**Invesco Ltd.**

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Michael Carrier: We're going to get started with our next company, which is Invesco, a leading global asset manager. With us today is Marty Flanagan, CEO, and Loren Starr, CFO. Marty has been president and CEO of Invesco since 2005 where he has led the buildout of a much more global and diversified asset manager. Prior to Invesco, Marty spent many years at Franklin.

As CFO, Loren has worked on growth and regulatory initiatives, efficiency programs, to improve the margin and maximizing their capital management strategy. Prior to Invesco, Loren spent time at Lehman, Morgan Stanley, Putnam, and Janus. Invesco is one of the largest US public asset managers that serves a global client base in a host of different ways. Invesco is one of the leaders within ETS with its Power Share Suite in addition to recent Source and Guggenheim deals. Invesco is also a leader in asset management with a strong long-term investment track record with increased scale more recently.

Given the recent transaction and certain rules Scott Smith, our head of specialty sales and our financial sales specialist will lead the first set of questions. But before we start Q&A, we'll do one polling question on active versus passive in terms of the outlook, you know, where expectations are. So we can put that one up first.

So do you see improving cyclical demand for active management despite structural headwinds? And, if so, where do you think active and passive share in the settles?

So, first, yes, with share settling higher than the current 35% passive. Second, yes, but structural will persist with share heading towards 50% passive. Third is no, and structural will persist with a share heading well over 50% passive.

So the clicker is in front of you if you just want to put your in. Just a few seconds. And the answers. Alright, so the vast majority, over 50%, yes, structural will persist with share heading towards 50% passive. And then pretty split between the first and the second.

All right, thanks for that. And now I'll turn it over to Scott for some questions and then I'll come back up, thanks.

Scott Smith: Mike, thank you very much. Actually, it came up with Marty, actually. With respect to the Oppenheimer Funds business, what was attractive to you the most there? What products or specialties do they have that really fill a gap for you, and do you see any potential distribution opportunities over time?

Marty Flanagan: Yes, thank you very much, and we should probably come back to that survey. That was actually very interesting and probably a core of something that we believe and really important and, actually, Oppenheimer being one of them.

But the transaction was incredibly attractive to us. Obviously, we not have done it. We look at differentiated investment capabilities they have. I'll come back to that. The client relevance that come out of it -- scale, that's a benefit from putting the organizations together, really compelling financial returns. I'm sure we'll talk about that in depth. And then, finally, the relationship with Mass Mutual.

And if you start to look at the investment capabilities, and that's where we started when we had a conversation with them. If you look at the opportunities, going forward, in active global equity merchant markets, international, you continue to go down into things like some of the alternative capabilities they have. It's really complementary to us and very interesting.

And if you also look at their capabilities, they've largely been offered in the United States in the mutual funds, in particular. There's enormous opportunity institutionally for a lot of those capabilities I just went through and, also, when you start with the retail channels outside of the United States, there's opportunity. To say nothing of opportunities going into the greater China area where we have great strength and also Mass Mutual does, so it really is beyond just -- so start at the capabilities and look at the opportunities beyond mutual fund delivery in the US world management channel.

Scott Smith: Great, thank you. Loren, this is really a question for you. At $425 million the cost synergies seem definitely high, but admittedly it's sort of an in-market deal, so they should be high.

Can you give us your perspective on, like, where the cost savings are actually going to come from specifically? And what your level of confidence is? And then what have you done around talent retention?

Loren Starr: So I think we've done transactions like this with the Van Kampen acquisition historically. That was a little bit of a different situation because most of the infrastructure was left with Morgan Stanley, and so what came over were the teams. But when you have two fully formed mutual fund platforms coming together, you really have an opportunity -- significant opportunity around middle and back office. Technology and operations that, you know, is really just doubling up of capabilities.

So you're going to go to single capabilities, and we are very confident that that translates to at least $475 million of cost saves.

Importantly, this is not sort of a takeout of Oppenheimer, you know, and all our capabilities staying intact. That would be a wasted opportunity and basically similar concept to what we do with Van Kampen. You know, we believe you get the best outcome by, sort of, retaining the talents of the two firms coming together. And so we're being very thoughtful and deliberate working with Oppenheimer and colleagues in terms of trying to achieve the synergy targets where we can get the best capabilities across both groups. But that's about 14% of the cost save across both organizations.

