



Invesco for alternatives

Strategies to help meet institutional return objectives



Real estate

With an investment process that has been in place and fine-tuned over a 30-plus-year history in real estate, Invesco's diversified global platform offers both direct real estate and real estate securities strategies.

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The **Direct Real Estate** team's worldwide presence combined with first-hand, local real estate expertise provides access to quality properties with an emphasis on attractive current income.

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Invesco's **Real Estate Securities** professionals focus on top-down market and asset fundamentals combined with bottom-up local market intelligence.

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Multi-asset

Global Targeted Returns is a multi-asset, absolute return strategy providing exposure to a blend of investment ideas across all asset classes, geographies, sectors and currencies.

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Bank loans

Invesco Senior Secured Management is a leading pure-play investment manager with an exclusive focus on senior secured loans.

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Risk parity

Invesco Balanced-Risk Allocation Strategy aims to balance risk equally among assets rather than estimating future asset returns

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Private equity: Distressed

WL Ross & Co., led by Wilbur Ross, is acknowledged as one of the world's leading turnaround managers.

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Private equity: Fund of funds

Invesco Private Capital invests in industry-leading venture, buyout and other private equity funds within fully discretionary funds-of-funds.

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Experience, discipline and a singular focus on investment management

Whether you are seeking additional diversification, sources of income, greater return potential or a reduction in overall volatility, Invesco's expertise in alternatives can help institutional clients identify the right investment strategies for their portfolio objectives.

Invesco is the fifth-largest manager of alternatives, with more than US \$109 billion in assets under management worldwide.^{1,2}

With three decades of experience and more than 200 investment professionals focused on alternatives, Invesco is a leading provider of alternative investments.

Investment-centric culture

Our entire organization is focused on investment management. Our alternatives professionals are specialists within their respective disciplines. Supported by the global resources of Invesco, our investment teams are independent, giving them the ability to act quickly to keep pace with market demands and opportunities.

Focused on you

Our sales and service professionals are dedicated to meeting your needs. The depth of our experience in the institutional market gives us an understanding of the regulatory environment, regional nuances and industry trends. We engage you and your consultants as partners and tailor the delivery of our products and services to the needs of your plan and your jurisdiction. It's a client-focused approach that we're proud to deliver to Canadian institutional investors in every province in both official languages, with team members on the ground in your region.

Global presence

Our alternative investment portfolio managers, analysts and researchers are located across North America, Europe and Asia-Pacific, providing clients with exposure to a wide range of investment opportunities.

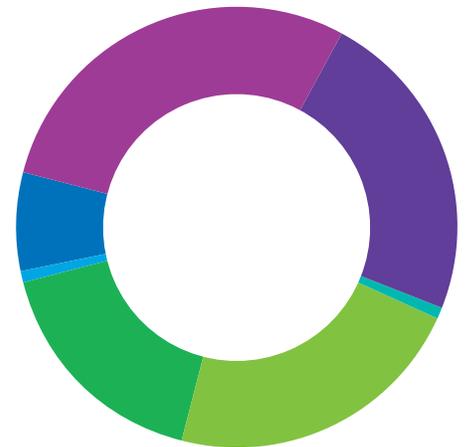
Risk management

Within each investment team, independent risk management controls and processes are in place. Investment performance reporting and risk oversight drive transparency throughout the organization.

Our business today

Alternative investment strategies

	%
■ Bank loans	20
■ Commodities	4
■ Liquid real assets	20
■ Macro strategies	21
■ Market neutral	2
■ Private equity	4
■ Real estate	29
Total	100



All data is as at March 31, 2016, unless otherwise stated. Past performance is not indicative of future similar results. Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time. ¹ Source: Invesco. ² Sources: Invesco and Pensions & Investments 2015 Money Managers Rankings; includes U.S. tax-exempt institutional assets for the following categories: real estate equity domestic, real estate equity international, timber, hedge funds, infrastructure, venture capital, buyout funds, other private equity domestic, other private equity international, privately placed debt, distressed debt, mezzanine debt, energy, commodities, gold and currencies.

Real estate

Global presence. Local intelligence.

Why Invesco for real estate?

Global presence and local market intelligence.

Our worldwide presence, combined with first-hand, local real estate expertise, provides access to quality investment ideas and ensures we have the detailed knowledge to assess their value.

Focused on investment management.

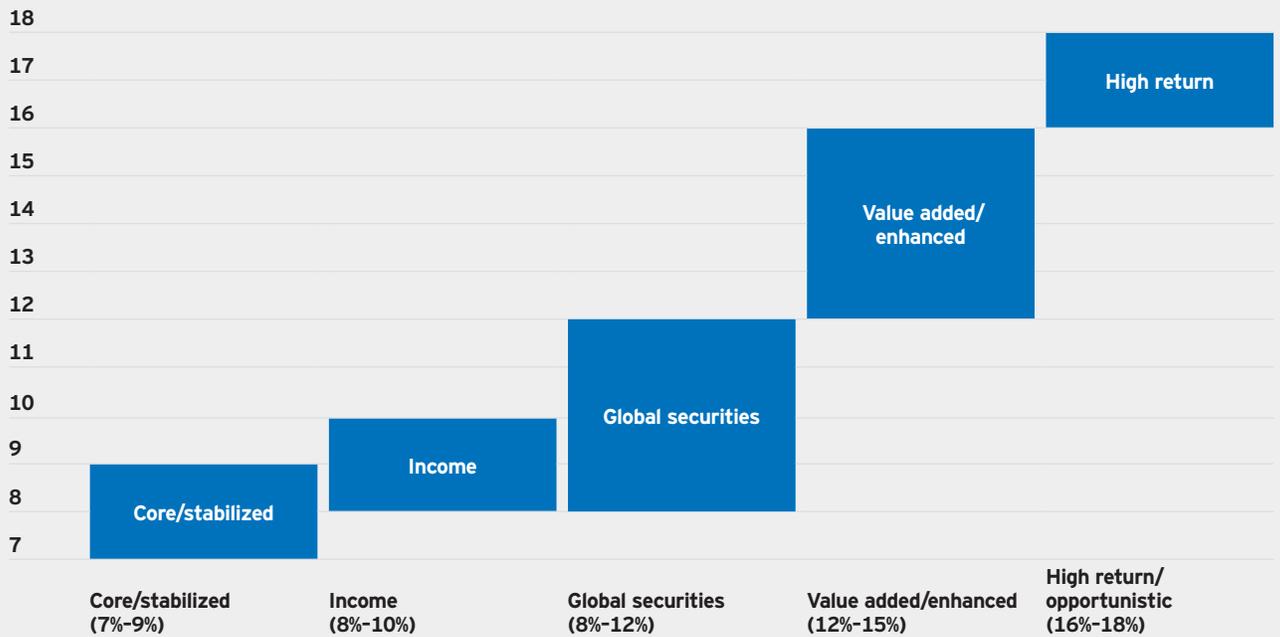
Invesco's sole business is investment management. As such, we act as a fiduciary for our clients. We are not a bank or insurance company, nor do we have other real estate related businesses (e.g., leasing or property management) that conflict with our fiduciary responsibilities or detract from performance.

