, and greatly increasing penalties for non- compliance. In many other jurisdictions in which our subsidiaries operate, there is ongoing change to update and strengthen privacy regulations in a manner similar to GDPR ~~. For example~~ , ~~in~~ **such as** the **California Consumer Privacy Act and** ~~U. S., the passage of the~~ California Privacy Rights Act **, India' s Digital** ~~created additional responsibilities for organizations processing the personal~~ **Personal** ~~data~~ **Data** ~~of California residents and a new regulatory body, the California~~ Protection **Act** ~~Agency, becoming the first regulatory body in the U. S. to have sole jurisdiction~~ and **China' s Personal Information Protection Law (PIPL)** ~~resources to regulate a state privacy law and~~

~~issue penalties for non- compliance~~. In addition, ~~recent new or updated~~ rules and legal requirements for international transfers of personal data from Europe and Asia ~~have created~~ - **create** additional complexity for global organizations around the use and management of personal data ~~within these legal frameworks~~, particularly **regarding** ~~in light of our ongoing migration to~~ integrated global cloud- based systems and services. **China' s PIPL introduced new reporting and disclosure requirements for organizations transferring personal data outside of China.** • Regulations promulgated to address perceptions that the asset management industry, or certain of its entities or activities, pose systematic risks to the financial system ~~, including~~ **. •** ~~regulations~~ **Regulations** ~~aiming~~ **aimed** at addressing ~~liquidity~~ concerns ~~in~~ **regarding** open- end funds ~~(~~ **that invest** in ~~particular bank loan~~ **less liquid asset classes. Regulators in the U. S.** , ~~fixed income~~ **U. K.** and ~~money~~ **EU have expressed concern that the daily redeemability features of these funds creates a " liquidity mismatch " with the assets in which they invest, which gives rise to investor dilution and systemic risk, especially in times of financial** market **stress** ~~funds)~~. In the EU, the **amendments to** ~~ongoing review of~~ the undertakings for the collective investment in transferable securities (UCITS) and alternative investment fund managers directive frameworks ~~is expected~~ **have been agreed** to **and** introduce new rules regarding the use of certain liquidity management tools (e. g., swing pricing, anti- dilution and side pockets etc.) by UCITS and alternative investment funds **. Specific rules** ~~, including enhanced reporting~~ on ~~the use of such tools. A new pan- EU regime for~~ loan **originating** funds ~~is~~ **were** also ~~expected to be~~ introduced, with potential implications for the structuring of such funds. ~~The~~ **In the U. S., the** SEC has proposed **changes** ~~new rules with respect~~ to **the regulations governing** liquidity ~~in money market funds and~~ **risk management programs for registered** open- end funds ~~, (~~ **(** including ~~proposing~~ **ETFs) that, if finalized without change, could impede our ability** to ~~implement further restrictions~~ **sponsor mutual funds and ETFs that invest in certain asset classes, such as syndicated bank loans. • Regulations designed to improve the resilience and transparency of money market funds, which could negatively impact the investment returns generated by these funds and their desirability as a cash management product in comparison to competing products such as bank deposits. For example, in 2023 the SEC promulgated rules, which (among other requirements) increase certain liquidity requirements for U. S. money market funds and requires " institutional prime " money market funds to impose mandatory liquidity fees** on **redeeming investors in** certain ~~open- end~~ **circumstances. Liquidity fees in particular may negatively impact investors' perception of money market** funds ~~holding non-~~ **and make them less desirable, resulting in a reduction in our money market fund AUM. In the U. K., the FCA is considering changes to the U. K. Money Market Fund regime to improve the resilience of the sector through changes to the minimum** liquid ~~instruments~~ **assets requirements** and ~~swing pricing~~ **enhancements to the liquidity management processes** . • An increased focus on the use of leverage by funds (in particular, leverage attained through derivatives), an example of which is the SEC' s new rules with respect to the use of derivatives and derivatives risk management programs applicable to certain types of registered U. S. funds. New regulations in this area could negatively impact our existing products that employ leverage or derivatives and could impede our ability to bring new products to market **and can raise our compliance costs associated with sponsoring and managing products that employ leverage or derivatives** . • EU and U. K. regulations pertaining to integrating ESG topics **. These regulations** have materially impacted the asset management industry in EU member states and in the U. K. In particular, the integration of sustainability risks, the disclosure of information on the ESG characteristics of EU products and the integration of ~~the~~ investors' ESG preferences at the point of sale have had a significant impact on the features of EU products and on investment management activities. In the ~~UK~~ **U. K.