

THIRD QUARTER EARNINGS PRESENTATION

October 27, 2021

George R. Aylward

President and Chief Executive Officer

Michael A. Angerthal

Executive Vice President and Chief Financial Officer

This presentation contains statements that are, or may be considered to be, forward-looking statements. All statements that are not historical facts, including statements about our beliefs or expectations, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These statements may be identified by such forward-looking terminology as "expect," "estimate," "intent," "plan," "intend," "believe," "anticipate," "may," "will," "should," "could," "continue," "project," "opportunity," "predict," "would," "potential," "future," "forecast," "guarantee," "assume," "likely," "target" or similar statements or variations of such terms.

Our forward-looking statements are based on a series of expectations, assumptions and projections about the company and the markets in which we operate, are not guarantees of future results or performance, and involve substantial risks and uncertainty, including assumptions and projections concerning our assets under management, net asset inflows and outflows, operating cash flows, business plans and ability to borrow, for all future periods. All of our forward-looking statements are as of the date of this presentation only. The company can give no assurance that such expectations or forward-looking statements will prove to be correct. Actual results may differ materially.

Our business and our forward-looking statements involve substantial known and unknown risks and uncertainties, including those discussed under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2020 Annual Report on Form 10-K, as supplemented by our periodic filings with the Securities and Exchange Commission (the "SEC"), as well as the following risks and uncertainties resulting from: (i) any reduction in our assets under management; (ii) general domestic and global economic, political and pandemic conditions; (iii) inability to achieve the expected benefits of our strategic transactions; (iv) the on-going effects of the COVID-19 pandemic and associated global economic disruption; (v) withdrawal, renegotiation or termination of investment advisory agreements; (vi) damage to our reputation; (vii) inability to satisfy financial covenants and payments related to our indebtedness; (viii) inability to attract and retain key personnel; (ix) challenges from the competition we face in our business; (x) adverse developments related to unaffiliated subadvisers; (xi) negative changes in key distribution relationships; (xii) interruptions in or failure to provide critical technological service by us or third parties; (xiii) risk of loss on our investments; (xiv) lack of sufficient capital on satisfactory terms; (xv) adverse regulatory and legal developments; (xvi) failure to comply with investment guidelines or other contractual requirements; (xvii) adverse civil litigation and government investigations or proceedings; (xviii) unfavorable changes in tax laws or limitations; (xix) volatility associated with our common stock; (xx) inability to make quarterly common stock dividends; (xxi) certain corporate governance provisions in our charter and bylaws; (xxii) losses or costs not covered by insurance; (xxiii) impairment of goodwill or intangible assets; and other risks and uncertainties. Any occurrence of, or any material adverse change in, one or more risk factors or risks and uncertainties referred to above, in our 2020 Annual Report on Form 10-K and our other periodic reports filed with the SEC could materially and adversely affect our operations, financial results, cash flows, prospects and liquidity.

Certain other factors that may impact our continuing operations, prospects, financial results and liquidity, or that may cause actual results to differ from such forward-looking statements, are discussed or included in the company's periodic reports filed with the SEC and are available on our website at www.virtus.com under "Investor Relations." You are urged to carefully consider all such factors.

The company does not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates or projections, or other circumstances occurring after the date of this presentation, even if such results, changes or circumstances make it clear that any forward-looking information will not be realized. If there are any future public statements or disclosures by us that modify or impact any of the forward-looking statements contained in or accompanying this presentation, such statements or disclosures will be deemed to modify or supersede such statements in this presentation.

- Overview of Quarter
- Results
- Q & A Session

OVERVIEW OF QUARTER

Assets and Flows

- Assets under management (AUM) of \$177.3 billion, down 1% sequentially due to market performance and modest net outflows
- Sales of \$7.6 billion compared with \$9.6 billion in the prior quarter primarily due to lower sales of domestic equity strategies
- Net flows of (\$0.6) billion due to open-end fund net outflows, including a \$0.7 billion model rebalance, partially offset by positive net flows in retail separate accounts, ETFs, and institutional

Non-GAAP Financial Results

- Operating income, as adjusted, of \$110.1 million, up 7% sequentially
- Operating margin, as adjusted, of 50.6%, up 170 bps sequentially
- Highest level of earnings per diluted share, as adjusted, of \$9.71, up 7% sequentially

Capital Activities

- Repurchased 64,494 shares for \$20.0 million
- Increased quarterly common dividend by 83% to \$1.50 per share
- Refinanced credit agreement with new \$275.0 million term loan and \$175.0 million revolving credit facility; lowered borrowing rate and extended maturity

RESULTS

ASSETS UNDER MANAGEMENT

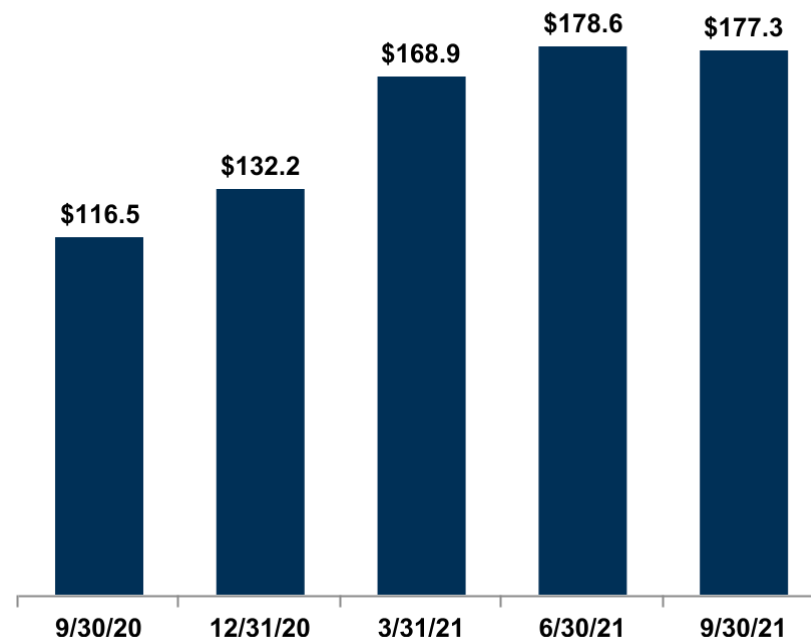
LOWER DUE TO MARKET AND FLOWS



- AUM of \$177.3 billion declined 1% due to:
 - (\$0.5) billion of market performance
 - (\$0.6) billion of net flows

- Retail separate account assets grew 2% to \$41.5 billion
 - Represents 23% of total AUM
 - 14 consecutive quarters of organic growth
 - 8% annualized organic growth in quarter; 21% over trailing twelve months

- Assets diversified across product types:
 - Open-end funds: 41%
 - Institutional: 26%
 - Retail separate accounts: 23%



AUM by Asset Class					
Equity					
	62.5%	65.3%	62.9%	63.7%	63.6%
Fixed Income					
	24.3%	21.9%	20.8%	19.8%	19.9%
Multi-Asset ¹					
	9.5%	9.2%	13.3%	13.2%	13.3%
Alternatives ²					
	3.7%	3.6%	3.0%	3.3%	3.2%

\$ in billions

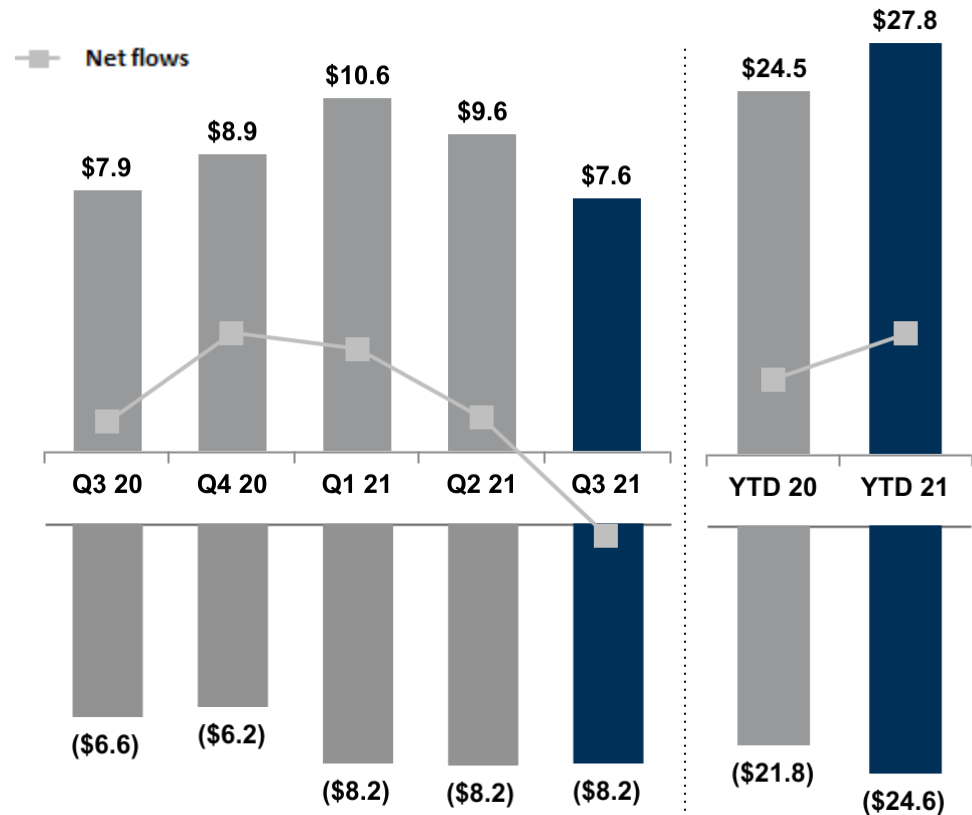
¹ Consists of strategies with substantial holdings in at least two of the following: equity, fixed income, and alternatives

² Consists of real estate securities, infrastructure, mid-stream energy, long/short and options strategies

ASSET FLOWS

MODESTLY NEGATIVE

- Net flows of (\$0.6) billion due to \$1.5 billion of open-end fund net outflows, including a \$0.7 billion model rebalance, offset by positive flows in:
 - Retail separate accounts: \$0.8 billion
 - ETFs: \$0.1 billion
 - Institutional: \$0.1 billion
- Sales of \$7.6 billion declined sequentially
 - Open-end funds sales of \$3.6 billion declined from \$4.7 billion primarily due to domestic and international equity strategies
 - Institutional sales of \$1.8 billion compared with \$2.3 billion in the prior quarter, which included several large mandates
 - Retail separate account sales of \$2.0 billion compared with \$2.3 billion due to lower equity sales
- Organic growth of 5.1% for trailing twelve months



Flows Metrics						
Net Flows						
\$1.3	\$2.7	\$2.4	\$1.3	(\$0.6)	\$2.7	\$3.2
Net Flow Rate ¹						
4.7%	9.2%	7.5%	3.2%	(1.3%)	3.3%	3.2%