Source: Invesco. All data is as at March 31, 2016, unless otherwise stated.

Invesco offers a range of real estate investment strategies for clients

Figure 3 - Risk/return spectrum for real estate investment strategies

Total return expectations (%)



Source: Invesco Real Estate.

Total return expectations are estimates reflecting current market conditions as at March 31, 2016, are provided for illustrative purposes only and are subject to change. It is not known if return expectations will be met.

Firm stability and specialized resources.

Invesco has been investing in U.S. real estate since 1983. Our experts have the experience and knowledge to deliver investment returns in an increasingly complex environment. Our diversified global platform offers both direct real estate and real estate securities products via commingled funds and separate accounts. The attractiveness of this platform has allowed us to maintain our senior staff with extremely low turnover. With this stability, our investment process has been in place and fine-tuned over our 30-plus-year history.

Research-driven investment process.

Much more than a dedicated department, research at Invesco Real Estate (IRE) represents a firm-wide commitment to a systematic evaluation process. We employ applied, not theoretical, research. Invesco's research professionals regularly gather detailed economic and demographic data, at macro and local levels, to formulate well-founded opinions on investment potential. Our research group is also responsible for integrating its top-down, long-term market evaluations with the bottom-up expertise of acquisition and disposition professionals.

The importance of research

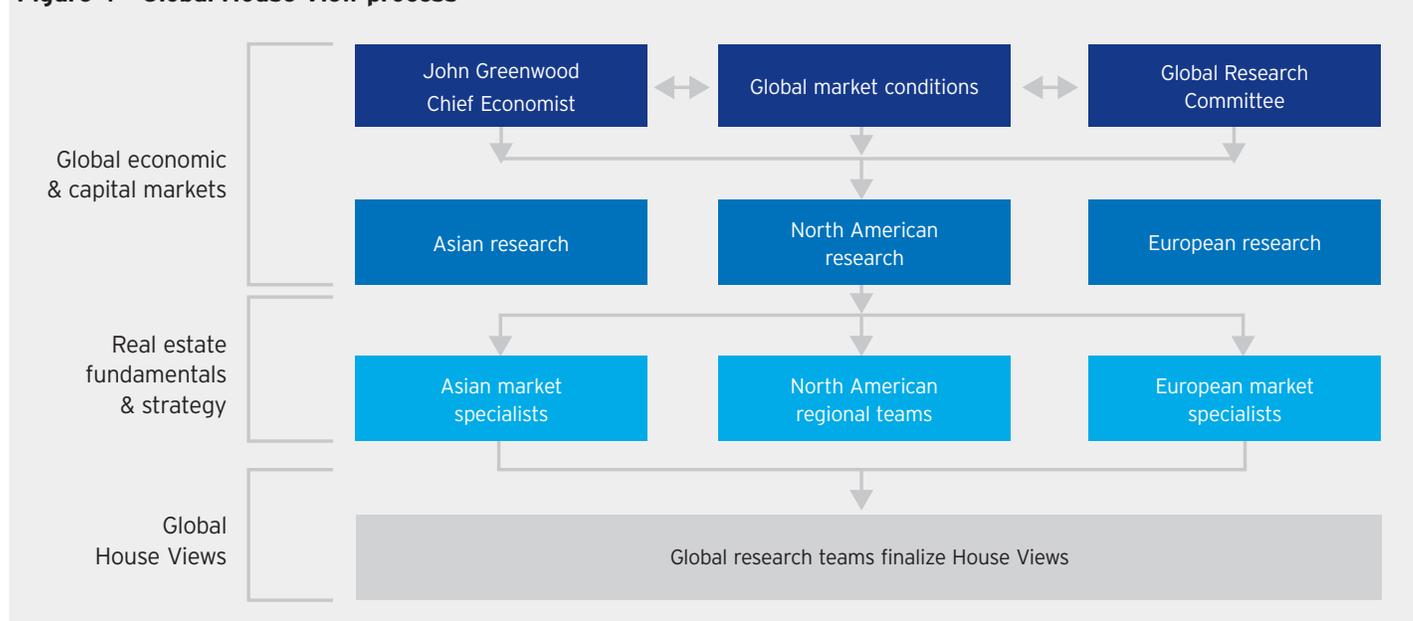
The starting point for achieving our investment objective is to develop our general view of the real estate market (the "House View"). The House View is IRE's collective belief of how best to invest in the institutional real estate market to help achieve our clients' investment objectives.

The major components of the House View include:

- Target weightings by property type for IRE's model portfolio
- Market ratings for each qualified market
- Investment strategies for each market targeted for investment

The system for developing the House View is dependent on the input and participation of all of IRE's investment professionals. Every member of the Research, Acquisitions, Underwriting, Asset Management and Portfolio Management groups is involved. This team-based approach ensures clarity in understanding the current opportunities and risks in the market, along with providing the team with a specific plan upon which to execute to achieve the objectives.