Scott Smith: Okay, great. So with respect to timing, obviously, you can't always pick your time and the cycle. But, just, you know, how do you think about the attractiveness of this deal versus where we are, time-wise, in the cycle?

Marty Flanagan: Let me make a couple of comments and then maybe answer the question that's underneath the question. You would do this regardless of timing in a market cycle. Very seldom do you get a situation where you end up with a strategic partner with Mass Mutual that, by the way, has taken every single dollar and putting it back in the combined institution. You know, that's their conviction of where the industry is going.

Again, start with the capabilities, the complementary nature of the capabilities. You have to look through market cycle. You can't -- so, probably, the question is are you buying inactive at a peak? I'd probably say you're buying at the nadir of a market cycle. So if you said "Wait two years, so they get through some correction," it's too late, right? These take a long time to just get to signing.

And it really comes back to our basic strategy, which has been very clear. It's a combination of passive factor, high conviction, active and alternative. It's 100% additive to what we're doing and rapidly advanced our ability to go after the growth opportunities that we've been talking about as an organization.

Loren Starr: One thing I would also mention is we've done stress tests on this, obviously, so if you saw a fairly significant market drop, you know, would you still say this is a great deal? And we have found that even though the IRR (ph) does get sort of cut by about 3 percentage points, so you get around to 16, 17, you know, accretion is still very strong and so it absolutely holds together in even this, sort of, really bad market scenario where we were looking at some 35% market drop all in day one, so, which, hopefully does not happen. But, ultimately gives us comfort that financially this deal holds together under all these stress tests.

Scott Smith: Well, I think we sort of started down this path, but performance at Oppenheimer has been relatively strong but even despite that, there's been a little bit of outflow, just given industry headwinds. Are you thinking about, you know, with the accretion, the fact that it may impact your growth multiple over the long term?

Loren Starr: Yes, I mean, again, I think this is what Marty was just saying, that you can't really time these things and basically we are strengthening our core business. We believe we'll be able to grow more steadily, more persistently with Oppenheimer being part of our existing business than without. And so, ultimately, it does help our multiple even if, sort of, US domestic active is sort of under a challenge right now. What we're bringing over is really global -- it's international, it's emerging markets. It's not the kind of the capability that's been under full, kind of, pressure.

So we do think it's a very stabilizing influence, not only that from a performance perspective, it tends to be offsetting. So we're, you know, maybe our value franchise may be underperforming, it will tend to outperform and vice-versa. So we also think it's a very helpful complement within our set of capabilities.

Marty Flanagan: Can I add to that?

Scott Smith: Yes, please.

Marty Flanagan: So here's -- that's a perfect question for -- if you look at Oppenheimer as it is. But I think the context you have to look at in underneath and you're saying, you know, the wealth management channel is very competitive. Absolutely, it is. But put in the context of an $80 trillion-plus industry today, the largest segment is US wealth management industry. You either get in and get big and be very good and competitive or get out.

And if you look at what happened just post-this -- and our strategy has always been strengthen the core. It's the absolute core of ours. We end up with -- if you look at the investment capabilities, 10 of the 15 largest capabilities in the US wealth management channel, we end up north of top 10 ranking in 15 of them in very important areas.

And I think the other thing to take a look at is at the end of 2017, the world assets worldwide industry assets, call it, $80 trillion. Pick your number on the projections. You look at some estimates have it growing 40% for the next four years -- a $110 trillion industry. 70% of that growth is coming outside of passive and largely into high conviction active solutions, multi-sector -- all the things that we have been building as an organization in fact.

So I think it's, you know, it hits on all the strategic points that we're talking about, and within the wealth management channel in the United States, we become the sixth largest with a unique set of capabilities if you look at that top six.

Scott Smith: Great. I imagine that this will come up again in Q&A. But just to shift gears, we're going to go to another audience polling question, so if we can throw that question up on the screen? The question is what would get you more interested in investing in Invesco stock? One, is recent deals leading to consistent above-average organic growth? Two, further operating leverage and a rising margin? Three, focus on reducing debt and in buybacks versus deals? Or, four, a more favorable industry backdrop and an early cycle? So if you just enter your response in there, I'm going to actually turn it over to Mike, I think, who is going to read the answers. Then we're going to swap it out.