** , ~~climate- related disclosures for asset managers are being introduced and discussions with~~ the FCA **published a new regime** on ~~new~~ sustainability ~~disclosures~~ - **disclosure** ~~and~~ **requirements, including** product sustainability labels ~~continue~~ **, which will be applied in 2024. In the EU, European Securities and Markets Authority is planning to issue new guidelines on fund naming which will aim at avoiding greenwashing practices. Separately, several changes to the Sustainable Finance Disclosure Regulation (SFDR) are being considered, including changes to the current ESG disclosure templates and longer- term amendments to the broader SFDR framework. On top of the disclosure obligations applying to the financial sector, the EU Corporate Sustainability Reporting Directive sets out new ESG disclosure requirements for EU undertakings based on new European standards. The new regime will have an impact on EU domiciled companies and on non- EU groups having substantial activities in the EU** . The SEC and other regulators in the U. S. are pursuing similar initiatives albeit with varying requirements ~~and definitions~~, and the SEC has increased its enforcement activity relating to ESG disclosures and practices. Equally, a number of Asian jurisdictions are introducing climate- related risk and reporting requirements as well as ESG product disclosure standards. • **Amendments** ~~Requirements pertaining~~ to ~~the trading of securities and other~~ -- **the** ~~financial instruments, such as swaps and other derivatives, including certain provisions of the Dodd- Frank Act and~~ European Market Infrastructure Regulation (EMIR) ~~; these include significant reporting~~ requirements **in the EU and the U. K. to align with international standards. In the context of the EMIR 3. 0 negotiations** , ~~designated trading venues, mandated central clearing arrangements, restrictions on proprietary trading by~~ **contemplated changes to the EU framework could require counterparties to hold and use an EU domiciled account when entering into** certain **derivatives** ~~financial institutions, rules improving settlement discipline, other conduct requirements and potentially new taxes or similar fees. A review of EMIR is due to start in 2023~~. Also in the EU, the European Commission **finalized** ~~is preparing~~ amendments to the Markets in Financial Instruments Directive / Markets in Financial Instruments Regulation framework to amend trading and improve transparency rules **through the creation of a new consolidated tape** . In the U. K., an in- depth reshape of wholesale market rules ~~is being debated~~ **has been started** and will aim at improving the functioning and competitiveness of the U. K. financial markets following the exit from the EU. • Limitations on ~~holdings~~ **ownership or control** of certain physical commodity futures contracts and other physical commodity related derivatives positions under regulations of the CFTC which could result in capacity constraints for our products that employ **these instruments as part of their investment strategy. • Limitations on holdings of certain physical commodity futures contracts and other physical commodity related derivatives positions under regulations of the CFTC which could result in capacity constraints for our products that**

employ physical commodities as part of their investment strategy. • Regulations impacting the standard of care that financial intermediaries providing investment recommendations owe to retail investors, under the SEC' s Regulation Best Interest and retirement plans and account holders, under the DOL' s Employee Retirement Income Security Act of 1974 (ERISA) fiduciary investment advice rules. In **late 2023, the DOL proposed a package of new and amended regulations that would revise and expand the definition of investment advice fiduciary and could greatly complicate and alter the retail and institutional marketplace for investment products and services to retirement plans and IRA owners. In particular, this proposal could subject certain of our sales and distribution activities in connection with retirement plan investors to a fiduciary standard of care, which could substantially increase our compliance costs. In** the U. K., **the** ~~a new principle requires firms to act to deliver good outcomes for retail customers. This~~ new " consumer duty " ~~will~~ **was introduced in 2023 and has had an** impact **on** the product governance rules and the distribution of our retail products in the U. K. In the EU, a new Retail Investment Strategy ~~will be published~~ **(RIS) was released** in ~~early~~ 2023 to enhance retail investors' participation in capital markets. It is ~~expected that~~ **currently being negotiated respectively within** the ~~Retail Investment Strategy will introduce~~ **EU Parliament and EU Council. The RIS should result in** a number of legislative changes to the retail investment rules, in particular on product disclosures, investors' protection, inducement, and retail products governance areas. • Enhanced licensing and qualification requirements for key personnel, including the ~~United Kingdom~~ **U. K.