Figure 4 - Global House View process



Direct real estate

Providing in-depth knowledge of markets and properties

Our Direct Real Estate team seeks to provide investors with a portfolio of institutional-quality properties diversified by property type and geographic location, with an emphasis on attractive current-income returns and the opportunity for both income and capital growth.

Team	Invesco Real Estate
Strategies	<ul style="list-style-type: none">■ Core: U.S., Europe & Asia■ Value Added and Opportunistic: U.S., Europe & Asia■ Income: U.S.
Assets	US\$39.1 billion

Strategy seeks to provide

- Enhanced diversification benefits
- Low correlation with other asset classes over the long term
- Opportunity for high current income and capital appreciation
- Leveraged and enhanced returns
- Potential hedge against inflation
- More consistent representation of the real estate market
- Brick and mortar “real assets”

IRE currently manages approximately US\$39.1 billion in direct real estate, with US\$26.5 billion in the U.S., US\$8.2 billion in Europe and US\$5.5 billion in Asia. IRE also provides asset transfer services in the U.S., with more than US\$5.0 billion in takeover experience. Additionally, the European team provides advisory services, including asset-based financing, hotels and leisure capabilities.

Investment philosophy

The team's investment philosophy is comprised of two fundamental principles: maximize the predictability and consistency of investment returns and minimize the risk of capital loss.

Investment objective

The team's objective is to generate consistent and predictable performance and avoid capital loss while increasing the opportunity for capital appreciation.

Investment strategy

The team's investment strategy is based on top-down economic fundamentals combined with bottom-up local market intelligence. IRE seeks to provide clients with favourable excess returns, through strategic property sector weightings and market- and property-specific selection, as well as execution of property-level investment plans.

Over the years, the team has developed a disciplined system that has yielded consistent results and has the potential to be reproduced over varying phases of the real estate investment cycle.

Source: Invesco. Data is as at December 31, 2015.

Investment process

1. Property-type allocation

IRE actively manages property-type weightings by varying the mix of property types over a full market cycle.

2. Market selection

The process involves the following:

- Screening to identify qualified markets
- Identifying markets that have the greatest potential for income growth

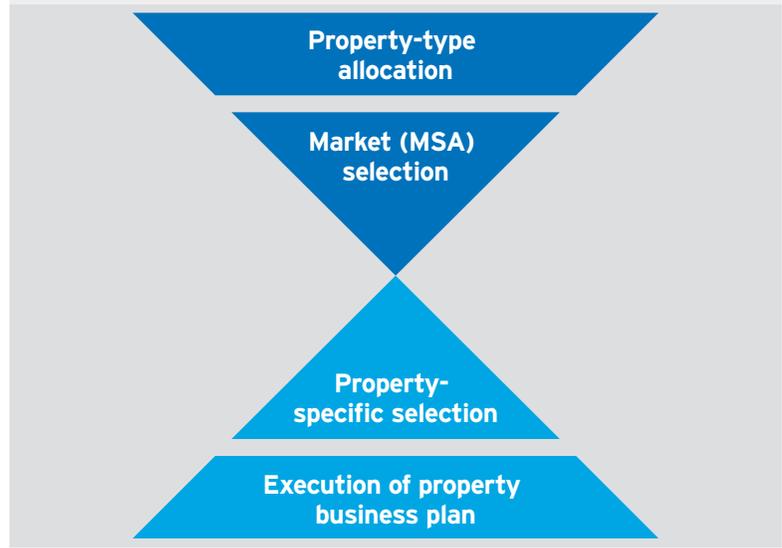
3. Property-specific selection

The team applies in-depth knowledge of the markets, properties and people necessary to source high-quality investment opportunities.

4. Execution of property plan

IRE becomes closely involved with an investment transaction - from the initial due-diligence period and execution of the business property, through the disposition phase of the asset transaction.

Figure 5 - Direct Real Estate investment process



Team snapshot: Invesco Real Estate

- Locations: Atlanta, Beijing, Dallas, Hong Kong, Hyderabad, London, Luxembourg, Madrid, Milan, Munich, Newport Beach, New York, Paris, Prague, San Francisco, Seoul, Shanghai, Sydney, Singapore, Tokyo and Warsaw
- Low turnover among investment professionals has led to an investment process in place for over 30 years
- IRE has people “on the ground” in each major region of the U.S. and in offices around the world, allowing the team to understand the markets, properties and people necessary to source quality investments
- Focused on top-down market and property-type fundamentals combined with bottom-up local market intelligence
- Disciplined, team-based system that has yielded consistent results
- Extensive relationships in the market provide interaction with owners, operators and developers of real estate and results in superior access to investment opportunities

Real estate securities

Focusing on top-down fundamentals, with bottom-up local intelligence

Established in 1983, IRE currently manages approximately US\$27.5 billion in securities portfolios globally. With more than 400 employees and 21 offices worldwide, our professionals focus on top-down market and asset fundamentals combined with bottom-up local market intelligence.

Team	Invesco Real Estate
Strategies	■ U.S. & Global Total Return ■ U.S. & Global Income ■ Global Infrastructure ■ MLPs
Assets	US\$27.7 billion

Our sole business is managing investments and acting as a fiduciary for clients. We are not a bank or insurance company, nor do we have other real estate-related businesses, such as leasing or property management, that may conflict with our fiduciary responsibilities.

The most significant benefit to our securities clients is our ability to leverage the tremendous amount of market, property and corporate knowledge available through the direct real estate investment side of our business.

Strategy seeks to provide

- Enhanced diversification
- Low correlation with other asset classes over the long term
- Opportunity for high current income
- Daily liquidity
- Higher, more consistent cash flow per share growth
- A portfolio of lower-leveraged companies and better dividend coverage
- Average market risk with higher expected returns

Investment philosophy

The team believes the relative success of asset-linked investments depends on their underlying asset mix, management ability and asset quality. By identifying securities with favourable characteristics in these areas and buying them at attractive prices, the team seeks to create portfolios that are broadly diversified, focused on total return and will perform at or above index levels with a comparable level of risk.

Investment objective

Our investment management objective is to achieve a higher-than-market return with average market risk over the long term.