Marty Flanagan: Are these the tough questions now? Yes, right, so --

Scott Smith: All right, so the answers are 42% is number one. So the recent deals leading to consistent or above average organic growth and then, second, is a more favorable industry backdrop in early cycle. Surprising or what you guys would expect?

Marty Flanagan: Let me see here. I would say we're 100% on track and, again, we'll talk about it, but there's little question. And I think what's happening right now, let me stay on the high-level point, there's no question in my mind this industry is going through dramatic change. First, you know, I've been in the industry a long time now. This has always been a claim. It's actually happening right now. We know what we're all living it, many of us, everybody here is in the industry somehow, and depending how your firm is doing is probably how you think the industry is going to persist.

But let's not forget, you know, it's a growing industry, $87 trillion today. It's not going away, the stronger can get stronger, there's no question in my mind and, you know, we've lived this period of a cap-weighted index market for a long time. It's probably going to change, and I think what you need to look at, number 4 is actually pretty interesting. It's too easy to look in the United States right now and think the markets are fine. You're preaching to the choir here, you know, there's at least a rotating bear market or, you know, strong correction going on throughout the world right now. That's actually a very good thing.

I mean, it's very good for activists, very good for the industry, and those firms that have the depth and breadth of capabilities are going to do well in it. And I think the issue right now, just look today, don't separate current market next two quarters because the headwinds are probably -- market headwinds are probably as strong as they've been in a long time.

China, Brexit, Italy, people's view of rising interest rate environment, valuation versus growth -- these are all hitting so that the client expectation -- it is a risk-off environment the last few quarters to the degree that I've not seen for a period of time. This is not the financial crisis, but we're at a market turn. It's a very interesting inflection point, quite frankly.

Michael Carrier: You mean just on the first, you know, polling question in terms of the organic growth. So if you step back and Invesco, you know, you put up some pretty good organic growth, you know, over the past nine years. Yet the last two quarters, obviously, it's been a little bit more challenging.

So when you, you know, kind of, dig in, you know, and look at what is driving that, like anything that, you know, kind of, seems more like permanent or is it, kind of, the combination of factors that led to some unusual quarters?

Marty Flanagan: Yes, look, again, preaching to the choir. Everybody here is in the market, right? It is largely where we have had success, and it's largely a retail, wealth management challenge for us right now in a number of capabilities, I think, quite successful for a good long period of time, and you get the, sort of, a minimum trade and the value bias is in redemptions. And there are still very talented money managers, you know, very strong over a longer period of time. This is not a structural change, it is literally, you know, we're a market topic.

Loren Starr: Yes, the only thing I would -- because I think it's an important point, you know, the idea of an absolute growth target is something that we've been looking at, you know, so we've talked about 3% to 5% historically as our target. And it's always been based on looking back at historical industry growth and saying, "Well, given our breadth of capability, given our investments in some of these growth engines, we should be able to do better."

I mean, right now, the industry has not been, sort of, been growth and for us to be, sort of, looking to do the 3% to 5% as sort of an absolute target doesn't really make much sense anymore to us. What we do think we should be able to do, though, is to outperform the industry. So that's still the right benchmark, you know, by some number. But, really, from our thinking, you know, sort of, an absolute 3% to 5% is sort of something that people should be looking for us right now would be rather difficult to achieve, I think, for almost any asset manager.

Michael Carrier: Yes. Maybe just on that, because I think when you look at it, because it's more like a spread, you know, to the industry. The industry is going to be fluctuating. But when you think about, you know, over the years, like, the products that they have, the vehicles, you know, and then the distribution, like, when you think about, like, relative to the industry, you know, what kind of categories do you feel like you have pretty good visibility? You know, that the organic growth is going to be able to be, you know, kind of, at the high end versus, you know, obviously, there's going to be those that are more challenged, but has it diversified enough, I guess?

Marty Flanagan: Yes, so I put this in the context of what was the industry three years ago? What is it today and going forward? And there's a reason why we've been so dedicated to factors. So when you ask that passive question, so I define "passive" as a cap-weighted index. I doubt that you're going to see that kind of growth in cap-weighted index. I think people get it confused with factors. I think it might stick them together. You'll have the academic debate of what is, what isn't.