\$ in billions

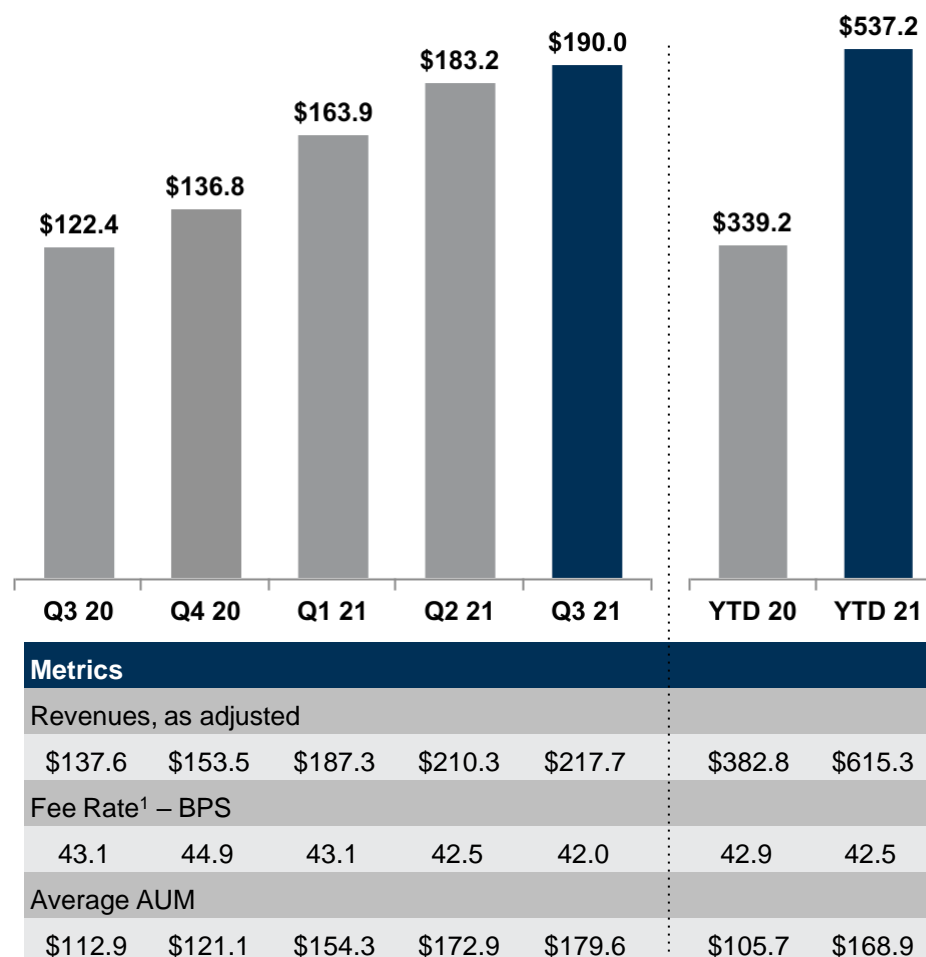
¹ Annualized net flows divided by beginning-of-period total AUM

INVESTMENT MANAGEMENT FEES, AS ADJUSTED

HIGHER AVERAGE ASSETS



- Investment management fees, as adjusted, increased sequentially by \$6.8 million, or 4%, due to higher average AUM, which increased 4%
 - Performance-related fees of \$0.6 million compared with \$0.8 million in the prior quarter
- Average fee rate on total assets of 42.0 bps decreased sequentially from 42.5 bps
 - Reflected higher retail separate accounts and institutional AUM compared with prior quarter
- Excluding performance fees, average fee rate of 41.9 bps compared with 42.3 bps in prior quarter



\$ in millions, except AUM, which is in billions

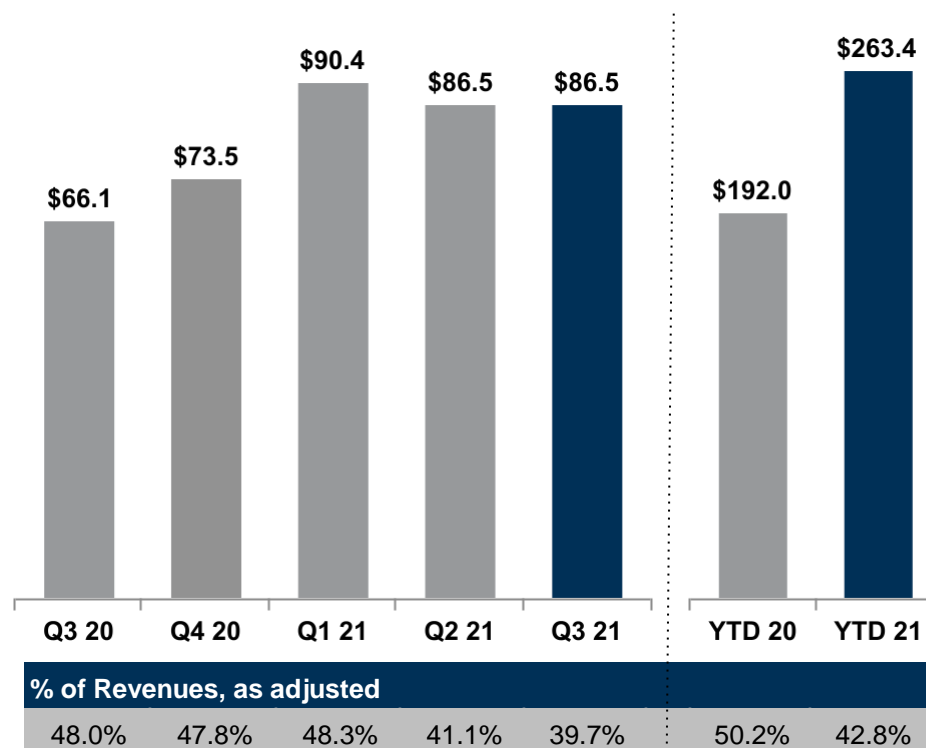
¹ Represents investment management fees, as adjusted, divided by average assets. Investment management fees, as adjusted, exclude those of consolidated investment products and are reduced by revenue-related adjustments on specific agreements to reflect the portion passed-through to third-party client intermediaries

See the financial supplement for U.S. GAAP to Non-GAAP ("as adjusted") reconciliations and related notes

EMPLOYMENT EXPENSES, AS ADJUSTED

REFLECTS VARIABLE COMPENSATION

- Employment expenses, as adjusted, of \$86.5 million were flat compared with prior quarter
 - Higher variable profit-based incentive compensation offset by lower sales-based incentive compensation
- Ratio as a percentage of revenues, as adjusted, of 39.7% declined 140 bps sequentially primarily due to market-driven revenue growth



\$ in millions

See the financial supplement for U.S. GAAP to Non-GAAP ("as adjusted") reconciliations and related notes

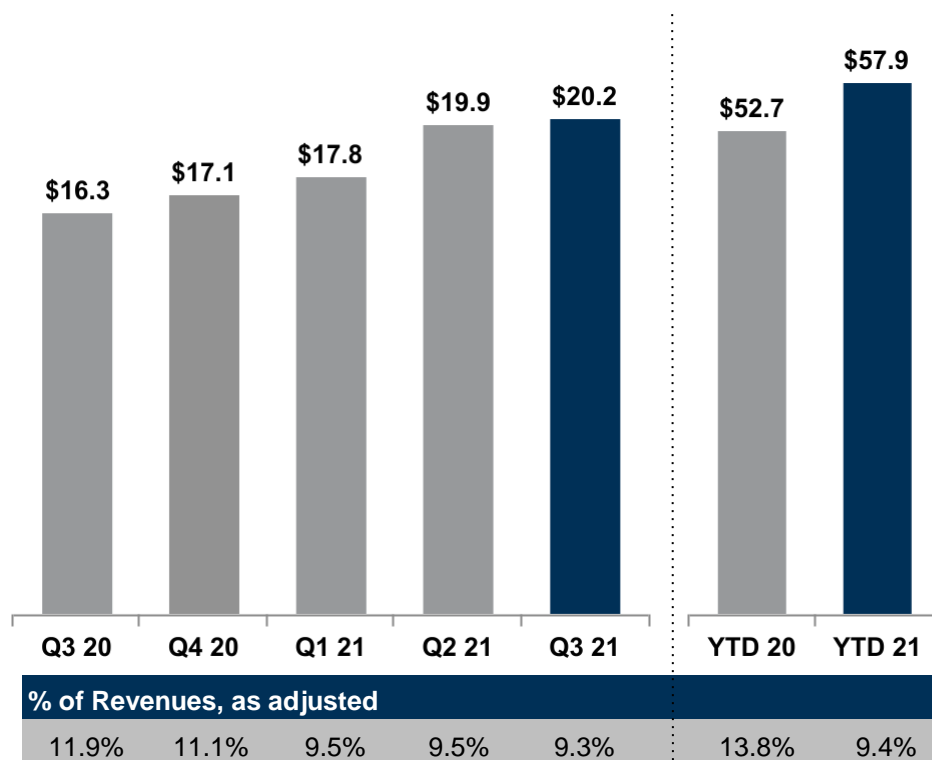
OTHER OPERATING EXPENSES, AS ADJUSTED

INCREASE FROM BUSINESS GROWTH

- Other operating expenses, as adjusted, of \$20.2 million increased \$0.3 million, or 1%, sequentially due to:

- Growth of the business
- Modest increase in travel and related expenses

- Other operating expenses, as adjusted, as a percentage of revenues, as adjusted, were 9.3%, down 20 bps sequentially and 260 bps from the prior year period



\$ in millions

See the financial supplement for U.S. GAAP to Non-GAAP ("as adjusted") reconciliations and related notes

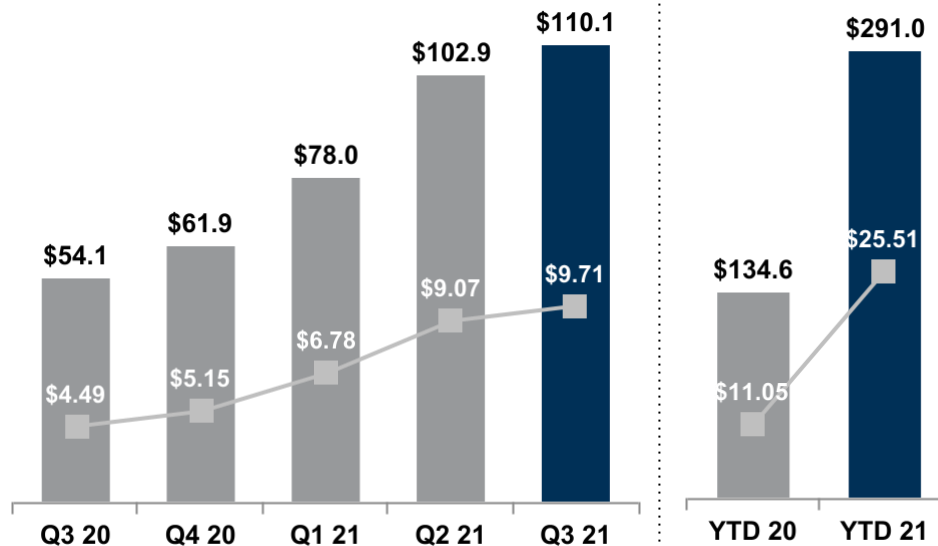
NON-GAAP RESULTS

HIGHEST LEVEL OF EPS, AS ADJUSTED

- Operating margin, as adjusted, of 50.6% increased 170 bps from the prior quarter and from 39.3% in the prior-year period
- Diluted EPS, as adjusted, of \$9.71 increased sequentially by \$0.64, or 7%, due to:
 - 4% growth in average AUM
 - Higher operating margin
- Diluted EPS, as adjusted, up 116% over prior year quarter