Investment strategy

The team compares current equity valuation levels relative to long-term norms, the value of the underlying real estate assets and management's proven ability to produce favourable returns in the construction of our clients' portfolios.

Invesco maintains well-diversified portfolios with exposure to major sectors of the market, although positions in stock selection and fundamental research may lead us to overweight or underweight particular countries or asset types. We focus on larger, better-quality companies that are expected to provide attractive risk-adjusted returns.

Source: Invesco. Data is as at March 31, 2016.

Investment process

1. Screen the universe

The team screens out companies that do not meet their minimum market capitalization. They then further narrow the universe by focusing on companies whose primary business is asset ownership, management and development.

2. Conduct fundamental analysis

The team identifies property companies operating in the most attractive markets, with solid assets, strong management teams and sound balance sheets.

3. Complete securities analysis

The team calculates a relative valuation for each stock and assesses a number of weighted criteria, providing a comprehensive view of the entire universe. Once the team has a valuation for each criteria, they have a relative valuation to systematically rate stocks.

4. Construct portfolio

After ranking the attractiveness of each stock, the team creates portfolios that are designed to offer optimum risk/return characteristics consistent with investment objectives.

Figure 6 - Executing our philosophy

Global securities universe

1. Screen the universe

Screen for minimum market capitalization and daily trading volume

2. Conduct fundamental analysis

Identify best long-term investments from a fundamental perspective

3. Complete securities analysis

Rank stocks according to relative value

4. Construct portfolio

Create optimal risk/return relationship

Global Targeted Returns Strategy

Investing in ideas

Macro strategies: Global Targeted Returns

Invesco Global Targeted Returns is an actively managed multi-asset strategy with a straightforward proposition - to produce a single diversified portfolio, comprised of our best investment ideas, which are blended in pursuit of a clearly defined target outcome.

Team	Invesco Perpetual Multi Asset
Strategies	■ Global Targeted Returns
Assets	US\$13.2 billion

Strategy seeks to provide

- Enhanced diversification benefits by investing in a wide array of asset classes, geographies, sectors and currencies
- Positive return in all market conditions
- Lower volatility relative to global equities
- Robust risk management as part of the investment process

Investment philosophy

The focus is to achieve a positive total return, through capital growth and income, in all market conditions over a rolling three-year period. The investment team explores fundamental investment ideas, identifies the best way to gain exposure to them and then combines them successfully into a risk-managed, diversified portfolio.

Investment objective

The strategy aims to achieve a positive total return in all market conditions over a rolling three-year period. The strategy targets a gross return of 5% per annum above three-month EURIBOR (or an equivalent reference rate) and aims to achieve this with less than half the volatility of global equities, over the same rolling three-year period. There is no guarantee that the strategy will achieve a positive return or its volatility target.

Investment strategy

The team believes changing market dynamics require access to an unconstrained research agenda in order to generate positive returns over the long term. They search globally across all asset classes, currencies, geographies and sectors for good long-term investment ideas, which can be implemented through a wide array of asset types and instruments.

The strategy can have up to 50 investment ideas in its portfolio at any time, but will typically have between 20 and 30 investment ideas that the team believes can each provide a positive return in the context of their central economic outlook over the next two to three years.

Source: Invesco. Data is as at December 31, 2015.

Investment process

Every idea must pass the team's three-step investment process before it can earn its place in the portfolio. Once it has earned its place, it will be tested repeatedly.

1. Approving ideas: A "TEAM" approach

The team considers the merits of each idea and why it should work over a two- or three-year horizon. It must then be justified against the economic backdrop, and then assessed according to a number of valuation metrics. The team believes that leveraging the intellectual capital across Invesco's global platform is critical. This is achieved through formal and informal interactions with portfolio managers across Invesco's investment centres.

2. Combining ideas: Risk-based portfolio management

Every idea must earn its place in the portfolio by contributing the right blend of risk and return. Each idea will be assessed to see how volatile it is in isolation, how it affects every other idea and what its impact is on overall risk. In addition to looking at risk from an historical perspective, the team also tests the portfolio against a range of hypothetical scenarios based on potential market events and shocks. By combining ideas, the team can build a portfolio that aims to reduce risk through diversification.

3. Implementing ideas: Trading and governance

The implementation of each investment idea goes through four phases: order, comply, execute and review. Each order goes onto the trading platform and is subject to pre- and post-trade compliance checks and daily risk analysis. The portfolio managers are free to operate independently, but also have clear accountability and are aided by a strong oversight and risk-management process.

Multi Asset team investment process

T

Thematic

All ideas start with an underlying theme that the team can justify and demonstrate exactly how and why it will work.

The team selects the most appropriate financial instrument or asset class to express the idea in the best way.

E

Economic

The Multi Asset team develops a view on wider macroeconomic, social and political trends across the world. This enables the team to identify the opportunities and threats to specific regions, countries or sectors.

The team also examines the factors most likely to drive corporate cash flow and profitability, and looks for ways to invest in those trends.

A

Analytic

Every idea is subject to a rigorous scientific-like test, using the latest analytical modelling techniques and valuation metrics, both industry standard and proprietary.

The team models variables such as changes in supply and demand or investor sentiment, to support the investment ideas.

M

Managers

Based mainly in Henley, U.K., the team has access to, and is able to gather the views of, Invesco Perpetual economic analysts, strategists and portfolio managers at any time, on any of the proposed investment ideas. The team can also access Invesco's global network of portfolio managers and asset class specialists to benefit from their local expertise.

Team snapshot: Invesco Perpetual Multi Asset team

- Locations: Henley-on-Thames, U.K.; New York
- Wealth of experience in successfully running multi-asset portfolios
- Team of three lead investment professionals have more than 60 years of investment expertise among them

- Combined average of 24 years' experience delivering targeted absolute returns
- Investment team utilizes a unique blend of actuarial, strategic, equity, fixed interest and multi-asset skills
- The team can draw on extensive in-house investment knowledge from a global network of portfolio managers and asset class specialists

Bank loans

Managing senior secured corporate credit risk

Senior secured loans

Invesco Senior Secured Management, with US\$27.9 billion under management, developed one of the first institutional senior secured loan platforms and ultimately helped foster the maturation of the syndicated senior secured loan market.