Where we think the growth is going to be is in factors. We have a long history in factors and also suggest why were we looking at things like Source and Guggenheim? Factors is an absolute growth area. It's underpenetrated, you know, most places in the world that's an opportunity. Solutions is the other one, and we're seeing that in different around-the-world taking off. It's a combination of the capabilities that we have. Multi-sector is something that's happening as you look forward.

And then, for us, and, again, every organization is differently. It really has been a focus back to the institutional business for us as differentiated opportunities, and we're seeing that happen in different stages around the world. We can come back to that as we've talked about.

The area, though that is incredibly exciting and, again, we're still at the front end of it and it's "show me the results." The additional platforms, whether it be Jemstep and Intelliflo, I think, you know, it could be the equivalent of what PowerShares was in 2006 for us. It's 2019 on a story, but it's actually very exciting.

Michael Carrier: So maybe on that, for anyone who is not as familiar, just maybe give a little bit of background on those two transactions, what they do. But then, more importantly, why you compared it to PowerShares and so how that grew.

Marty Flanagan: Yes, so PowerShares was our foray into ETFs. We are interested because it's in the Wealth Channel, which was not typical at the time, and that it was Smart Beta, which was also not the focus. Its (inaudible) was $3 trillion, our factor capability is through ETFs largest, $220 billion today since that period of time.

When we bought it, it was, "Oh, isn't that interesting." It was not thought of to be that type of capability. So that was that. What we've seen is that Jemstep is additional platform that started, if you use, sort of, popular language, a "Robo Advisor" eight or nine years ago that was focused direct-to-consumer. They determined that that was not the opportunity in the marketplace. They determined the opportunity was business-to-business as additional platform.

We bought it to strengthen our relationship with our wealth management partners and, for us, it's really been the bank channel, in particular, that has been the area where we have not had penetration, and it's incredibly exciting what's going on for us right now there.

And it's open platform, it is white-labeled, and the opportunity is back into our models, and, again, you can't have the models without solutions, self-indexing, and our broad range of capabilities. So that is Jemstep.

Intelliflo is really interesting in the market as the regulation in the UK has changed. I want to call it the fiduciary responsibility of financial advisors, and so platforms have emerged to be, really, the clearinghouse for selection of money managers. Intelliflo is much more developed than Jemstep. They have a 30%, 35% market share right now in the UK. Post the transaction, it has picked up growth and the opportunities further down the road, probably into second half of 2019 are into our models. That's where you probably see the greater uptick although the thing continues to grow right now, but (inaudible).

Loren Starr: No, I know, in Jemstep, I mean, it's been -- you know, there's a process where clients get introduced to Jemstep and ultimately work through, you know, sort of, design and ultimately execution and then production. And it's a long process, because we actually do spend a huge amount of time with the clients, really, installing our technology on their technology platform so it's seamless to them. It's white-labeled to their technology. We're not disintermediating their custody or doing anything around their CRM. They continue to own all those capabilities, so it takes time.

But we have, I mean, literally, hundreds of billions of dollars of wealth management AUM coming through this pipeline, and I'd say we're at a point where, you know, close to 50% of that is going to be getting into production next year. So we really are seeing this, kind of, pig through the python beginning to emerge, and we do think this is going to become, you know, much more real and noticeable. Obviously, we've been talking about it for some time, but it's just been a process. But, you know, we're looking forward to being able to show you more details around our pipeline and our subsequent earnings so you can really get to see the magnitude of the assets coming through.

And we have about more than a third of the share of the 11 banks that have chosen Robo Advisors recently -- four of the 11 have chosen Jemstep, so a 36% share, and that's really not a statistic that's changing at all. If anything, we seem to be gaining momentum.

Michael Carrier: Okay, that's helpful. Just on the ETF business, you mentioned the difference between, you know, I would kind of look at it as the pure beta.

Marty Flanagan: Yes, that's right, yes.

Michael Carrier: (inaudible) what you guys are more focused on. I guess, I think, one of the challenges that I think a lot of investors have is that it does seem like there's a lot of growth and whether it's through portfolios and solutions, there's demand for those products. But then given what we've seen on the pure beta side in terms of the competition and fees, there's a good turn, like, where does, you know, kind of, the smart beta is the factor. You know, where did that settle out? And you can say this may be on the active stuff, right?

Marty Flanagan: Yes, sure.

Michael Carrier: I just wanted to get your take on how you think about the growth, you know, in that part of the industry? You know, how you guys are positioned, you know, versus maybe some pricing pressure and then the incremental margin. I mean, because it's all (inaudible).

