THIRD QUARTER EARNINGS PRESENTATION

October 27, 2023

George R. Aylward
President and Chief Executive Officer

Michael A. Angerthal
Executive Vice President and Chief Financial Officer

IMPORTANT DISCLOSURES

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 2022 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) inability to achieve expected benefits of strategic transactions; (iii) withdrawal, renegotiation or termination of investment advisory agreements; (iv) damage to our reputation; (v) inability to satisfy financial debt covenants and required payments; (vi) inability to attract and retain key personnel; (vii) challenges from competition; (viii) adverse developments related to unaffiliated subadvisers; (ix) negative changes in key distribution relationships; (x) interruptions, breaches, or failures of technology systems; (xi) loss on our investments; (xii) lack of sufficient capital on satisfactory terms; (xiii) adverse regulatory and legal developments; (xiv) failure to comply with investment guidelines or other contractual requirements; (xv) adverse civil litigation, government investigations, or proceedings; (xvi) unfavorable changes in tax laws or limitations; (xvii) inability to make common stock dividend payments; (xviii) impediments from certain corporate governance provisions; (xix) losses or costs not covered by insurance; (xx) impairment of goodwill or other 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 2022 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.

AGENDA

- Overview of Quarter
- Results
- Q & A Session

OVERVIEW OF QUARTER

Assets and Flows

- Assets under management (AUM) of $162.5 billion decreased from $168.3 billion primarily due to market performance and open-end fund net outflows
- Sales of $5.8 billion declined due to institutional, which had a large mandate in the prior quarter; higher sales in retail separate accounts and open-end funds
- Net flows of ($1.5) billion largely due to U.S. retail fund net outflows; positive net flows in retail separate accounts, global funds, and ETFs

Non-GAAP Financial Results

- Operating income, as adjusted, of $67.0 million, up 9%
- Operating margin, as adjusted, of 33.9%, up 160 basis points
- Earnings per diluted share, as adjusted, of $6.21, up 14%

Capital Activities

- Increased quarterly dividend 15% to $1.90 per share; sixth consecutive annual increase
- Repurchased 74,015 shares for $15.0 million and repaid $20 million of debt
- Invested $26.0 million to sponsor a new CLO and $21.0 million to increase affiliate investment

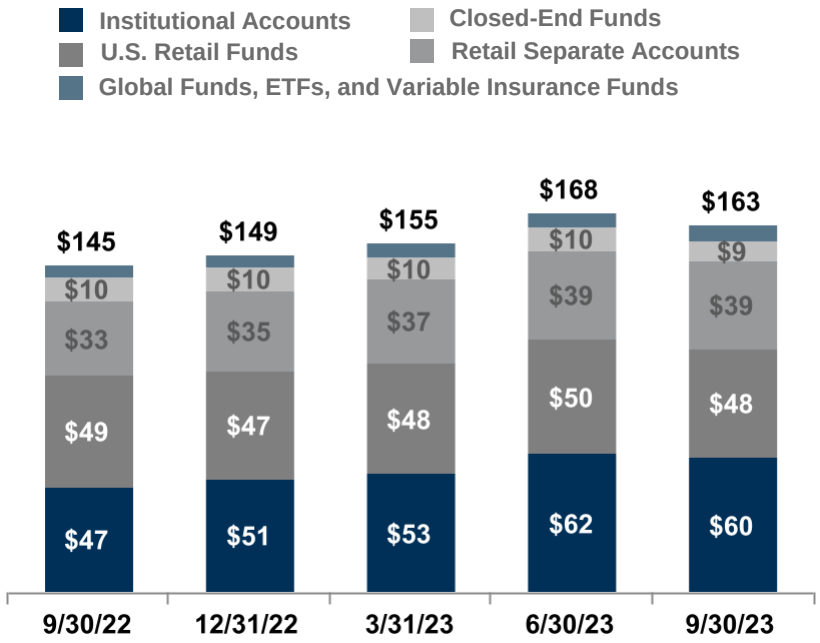
All comparisons to prior quarter unless otherwise noted
See the financial supplement for U.S. GAAP to Non-GAAP (“as adjusted”) reconciliations and related notes