Operating Income, As Adjusted

■ Diluted earnings per share, as adjusted



Metrics						
Net Income, as adjusted						
	\$35.9	\$41.4	\$54.6	\$72.7	\$77.5	\$88.0
Operating Margin, as adjusted						
	39.3%	40.3%	41.6%	48.9%	50.6%	35.2%
						47.3%

\$ in millions, except per share data

See the financial supplement for U.S. GAAP to Non-GAAP ("as adjusted") reconciliations and related notes

CAPITAL AND SELECT BALANCE SHEET

INCREASED RETURN OF CAPITAL



- Refinanced credit agreement with new \$275.0 million term loan and \$175.0 million revolver

- Reduced borrowing costs by ~65 bps
- Extended maturity of revolver and term loan to 2026 and 2028, respectively

- Working capital of \$345.5 million increased 51% sequentially, primarily due to net proceeds from debt refinancing

- Repurchased 64,494 shares for \$20.0 million; raised quarterly common dividend 83% to \$1.50

- \$135.0 million closing payment for Westchester Capital made October 1

	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21
Cash and cash equivalents	\$202	\$247	\$228	\$275	\$437
Seed capital investments ¹	\$116	\$135	\$122	\$141	\$144
Investments - other ²	\$64	\$69	\$67	\$74	\$79
Deferred taxes, net	\$9	\$10	\$9	\$11	\$12
Gross debt ³	\$223	\$206	\$200	\$194	\$275
Revenue participation liability ⁴	\$—	\$—	\$138	\$138	\$138
Redeemable noncontrolling interests ⁵	\$75	\$87	\$98	\$109	\$119
Total equity attributable to Virtus Investment Partners, Inc.	\$679	\$711	\$729	\$781	\$812
Working capital ⁶	\$159	\$172	\$211	\$229	\$345
Common shares outstanding	7.613	7.583	7.650	7.652	7.588

Metrics					
Net Debt/(Cash) ⁷	\$21	(\$41)	(\$29)	(\$82)	(\$162)
EBITDA ⁸	\$61	\$69	\$87	\$112	\$117
Gross Debt to EBITDA ⁸	1.0x	0.9x	0.8x	0.6x	0.7x
Net Debt (Cash) to EBITDA ⁸	0.1x	(0.2x)	(0.1x)	(0.3x)	(0.4x)

\$ and shares in millions

¹ Represents sponsored investment products including open-end funds, ETFs, and separate accounts

² Represents investments not related to seed capital investments

³ Excludes deferred financing costs

⁴ Represents the estimate of future AllianzGI revenue participation payments accounted for as consideration

⁵ Excludes redeemable noncontrolling interests of consolidated investment products

⁶ Defined as cash and cash equivalents plus accounts receivable, net, less accrued compensation and benefits, accounts payable and accrued liabilities, dividends payable, debt principal payments due over next 12 months and revenue participation amounts earned as of the balance sheet date and due within 12 months

⁷ Defined as gross debt less cash and cash equivalents

⁸ Defined and calculated in accordance with the company's credit agreement

See the financial supplement for U.S. GAAP to Non-GAAP ("as adjusted") reconciliations and related notes

FINANCIAL SUPPLEMENT

NON-GAAP INFORMATION

INCOME STATEMENT ¹ (UNAUDITED)



	<u>Q3:20</u>	<u>Q4:20</u>	<u>Q1:21</u>	<u>Q2:21</u>	<u>Q3:21</u>	<u>YTD:20</u>	<u>YTD:21</u>
Revenues, As Adjusted							
Investment management fees, as adjusted	\$122,359	\$136,824	\$163,935	\$183,230	\$190,029	\$339,180	\$537,194
Administration and shareholder service fees, as adjusted	15,180	16,472	22,621	25,926	26,482	43,212	75,029
Other income and fees, as adjusted	94	245	720	1,174	1,159	425	3,053
Total revenues, as adjusted	\$137,633	\$153,541	\$187,276	\$210,330	\$217,670	\$382,817	\$615,276
Operating Expenses, As Adjusted							
Employment expenses, as adjusted	\$66,112	\$73,462	\$90,412	\$86,521	\$86,471	\$191,993	\$263,404
Other operating expenses, as adjusted	16,343	17,061	17,800	19,894	20,173	52,664	57,867
Depreciation and other amortization, as adjusted	1,106	1,100	1,098	981	915	3,560	2,994
Total operating expenses, as adjusted	\$83,561	\$91,623	\$109,310	\$107,396	\$107,559	\$248,217	\$324,265
Operating Income (Loss), As Adjusted	\$54,072	\$61,918	\$77,966	\$102,934	\$110,111	\$134,600	\$291,011

\$ in thousands

¹ The non-GAAP financial information included in this presentation differs from financial information determined in accordance with U.S. GAAP as a result of the reclassification of certain income statement items as well as the exclusion of certain expenses and other items that are not reflective of the earnings generated from providing investment management and related services. Non-GAAP financial information has material limitations and should not be viewed in isolation or as a substitute for U.S. GAAP measures. See the information beginning on page 36 for reconciliations to the most directly comparable U.S. GAAP measures and other important disclosures.

NON-GAAP INFORMATION

INCOME STATEMENT ¹ (CONTINUED) (UNAUDITED)



	<u>Q3:20</u>	<u>Q4:20</u>	<u>Q1:21</u>	<u>Q2:21</u>	<u>Q3:21</u>	<u>YTD:20</u>	<u>YTD:21</u>
Other Income (Expense), As Adjusted							
Realized and unrealized gain (loss) on investments, net, as adjusted	(\$205)	\$147	(\$73)	\$476	\$24	(\$740)	\$427
Other income, net, as adjusted	999	1,070	1,771	826	1,001	806	3,598
Total other income (expense), as adjusted	\$794	\$1,217	\$1,698	\$1,302	\$1,025	\$66	\$4,025
Interest Income (Expense), As Adjusted							
Interest expense, as adjusted	(\$2,877)	(\$2,692)	(\$2,314)	(\$2,256)	(\$2,168)	(\$9,906)	(\$6,738)
Interest and dividend income, as adjusted	778	1,134	1,046	1,085	1,013	5,299	3,144
Total interest income (expense), net, as adjusted	(\$2,099)	(\$1,558)	(\$1,268)	(\$1,171)	(\$1,155)	(\$4,607)	(\$3,594)
Pre-Tax Income (Loss), As Adjusted	\$52,767	\$61,577	\$78,396	\$103,065	\$109,981	\$130,059	\$291,442
Income tax expense (benefit), as adjusted	14,414	16,804	20,942	27,394	29,113	36,237	77,449
Net Income (Loss), As Adjusted	\$38,353	\$44,773	\$57,454	\$75,671	\$80,868	\$93,822	\$213,993
Noncontrolling interests, as adjusted	(2,432)	(3,411)	(2,834)	(3,010)	(3,355)	(5,870)	(9,199)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc., As Adjusted	\$35,921	\$41,362	\$54,620	\$72,661	\$77,513	\$87,952	\$204,794
Weighted average shares outstanding - diluted, as adjusted	7,997	8,026	8,052	8,007	7,984	7,958	8,028
Earnings (Loss) Per Share - Diluted, As Adjusted	\$4.49	\$5.15	\$6.78	\$9.07	\$9.71	\$11.05	\$25.51

\$ and shares in thousands

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NON-GAAP INFORMATION

BALANCE SHEET ¹ (UNAUDITED)



	<u>9/30/2020</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>
Assets:					
Cash and cash equivalents	\$202,212	\$246,511	\$228,260	\$275,439	\$437,242
Investments – seed capital	115,586	135,418	121,690	140,679	144,476
Investments – other	64,267	69,032	66,909	73,723	78,643
Investments – long term	22,805	24,955	26,747	27,327	27,490
Accounts receivable, net	78,175	85,975	117,658	121,591	128,229
Furniture, equipment, and leasehold improvements, net	15,287	14,488	13,489	12,896	12,429
Intangible assets, net	287,793	280,264	391,187	380,824	370,433
Goodwill	290,366	290,366	315,366	315,366	315,366
Deferred taxes, net	8,862	9,538	9,161	11,054	12,214
Other assets	39,807	36,288	33,909	48,039	41,291
Total Assets	\$1,125,160	\$1,192,835	\$1,324,376	\$1,406,938	\$1,567,813

\$ in thousands

¹ The non-GAAP financial information included in this presentation differs from financial information determined in accordance with U.S. GAAP as a result of presenting balance sheet accounts before the consolidation of investment products

NON-GAAP INFORMATION

BALANCE SHEET ¹ (CONTINUED) (UNAUDITED)



	<u>9/30/2020</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>
Liabilities and Equity					
Liabilities:					
Accrued compensation and benefits	\$87,256	\$122,514	\$62,335	\$96,509	\$139,106
Accounts payable and accrued liabilities	21,633	25,357	55,153	45,755	41,716
Dividends payable	8,742	9,013	8,593	8,565	14,298
Other liabilities	35,833	36,119	37,442	38,386	37,105
Debt ²	218,014	201,212	195,726	190,224	266,739
Revenue participation liability ³	—	—	137,664	137,664	137,664
Total Liabilities	\$371,478	\$394,215	\$496,913	\$517,103	\$636,628
Redeemable noncontrolling interests	\$74,626	\$87,451	\$98,059	\$108,939	\$118,861
Equity:					
Equity attributable to Virtus Investment Partners, Inc.	\$679,056	\$711,169	\$729,404	\$780,896	\$812,324
Total Liabilities and Equity	\$1,125,160	\$1,192,835	\$1,324,376	\$1,406,938	\$1,567,813
Working Capital ⁴	\$159,103	\$171,950	\$211,101	\$229,201	\$345,490

\$ in thousands

¹ The non-GAAP financial information included in this presentation differs from financial information determined in accordance with U.S. GAAP as a result of presenting balance sheet accounts before the consolidation of investment products

² Defined as gross debt less deferred financing costs

³ Represents the estimate of future AllianzGI related revenue participation payments accounted for as consideration

⁴ Defined as cash and cash equivalents plus accounts receivable, net, less accrued compensation and benefits, accounts payable and accrued liabilities, dividends payable, required debt principal payments due over next 12 months and actual AllianzGI revenue participation amounts earned as of the balance sheet date and due within 12 months

U.S. GAAP INFORMATION

INCOME STATEMENT (UNAUDITED)



	<u>Q3:20</u>	<u>Q4:20</u>	<u>Q1:21</u>	<u>Q2:21</u>	<u>Q3:21</u>	<u>YTD:20</u>	<u>YTD:21</u>
Revenues							
Investment management fees	\$129,785	\$144,715	\$173,269	\$193,510	\$201,133	\$360,623	\$567,912
Distribution and service fees	9,797	10,279	20,348	23,450	23,293	28,146	67,091
Administration and shareholder service fees	15,114	16,407	22,560	25,877	26,479	43,056	74,916
Other income and fees	94	245	720	1,174	1,159	425	3,053
Total revenues	\$154,790	\$171,646	\$216,897	\$244,011	\$252,064	\$432,250	\$712,972
Operating Expenses							
Employment expenses	\$67,479	\$73,527	\$91,759	\$87,630	\$87,345	\$193,772	\$266,734
Distribution and other asset-based expenses	19,570	20,686	32,294	36,021	36,692	56,324	105,007
Other operating expenses	16,343	17,232	19,580	21,946	22,800	52,664	64,326
Other operating expenses of CIP ¹	1,016	641	559	659	639	9,944	1,857
Restructuring and severance	735	—	—	—	—	1,155	—
Depreciation expense	1,106	1,100	1,098	981	915	3,560	2,994
Amortization expense	7,532	7,529	9,465	10,363	10,391	22,598	30,219
Total operating expenses	\$113,781	\$120,715	\$154,755	\$157,600	\$158,782	\$340,017	\$471,137
Operating Income (Loss)	\$41,009	\$50,931	\$62,142	\$86,411	\$93,282	\$92,233	\$241,835