Marty Flanagan: Let me put it in the framework that we think about it now, and I'll get specifically to the question. Again, in our minds, you know, clients are very different than in the past, and this is even the wealth management level and all the way to sovereign wealth funds.

They are utilizing the full range of capabilities, right, whatever you want to call it. Cap-weighted indexes, factors are emerging, so factors, they are not -- the interest is there outside of the United States institutionally, you know, it's quite active and successful. Wealth management channel, there's awareness, desire, it is not mature to the degree that we think it's going to be. And I think that's really important to understand.

Then high conviction act from alternatives. We look at value for money, so at the lowest end, cap-weighted indexes, you're not going to get paid that much. The more alpha you're generating, the more you're going to get paid. That is playing out around the world, and that's just a fine thing. Who gets hurt in that? If you're an "active manager" as a benchmark hugger, you're in trouble, right? And that's what you've -- if you're an alpha-generating manager, you better generate it or factors are going to take you out. And so now you're at the vehicle.

We separate the vehicle from, if you want to call it, the capability and the fees. But within ETFs, you know, the real fight has been cap-weighted, in essence, their own, right? We know the winners there, and they will continue to be. But we just look at ETFs as a delivery vehicle for different types of capabilities. Where we have been focused is on factors from the beginning. We think it's a huge opportunity. We still think it's early days, and if you look at the spectrum, you're going to get paid more for that than you are for cap-weighted as you should. You'll get paid less for factors than alpha-generating active and less than alternatives. So if that's helpful, that's how we see it.

Michael Carrier: Yes, okay. And then just on the two recent transactions on the ETF side, so Guggenheim and Source, just, you know, how those, you know, played out, you know, I mean, versus just the expectations on both from a product and then distribution.

Marty Flanagan: Do you want to start?

Loren Starr: Yes, I think they've been tracking. You know, we've really been very deliberate in terms of broadening out the product lines. This is all part of the plan for Source and for Guggenheim. You know, sort of, creating suites of products, both shares, in particular, has been a primary focus for Guggenheim, and we've done that. It's flowed about $1 billion, and it's doing well. We're not fully done yet in terms of the suites that we're bringing out, so I think there's more work to come. But, ultimately, we would say in terms of what it's doing in the sort of interest in the product, it's been absolutely on track in terms of expectations.

I think, for Europe, a little bit harder because it's been a little bit of risk-all thing. We saw the business lose a little bit in flows around commodities. They're actually in positive flows more recently, but ultimately in terms of bringing those capabilities together with our active and alternatives, that work is going well and, definitely, part of this solution's mindset that's been created in Europe.

Michael Carrier: Maybe shifting over to the alternative side. So that's an area where, you know, I think, over time, you guys have done very well. And the real estate business has driven a lot of that. Just maybe give us an update on how you see maybe that part of the business both in terms of what capabilities you have and then how much more potential do you see in terms of either adding on capabilities, you know, or from a distribution standpoint?

Marty Flanagan: Do you want to start and I'll --

Loren Starr: Yes. I mean, it's one of the fastest-growing parts of our sets of capabilities. We absolutely think it's sort of industry-leading in terms of the real estate capability, bank loans, you know, commodities. We've seen GTRS allocation capability also, you know, huge growth. And really part of Oppenheimer, maybe people are not as aware, you know, if they have an industry-leading, an All-P (ph) capability that's coming over, about $14 billion, I mean, it's grown dramatically, I think, over a period of five-plus years from about $3 billion to $14 billion. So that's going to be an exciting new addition to Invesco.

There is also a capability that has been created with a joint venture with Carlyle that Oppenheimer had, and then we also look at that as an opportunity for us to further expand on that and, Marty, I don't know if you have anything else you want to add.

Marty Flanagan: No. Look, it's -- this was called our private markets platform. You know, as Lawrence said, the secret to success continues to be a focus. We focus on areas that are what we call, sort of, consistent with our DNA, and we'll continue to do that. And, again, it just continues to be important for us. And I'm going to come back to trying to connect the dots always. We're seeing clients, more and more sophisticated clients, take more than single mandates to create outcomes for them. And that happens, in particular, in the private markets, you know, platform for us. And, again, I would come back to, you know, we're very interested as we continue our conversations in this discovery phase, you know, what is possible with Carlyle, which would be very complementary to what we have as an organization.