** Senior Managers and Certification Regime and the SFC' s Manager- in- Charge Regime that could make it more difficult for the company to hire and retain key personnel. • ~~Strengthening~~ **Strengthened** standards regarding various ethical matters, including compliance with the Foreign Corrupt Practices Act, the U. K. Bribery Act and anti- money- laundering laws ~~and regulations~~ that ~~will~~ **may** increase **our** compliance **costs** and **burdens and regulatory enforcement risk** ~~record keeping obligations of the company~~ . • Regulations promulgated to address risks of fraud, malfeasance **,** ~~or other~~ adverse consequences stemming from cyber- attacks ~~,~~ and **/ or cross- border data transfer, and to** ensure the digital operational resilience of firms. In particular, the new EU Digital Operational Resilience Act will harmonize the requirements applying to Information and Communication Technology risk management, outsourcing and operational resilience in the financial sector **. Enhanced regulations in China governing data security and cross- border data transfers, including the revised counter espionage law, that could increase our compliance burdens and restrict certain business and investments data generated within China from being transferred abroad** . • The application of antitrust and similar competition laws to the asset management industry, including proposed amendments to the U. S. Hart- Scott- Rodino Act that could require investment managers to make numerous pre- merger notification filings with the U. S. Federal Trade Commission and Department of Justice and the potential for antitrust regulators to limit common ownership of competitive companies by a single fund or affiliated funds. These developments in the application of antitrust and competition laws to our business could impede our ability to provide certain products or limit the AUM of certain investment strategies that we provide. • Guidelines regarding the structure and components of fund manager compensation and other ~~additional~~ **related** rules ~~and~~ **,** regulations and disclosure requirements ~~. Certain provisions impose additional disclosure burdens on public companies~~ . Certain proposals could impose requirements for more widespread disclosures of compensation to highly- paid individuals. Depending upon the scope of any such requirements, Invesco could be disadvantaged in retaining key employees vis- à- vis private companies, including hedge fund sponsors. • With respect to certain privately offered investment vehicles, the SEC ~~has~~ proposed rules to prohibit certain activities of the managers of such vehicles, including obtaining exculpation or limitations on liability for negligent acts, potentially increasing our potential liability as managers of these products. These proposals would materially increase reporting to the SEC for certain in- scope vehicles, potentially increasing compliance burdens and costs. Further, additional proposals mandate incremental reporting to investors which may levy additional costs on these vehicles impacting performance. • **Recently promulgated SEC regulations impacting the private funds that we sponsor and manage. These regulations impose prescriptive investor quarterly reporting requirements, which may levy additional costs on these fund that impact performance and limit certain activities that we may undertake with these funds, which could negatively impact the desirability of these funds for certain investors. •** Other changes impacting the identity or organizational structure of regulators with supervisory authority over us. We cannot ~~at this time~~ predict the full impact of ~~potential~~ legal and regulatory changes, changes in the interpretation of existing laws and regulations or possible enforcement proceedings on our business. Such changes have imposed, and ~~may~~ **are likely to** continue to impose, new compliance costs and / or capital requirements or impact Invesco in other ways that could have a material adverse impact on our **AUM,** ~~revenue~~ **revenues** , net income or liquidity. Moreover, certain legal or regulatory changes could require us to modify our strategies, businesses or operations, and we may incur other new constraints or costs, including the investment of significant management time and resources in order to satisfy new regulatory requirements or to compete in a changed business environment. In recent years, certain regulatory developments have also added **to** downward pressures ~~regarding~~ **on our** fee levels. **We** ~~Civil litigation and governmental investigations and enforcement