\$ in thousands

¹ CIP represents to Consolidated Investment Products, revenues and expenses generated by operating activities of open-end funds, exchange traded funds, and collateralized loan obligations ("CLOs") that are consolidated in the financial statements

U.S. GAAP INFORMATION

INCOME STATEMENT (CONTINUED) (UNAUDITED)



	<u>Q3:20</u>	<u>Q4:20</u>	<u>Q1:21</u>	<u>Q2:21</u>	<u>Q3:21</u>	<u>YTD:20</u>	<u>YTD:21</u>
Other Income (Expense)							
Realized and unrealized gain (loss) on investments, net	\$2,498	\$5,071	\$891	\$2,494	(\$504)	\$2,068	\$2,881
Realized and unrealized gain (loss) of CIP ¹ , net	2,680	10,768	(4,687)	2,747	(2,801)	(12,733)	(4,741)
Other income (expense), net	999	1,070	1,771	826	1,001	806	3,598
Total other income (expense), net	\$6,177	\$16,909	(\$2,025)	\$6,067	(\$2,304)	(\$9,859)	\$1,738
Interest Income (Expense)							
Interest expense	(\$2,877)	(\$2,692)	(\$2,314)	(\$2,256)	(\$2,348)	(\$9,202)	(\$6,918)
Interest and dividend income	137	236	136	166	269	1,131	571
Interest and dividend income of CIP ¹	26,088	25,697	23,876	22,562	22,877	83,951	69,315
Interest expense of CIP ¹	(17,622)	(15,179)	(14,448)	(14,452)	(13,442)	(70,258)	(42,342)
Total interest income (expense), net	\$5,726	\$8,062	\$7,250	\$6,020	\$7,356	\$5,622	\$20,626
Income (Loss) Before Income Taxes	\$52,912	\$75,902	\$67,367	\$98,498	\$98,334	\$87,996	\$264,199
Income tax expense (benefit)	11,978	14,088	15,153	22,401	25,823	29,847	63,377
Net Income (Loss)	\$40,934	\$61,814	\$52,214	\$76,097	\$72,511	\$58,149	\$200,822
Noncontrolling interests	(11,286)	(18,499)	(15,626)	(13,130)	(13,775)	(21,507)	(42,531)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	\$29,648	\$43,315	\$36,588	\$62,967	\$58,736	\$36,642	\$158,291
Weighted average shares outstanding - diluted	7,997	8,026	8,052	8,007	7,984	7,958	8,028
Earnings (Loss) Per Share - Diluted	\$3.71	\$5.40	\$4.54	\$7.86	\$7.36	\$4.60	\$19.72

\$ and shares in thousands

¹ CIP represents to Consolidated Investment Products, revenues and expenses generated by operating activities of open-end funds, exchange traded funds, and collateralized loan obligations ("CLOs") that are consolidated in the financial statements

ASSETS UNDER MANAGEMENT

BY PRODUCT AND ASSET CLASS



	<u>9/30/2020</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>
Assets by Product					
U.S. Retail Funds	\$42,650	\$48,492	\$69,730	\$72,746	\$70,526
Offshore Funds	926	1,173	1,343	1,456	1,399
Variable Insurance Funds	998	1,106	1,091	1,131	1,119
Total – Open-End Funds	\$44,574	\$50,771	\$72,164	\$75,333	\$73,044
Closed-End Funds	\$5,629	\$5,914	\$11,664	\$11,993	\$11,721
Exchange Traded Funds	\$543	\$837	\$1,021	\$1,260	\$1,321
Intermediary Sold Managed Accounts	\$19,456	\$23,852	\$31,133	\$34,125	\$34,974
Private Client	5,271	5,899	6,111	6,453	6,554
Total – Retail Separate Accounts	\$24,727	\$29,751	\$37,244	\$40,578	\$41,528
Institutional Accounts	\$36,851	\$40,861	\$42,802	\$45,604	\$45,882
Structured Products	\$4,163	\$4,060	\$3,985	\$3,870	\$3,809
Total	\$116,487	\$132,194	\$168,880	\$178,638	\$177,305
Assets by Asset Class					
Equity	\$72,811	\$86,268	\$106,183	\$113,751	\$112,732
<i>% of total</i>	62.5%	65.3%	62.9%	63.7%	63.6%
Fixed Income	28,273	28,965	35,069	35,426	35,240
<i>% of total</i>	24.3%	21.9%	20.8%	19.8%	19.9%
Multi-Asset ¹	11,105	12,201	22,498	23,668	23,641
<i>% of total</i>	9.5%	9.2%	13.3%	13.2%	13.3%
Alternatives ²	4,298	4,760	5,130	5,793	5,692
<i>% of total</i>	3.7%	3.6%	3.0%	3.3%	3.2%
Total	\$116,487	\$132,194	\$168,880	\$178,638	\$177,305

\$ in millions

¹ Includes strategies with substantial holdings in at least two of the following asset classes: equity, fixed income and alternatives

² Includes real estate securities, infrastructure, mid-stream energy, long/short, and options strategies

ASSETS UNDER MANAGEMENT

BY PRODUCT AND ASSET CLASS



	<u>Open-End Funds</u>	<u>Closed-End Funds</u>	<u>Exchange Traded Funds</u>	<u>Retail Separate Accounts</u>	<u>Institutional Accounts</u>	<u>Structured Products</u>	<u>Total as of 9/30/2021</u>
Equity:							
Domestic Equity	\$28,566	\$—	\$93	\$31,799	\$22,873	\$—	\$83,331
International Equity	10,349	—	7	191	1,432	—	11,979
Global Equity	1,645	—	—	455	8,909	—	11,009
Specialty Equity ¹	5,209	1,028	63	113	—	—	6,413
Total Equity	\$45,769	\$1,028	\$163	\$32,558	\$33,214	\$—	\$112,732
Fixed Income:							
Leveraged Finance	\$4,117	\$—	\$63	\$1,959	\$2,262	\$3,809	\$12,210
Multi-Sector	8,438	188	20	—	1,044	—	9,690
Investment Grade	1,927	176	—	319	5,502	—	7,924
Hybrid	3,037	1,876	503	—	—	—	5,416
Total Fixed Income	\$17,519	\$2,240	\$586	\$2,278	\$8,808	\$3,809	\$35,240
Multi-Asset ²	\$8,194	\$7,760	\$34	\$6,692	\$961	\$—	\$23,641
Alternative ³	\$1,562	\$693	\$538	\$0	\$2,899	\$—	\$5,692
Total	\$73,044	\$11,721	\$1,321	\$41,528	\$45,882	\$3,809	\$177,305

\$ in millions

¹ Includes strategies designed to give targeted investment exposure to specific longer term trends and themes or specific industries

² Includes strategies with substantial holdings in at least two of the following asset classes: equity, fixed income and alternatives

³ Includes real estate securities, infrastructure, mid-stream energy, long/short, and options strategies

ASSET FLOWS

TOTAL



	<u>9/30/2020</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>YTD:20</u>	<u>YTD:21</u>
Total							
Beginning balance	\$108,461	\$116,487	\$132,194	\$168,880	\$178,638	\$108,904	\$132,194
Inflows	7,874	8,941	10,611	9,550	7,623	24,487	27,784
Outflows	(6,603)	(6,249)	(8,178)	(8,214)	(8,195)	(21,826)	(24,587)
Net Flows	1,271	2,692	2,433	1,336	(572)	2,661	3,197
Market performance	7,122	13,431	4,690	8,782	(453)	5,793	13,019
Other ¹	(367)	(416)	29,563	(360)	(308)	(871)	28,895
Ending Balance - Total	\$116,487	\$132,194	\$168,880	\$178,638	\$177,305	\$116,487	\$177,305
<i>Inflow Rate ²</i>	28.9 %	30.5 %	32.6 %	22.7 %	16.9 %	30.0 %	28.1 %
<i>Outflow Rate ²</i>	(24.2)%	(21.3)%	(25.1)%	(19.5)%	(18.2)%	(26.8)%	(24.9)%
<i>Net Flow Rate ²</i>	4.7 %	9.2 %	7.5 %	3.2 %	(1.3)%	3.3 %	3.2 %

\$ in millions

¹ Represents open-end and closed-end fund distributions net of reinvestments, the net change in assets from cash management strategies, and the impact on net flows from non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), structured products reset transactions, and the use of leverage

² Annualized flows divided by beginning of period AUM

ASSET FLOWS

BY PRODUCT



	<u>9/30/2020</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>YTD:20</u>	<u>YTD:21</u>
U.S. Retail Funds							
Beginning balance	\$39,520	\$42,650	\$48,492	\$69,730	\$72,746	\$42,412	\$48,492
Inflows	3,553	4,049	5,652	4,591	3,555	12,062	13,798
Outflows	(3,189)	(3,408)	(5,157)	(4,864)	(4,964)	(12,927)	(14,985)
Net Flows	364	641	495	(273)	(1,409)	(865)	(1,187)
Market performance	2,856	5,456	1,074	3,345	(735)	1,310	3,684
Other ¹	(90)	(255)	19,669	(56)	(76)	(207)	19,537
Ending Balance	\$42,650	\$48,492	\$69,730	\$72,746	\$70,526	\$42,650	\$70,526
Offshore Funds ²							
Beginning balance	\$686	\$926	\$1,173	\$1,343	\$1,456	\$463	\$1,173
Inflows	435	226	191	139	66	678	396
Outflows	(277)	(90)	(61)	(83)	(105)	(337)	(249)
Net Flows	158	136	130	56	(39)	341	147
Market performance	63	111	41	57	(18)	100	80
Other ¹	19	—	(1)	—	—	22	(1)
Ending Balance	\$926	\$1,173	\$1,343	\$1,456	\$1,399	\$926	\$1,399

\$ in millions

¹ Represents open-end and closed-end fund distributions net of reinvestments, the net change in assets from cash management strategies, and the impact on net flows from non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), structured products reset transactions, and the use of leverage

² Represents assets under management of Undertakings for Collective Investments in Transferable Securities ("UCITS")

ASSET FLOWS

BY PRODUCT (CONTINUED)



	<u>9/30/2020</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>YTD:20</u>	<u>YTD:21</u>
Variable Insurance Funds							
Beginning balance	\$938	\$998	\$1,106	\$1,091	\$1,131	\$949	\$1,106
Inflows	9	10	10	13	14	30	37
Outflows	(35)	(29)	(40)	(40)	(34)	(99)	(114)
Net Flows	(26)	(19)	(30)	(27)	(20)	(69)	(77)
Market performance	87	127	15	67	8	118	90
Other ¹	(1)	—	—	—	—	—	—
Ending Balance	\$998	\$1,106	\$1,091	\$1,131	\$1,119	\$998	\$1,119
Total Open End Funds							
Beginning balance	\$41,144	\$44,574	\$50,771	\$72,164	\$75,333	\$43,824	\$50,771
Inflows	3,997	4,285	5,853	4,743	3,635	12,770	14,231
Outflows	(3,501)	(3,527)	(5,258)	(4,987)	(5,103)	(13,363)	(15,348)
Net Flows	496	758	595	(244)	(1,468)	(593)	(1,117)
Market performance	3,006	5,694	1,130	3,469	(745)	1,528	3,854
Other ¹	(72)	(255)	19,668	(56)	(76)	(185)	19,536
Ending Balance	\$44,574	\$50,771	\$72,164	\$75,333	\$73,044	\$44,574	\$73,044