Michael Carrier: So within alternatives, just, in terms of, like, the private credit, that part of the space, you know, appear, you know, as a direct transaction, but there's been a lot of growth in that part of the market. I just wanted to get your take on maybe capabilities and, you know, interest in terms of the structural growth.

Marty Flanagan: Yes, so we -- our bank loan team is moving in there, so we've determined to do organically, just where we are in the credit cycle. We thought that would be wiser and just the core capabilities they have and the relationships we have, that's how we'll get in there. You know, there is a private credit fund that we've probably raised in the last 12 months, $1.25 billion. It's very successful from that standpoint. Is it a franchise? It's not a franchise, but we're going to continue to do it organically at this stage.

Michael Carrier: Okay. Maybe just shifting on the distribution side. In the institutional business, you guys have been doing well. The pipeline has been pretty healthy in terms of the updates that you've given. When you look across the product set, where are you seeing demand? Is it still on the alternative side? Is it on the fixed income? I guess, just from, like, a fee rate standpoint, you know, like, longer term. How does that pipeline look relative to the overall -- ?

Loren Starr: Yes, I mean, the fee rate is well in excess of the firm's overall fee rate. So it is absolutely -- I mean, it's 10 or 15 basis points above where the firm's overall fee rate is. It is about half, sort of, in the alternative capabilities -- real estate, commodities, you know, balance risk, those types of things tend to be higher fee. Even Chinese equities, I mean, also a big area of strength for us. So diversified across pretty much all our capabilities and geographically as well. Where I think Asia is probably the most robust right now, followed by Europe and then maybe the US would be the last. So it is something that we think is going to continue to be a positive dynamic in our fee rates as we continue to grow, and, you know, some of the idiosyncratic outflows that we've seen around some of the institutional flows we think are going to be offset, certainly, by the growth of this pipeline as we move forward.

Michael Carrier: Okay. And maybe just on the US retail (inaudible) and the more you mention this it's a huge part of the market. You're going to be there to be important. So when you think about, like, some of the changes that have been taking place, whether it's the advisor making decisions now more the office of the CIO --

Marty Flanagan: That's right.

Michael Carrier: Just when you think about how Invesco is looking at working with those distribution firms and those channels, what are you guys doing differently? You know, maybe whether it's solutions, products, and even, you know, just from maintaining that relationship any advice?

Marty Flanagan: Yes, it's been a dramatic shift over the last three years, in particular, maybe five years. So it's almost at one level separating retail from institutional from a decision-making. There's no separating anymore, right? You know, it is -- there's not a retail product or institutional product from a quality point of view, which was, sort of, common wisdom a decade, 15 years ago or early on when I was in the industry.

It is -- so what does that mean? So the relationship is at the home office from an investment quality point of view. All the due diligence -- that is the first protocol to get on, you know, recommended lists or into model portfolios. That has changed. How we are facing off against the platforms, it's a CFA-to-CFA, you know, conversation, which was not the case even four years ago for us. So dramatically different from that point of view.

Also, platforms are -- you know, want to mention platforms, they are narrowing who they're working with. That's not news to anybody in this room. And they want firms with a broad range of capabilities, again, I won't repeat everything I've talked about. Firms like ourselves, they want firms with scale on their platforms, which is the other thing of high conviction capability and the ability to do models for them. They'll do models themselves, they want firms to do models. And that gets into the solutions and, sort of, added value type Invesco consulting, leadership, you know, these are really, really important and what it says is investment quality first, but you better have scale.

And the other huge change is the movement into digital technologies to support the FAs in the marketplace, make them more efficient as they are working with their clients. Those are huge investments that firms need to make, and if you've not made them, you're in trouble.

And then coming back to Oppenheimer, again, so, you know, if you saw the capabilities where we start, but if you look at the client relevance in addition to the capabilities, the capabilities, as I said, many of them are top 10 now that we have as a firm. We now have, if you looked at our top 10 wealth management clients and Oppenheimer top 10 clients, we had one relationship north of $30 billion. We now have five north of $30 billion and the top 10 are materially larger.

And that matters from the standpoint because that's what the wealth management platforms are caring about.

