

Invesco Ltd.  
Form 11-K  
June 26, 2008

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**Securities and Exchange Commission  
Washington, D.C. 20549**

**FORM 11-K**

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**(Mark One)**

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
(No Fee Required)**

**For the fiscal year ended December 31, 2007.**

**Or**

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934**

**For the transition period from to**

Commission file number: 1-13908

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Invesco 401(k) Plan  
1360 Peachtree Street, N.E.  
Atlanta, Georgia 30309

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Invesco Ltd.  
  
1360 Peachtree Street, N.E.  
  
Atlanta, Georgia 30309



Audited Financial Statements  
and Supplemental Schedule

Invesco 401(k) Plan

As of December 31, 2007 and 2006, and for the Year Ended December 31, 2007

With Report of Independent Registered Public Accounting Firm

Invesco 401(k) Plan

Audited Financial Statements and Supplemental Schedule

As of December 31, 2007 and 2006, and for the

Year Ended December 31, 2007

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Report of Independent Registered Public Accounting Firm

The Invesco Benefits Plans Committee

Invesco 401(k) Plan

We have audited the accompanying statements of net assets available for benefits of the Invesco 401(k) Plan as of December 31, 2007 and 2006, and the related statement of changes in net assets available for benefits for the year ended December 31, 2007. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2007 and 2006, and the changes in its net assets available for benefits for the year ended December 31, 2007, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2007, is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Atlanta, GA

June 20, 2008

## Invesco 401(k) Plan

## Statements of Net Assets Available for Benefits

	<b>December 31</b>	
	<b>2007</b>	<b>2006</b>
Investments, at fair value:		
Cash equivalents	\$ 1,534,747	\$ 1,702,310
Invesco Ltd. common shares	5,319,161	4,670,190
Non-employer common stock	126,503	226,367
Mutual funds	182,278,375	168,975,157
Collective trusts	144,387,901	138,551,749
Participant loans	4,987,096	5,517,697
<b>Total investments</b>	<b>338,633,783</b>	<b>319,643,470</b>
Receivables:		
Employer contributions	838,179	520,724
Investment income	841	823
Due from brokers for sales of securities	-	127,457
<b>Total receivables</b>	<b>839,020</b>	<b>649,004</b>
<b>Total assets</b>	<b>339,472,803</b>	<b>320,292,474</b>
Liabilities:		
Due to brokers for purchases of securities	12,385	63,751
<b>Total liabilities</b>	<b>12,385</b>	<b>63,751</b>
<b>Net assets reflecting all investments at fair value</b>	<b>339,460,418</b>	<b>320,228,723</b>
Adjustment from fair value to contract value for interest in collective trust relating to fully benefit-responsive investment contracts	270,773	802,959
<b>Net assets available for benefits</b>	<b>\$ 339,731,191</b>	<b>\$ 321,031,682</b>

*See accompanying notes.*

## Invesco 401(k) Plan

## Statement of Changes in Net Assets Available for Benefits

For the Year Ended December 31, 2007

## Additions:

## Contributions:

Employers	\$ 10,789,665
Participants	20,602,599
Rollovers from qualified plans	1,531,499
<b>Total contributions</b>	<b>32,923,763</b>
Net appreciation in fair value of investments	9,096,695
Interest and dividends	16,119,657
<b>Total additions</b>	<b>58,140,115</b>

## Deductions:

Benefits paid to participants	(39,429,129)
Administrative expenses	(11,477)
<b>Total deductions</b>	<b>(39,440,606)</b>
Net increase	18,699,509

## Net assets available for benefits:

<b>Beginning of year</b>	<b>321,031,682</b>
<b>End of year</b>	<b>\$ 339,731,191</b>

*See accompanying notes.*

Invesco 401(k) Plan

Notes to Financial Statements

December 31, 2007

**1. Plan Description**

The following description of the Invesco 401(k) Plan (the Plan) is provided for general information purposes only. More complete information regarding the Plan's provisions may be found in the Plan document and summary plan description.

**General**

The Plan, established and effective January 1, 2000, and restated and amended February 1, 2005, is a defined contribution plan for the benefit of qualifying employees of IVZ, Inc. (the Plan Sponsor); A I M Management Group Inc. (AIM); Invesco Group Services, Inc.; Invesco Institutional (N.A.), Inc. (IINA); Atlantic Trust Group, Inc. (Atlantic Trust); PowerShares Capital Management, LLC (PowerShares); and WL Ross & Co., LLC (WL Ross) (collectively, the Employers) and their beneficiaries to provide for retirement, death, and disability benefits. The ultimate parent company of the Employers is Invesco Ltd. (Invesco).