\$ in millions

¹ Represents open-end and closed-end fund distributions net of reinvestments, the net change in assets from cash management strategies, and the impact on net flows from non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), structured products reset transactions, and the use of leverage

ASSET FLOWS

BY PRODUCT (CONTINUED)



	<u>9/30/2020</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>YTD:20</u>	<u>YTD:21</u>
Closed-End Funds							
Beginning balance	\$5,639	\$5,629	\$5,914	\$11,664	\$11,993	\$6,748	\$5,914
Inflows	15	5	—	—	3	20	3
Outflows	—	—	—	—	—	—	—
Net Flows	15	5	—	—	3	20	3
Market performance	54	364	105	514	(114)	(751)	505
Other ¹	(79)	(84)	5,645	(185)	(161)	(388)	5,299
Ending Balance	\$5,629	\$5,914	\$11,664	\$11,993	\$11,721	\$5,629	\$11,721
Exchange Traded Funds							
Beginning balance	\$541	\$543	\$837	\$1,021	\$1,260	\$1,156	\$837
Inflows	60	218	175	232	174	220	581
Outflows	(35)	(40)	(77)	(92)	(65)	(408)	(234)
Net Flows	25	178	98	140	109	(188)	347
Market performance	(12)	126	98	104	(30)	(380)	172
Other ¹	(11)	(10)	(12)	(5)	(18)	(45)	(35)
Ending Balance	\$543	\$837	\$1,021	\$1,260	\$1,321	\$543	\$1,321

\$ in millions

¹ Represents open-end and closed-end fund distributions net of reinvestments, the net change in assets from cash management strategies, and the impact on net flows from non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), structured products reset transactions, and the use of leverage

ASSET FLOWS

BY PRODUCT (CONTINUED)



	<u>9/30/2020</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>YTD:20</u>	<u>YTD:21</u>
Intermediary Sold Managed Accounts							
Beginning balance	\$17,116	\$19,456	\$23,852	\$31,133	\$34,125	\$15,592	\$23,852
Inflows	1,538	1,990	2,494	2,066	1,726	3,769	6,286
Outflows	(519)	(810)	(791)	(700)	(1,103)	(1,781)	(2,594)
Net Flows	1,019	1,180	1,703	1,366	623	1,988	3,692
Market performance	1,350	3,215	2,028	1,626	226	1,904	3,880
Other ¹	(29)	1	3,550	—	—	(28)	3,550
Ending Balance	\$19,456	\$23,852	\$31,133	\$34,125	\$34,974	\$19,456	\$34,974
Private Client							
Beginning balance	\$4,938	\$5,271	\$5,899	\$6,111	\$6,453	\$4,822	\$5,899
Inflows	189	191	205	207	277	502	689
Outflows	(98)	(104)	(105)	(133)	(128)	(265)	(366)
Net Flows	91	87	100	74	149	237	323
Market performance	241	542	113	284	(48)	207	349
Other ¹	1	(1)	(1)	(16)	—	5	(17)
Ending Balance	\$5,271	\$5,899	\$6,111	\$6,453	\$6,554	\$5,271	\$6,554
Total Retail Separate Accounts							
Beginning balance	\$22,054	\$24,727	\$29,751	\$37,244	\$40,578	\$20,414	\$29,751
Inflows	1,727	2,181	2,699	2,273	2,003	4,271	6,975
Outflows	(617)	(914)	(896)	(833)	(1,231)	(2,046)	(2,960)
Net Flows	1,110	1,267	1,803	1,440	772	2,225	4,015
Market performance	1,591	3,757	2,141	1,910	178	2,111	4,229
Other ¹	(28)	—	3,549	(16)	—	(23)	3,533
Ending Balance	\$24,727	\$29,751	\$37,244	\$40,578	\$41,528	\$24,727	\$41,528

\$ in millions

¹ Represents open-end and closed-end fund distributions net of reinvestments, the net change in assets from cash management strategies, and the impact on net flows from non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), structured products reset transactions, and the use of leverage

ASSET FLOWS

BY PRODUCT (CONTINUED)



	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	YTD:20	YTD:21
Institutional Accounts							
Beginning balance	\$34,819	\$36,851	\$40,861	\$42,802	\$45,604	\$32,859	\$40,861
Inflows	2,075	2,252	1,884	2,302	1,808	6,715	5,994
Outflows	(2,381)	(1,687)	(1,868)	(2,184)	(1,727)	(5,825)	(5,779)
Net Flows	(306)	565	16	118	81	890	215
Market performance	2,473	3,481	1,181	2,752	222	3,203	4,155
Other ¹	(135)	(36)	744	(68)	(25)	(101)	651
Ending Balance	\$36,851	\$40,861	\$42,802	\$45,604	\$45,882	\$36,851	\$45,882
Structured Products							
Beginning balance	\$4,264	\$4,163	\$4,060	\$3,985	\$3,870	\$3,903	\$4,060
Inflows	—	—	—	—	—	491	—
Outflows	(69)	(81)	(79)	(118)	(69)	(184)	(266)
Net Flows	(69)	(81)	(79)	(118)	(69)	307	(266)
Market performance	10	9	35	33	36	82	104
Other ¹	(42)	(31)	(31)	(30)	(28)	(129)	(89)
Ending Balance	\$4,163	\$4,060	\$3,985	\$3,870	\$3,809	\$4,163	\$3,809

\$ in millions

¹ Represents open-end and closed-end fund distributions net of reinvestments, the net change in assets from cash management strategies, and the impact on net flows from non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), structured products reset transactions, and the use of leverage

ASSET FLOWS

BY ASSET CLASS



	<u>9/30/2020</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>YTD:20</u>	<u>YTD:21</u>
Domestic Equity							
Beginning balance	\$49,234	\$53,621	\$63,680	\$77,155	\$82,819	\$44,976	\$63,680
Inflows	3,586	4,767	4,896	4,467	3,445	12,061	12,808
Outflows	(3,303)	(3,079)	(3,818)	(3,634)	(3,344)	(8,194)	(10,796)
Net Flows	283	1,688	1,078	833	101	3,867	2,012
Market performance	4,381	8,643	4,025	4,812	416	5,090	9,253
Other ¹	(277)	(272)	8,372	19	(5)	(312)	8,386
Ending Balance	\$53,621	\$63,680	\$77,155	\$82,819	\$83,331	\$53,621	\$83,331
International Equity							
Beginning balance	\$9,239	\$9,847	\$11,629	\$12,993	\$13,616	\$11,005	\$11,629
Inflows	366	865	1,120	693	517	2,191	2,330
Outflows	(667)	(785)	(959)	(656)	(1,410)	(3,226)	(3,025)
Net Flows	(301)	80	161	37	(893)	(1,035)	(695)
Market performance	912	1,739	155	580	(746)	(106)	(11)
Other ¹	(3)	(37)	1,048	6	2	(17)	1,056
Ending Balance	\$9,847	\$11,629	\$12,993	\$13,616	\$11,979	\$9,847	\$11,979

\$ in millions

¹ Represents open-end and closed-end fund distributions net of reinvestments, the net change in assets from cash management strategies, and the impact on net flows from non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), structured products reset transactions and the use of leverage

ASSET FLOWS

BY ASSET CLASS (CONTINUED)



	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	YTD:20	YTD:21
Global Equity							
Beginning balance	\$7,022	\$8,299	\$9,512	\$9,681	\$10,623	\$6,422	\$9,512
Inflows	1,134	731	501	669	732	1,909	1,902
Outflows	(627)	(232)	(617)	(404)	(308)	(1,268)	(1,329)
Net Flows	507	499	(116)	265	424	641	573
Market performance	769	712	198	675	(39)	1,233	834
Other ²	1	2	87	2	1	3	90
Ending Balance	\$8,299	\$9,512	\$9,681	\$10,623	\$11,009	\$8,299	\$11,009
Specialty Equity ¹							
Beginning balance	\$710	\$1,044	\$1,447	\$6,354	\$6,693	\$208	\$1,447
Inflows	317	369	639	394	234	819	1,267
Outflows	(113)	(180)	(512)	(525)	(464)	(264)	(1,501)
Net Flows	204	189	127	(131)	(230)	555	(234)
Market performance	140	241	(161)	488	(40)	289	287
Other ²	(10)	(27)	4,941	(18)	(10)	(8)	4,913
Ending Balance	\$1,044	\$1,447	\$6,354	\$6,693	\$6,413	\$1,044	\$6,413
Total Equity							
Beginning balance	\$66,205	\$72,811	\$86,268	\$106,183	\$113,751	\$62,611	\$86,268
Inflows	5,403	6,732	7,156	6,223	4,928	16,980	18,307
Outflows	(4,710)	(4,276)	(5,906)	(5,219)	(5,526)	(12,952)	(16,651)
Net Flows	693	2,456	1,250	1,004	(598)	4,028	1,656
Market performance	6,202	11,335	4,217	6,555	(409)	6,506	10,363
Other ²	(289)	(334)	14,448	9	(12)	(334)	14,445
Ending Balance	\$72,811	\$86,268	\$106,183	\$113,751	\$112,732	\$72,811	\$112,732

\$ in millions

¹ Includes strategies designed to give targeted investment exposure to specific longer term trends and themes or specific industries

² Represents open-end and closed-end fund distributions net of reinvestments, the net change in assets from cash management strategies, and the impact on net flows from non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), structured products reset transactions and the use of leverage

ASSET FLOWS

BY ASSET CLASS (CONTINUED)



	<u>9/30/2020</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>YTD:20</u>	<u>YTD:21</u>
Leveraged Finance							
Beginning balance	\$10,563	\$10,529	\$10,730	\$11,981	\$12,270	\$12,288	\$10,730
Inflows	379	466	847	684	577	1,926	2,108
Outflows	(617)	(534)	(529)	(552)	(692)	(3,404)	(1,773)
Net Flows	(238)	(68)	318	132	(115)	(1,478)	335
Market performance	228	314	121	189	98	(127)	408
Other ¹	(24)	(45)	812	(32)	(43)	(154)	737
Ending Balance	\$10,529	\$10,730	\$11,981	\$12,270	\$12,210	\$10,529	\$12,210
Multi-Sector							
Beginning balance	\$8,522	\$8,825	\$9,128	\$9,428	\$9,567	\$9,288	\$9,128
Inflows	611	588	923	672	557	1,944	2,152
Outflows	(469)	(463)	(603)	(616)	(437)	(2,525)	(1,656)
Net Flows	142	125	320	56	120	(581)	496
Market performance	174	197	(61)	108	23	227	70
Other ¹	(13)	(19)	41	(25)	(20)	(109)	(4)
Ending Balance	\$8,825	\$9,128	\$9,428	\$9,567	\$9,690	\$8,825	\$9,690

\$ in millions

¹ Represents open-end and closed-end fund distributions net of reinvestments, the net change in assets from cash management strategies, and the impact on net flows from non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), structured products reset transactions, and the use of leverage