Team	Invesco Senior Secured Management
Strategies	<ul style="list-style-type: none"> ■ Bank loans, constrained, domestic ■ Bank loans, unconstrained, global ■ U.S. and European CLOs ■ Customized mandates
Assets	US\$27.9 billion

Senior secured loans are privately arranged corporate debt instruments that provide capital to a company (usually below investment grade) and are syndicated to a group of banks and institutional lenders. These loans are structured, arranged and administered by a commercial or investment bank - known as arrangers.

Loans are typically issued in conjunction with leveraged buyouts, mergers or acquisitions. This unique asset class behaves differently from traditional fixed-income investments.

Strategy seeks to provide

- Current income stream
- Diversification; senior loans have a low correlation to other types of fixed-income investments and may help to mitigate volatility in rising interest-rate environments
- Insulation against principal erosion due to short duration, securitization by collateral and ability to minimize losses in the event of default
- Floating-rate coupon that helps provide a steady income stream that keeps pace with rising interest rates
- Senior claim; loan is given top priority and is repaid first

Investment philosophy

As a leading pure-play investment manager with an exclusive focus on senior secured loans, the team's long-term, consistent approach to managing the bank-loan market uses active, bottom-up research and has enabled its investment strategies to historically add value over the long term.

Investment objective

The team seeks to provide a high level of current income by investing primarily in senior secured loans whose interest rates float at a spread above LIBOR and reset every 30 to 90 days. The portfolios have a bias toward higher-quality loans to non-investment-grade companies organized or located in the U.S. or Canada.

Investment strategy

The team seeks loans that have been made to corporations with excellent management teams, consistent and dependable sources of cash flow and reliable collateral packages, providing a second source of repayment. To manage risk, the team keeps the portfolio broadly diversified with a focus towards larger, more liquid loans.

Figure 8 - Invesco's bank loan investment capabilities



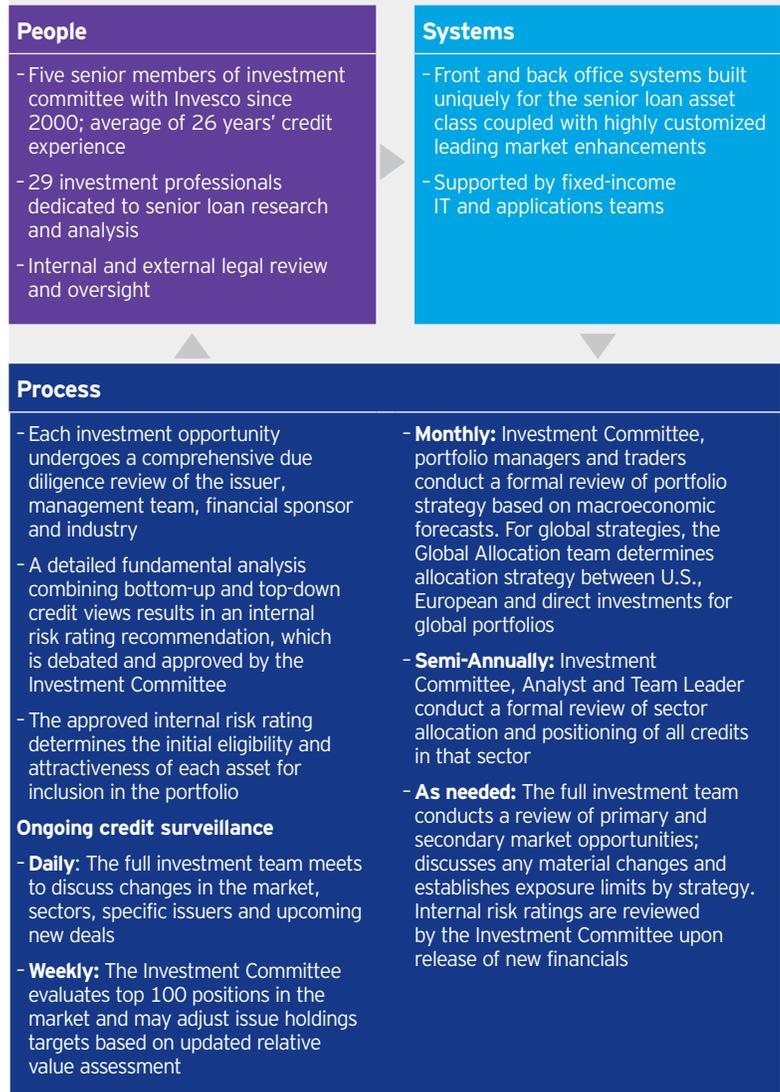
Sources: Invesco and Invesco Senior Secured Management, Inc. Data is as at March 31, 2016.

Investment process

Invesco's bank loan investment process is predicated on a disciplined, fundamental approach to investing. Analysts are structured by industry specialty and have a deep understanding of the companies that operate in the leveraged bank loan space. In addition to credit selection, Invesco's investment process is founded on active portfolio management. The investment process is designed to optimize portfolio return while minimizing downside credit risk by investing through a full credit cycle.

- Invesco takes a fundamental approach to investing in senior secured loans and has an active management style that is biased toward more liquid positions in the upper-mid- to large-cap segment of the market
- The Investment Committee is comprised of our most seasoned and senior investment professionals
- The team's core investment philosophy and process is grounded in fundamental bottom-up risk assessment of each issuer/issue in which it invests, coupled with top-down macro risk positioning tied to broader economic trends
- Emphasis on portfolio risk management and monitoring consisting of overall portfolio positioning (sector concentrations, risk segmentation, etc.) as dictated by market events and macroeconomic themes from the Investment Committee

Figure 9 - Invesco's senior loan team credit process



For illustrative purposes only. Subject to change.