actions could adversely affect our AUM and future net income and increase our costs of doing business. Invesco~~ and certain related entities have in recent years been subject to various 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, governmental authorities regularly make inquiries, hold investigations and administer market conduct examinations with respect to the company' s compliance with applicable laws and regulations. Lawsuits or regulatory enforcement actions arising out of these inquiries may in the future be filed against the company and related entities and individuals. Judgments in civil litigation or findings of wrongdoing by **these** ~~regulatory or governmental~~ authorities against us could affect our reputation, **result in damages, fines or penalties for which we would be responsible,** increase our costs of doing business and / or negatively impact our revenues, any of which could have a material negative impact on our AUM, revenues, ~~net income or~~

~~liquidity. Legislative and other measures that may be taken by governmental authorities could materially increase our tax burden or otherwise adversely affect our~~ net income or liquidity. The international tax environment continues to change as a result of both coordinated actions by governments and unilateral measures designed by individual countries, both intended to ~~tackle~~ **address** concerns over **tax** base erosion ~~and~~ **,** profit shifting **,** and perceived international tax avoidance ~~techniques~~ . **A growing number of jurisdictions have enacted, or have announced that they will enact, legislation to implement aspects of** The Organization for Economic Cooperation and Development **' s (OECD)** ~~, the EU, the U. K. and an increasing number of other jurisdictions are accelerating coordinated activity, including the publication of detailed proposals for~~ global anti- base erosion rules intended to ensure ~~large~~ **that** multinational **companies** ~~enterprise groups~~ pay a 15 % minimum level of tax on a jurisdictional basis. **In most jurisdictions, the new minimum tax rules are effective in 2024 with certain aspects of the rules becoming effective in 2025. In addition, in response to the OECD' s minimum tax proposal, Bermuda has enacted a corporate tax regime with a tax rate of 15 %, effective January 1, 2025. As a result of these developments, our tax liabilities could increase.** We continually assess the impact of various U. S. federal, state and foreign legislative proposals and modifications to existing tax treaties, which could result in a material increase in our tax liability. We cannot predict the outcome of any specific legislative proposals. However, if unfavorable legislation were to be enacted, or if modifications were to be made to certain existing tax treaties, the consequences could have a materially adverse impact on the company, including increasing our tax burden, increasing the cost of our tax compliance or otherwise adversely affecting our future net income and liquidity. In addition, changes in individual and corporate income tax rates, including the capital gains and dividend tax rates, could cause investors to view certain investment products **we manage** less favorably and reduce investor demand for the products and services we offer, which could have an adverse effect on our AUM, revenues and net income ~~. Examinations and audits by tax authorities could result in additional tax payments for prior periods~~ . The company and its subsidiaries are subject to income and non- income based taxes in numerous jurisdictions as well as current and potentially future tax audits. The calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations in a multitude of jurisdictions. Tax authorities may disagree with certain positions we have taken and assess additional taxes (and, in certain cases, interest, fines or penalties). We ~~record~~ **accrue** tax liabilities for ~~anticipated~~ **certain** tax ~~audit~~ issues based on our estimate of whether, and the extent to which, additional taxes ~~will~~ **may** be due. We adjust these liabilities periodically due to changes in interpretations of tax laws, status of tax authority examinations and new regulatory or judicial guidance that could impact the relative merits and risks of tax positions. Due to the complexity of ~~some of~~ these ~~uncertainties~~ **tax issues** , the ultimate resolution may result in a payment of tax that is materially different from **the** ~~our current estimate of tax liabilities~~ **liability** ~~,~~ **that has been accrued or** an increase in the cost of our tax compliance ~~or~~ **, which could have an** ~~adversely~~ -- **adverse** ~~affect~~ **effect on** our ~~future~~ net income and liquidity ~~. Bermuda law differs from the laws in effect in the U. S. and may afford less protection to shareholders~~ . Our shareholders may have more difficulty protecting their interests than shareholders of a company incorporated in a jurisdiction of the U. S. As a Bermuda company, we are governed by the Companies