ASSET FLOWS

BY ASSET CLASS (CONTINUED)



	<u>9/30/2020</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>YTD:20</u>	<u>YTD:21</u>
Investment Grade							
Beginning balance	\$8,244	\$8,778	\$8,883	\$8,509	\$8,245	\$7,891	\$8,883
Inflows	838	515	427	337	274	1,794	1,038
Outflows	(338)	(445)	(366)	(601)	(572)	(1,418)	(1,539)
Net Flows	500	70	61	(264)	(298)	376	(501)
Market performance	45	76	(187)	95	(1)	420	(93)
Other ¹	(11)	(41)	(248)	(95)	(22)	91	(365)
Ending Balance	\$8,778	\$8,883	\$8,509	\$8,245	\$7,924	\$8,778	\$7,924
Hybrid							
Beginning balance	\$98	\$141	\$224	\$5,151	\$5,344	\$97	\$224
Inflows	41	59	383	360	333	101	1,076
Outflows	(4)	0	(179)	(325)	(200)	(25)	(704)
Net Flows	37	59	204	35	133	76	372
Market performance	10	28	(37)	190	(28)	(25)	125
Other ¹	(4)	(4)	4,760	(32)	(33)	(7)	4,695
Ending Balance	\$141	\$224	\$5,151	\$5,344	\$5,416	\$141	\$5,416
Total Fixed Income							
Beginning balance	\$27,427	\$28,273	\$28,965	\$35,069	\$35,426	\$29,564	\$28,965
Inflows	1,869	1,628	2,580	2,053	1,741	5,765	6,374
Outflows	(1,428)	(1,442)	(1,677)	(2,094)	(1,901)	(7,372)	(5,672)
Net Flows	441	186	903	(41)	(160)	(1,607)	702
Market performance	457	615	(164)	582	92	495	510
Other ¹	(52)	(109)	5,365	(184)	(118)	(179)	5,063
Ending Balance	\$28,273	\$28,965	\$35,069	\$35,426	\$35,240	\$28,273	\$35,240

\$ in millions

¹ Represents open-end and closed-end fund distributions net of reinvestments, the net change in assets from cash management strategies, and the impact on net flows from non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), structured products reset transactions, and the use of leverage

ASSET FLOWS

BY ASSET CLASS (CONTINUED)



	<u>9/30/2020</u>	<u>12/31/2020</u>	<u>3/31/2021</u>	<u>6/30/2021</u>	<u>9/30/2021</u>	<u>YTD:20</u>	<u>YTD:21</u>
Multi-Asset ¹							
Beginning balance	\$10,714	\$11,105	\$12,201	\$22,498	\$23,668	\$11,487	\$12,201
Inflows	218	211	561	674	672	601	1,907
Outflows	(130)	(132)	(329)	(488)	(392)	(485)	(1,209)
Net Flows	88	79	232	186	280	116	698
Market performance	385	965	337	1,145	(153)	(262)	1,329
Other ²	(82)	52	9,728	(161)	(154)	(236)	9,413
Ending Balance	\$11,105	\$12,201	\$22,498	\$23,668	\$23,641	\$11,105	\$23,641
Alternative ³							
Beginning balance	\$4,115	\$4,298	\$4,760	\$5,130	\$5,793	\$5,242	\$4,760
Inflows	384	370	314	600	282	1,141	1,196
Outflows	(335)	(399)	(266)	(413)	(376)	(1,017)	(1,055)
Net Flows	49	(29)	48	187	(94)	124	141
Market performance	78	516	300	500	17	(946)	817
Other ²	56	(25)	22	(24)	(24)	(122)	(26)
Ending Balance	\$4,298	\$4,760	\$5,130	\$5,793	\$5,692	\$4,298	\$5,692

\$ in millions

¹ Includes strategies with substantial holdings in at least two of the following asset classes: equity, fixed income and alternatives

² Represents open-end and closed-end fund distributions net of reinvestments, the net change in assets from cash management strategies, and the impact on net flows from non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), structured products reset transactions, and the use of leverage

³ Consists of real estate securities, mid-stream energy securities, master limited partnerships, options strategies long/short equity, and other

INVESTMENT MANAGEMENT FEES

AVERAGE ASSETS ¹ BY PRODUCT



	<u>Q3:20</u>	<u>Q4:20</u>	<u>Q1:21</u>	<u>Q2:21</u>	<u>Q3:21</u>	<u>YTD:20</u>	<u>YTD:21</u>
U.S. Retail Funds	\$41,773	\$45,675	\$63,872	\$71,599	\$72,476	\$39,712	\$69,316
Offshore Funds	842	1,049	1,265	1,411	1,453	\$625	\$1,376
Variable Insurance Funds	988	1,058	1,110	1,116	1,144	\$921	\$1,124
Total – Open-End Funds	\$43,603	\$47,782	\$66,247	\$74,126	\$75,073	\$41,258	\$71,816
Closed-End Funds	\$5,742	\$5,847	\$9,340	\$11,936	\$12,091	\$5,944	\$11,122
Exchange Traded Funds	\$549	\$683	\$890	\$1,159	\$1,295	\$689	\$1,114
Intermediary Sold Managed Accounts	\$17,116	\$19,457	\$26,219	\$31,134	\$34,125	\$15,373	\$30,493
Private Client	4,938	5,270	5,899	6,110	6,453	\$4,670	\$6,154
Total – Retail Separate Accounts	\$22,054	\$24,727	\$32,118	\$37,244	\$40,578	\$20,043	\$36,647
Institutional Accounts	\$36,771	\$37,989	\$41,764	\$44,538	\$46,739	\$33,508	\$44,347
Structured Products	\$4,171	\$4,068	\$3,985	\$3,875	\$3,803	\$4,209	\$3,888
Total	\$112,890	\$121,096	\$154,344	\$172,878	\$179,579	\$105,651	\$168,934

\$ in millions

¹ Averages are calculated as follows: Funds – average daily or weekly balances; Retail Separate Accounts – prior quarter ending balance; Institutional Accounts – average of month-end balances in quarter

INVESTMENT MANAGEMENT FEES

AVERAGE MANAGEMENT FEES EARNED ¹ BY PRODUCT (IN BASIS POINTS)



	<u>Q3:20</u>	<u>Q4:20</u>	<u>Q1:21</u>	<u>Q2:21</u>	<u>Q3:21</u>	<u>YTD:20</u>	<u>YTD:21</u>
Total Open-End Funds	57.9	59.1	54.2	52.2	52.2	57.2	52.9
Revenue related adjustments	(7.5)	(7.3)	(6.2)	(5.8)	(5.9)	(7.7)	(6.0)
Total Open-End Funds, Net	50.4	51.8	48.0	46.4	46.3	49.5	46.9
Closed-End Funds, Net	62.1	62.2	56.2	55.1	56.2	62.2	55.8
Exchange Traded Funds	13.7	9.1	11.9	17.8	13.7	17.3	14.7
Revenue related adjustments	(7.2)	(5.8)	(5.2)	(3.8)	(3.3)	(9.8)	(4.0)
Exchange Traded Funds, Net	6.5	3.3	6.7	14.0	10.4	7.5	10.7
Total Retail Separate Accounts	47.6	48.9	47.4	45.7	45.6	49.7	46.2
Revenue related adjustments	(1.9)	(1.8)	(1.7)	(1.5)	(1.6)	(2.0)	(1.6)
Total Retail Separate Accounts, Net	45.7	47.1	45.7	44.2	44.0	47.7	44.6
Institutional Accounts ² , Net	31.5	34.6	31.5	32.2	31.0	30.6	31.6
Structured Products, Net	34.2	31.1	38.8	40.0	35.1	31.6	38.0
Total Assets ³	46.6	48.4	46.2	45.4	44.9	46.4	45.5
Revenue related adjustments	(3.5)	(3.5)	(3.1)	(2.9)	(2.9)	(3.5)	(3.0)
Total Assets, Net	43.1	44.9	43.1	42.5	42.0	42.9	42.5

¹ Represents investment management fees, as adjusted divided by average assets. Investment management fees, as adjusted exclude the impact of consolidated investment products and are reduced by revenue related adjustments that are based on specific agreements and reflect the portion of investment management fees passed-through to third-party client intermediaries for services to investors in sponsored investment products

² Includes incentive fees earned during the three months ended September 30, 2020, December 31, 2020, March 31, 2021, June 30, 2021, and September 30, 2021 that increased the fee rate by 2.1 basis points, 3.9 basis points, 0.6 basis points, 0.7 basis points and 0.5 basis points, respectively

³ Includes incentive fees earned during the three months ended September 30, 2020, December 31, 2020, March 31, 2021, June 30, 2021, and September 30, 2021 that increased the fee rate by 0.7, 1.2, 0.2, 0.2 basis points and 0.1 basis points, respectively

RECONCILIATION: U.S. GAAP TO NON-GAAP

Q3 2021 (UNAUDITED)



		Reclassification	Other adjustments					
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Amortization of intangible assets	Seed capital and CLO investments	Acquisition and integration	Other	Non-GAAP Basis
Revenues								
Investment management fees	201,133	2,292	(13,396)	—	—	—	—	190,029
Distribution and service fees	23,293	3	(23,296)	—	—	—	—	—
Administration and shareholder service fees	26,479	3	—	—	—	—	—	26,482
Other income and fees	1,159	—	—	—	—	—	—	1,159
Total revenues	252,064	2,298	(36,692)	—	—	—	—	217,670
Operating Expenses								
Employment expenses	87,345	—	—	—	—	(429)	(445)	86,471
Distribution and other asset-based expenses	36,692	—	(36,692)	—	—	—	—	—
Other operating expenses	22,800	—	—	—	—	(1,842)	(785)	20,173
Operating expenses of CIP	639	(639)	—	—	—	—	—	—
Depreciation expense	915	—	—	—	—	—	—	915
Amortization expense	10,391	—	—	(10,391)	—	—	—	—
Total operating expenses	158,782	(639)	(36,692)	(10,391)	—	(2,271)	(1,230)	107,559
Operating Income (Loss)	93,282	2,937	—	10,391	—	2,271	1,230	110,111
Other Income (Expense)								
Realized and unrealized gain (loss) on investments, net	(504)	2,638	—	—	(2,110)	—	—	24
Realized and unrealized gain (loss) of CIP, net	(2,801)	2,801	—	—	—	—	—	—
Other income (expense), net	1,001	—	—	—	—	—	—	1,001
Total other income (expense), net	(2,304)	5,439	—	—	(2,110)	—	—	1,025
Interest Income (Expense)								
Interest expense	(2,348)	—	—	—	—	—	180	(2,168)
Interest and dividend income	269	744	—	—	—	—	—	1,013
Interest and dividend income of CIP	22,877	(22,877)	—	—	—	—	—	—
Interest expense of CIP	(13,442)	13,442	—	—	—	—	—	—
Total interest income (expense), net	7,356	(8,691)	—	—	—	—	180	(1,155)
Income (Loss) Before Income Taxes	98,334	(315)	—	10,391	(2,110)	2,271	1,410	109,981
Income tax expense (benefit)	25,823	—	—	2,751	(779)	601	717	29,113
Net Income (Loss)	72,511	(315)	—	7,640	(1,331)	1,670	693	80,868
Noncontrolling interests	(13,775)	315	—	(736)	—	—	10,841	(3,355)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	58,736	—	—	6,904	(1,331)	1,670	11,534	77,513
Earnings (Loss) Per Share - Diluted	7.36							9.71
Weighted Average Shares Outstanding - Diluted	7,984							7,984