On December 4, 2007, INVESCO PLC (the former parent company) became a wholly-owned subsidiary of Invesco Ltd. and the shareholders of INVESCO PLC received common shares of Invesco Ltd. in exchange for their ordinary shares of INVESCO PLC. A share capital consolidation was immediately implemented (reverse stock split) on a one for two basis. All prior period share amounts have been adjusted to reflect the reverse stock split.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). PowerShares Capital Management, LLC was acquired on September 18, 2006, and WL Ross & Co., LLC was acquired on October 3, 2006, indirectly by Invesco. Both PowerShares and WL Ross employees became eligible participants in the Plan on their respective dates of acquisition.

Full-time or part-time salaried or hourly employees of the Employers are generally eligible to participate in the Plan on the first day of their employment, provided they are eligible employees, as defined. Nonresident aliens, collective bargaining unit employees, leased employees, and independent contractors are generally excluded from participating in the Plan.



Invesco 401(k) Plan

Notes to Financial Statements (continued)

**1. Plan Description (continued)**

Plan Administration

The Invesco Benefits Plan Committee is the named administrator of the Plan (the Plan Administrator). Invesco National Trust Company (INTC) is the Plan's trustee and asset custodian, except for the ordinary shares of Invesco Ltd., individual brokerage accounts, and grandfathered assets held in participant-directed brokerage accounts, which are in the custody of State Street Bank. Effective July 31, 2006, INTC became a wholly owned subsidiary of Invesco North American Holdings Inc., a holding company whose ultimate parent company is Invesco.

**Contributions**

The Plan permits participants to make pretax elective deferrals of 1% to 75% of compensation, as defined, subject to certain limitations under the Internal Revenue Code (Code). Participants who attained the age of 50 during the year may make catch-up contributions for prior years in accordance with IRS guidelines. The Employers will not match these catch-up contributions.

The Employers are required to make matching contributions of 100% of the first 3% of compensation contributed by each participant, plus 50% of the next 2% of compensation contributed by each participant. The Employers may also elect to make a discretionary profit-sharing contribution to the Plan. Any discretionary profit-sharing contributions are allocated based on relative compensation to all eligible employees employed on the last day of the Plan year as well as those who separate from service during the Plan year due to death, disability, or retirement upon reaching the age of 59½. No such discretionary contributions were made for the year ended December 31, 2007.

Effective July 1, 2007, new eligible employees were automatically enrolled in the Plan with a deduction of 5% of compensation being contributed to the Participant's account unless the Participant elected otherwise. In addition, a Roth Account option was established in the Plan. Participants are allowed to make Roth contributions which are included in the Participant's taxable income.

The Plan also accepts rollovers of distributions from other tax-qualified plans, including Roth rollover contributions.

Invesco 401(k) Plan

Notes to Financial Statements (continued)

1. Plan Description (continued)

Participant Accounts

The Plan is a defined contribution plan under which separate accounts are maintained for each participant. Each participant's account is credited with his/her elective deferrals, rollover contributions, employer matching contributions, and allocations of employer profit-sharing contributions, investment income and investment gains (losses). Investment gains (losses) are valued and allocated to participants' accounts daily based on their relative account balances in each investment option.

**Vesting**

Eligible participants are immediately vested in all contributions to the Plan.

**Benefits**

Benefits may be paid to a participant upon attainment of normal retirement age (59½), death, disability, or termination of employment. The normal form of benefit is a lump-sum distribution. A participant may also elect to receive installment payments. Distributions may be made by payment of a lump sum or may be deferred by the participant if the accrued account balance exceeds \$5,000. Distribution amounts are determined based on the market value of the participant's account as of the date the record-keeper processes the distribution.

Any portion of a participant's account which is held in Invesco Ltd. common shares may be distributed in-kind at the election of the participant, with a minimum of 100 shares required to make this election.

A participant is permitted an in-service withdrawal, on a quarterly basis, from the vested portion of his/her account if he/she has reached age 59½.