Act 1981 of Bermuda (Companies Act). The Companies Act differs in some material respects from laws generally applicable to U. S. corporations and shareholders, including provisions relating to interested directors, mergers, amalgamations and acquisitions, takeovers, shareholder lawsuits and indemnification of directors. Under Bermuda law, the duties of directors and officers of a company are generally owed to the company only. Shareholders of Bermuda companies do not generally have rights to take action against directors or officers of the company, and may only do so in limited circumstances described in the following paragraph. However, directors and officers may owe duties to a company' s creditors in cases of impending insolvency. Directors and officers of a Bermuda company must, in exercising their powers and performing their duties, act honestly and in good faith with a view to the best interests of the company and must exercise the care and skill that a reasonably prudent person would exercise in comparable circumstances. Directors have a duty not to put themselves in a position in which their duties to the company and their personal interests may conflict and also are under a duty to disclose any personal interest in any material contract or proposed material contract with the company or any of its subsidiaries. If a director or officer of a Bermuda company is found to have breached such director' s duties to that company, the director may be held personally liable to the company in respect of that breach of duty. Class actions and derivative actions are generally not available to shareholders under the laws of Bermuda. However, the Bermuda courts ordinarily would be expected to follow English case law precedent, which would permit a shareholder to commence an action in a company' s name against the directors and officers to remedy a wrong done to the company where the act complained of is alleged to be beyond the company' s corporate power or is illegal or would result in the violation of the company' s memorandum of association or Bye- Laws. Furthermore, consideration would be given by the court to acts that are alleged to constitute a fraud against the minority shareholders or where an act requires the approval of a greater percentage of shareholders than actually approved it. Under our Bye- Laws, each of our shareholders agrees to waive any claim or right of action, both individually and on our behalf, other than those involving fraud or dishonesty, against the company or any of our officers, directors or employees. The waiver applies to any action taken by a director, officer or employee, or the failure of such person to take any action, in the performance of his or her duties, except with respect to any matter involving any fraud or dishonesty on the part of the director, officer or employee. This waiver limits the right of shareholders to assert claims against our directors, officers and employees unless the act or failure to act involves fraud or dishonesty. Our Bye- Laws also provide for indemnification of our directors and officers in respect of any loss arising or liability attaching to them in respect of any negligence, default, breach of duty or breach of trust of which a director or officer may be guilty in relation to the company other than in respect of his or her own fraud or dishonesty, which is the maximum extent of indemnification permitted under the Companies Act. ~~Because we are incorporated in Bermuda, it may be difficult for shareholders to enforce non- monetary judgments against us or any judgment against us or our directors and officers. Shareholders may have to seek independent advice regarding the commencement of proceedings or service of foreign process in Bermuda.~~ The company is organized under the laws of Bermuda. In addition, certain of our officers and directors reside in countries outside the U. S. A substantial portion of the company' s assets and the assets of these officers and directors are or may be located outside the U. S. Investors may have difficulty effecting service of process within the U. S. on our directors and officers who reside outside the U. S., even though the company has appointed an agent in the U. S. to receive service of process. Further, it may not be possible in Bermuda or in countries other than the U. S. **,** where the company has assets **,** to enforce court judgments obtained in the U. S. against the company based on the civil liability provisions of U. S. federal or state securities laws. We have been advised by our legal advisors in Bermuda that the U. S. and Bermuda do not currently have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Some remedies available under the laws of the U. S. or the states therein, including some remedies available under the U. S. federal securities laws, may not be allowed in Bermuda courts because they may be found to be contrary to Bermuda public policy. Therefore, a final judgment for the payment of money rendered by any federal or state court in the U. S. based on civil liability, whether or