RECONCILIATION: U.S. GAAP TO NON-GAAP

Q2 2021_(UNAUDITED)



	Reclassification		Other adjustments					
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Amortization of intangible assets	Seed capital and CLO investments	Acquisition and integration	Other	Non-GAAP Basis
Revenues								
Investment management fees	193,510	2,290	(12,570)	—	—	—	—	183,230
Distribution and service fees	23,450	1	(23,451)	—	—	—	—	—
Administration and shareholder service fees	25,877	49	—	—	—	—	—	25,926
Other income and fees	1,174	—	—	—	—	—	—	1,174
Total revenues	244,011	2,340	(36,021)	—	—	—	—	210,330
Operating Expenses								
Employment expenses	87,630	—	—	—	—	(615)	(494)	86,521
Distribution and other asset-based expenses	36,021	—	(36,021)	—	—	—	—	—
Other operating expenses	21,946	—	—	—	—	(2,052)	—	19,894
Operating expenses of CIP	659	(659)	—	—	—	—	—	—
Depreciation expense	981	—	—	—	—	—	—	981
Amortization expense	10,363	—	—	(10,363)	—	—	—	—
Total operating expenses	157,600	(659)	(36,021)	(10,363)	—	(2,667)	(494)	107,396
Operating Income (Loss)	86,411	2,999	—	10,363	—	2,667	494	102,934
Other Income (Expense)								
Realized and unrealized gain (loss) on investments, net	2,494	5,707	—	—	(7,725)	—	—	476
Realized and unrealized gain (loss) of CIP, net	2,747	(2,747)	—	—	—	—	—	—
Other income (expense), net	826	—	—	—	—	—	—	826
Total other income (expense), net	6,067	2,960	—	—	(7,725)	—	—	1,302
Interest Income (Expense)								
Interest expense	(2,256)	—	—	—	—	—	—	(2,256)
Interest and dividend income	166	919	—	—	—	—	—	1,085
Interest and dividend income of CIP	22,562	(22,562)	—	—	—	—	—	—
Interest expense of CIP	(14,452)	14,452	—	—	—	—	—	—
Total interest income (expense), net	6,020	(7,191)	—	—	—	—	—	(1,171)
Income (Loss) Before Income Taxes	98,498	(1,232)	—	10,363	(7,725)	2,667	494	103,065
Income tax expense (benefit)	22,401	—	—	2,754	(521)	709	2,051	27,394
Net Income (Loss)	76,097	(1,232)	—	7,609	(7,204)	1,958	(1,557)	75,671
Noncontrolling interests	(13,130)	1,232	—	(736)	—	—	9,624	(3,010)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	62,967	—	—	6,873	(7,204)	1,958	8,067	72,661
Earnings (Loss) Per Share - Diluted	7.86							9.07
Weighted Average Shares Outstanding - Diluted	8,007							8,007

RECONCILIATION: U.S. GAAP TO NON-GAAP

Q1 2021 (UNAUDITED)



		Reclassification	Other adjustments					
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Amortization of intangible assets	Seed capital and CLO investments	Acquisition and integration	Other	Non-GAAP Basis
Revenues								
Investment management fees	173,269	2,609	(11,943)	—	—	—	—	163,935
Distribution and service fees	20,348	3	(20,351)	—	—	—	—	—
Administration and shareholder service fees	22,560	61	—	—	—	—	—	22,621
Other income and fees	720	—	—	—	—	—	—	720
Total revenues	216,897	2,673	(32,294)	—	—	—	—	187,276
Operating Expenses								
Employment expenses	91,759	—	—	—	—	(867)	(480)	90,412
Distribution and other asset-based expenses	32,294	—	(32,294)	—	—	—	—	—
Other operating expenses	19,580	—	—	—	—	(1,780)	—	17,800
Operating expenses of CIP	559	(559)	—	—	—	—	—	—
Depreciation expense	1,098	—	—	—	—	—	—	1,098
Amortization expense	9,465	—	—	(9,465)	—	—	—	—
Total operating expenses	154,755	(559)	(32,294)	(9,465)	—	(2,647)	(480)	109,310
Operating Income (Loss)	62,142	3,232	—	9,465	—	2,647	480	77,966
Other Income (Expense)								
Realized and unrealized gain (loss) on investments, net	891	569	—	—	(1,533)	—	—	(73)
Realized and unrealized gain (loss) of CIP, net	(4,687)	4,687	—	—	—	—	—	—
Other income (expense), net	1,771	—	—	—	—	—	—	1,771
Total other income (expense), net	(2,025)	5,256	—	—	(1,533)	—	—	1,698
Interest Income (Expense)								
Interest expense	(2,314)	—	—	—	—	—	—	(2,314)
Interest and dividend income	136	910	—	—	—	—	—	1,046
Interest and dividend income of CIP	23,876	(23,876)	—	—	—	—	—	—
Interest expense of CIP	(14,448)	14,448	—	—	—	—	—	—
Total interest income (expense), net	7,250	(8,518)	—	—	—	—	—	(1,268)
Income (Loss) Before Income Taxes	67,367	(30)	—	9,465	(1,533)	2,647	480	78,396
Income tax expense (benefit)	15,153	—	—	2,528	(377)	707	2,931	20,942
Net Income (Loss)	52,214	(30)	—	6,937	(1,156)	1,940	(2,451)	57,454
Noncontrolling interests	(15,626)	30	—	(736)	—	—	13,498	(2,834)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	36,588	—	—	6,201	(1,156)	1,940	11,047	54,620
Earnings (Loss) Per Share - Diluted	4.54							6.78
Weighted Average Shares Outstanding - Diluted	8,052							8,052

RECONCILIATION: U.S. GAAP TO NON-GAAP

Q4 2020 (UNAUDITED)



		Reclassification	Other adjustments					
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Amortization of intangible assets	Seed capital and CLO investments	Acquisition and integration	Other	Non-GAAP Basis
Revenues								
Investment management fees	144,715	2,512	(10,403)	—	—	—	—	136,824
Distribution and service fees	10,279	4	(10,283)	—	—	—	—	—
Administration and shareholder service fees	16,407	65	—	—	—	—	—	16,472
Other income and fees	245	—	—	—	—	—	—	245
Total revenues	171,646	2,581	(20,686)	—	—	—	—	153,541
Operating Expenses								
Employment expenses	73,527	—	—	—	—	515	(580)	73,462
Distribution and other asset-based expenses	20,686	—	(20,686)	—	—	—	—	—
Other operating expenses	17,232	—	—	—	—	(171)	—	17,061
Operating expenses of CIP	641	(641)	—	—	—	—	—	—
Depreciation expense	1,100	—	—	—	—	—	—	1,100
Amortization expense	7,529	—	—	(7,529)	—	—	—	—
Total operating expenses	120,715	(641)	(20,686)	(7,529)	—	344	(580)	91,623
Operating Income (Loss)	50,931	3,222	—	7,529	—	(344)	580	61,918
Other Income (Expense)								
Realized and unrealized gain (loss) on investments, net	5,071	13,874	—	—	(18,798)	—	—	147
Realized and unrealized gain (loss) of CIP, net	10,768	(10,768)	—	—	—	—	—	—
Other income (expense), net	1,070	—	—	—	—	—	—	1,070
Total other income (expense), net	16,909	3,106	—	—	(18,798)	—	—	1,217
Interest Income (Expense)								
Interest expense	(2,692)	—	—	—	—	—	—	(2,692)
Interest and dividend income	236	898	—	—	—	—	—	1,134
Interest and dividend income of CIP	25,697	(25,697)	—	—	—	—	—	—
Interest expense of CIP	(15,179)	15,179	—	—	—	—	—	—
Total interest income (expense), net	8,062	(9,620)	—	—	—	—	—	(1,558)
Income (Loss) Before Income Taxes	75,902	(3,292)	—	7,529	(18,798)	(344)	580	61,577
Income tax expense (benefit)	14,088	—	—	2,055	49	(94)	706	16,804
Net Income (Loss)	61,814	(3,292)	—	5,474	(18,847)	(250)	(126)	44,773
Noncontrolling interests	(18,499)	3,292	—	(735)	—	—	12,531	(3,411)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	43,315	—	—	4,739	(18,847)	(250)	12,405	41,362
Earnings (Loss) Per Share - Diluted	5.40							5.15
Weighted Average Shares Outstanding - Diluted	8,026							8,026

RECONCILIATION: U.S. GAAP TO NON-GAAP

Q3 2020 (UNAUDITED)



		Reclassification	Other adjustments						
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Restructuring and Severance	Amortization of intangible assets	Seed capital and CLO investments	Acquisition and integration	Other	Non-GAAP Basis
Revenues									
Investment management fees	129,785	2,344	(9,770)	—	—	—	—	—	122,359
Distribution and service fees	9,797	3	(9,800)	—	—	—	—	—	—
Administration and shareholder service fees	15,114	66	—	—	—	—	—	—	15,180
Other income and fees	94	—	—	—	—	—	—	—	94
Total revenues	154,790	2,413	(19,570)	—	—	—	—	—	137,633
Operating Expenses									
Employment expenses	67,479	—	—	—	—	—	(999)	(368)	66,112
Distribution and other asset-based expenses	19,570	—	(19,570)	—	—	—	—	—	—
Other operating expenses	16,343	—	—	—	—	—	—	—	16,343
Operating expenses of CIP	1,016	(1,016)	—	—	—	—	—	—	—
Restructuring and severance	735	—	—	(735)	—	—	—	—	—
Depreciation expense	1,106	—	—	—	—	—	—	—	1,106
Amortization expense	7,532	—	—	—	(7,532)	—	—	—	—
Total operating expenses	113,781	(1,016)	(19,570)	(735)	(7,532)	—	(999)	(368)	83,561
Operating Income (Loss)	41,009	3,429	—	735	7,532	—	999	368	54,072
Other Income (Expense)									
Realized and unrealized gain (loss) on investments, net	2,498	6,170	—	—	—	(8,873)	—	—	(205)
Realized and unrealized gain (loss) of CIP, net	2,680	(2,680)	—	—	—	—	—	—	—
Other income (expense), net	999	—	—	—	—	—	—	—	999
Total other income (expense), net	6,177	3,490	—	—	—	(8,873)	—	—	794
Interest Income (Expense)									
Interest expense	(2,877)	—	—	—	—	—	—	—	(2,877)
Interest and dividend income	137	641	—	—	—	—	—	—	778
Interest and dividend income of CIP	26,088	(26,088)	—	—	—	—	—	—	—
Interest expense of CIP	(17,622)	—	—	—	—	—	—	—	—
Total interest income (expense), net	5,726	(7,825)	—	—	—	—	—	—	(2,099)
Income (Loss) Before Income Taxes	52,912	(906)	—	735	7,532	(8,873)	999	368	52,767
Income tax expense (benefit)	11,978	—	—	201	2,057	(963)	273	868	14,414
Net Income (Loss)	40,934	(906)	—	534	5,475	(7,910)	726	(500)	38,353
Noncontrolling interests	(11,286)	906	—	—	(736)	—	—	8,684	(2,432)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	29,648	—	—	534	4,739	(7,910)	726	8,184	35,921
Earnings (Loss) Per Share - Diluted	3.71								4.49
Weighted Average Shares Outstanding - Diluted	7,997								7,997