Michael Carrier: Great. Maybe one just on pricing. So when you look across a lot of the products, especially when you go through the distribution channels, how do you think Invesco stands up? Because, obviously, you've got the performance side but now, more and more, you know, there's a pricing side. So how does it stack up and how often are you looking at pricing to make sure it's not a hurdle from the sales process?

Marty Flanagan: Look, this will not be unique to us. And if it is unique to us, firms that aren't doing (inaudible) better. You have to look at your value proposition all the time, and pricing is a part of it. And that's not new, by the way, at least from our organizational point of view. But you want to hit on some of the -- (multiple speakers).

Loren Starr: Yes, I think, I mean, we're in a fortunate position to have a significant amount of our assets in lower fee type ranges so all our value franchise is about 38 basis points again. So it stacks up relatively well. Some of the Oppenheimer product coming over has a total expense ratio about median so, again, it feels like it's not in any danger.

ETFs, obviously, there's been more work that's been done to just understand if you're competing head-to-head with a product of a similar size and capability, and you're off, you know, if it's a material difference, then you have to adjust that. There's just no way you're going to win share if you're wanting to grow. And so there have been some adjustments that have been made on the ETF side.

But the one thing that I think is very true and real for our fee rate when you look at our yields, and, again, I'm not saying you don't know this already, Mike, but all the changes that we've been seeing around our fee rate has everything to do with mix. And so it's not people cutting fees and cutting management fees in order to retain their competitiveness. That's not going on or, if it is, it's such a small part of the overall impact. It's really, kind of, what is selling and has been very much, sort of, a tendency to lower fee products in recent years.

Michael Carrier: Maybe shifting a little bit to get a capital management. So you guys have, probably, over the last two years been more active, you know, on the transaction side. So just, you're going for, when you think about the products that even the scale in the different distribution channels and the different product areas. How are you thinking about buybacks relative to more strategic M&A?

Marty Flanagan: So let me start on the first part. And then, so, in the last two years we have been relatively active, and the reason is we've had high conviction that the market is moving quickly. We've not changed our strategy. We advanced our strategy when opportunities showed up, and I think it's important.

Everything we've done has followed the strategy, and every time you'll be able to point back to that makes sense that that happened, because that's what they told us was going to happen, and we'll continue to do that. I mean, we'll always tell our strategy. As far as gaps, we just don't see a lot of gaps right now. It is all about execution right now, and that's right up our alley, and, you know, we think we position ourselves very well in the additional platforms, the factor capabilities, alternatives now, and we're high conviction active in the things we've been talking about today. But you want to talk about (inaudible).

Loren Starr: Yes, so, I mean, it has been unusual time because of all the, sort of, series of acquisitions that have been done. We've, obviously, put a little pressure, you know, recently on the balance sheet and stopped buybacks for some period. You know, we now announced $1.2 billion buyback in conjunction with this deal that has already begun, so we've started that. And that is totally consistent with our capital strategy, which has always been to return capital at a substantial amount through dividends and buybacks. And I, as Marty just mentioned, I mean, the idea of doing other acquisitions now is pretty much sort of put to the side.

So you should expect to see us being very active buying back our shares over the next two years and beyond. And we do think that the Oppenheimer business will only be a further cash, you know, kind of enabler for us because it is a very well-run business, and it's coming over with synergies, and some of that will help us continue to expand our buybacks.

Michael Carrier: Okay. We have a few more minutes left. I'll see if there's any questions in the audience. Any questions? One over here, just wait for the mike, if you would.

Audience Member: I think it was on Intelliflo that you mentioned that the second half of 2019 had more opportunity for (inaudible). Would you mind just talking a little bit as to why?

Marty Flanagan: Yes. So, right now post the transaction, their business has improved, and, you know, so why would you say that? It's not us, per se. It is because there was always an overhang because they had PE ownership and clients always say if there's going to be a transaction what was that going to (inaudible)? Yes, so when the transaction happened, it, sort of, it's okay we know what the future is. And so client demand picked up for Intelliflo, and so we've seen the price --

Loren Starr: Oh, oh, double-digit growth.

Marty Flanagan: Double-digit growth, post the transaction. The next opportunity is to work with Intelliflo to make models available. And I think what needs to be very clear is, again, it will be independently built models --

Loren Starr: Open architecture.

Marty Flanagan: Open architecture for the clients. When that happens, there's a view that that's going to be another step leg-up of growth for Intelliflo and, obviously, that's good news for Invesco.