not based solely on U. S. federal or state securities laws, would not automatically be enforceable in Bermuda. Similarly, those judgments may not be enforceable in other countries other than the U. S ~~. We have anti- takeover provisions in our Bye- Laws that may discourage a change of control~~ . Our Bye- Laws contain provisions that could make it more difficult for a third- party to acquire us or to obtain majority representation on our Board of Directors without the consent of our Board. As a result, shareholders may be limited in their ability to obtain a premium for their shares under such circumstances. Specifically, our Bye- Laws contain the following provisions that may impede or delay a third- party to acquire or obtain majority representation on our Board of Directors: • we are prohibited from engaging, under certain circumstances, in a business combination (as defined in our Bye- Laws) with any interested shareholder (as defined in our Bye- Laws) for three years following the date that the shareholder became an interested shareholder; • our Board of Directors, without further shareholder action, is permitted by our Bye- Laws to issue preference shares, in one or more series, and determine by resolution any designations, preferences, qualifications, privileges, limitations, restrictions or special or relative rights of an additional series. The rights of preferred shareholders may supersede the rights of common shareholders; • shareholders may only remove directors for " cause " (defined in our Bye- Laws to mean willful misconduct or gross negligence which is materially injurious to the company, fraud or embezzlement, or a conviction of, or a plea of " guilty " or " no contest " to, a felony); • our Board of Directors is authorized to expand its size and fill vacancies; and • shareholders cannot act by written consent unless the consent is unanimous. ~~General Risk Factors Our ability to maintain our credit ratings and to access the capital markets in a timely manner should we seek to do so depends on a number of factors.~~ Our access to the capital markets depends significantly on our credit ratings. We ~~have received credit ratings of A3 / Stable, BBB / Stable and A / Stable from Moody' s Investor Services, Standard & Poor' s (S & P), and Fitch Ratings, respectively, as of the date hereof. We~~ anticipate that the rating agencies will continue to review our ratings regularly based on our results of operations and developments in our business. We believe that, in addition to factors specific to our company, rating agency concerns include the fact that our revenues are exposed to ~~equity~~ **financial** market volatility and the potential impact from regulatory changes to the industry. Additionally, the rating agencies could decide to downgrade the entire investment management industry, based on their perspective of future growth and solvency. As further described below, **any** material deterioration of these factors, and others defined by each rating agency, could result in downgrades to our credit ratings, thereby limiting our ability to access additional financing, **increasing** the cost of such financing and **/ or limiting** our ability to maintain investment management mandates, particularly in the institutional channel. Our credit ~~facility~~ **agreement** borrowing rates are tied to our credit ratings. A reduction in our long- term credit ratings could increase our borrowing costs, could limit our access to the capital markets and may result in outflows, thereby reducing AUM, revenues and net income. Volatility in global finance markets may also affect our ability to access the capital markets should we seek to do so. If we are unable to access capital markets in a timely manner, our business could be adversely affected ~~. Insurance may not be available at a reasonable cost to protect us from loss or liability~~ . We face the inherent risk of loss or liability related to claims from clients, third- parties, actions taken by regulatory agencies and costs and losses associated with operations failures (which could include cyber incidents). To help protect against these risks, we purchase insurance in amounts **and at deductible levels** , and against potential losses and liabilities, that we consider appropriate, where such insurance is available at prices we deem reasonable. There can be no assurance, however, that a claim ~~or claims~~ will be covered by insurance or, if covered, will not exceed coverage limits, ~~or~~ that an insurer will meet its obligations regarding coverage, or that coverage will continue to be available on a cost effective basis. Insurance costs are impacted by market conditions, claims made on policies and the risk profile of the insured and may increase significantly over relatively short periods. In addition, certain insurance coverage may not be available or may only be available at prohibitive costs. Renewals of insurance policies may expose us to additional costs through higher premiums or the assumption of higher deductibles or co- insurance liability.