Team snapshot: Invesco Senior Secured Management

- | | |
|--|---|
| <ul style="list-style-type: none"> -Locations: London, New York and Chicago -One of the leading pure-play investment managers with exclusive focus on senior secured loans -Global team with local coverage in the U.S. and Europe -Product offerings in all segments of the market (Institutional, Collateralized Loan Obligations (CLOs), Retail, ETF) | <ul style="list-style-type: none"> -Experience managing senior secured loans since 1989 -29 investment professionals with an average of more than 16 years of experience -Market experts through multiple stages of credit cycles -Ability to deliver customized and/or opportunistic loan strategies |
|--|---|

Risk parity

Preparing for all economic outcomes

Invesco Balanced-Risk Allocation Strategies

In times of uncertainty, it's important to be prepared for all possible outcomes. This is the rationale behind the Invesco Global Asset Allocation (GAA) team's approach to building portfolios that aim to balance risk equally among assets, rather than focusing on estimating future asset returns.

Team	Global Asset Allocation
Strategies	■ Balanced-Risk Allocation
Assets	US\$15.2 billion

Strategy seeks to provide

- Limited downside risk while participating in positive return environments
- A better-balanced core portfolio holding or a liquid alternative to a hedge fund (daily valued)
- A more prudent way of providing commodity exposure to participants in defined contribution plans
- Returns with a low correlation to equity and fixed-income markets
- A flexible application that can stand alone or be combined with other beta/alpha strategies
- A long-only, derivatives-based approach with low meaningful counter-party risk
- Transparent investment positions

Investment philosophy

The team's approach to portfolio construction seeks to help protect against market downturns while still taking advantage of investment opportunities when they arise. This is based on the idea that understanding, managing and allocating risk is fundamental to a properly constructed portfolio.

Investment objective

The objective of the strategy is to outperform the Barclays Capital 3-Month Treasury Bellwether Index by 6% per annum over a rolling three- to five-year investment horizon.¹

Investment strategy

Our risk-parity strategies seek to generate returns by investing in global equity, fixed-income and commodity markets using a long-only, risk-balanced investment process. Specifically, the team selects the appropriate assets for the strategy, allocates them based on their proprietary risk management techniques and applies an active positioning process to improve expected returns. The result is a strategy that strives to achieve equity-like returns with bond-like risk over time.

Source: Invesco. Data is as at March 31, 2016.

"Equity" is defined as the following: S&P 500 Index, Russell 2000 Index, FTSE 100 Index, EuroStoxx 50 Index, Tokyo Stock Price Index, Hang Seng Index. "Fixed income" is defined as the following: U.S. Treasuries, Canadian government bonds, U.K. gilts, German bunds, Australian government bonds, Japanese government bonds. "Commodities" is defined as the following: optimized energy, optimized precious metals, optimized industrial metals, optimized agriculture.

¹ Please contact Invesco Canada for specific details regarding the Invesco Balanced-Risk Allocation Pool available to Canadian institutional investors.

² The risk contribution refers to Invesco's targeted strategic allocation, whereby one-third of the overall targeted portfolio risk is assigned to the various asset classes used within the strategy. Risk target (standard deviation of monthly returns).

Investment process

The GAA team first considers the primary economic outcomes investors are likely to face and then identifies assets that have the potential to benefit from each outcome. They equalize the risk associated with each set of assets. Finally, the team makes tactical shifts around the balanced core, allowing the portfolio to adapt to the near-term environment.

1. Select assets

Three major economic outcomes are considered: non-inflationary growth, inflationary growth and recession. One or more assets can be identified as beneficiaries of each outcome (figure 1).

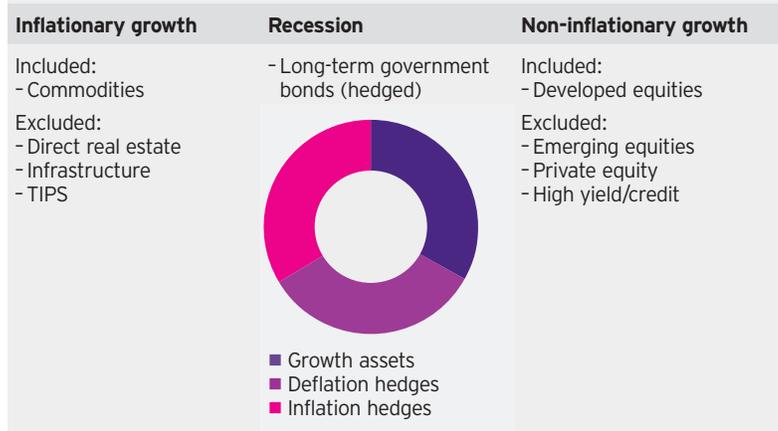
2. Equalize the risk

As shown in the top half of figure 2, a traditional balanced portfolio is dominated by equity risk – more than 90% of total risk in most cases. This means the total portfolio – like equities – will typically perform well in a non-inflationary growth environment but will struggle during periods of inflation or recession. The bottom half of figure 2 shows an alternative approach, where risk is balanced equally among the assets. This leads to a materially different asset allocation, but one that may better cope with equity-unfriendly outcomes.