Invesco 401(k) Plan

Notes to Financial Statements (continued)

**1. Plan Description (continued)**

Loans to Participants

The Plan permits loans to participants up to the lesser of 50% of the participant's vested account balance or \$50,000, less certain amounts for loans outstanding during the prior year. For purposes of determining the maximum amount a participant may borrow, the outstanding principal balance of loans under any other plan of the Employers is also considered. A participant may have only one outstanding loan at a time from the Plan or the Invesco Money Purchase Plan. A participant generally has up to five years to repay the principal and interest, unless the loan is for the purchase of a residence, in which case the repayment period is up to ten years. Loans are made for a minimum of \$500, and loan processing fees are charged directly to the participant's account. Interest rates on loans to participants are determined at the time the loan is made based on market rates, as determined by the Plan Administrator. Principal and interest are paid ratably through bimonthly payroll deductions.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The Plan's financial statements are prepared on the accrual basis of accounting.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Plan Administrator to use estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

**Risks and Uncertainties**

The Plan provides for investment in securities, which, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of the investment securities will occur in the near term, and such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Invesco 401(k) Plan

Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

**Investment Valuation**

Investments in securities traded on securities exchanges are valued at the quoted market price on the last business day of the Plan year. Loans to participants are carried at the amounts outstanding, which approximate their estimated fair values.

Investments in common collective trust funds are valued at their net unit value as calculated each day by the trustee. Investments in shares of investment companies (mutual funds) are valued at the net asset value of shares held by the Plan on the last business day of the Plan year.

Guaranteed investment contracts (GICs) held in common collective trust funds are reflected at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations. Certain GICs are defined as fully benefit-responsive investment contracts which require an adjustment from fair value to contract value. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Contract value is the amount participants would receive if they withdrew or transferred all or a portion of their investment in the trust.

**Income Recognition**

Dividend income is accrued on the ex-dividend date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.

**Net Appreciation (Depreciation) in Fair Value of Investments**

Realized gains (losses) from the sales of investments and changes in unrealized appreciation (depreciation) are aggregated and reported in the accompanying statement of changes in net assets available for benefits as net appreciation in fair value of investments.

**Administrative Expenses**

Certain administrative functions are performed by officers or employees of the Employers. No such officer or employee receives compensation from the Plan. A majority of administrative expenses are paid by the Employers. Invesco does not charge investment management fees related to the Plan's trust funds.

## Invesco 401(k) Plan

## Notes to Financial Statements (continued)

**2. Summary of Significant Accounting Policies (continued)**

## Recent Accounting Pronouncements

FASB Statement No. 157, "Fair Value Measurements" is effective for the Plan beginning January 1, 2008. FASB Statement No. 157 establishes a framework for measuring fair value. The Plan expects that the adoption of this standard will not have a material impact on its financial statements.

**3. Investment Options**

The Plan offers investment options that include mutual funds and collective trusts managed by Invesco, AIM, and Atlantic Trust. Participants can also elect model portfolios that provide a broader, balanced option approach. A participant can choose from five portfolios made up of Plan fund offerings based on various risk tolerance levels.

The Mutual Fund Window (MFW) permits participants to establish an individual brokerage account through State Street Brokerage, which allows participants to invest 100% of their total account in various mutual funds.

The Plan does not allow new contributions into the Invesco Stock Fund. The separate investment options made available under the Plan may be changed, eliminated, or modified from time to time by the Plan Administrator. Participants make their investment elections in 1% increments with changes and transfers allowed on a daily basis.

**4. Investments**

The fair values of individual assets that represent 5% or more of the Plan's net assets as of December 31, are as follows:

**2007**

Invesco Stable Value Trust Fund	<b>\$ 38,578,141</b>
AIM International Growth Fund – Institutional Share Class	<b>35,597,011</b>
Invesco 500 Index Trust Fund	<b>30,345,922</b>
AIM Small Cap Growth Fund - Institutional Share Class	<b>26,791,526</b>
AIM Dynamics Fund, Class A	<b>22,295,607</b>
AIM Basic Value Fund - Institutional Share Class	<b>22,104,508</b>
AIM Large Cap Growth Fund - Institutional Share Class	<b>20,402,765</b>

Invesco 401(k) Plan

Notes to Financial Statements (continued)

**4. Investments (continued)**

**2006**

Invesco Stable Value Trust Fund	\$ 36,799,877
AIM International Growth Fund – Institutional Share Class	31,238,897
Invesco 500 Index Trust Fund	30,697,426
AIM Small Cap Growth Fund - Institutional Share Class	26,664,808
AIM Basic Value Fund - Institutional Share Class	24,828,778
AIM Dynamics Fund, Class A	20,329,972
AIM Large Cap Growth Fund - Institutional Share Class	18,508,211