RECONCILIATION: U.S. GAAP TO NON-GAAP

YTD 2021 (UNAUDITED)



		Reclassification	Other adjustments					
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Amortization of intangible assets	Seed capital and CLO investments	Acquisition and integration	Other	Non-GAAP Basis
Revenues								
Investment management fees	567,912	7,191	(37,909)	—	—	—	—	537,194
Distribution and service fees	67,091	7	(67,098)	—	—	—	—	—
Administration and shareholder service fees	74,916	113	—	—	—	—	—	75,029
Other income and fees	3,053	—	—	—	—	—	—	3,053
Total revenues	712,972	7,311	(105,007)	—	—	—	—	615,276
Operating Expenses								
Employment expenses	266,734	—	—	—	—	(1,911)	(1,419)	263,404
Distribution and other asset-based expenses	105,007	—	(105,007)	—	—	—	—	—
Other operating expenses	64,326	—	—	—	—	(5,674)	(785)	57,867
Operating expenses of CIP	1,857	(1,857)	—	—	—	—	—	—
Depreciation expense	2,994	—	—	—	—	—	—	2,994
Amortization expense	30,219	—	—	(30,219)	—	—	—	—
Total operating expenses	471,137	(1,857)	(105,007)	(30,219)	—	(7,585)	(2,204)	324,265
Operating Income (Loss)	241,835	9,168	—	30,219	—	7,585	2,204	291,011
Other Income (Expense)								
Realized and unrealized gain (loss) on investments, net	2,881	8,914	—	—	(11,368)	—	—	427
Realized and unrealized gain (loss) of CIP, net	(4,741)	4,741	—	—	—	—	—	—
Other income (expense), net	3,598	—	—	—	—	—	—	3,598
Total other income (expense), net	1,738	13,655	—	—	(11,368)	—	—	4,025
Interest Income (Expense)								
Interest expense	(6,918)	—	—	—	—	—	180	(6,738)
Interest and dividend income	571	2,573	—	—	—	—	—	3,144
Interest and dividend income of CIP	69,315	(69,315)	—	—	—	—	—	—
Interest expense of CIP	(42,342)	42,342	—	—	—	—	—	—
Total interest income (expense), net	20,626	(24,400)	—	—	—	—	180	(3,594)
Income (Loss) Before Income Taxes	264,199	(1,577)	—	30,219	(11,368)	7,585	2,384	291,442
Income tax expense (benefit)	63,377	—	—	8,033	(1,677)	2,017	5,699	77,449
Net Income (Loss)	200,822	(1,577)	—	22,186	(9,691)	5,568	(3,315)	213,993
Noncontrolling interests	(42,531)	1,577	—	(2,208)	—	—	33,963	(9,199)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	158,291	—	—	19,978	(9,691)	5,568	30,648	204,794
Earnings (Loss) Per Share - Diluted	19.72							25.51
Weighted Average Shares Outstanding - Diluted	8,028							8,028

RECONCILIATION: U.S. GAAP TO NON-GAAP

YTD 2020 (UNAUDITED)



		Reclassification	Other adjustments						
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Restructuring and Severance	Amortization of intangible assets	Seed capital and CLO investments	Acquisition and integration	Other	Non-GAAP Basis
Revenues									
Investment management fees	360,623	6,727	(28,170)	—	—	—	—	—	339,180
Distribution and service fees	28,146	8	(28,154)	—	—	—	—	—	—
Administration and shareholder service fees	43,056	156	—	—	—	—	—	—	43,212
Other income and fees	425	—	—	—	—	—	—	—	425
Total revenues	432,250	6,891	(56,324)	—	—	—	—	—	382,817
Operating Expenses									
Employment expenses	193,772	—	—	—	—	—	(1,170)	(609)	191,993
Distribution and other asset-based expenses	56,324	—	(56,324)	—	—	—	—	—	—
Other operating expenses	52,664	—	—	—	—	—	—	—	52,664
Operating expenses of CIP	9,944	(9,944)	—	—	—	—	—	—	—
Restructuring and severance	1,155	—	—	(1,155)	—	—	—	—	—
Depreciation expense	3,560	—	—	—	—	—	—	—	3,560
Amortization expense	22,598	—	—	—	(22,598)	—	—	—	—
Total operating expenses	340,017	(9,944)	(56,324)	(1,155)	(22,598)	—	(1,170)	(609)	248,217
Operating Income (Loss)	92,233	16,835	—	1,155	22,598	—	1,170	609	134,600
Other Income (Expense)									
Realized and unrealized gain (loss) on investments, net	2,068	(19,047)	—	—	—	16,239	—	—	(740)
Realized and unrealized gain (loss) of CIP, net	(12,733)	12,733	—	—	—	—	—	—	—
Other income (expense), net	806	—	—	—	—	—	—	—	806
Total other income (expense), net	(9,859)	(6,314)	—	—	—	16,239	—	—	66
Interest Income (Expense)									
Interest expense	(9,202)	—	—	—	—	—	—	(704)	(9,906)
Interest and dividend income	1,131	4,168	—	—	—	—	—	—	5,299
Interest and dividend income of CIP	83,951	(83,951)	—	—	—	—	—	—	—
Interest expense of CIP	(70,258)	70,258	—	—	—	—	—	—	—
Total interest income (expense), net	5,622	(9,525)	—	—	—	—	—	(704)	(4,607)
Income (Loss) Before Income Taxes	87,996	996	—	1,155	22,598	16,239	1,170	(95)	130,059
Income tax expense (benefit)	29,847	—	—	316	6,308	349	307	(890)	36,237
Net Income (Loss)	58,149	996	—	839	16,290	15,890	863	795	93,822
Noncontrolling interests	(21,507)	(996)	—	—	(2,219)	—	—	18,852	(5,870)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	36,642	—	—	839	14,071	15,890	863	19,647	87,952
Earnings (Loss) Per Share - Diluted	4.60								11.05
Weighted Average Shares Outstanding - Diluted	7,958								7,958

Non-GAAP financial information differs from financial information determined in accordance with U.S. GAAP as a result of the reclassification of certain income statement items, as well as the exclusion of certain expenses and other items that are not reflective of the earnings generated from providing investment management and related services. Non-GAAP financial information has material limitations and should not be viewed in isolation or as a substitute for U.S. GAAP measures.

Reclassifications:

1. Consolidated investment products - Revenues and expenses generated by operating activities of mutual funds and CLOs that are consolidated in the financial statements. Management believes that excluding these operating activities to reflect net revenues and expenses of the company prior to the consolidation of these products is consistent with the approach of reflecting its operating results from managing third-party client assets.

Revenue related adjustments:

2. Investment management fees/Distribution and service fees - Each of these revenue line items is reduced to exclude fees passed-through to third-party client intermediaries who own the retail client relationship and are responsible for distributing the product and servicing the client. The amount of fees fluctuate each period, based on a predetermined percentage of the value of assets under management, and vary based on the type of investment product. The specific adjustments are as follows:

Investment management fees - Based on specific agreements, the portion of investment management fees passed-through to third-party intermediaries for services to investors in sponsored investment products.

Distribution and service fees - Based on distinct arrangements, fees collected by the Company then passed-through to third-party client intermediaries for services to investors in sponsored investment products. Adjustment represents all of the Company's distribution and service fees which are recorded as a separate line item on the condensed consolidated statements of operations.

Management believes that making these adjustments aids in comparing the company's operating results with other asset management firms that do not utilize third-party client intermediaries.

Other adjustments:

3. Distribution and other asset-based expenses - Primarily payments to third-party client intermediaries for providing services to investors in sponsored investment products. Management believes that making this adjustment aids in comparing the company's operating results with other asset management firms that do not utilize third-party client intermediaries.
4. Amortization of intangible assets - Non-cash amortization expense or impairment expense, if any, attributable to acquisition-related intangible assets, including any portion that is allocated to noncontrolling interests. Management believes that making this adjustment aids in comparing the company's operating results with other asset management firms that have not engaged in acquisitions.
5. Restructuring and severance - Certain expenses associated with restructuring the business, including lease abandonment-related expenses and severance costs associated with staff reductions, that are not reflective of the ongoing earnings generation of the business. Management believes that making this adjustment aids in comparing the company's operating results with prior periods.
6. Acquisition and integration expenses - Expenses that are directly related to acquisition and integration activities. Acquisition expenses include transaction closing costs, certain professional fees, and financing fees. Integration expenses include costs incurred that are directly attributable to combining businesses, including compensation, restructuring and severance charges, professional fees, consulting fees, and other expenses. Management believes that making these adjustments aids in comparing the company's operating results with other asset management firms that have not engaged in acquisitions.
7. Other - Certain expenses that are not reflective of the ongoing earnings generation of the business. Employment expenses and noncontrolling interests are adjusted for fair value measurements of affiliate minority interests. Other operating expenses are adjusted for non-capitalized debt issuance costs. Interest expense is adjusted to remove gains on early extinguishment of debt and the write-off of previously capitalized costs associated with the modification of debt. Income tax expense (benefit) items are adjusted, for uncertain tax positions, changes in tax law, valuation allowances, and other unusual or infrequent items not related to current operating results to reflect a normalized effective rate. Preferred dividends are adjusted as preferred shares were mandatorily converted into common shares on February 1, 2020 and the non-GAAP weighted average shares are adjusted to reflect the conversion. Management believes that making these adjustments aids in comparing the company's operating results with prior periods.
8. Seed capital and CLO investments (gains) losses - Gains and losses (realized and unrealized) of seed capital and CLO investments. Gains and losses (realized and unrealized) generated by investments in seed capital and CLO investments can vary significantly from period to period and do not reflect the Company's operating results from providing investment management and related services. Management believes that making this adjustment aids in comparing the Company's operating results with prior periods and with other asset management firms that do not have meaningful seed capital and CLO investments

FOOTNOTES

(UNAUDITED)

Components of Acquisition and Integration Expenses and Other for the respective periods are shown in the table below:

	<u>Q3 2020</u>	<u>Q4 2020</u>	<u>Q1 2021</u>	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>YTD:20</u>	<u>YTD:21</u>
Acquisition and Integration Expenses							
Employment expenses	\$999	\$(515)	\$867	\$615	\$429	\$1,170	\$1,911
Other operating expenses	—	171	1,780	2,052	1,842	—	5,674
Total Acquisition and Integration Operating Expenses	\$999	\$(344)	\$2,647	\$2,667	\$2,271	\$1,170	\$7,585
	<u>Q3 2020</u>	<u>Q4 2020</u>	<u>Q1 2021</u>	<u>Q2 2021</u>	<u>Q3 2021</u>	<u>YTD:20</u>	<u>YTD:21</u>
Other							
Non-capitalized debt issuance costs	\$—	\$—	\$—	\$—	\$785	\$—	\$785
Employment expense fair value adjustments	368	580	480	494	445	609	1,419
(Gain) / loss on extinguishment or modification of debt	—	—	—	—	180	(704)	180
Tax impact of adjustments	(101)	(158)	(128)	(131)	(373)	34	(632)
Other discrete tax adjustments	(767)	(548)	(2,803)	(1,920)	(344)	856	(5,067)
Affiliate minority interest fair value adjustments	8,684	12,531	13,498	9,624	10,841	18,852	33,963
Total Other	\$8,184	\$12,405	\$11,047	\$8,067	\$11,534	\$19,647	\$30,648