3. Adapt to the current market environment

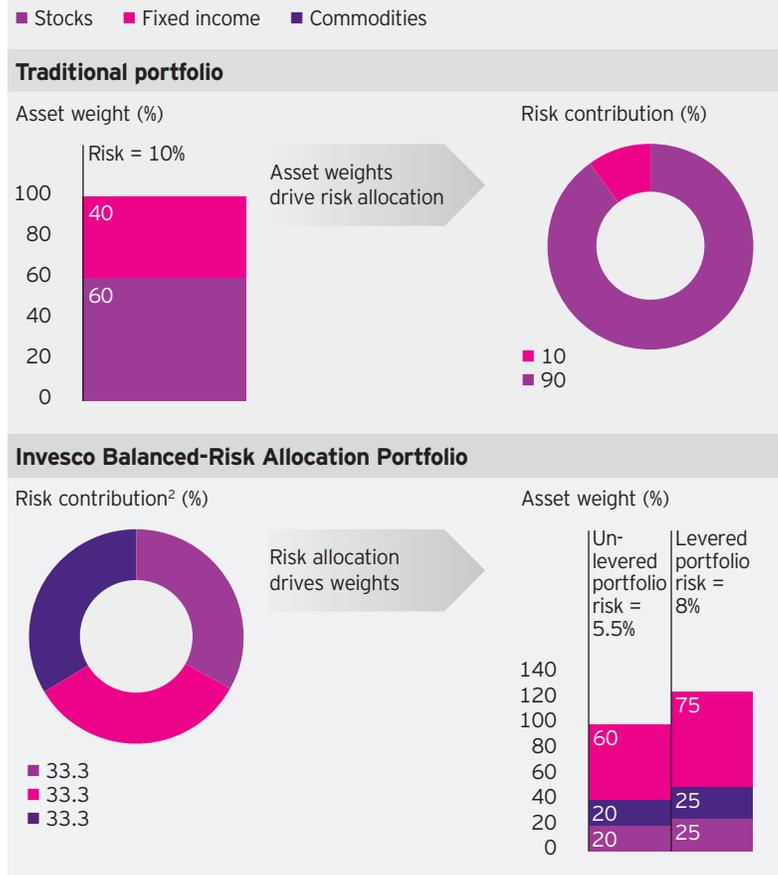
Once the strategic balanced-risk allocation is set, we assess the attractiveness of each asset relative to cash to determine the tactical allocation. This creates an opportunity for modest shifts in the mix of risk, as well as the total amount of risk taken. Each asset class will typically represent 16% to 50% of the total risk of the portfolio, while total expected volatility of the portfolio will generally range from 6% to 10% with a neutral target of 8%. For comparison, the traditional balanced portfolio referenced above has an estimated volatility of approximately 10%.

Figure 1 – Asset allocation provides diversification framework



Source: Invesco analysis

Figure 2 – Asset weight vs. risk weight



Sources: Invesco analysis and DataStream. For illustrative purposes only.

Private equity: Distressed

Experienced private equity firm with scale and perspective

Control-oriented investor that provides high-touch capital and transformative operational solutions across market cycles.

Team	WL Ross & Co.
Strategies	<ul style="list-style-type: none">■ Distressed private equity■ Special situations■ High-conviction tactical credit
Assets	US\$4.9 billion

Strategy seeks to provide

- Attractive returns by pursuing investments in distressed opportunities, special situation investments, contrarian buyouts in mid-cap businesses that are operating in out-of-favour industries
- Long-term capital appreciation via special situation and contrarian-style investing
- Opportunistic investment across the capital structure

Investment philosophy

WL Ross & Co. is a value-driven private equity firm that specializes in distressed investments, special situations and contrarian buyouts. The firm raised its first private equity fund in 1997 while the team, led by founder Wilbur L. Ross, Jr., was running the restructuring advisory practice of Rothschild Inc. Since then, the firm has gained substantial expertise in sourcing and executing complex transactions, and it has invested total capital in excess of US\$11 billion across 14 different industries.

The firm's investment philosophy has been consistently focused on generating attractive returns by providing "high-touch" strategic capital and operational solutions for underperforming businesses. As a result, investment activities through any given market cycle tend to be concentrated in a handful of stressed or distressed industries that exhibit value dislocation, structural or cyclical earnings challenges and limited access to the capital markets.

The choice of which industries to target and where to allocate resources is informed by linking the firm's macroeconomic views with its ability to source transactions consistent with its investment philosophy. We believe this approach provides us with the ability to create proactive investment opportunities. This philosophy is deeply ingrained in the firm and its leadership, which includes Co-Head and founding partner Stephen Toy and Co-Head Gregory Stoeckle.

A typical WL Ross & Co. transaction tends to be characterized by a combination of some or all of the following attributes:

- Out-of-favour industries or industries undergoing regulatory change/dislocation
- Businesses underperforming their peak operational or financial potential
- Complex special situations and corporate carve-outs
- Opportunistic buyouts

Investment objective

The team's objective is to generate returns for our partners by providing "high-touch" strategic capital and operational solutions to underperforming businesses.

Investment strategy and approach

Restructurings/turnarounds

- Debt-for-control, highly structured or direct equity investments
- Typically targets out-of-favour industries or distressed businesses
- Value creation through strategic engagement, operational improvement and industry recovery

Special situations

- Structured investments
- Toehold positions with potential for control
- Low creation multiples and attractive entry terms

Opportunistic buyout

- Controlling interest and attractive entry valuation
- Platform consolidation
- Add value through operational improvement, strategic mergers and acquisitions, optimization of capital structure and multiple expansions

Real assets

- Value creation through both current income and asset-value appreciation
- Employ reasonable financial leverage
- Balance between stability from long-term contract and upside from market-pricing actions

Figure 7 - WL Ross & Co. understands the complex nature of distressed investments

Cycle tested team

- Deployed US\$11.9 billion of capital over 178 transactions in their 18-year history[†]
- Accumulated expertise across cyclical market segments with a proven network of management talent across industries
- A seasoned investment team with an average of 18 years of experience
- Core of Investment Committee anchored by three founding partners and two highly seasoned investment professionals

Disciplined value orientation

- Disciplined purchases, tendency to avoid auctions, and preference towards situational and structural complexity have enabled us to deploy capital at relatively low valuation multiples

Multiple sources of value creation

- Operational engagement
- Transitional capital solutions
- Strategic acquisitions and expansion
- Cycle-driven multiple expansion and valuation arbitrage

Flexibility

- Ability to scale through both the lower- or upper-middle market
- Ability to invest across the capital structure through one team
- Global footprint that spans four continents

[†] Firm-wide. Includes all funds, separate accounts/co-investments and investments dated from Rothschild

Team snapshot: WL Ross & Co. LLC

- Locations: New York, Tokyo and Beijing
- Investments across North America, South America, Europe and Asia
- Long history of experience in distressed/restructuring
- Differentiated investment strategy and process
- Experienced investment team
- Proven track record of strong long-term performance

Private equity: Fund of funds

Focusing on the middle-market

Invesco Private Capital (IPC) has been investing in private markets since 1981,¹ backing industry-leading venture, buyout and other private equity funds within fully discretionary fund-of-funds products.