Michael Carrier: Any other questions? One over here?

Audience Member: You've talked about the relationship with Mass Mutual as being a positive in this deal. Where do you see that going? What relationships, joint ventures, further investment from Mass Mutual would you expect, over time?

Marty Flanagan: Yes, so let me make a couple of comments. I know if Roger Crandall was here, he would say this, so I'm not speaking on his behalf. You know, first of all, they look -- you know, they've owned Oppenheimer, and they love owning asset management business. And the first thing that they thought, they saw where the world was going, they want to be a part of a global asset manager with this range of capabilities that we talked about today. This combination with Oppenheimer creates a much stronger organization.

So they aren't selling, they're investing. And as they say, every single dollar of this transaction is Mass Mutual is reinvesting in this combined organization. So that says a lot just for the conviction in the relationship.

They have a set of skills that we don't have, and so when you think through some of the opportunities that could happen between a money manager and assurance in some of the retirement markets around the world, that's one of the topics that we've been talking about. Obviously, the retail capabilities in the United States are obvious, their DC (ph) platform. What is also very interesting is the relationship that they are building in China in a digital insurance market, which ties very directly to the things that we are doing in Mainland China, Greater China, with our visual capabilities with our money management capability. So early on conversations there.

So, again, we've all just signed up for a couple of weeks, so we're into it, and we're expecting a very positive relationship with them, going forward.

Michael Carrier: Any other questions? One in the front. Just wait for the mike, thanks.

Audience Member: Is there a way to quantify the technology exposure from a -- leadership in the market has been quite thin for a long time, and technology has really been drawn down in October. So is there a way to quantify the technology exposure at Oppenheimer?

Marty Flanagan: Oh, at Oppenheimer. I don't have that off the top of my head. I thought you were going to ask about us, so we have those numbers. So if you look at things like our international growth capability, diversified dividend, they've gone from, sort of, bottom quartile to top decile, top 15 percentile in a very short period of time. So this has been very, very helpful for our value exposure-type capabilities.

Michael Carrier: Any other questions? Okay. Maybe just one more. You know, when I think about it over the last, you know, few years, you guys have made a lot of investments, you know, in the business. You know, whether it's on the acquisition side and then some in, like, technology. But then on the flip, you've also had the business optimization playing in place. So maybe just give us an update on where we are, you know, in a vastly changing industry, you know, I mean, in terms of making those investments versus continuing to focus on, like, efficiencies and trying to offset some of those investments.

Marty Flanagan: Everything that we started down the path on, we are well underway and seeing results from them. I'd be happy to go through the list if you want, but that's absolutely happening. If you didn't start this a number of years ago, and some of these a decade ago, you would be in a very difficult situation right now. And coming back to Oppenheimer again, it starts by the capabilities that they bring to us and everything we've talked about. In everything you've seen, there is zero revenue synergies associated with any number that you've seen from us and so -- outside of the US retail channel.

But the opportunity because of the scale that comes with it, that creates these synergies, it's adding, by the end of year 2, $1 billion in free cash flow, additional free cash flow to the organization. So when you think of the opportunity for the firm financially, the financial results, they're real, they're meaningful, and we will have been through all of our investments that we've needed to do. And, by the way, we're vastly through that investment stage, anyway. So when you talk about the synergies that are available because of the type of transaction that it is, expense synergies alone, it is material.

Loren Starr: I would say, just in terms of the optimization, we've made huge progress over the course of several years using technology, using outsourcing, looking to use global centers of excellence to do a lot of our operations, and in the third quarter I think our run rate savings was about $54 million. We're to get to around $62 million, $65 million by the end of the year, so we'll feel a good lift there.

All the work that we've done associated with Invesco specifically, you know, negotiating better rates with vendors and (inaudible), that is all going to accrue to the benefit of the Oppenheimer kind of platform as it comes over. And so it's actually going to multiply through, you know, when that happens.

So part of the reason why we feel so confident about the synergies and, again, everything that we've done to, sort of, simplify and create structure around data and technology is it's something that allows us to do this in a way that is probably able to get these high levels of efficiency.

Michael Carrier: Okay. All right, well, we're out of time, we'll wrap it up there, and I want to thank Marty and Loren for their time.

Marty Flanagan: Yes, sure. Thank you so much, much appreciate it.