Team	Invesco Private Capital
Strategies	■ Fund-of-Funds Partnership ■ Emerging managers
Assets	US\$1.5 billion

Strategy seeks to provide

- Low correlation with other asset classes over the long term
- Strong returns for our investors over multiple market cycles
- Lower performance volatility

The team has committed more than US\$4.0 billion in capital to more than 475 private equity partnerships, resulting in more than 240 general partner relationships and an extensive, proprietary network of industry contacts.

Investment philosophy

IPC maintains exposure to partnerships with proven, long-term track records. The team believes higher risk-adjusted returns can be captured by supplementing this exposure to top-tier, established funds with emerging managers. These new managers often have a differentiated investment approach, an appropriately scaled asset base and greater alignment of interest than their more established peers.

The team focuses on small- and mid-market buyout funds where returns are driven by operational improvements, not financial engineering.

IPC focuses on small venture capital funds making early-stage investments where opportunities for outsized returns are greater due to careful deployment of capital.

Investment objective

The team's objective is to build portfolios consisting of a diversified portfolio of venture and buyout partnerships, well-diversified across vintage years, geographies, industries and investment stages.

Investment strategy

IPC has employed a consistent and time-tested investment strategy across its portfolios, resulting in a strong composite track record.²

- **Broad diversification.** As the private markets cannot be timed, the team constructs portfolios to gain broad exposure over several vintage years. This approach provides greater potential for long-term value and can mitigate volatility
- **Middle-market focus.** IPC primarily invests in partnership groups that manage smaller pools of capital. At a macro level, we believe it is easier to compound returns on smaller pools of capital relative to very large funds, and we therefore tend to favour small- and mid-sized buyout and venture funds
- **Emphasis on operational value-add.** In their 35 years of experience, the team has seen that the best private equity managers are often those who understand the value of their contributions to the success of their portfolio companies
- **Disciplined growth and investment focus.** Although fund-of-funds management is a highly scalable business, the team chooses to focus on disciplined growth, enabling it to remain small and nimble. This allows IPC to build diversified portfolios while maintaining a lean investment team that is able to operate collaboratively

Investment process

IPC's investment process depends on the following key components in building a portfolio:

1. Sourcing

a. Identify

- Reputation in the industry serves as a magnet for inbound deal flow
- Internal and external database research
- Deal flow from placement agents and other intermediaries

b. Access

- Reputation in industry as long-term investor
- Being early and experience with emerging managers
- Referrals and introductions from our network
- Leveraging Invesco to be strategic Limited Partnership

2. Due diligence

a. Screen

- Identify and evaluate high-priority fund candidates
- Screen team, strategy, track record, competitive advantage, risks, portfolio-construction fit, etc.

b. Investigate

- Conduct quantitative & qualitative analyses, onsite meetings, on and off-list reference checks
- Analyze valuations on unrealized portfolios to assess sustainability of performance
- Due diligence led by a senior investment professional
- Entire team vets all final investment decisions

3. Post-investment

a. Monitor

- Actively monitor performance, serve on advisory boards, maintain constant dialogue with GPs
- Prioritize close monitoring of GP valuation methodology
- Intervene if GP strays from stated strategy or otherwise requires special attention

b. Value add

- Host events
- Make introductions to startups, Invesco, other LPs, other GPs
- Offer advice and guidance

Team snapshot: Invesco Private Capital

- Locations: New York and San Francisco
- IPC has been successfully managing private equity through multiple market cycles since 1981¹
- Three industry veterans, each with more than 20 years of private equity experience
- Senior investment professionals have an average of 15 years of private equity experience
- Senior investment professionals have worked together for a decade
- Investment team operates collaboratively as a single investment committee with neither sector nor geographical silos

Source: Invesco. Data is as at December 31, 2015.

¹ Through its predecessor firms.

² The Invesco Private Capital Partnership Composite has achieved first- or second-quartile performance as compared to the Venture Economics All Private Equity Index over five-, 15-, and 25-year periods.

Institutional expertise

Invesco provides investment solutions to institutional clients around the globe with an established and growing presence in the U.S., Canada, the U.K., Continental Europe and Asia-Pacific regions.

Experienced in your market

With close to 20 years of experience serving institutional clients in Canada, Invesco understands the unique needs of our clients and is committed to being an innovative provider of investment solutions for every market we serve:

- Corporations
- Defined benefit
- Defined contribution
- Endowments
- Foundations
- Insurance companies
- Public funds

Delivering solutions the way you want

Invesco packages and delivers investment strategies to meet your objectives. From mutual funds, separate accounts and private placements to exchange-traded funds, Invesco delivers a broad range of investment vehicles in response to the diverse requirements of the institutional investor.¹

Our focus on investment quality has helped us grow to more than US\$771.5 billion in assets under management, with US\$263.8 billion in institutional assets.² Our institutional market expertise allows us to provide the highest level of service to our clients and consultant partners in more than 100 countries around the world.

Our “investors first” approach is built on the following:

A commitment to investment excellence

We believe the best investment insights come from specialized investment teams with discrete investment perspectives, operating under a disciplined philosophy and process with strong risk oversight and quality controls.

We believe high-quality results begin with specialized insight and disciplined oversight.

A depth of investment capabilities

Investors need choices to tailor their financial plans to their objectives. Our long history of providing client-driven investment solutions means we offer a wide range of single-country, regional and global capabilities across major equity, fixed-income and alternative asset classes.

Our wide range of investment capabilities is designed to support a variety of financial objectives.

Organizational strength

At Invesco, we believe focus brings success. That's why investment management is all we do. We direct all of our intellectual capital, global strength and operational stability toward helping investors achieve their long-term financial objectives.

As an independent firm, our global organization is solely focused on investment management.

¹ Not all strategies are available in all vehicles.

² Data shown for Invesco Ltd. is as at March 31, 2016.



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All data is as at March 31, 2016, unless otherwise stated. All data provided by Invesco unless otherwise noted.

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Client-related data, investment professional and employee data are as at March 31, 2016.

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