RESULTS

ASSETS UNDER MANAGEMENT

BROADLY DIVERSIFIED

- AUM of $162.5 billion decreased from $168.3 billion due to:
  - ($3.6) billion of market performance
  - ($1.5) billion of net flows
- Diversified by product type
  - Institutional 37%, up from 32% a year ago
  - U.S. retail funds 29%
  - Retail separate accounts 24%
- Diversified within asset classes
  - Domestic equity comprised 37% mid-cap, 32% large-cap, and 31% small-cap
  - Fixed income diversified across duration, credit quality, and domicile
- Non-U.S. clients represented 17% of AUM



AUM by Asset Class				
Equity				
53.8%	54.8%	56.5%	54.2%	54.1%
Fixed Income				
25.4%	24.7%	23.6%	22.8%	23.0%
Multi-Asset[1]				
13.4%	13.4%	13.3%	12.4%	12.3%
Alternatives[2]				
7.4%	7.1%	6.6%	10.6%	10.6%

$ in billions

All comparisons to prior quarter unless otherwise noted

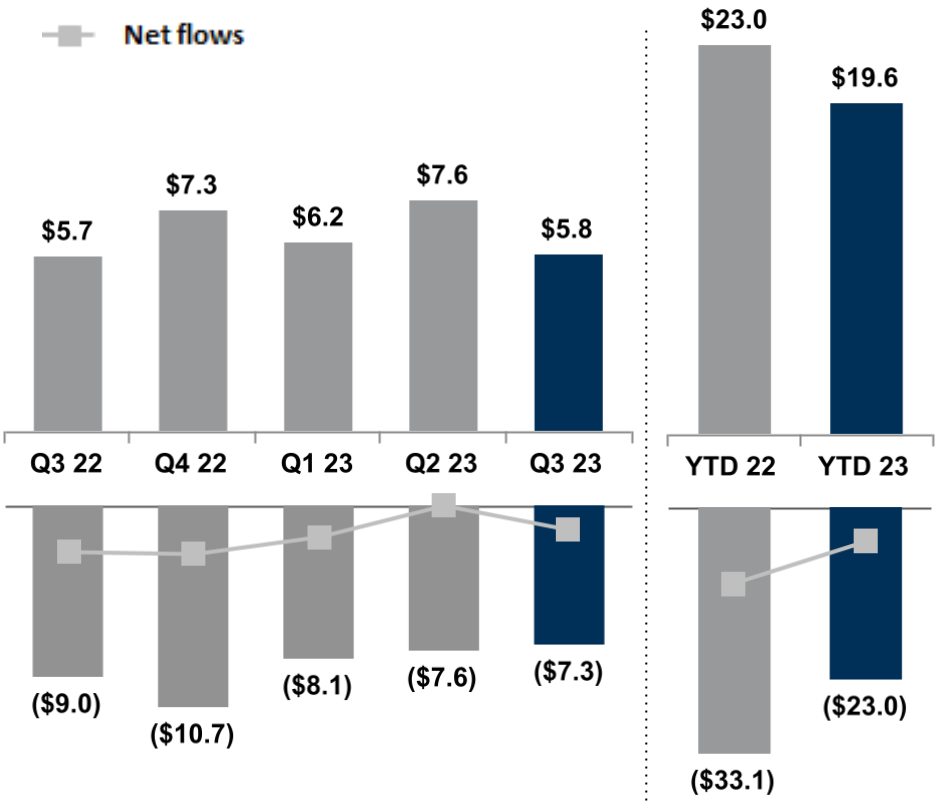
[1] Consists of strategies and client accounts with substantial holdings in at least two of the following asset classes: equity, fixed income, and alternatives

[2] Consists of managed futures, event-driven, real estate securities, infrastructure, long/short, and other strategies

ASSET FLOWS

HIGHER RETAIL SALES

- Sales of $5.8 billion declined from $7.6 billion
  - Institutional sales of $1.3 billion decreased due to large prior-quarter mandate
  - Retail separate account sales of $1.8 billion increased 37% due to strong small/mid cap sales
  - Open-end fund sales of $2.7 billion increased 5% primarily due to alternatives and fixed income
- Net flows of ($1.5) billion
  - Institutional net flows of ($0.4) billion declined from $2.2 billion due to the prior quarter funding
  - Retail separate accounts net flows of $0.3 billion improved from ($0.1) billion; positive net flows in both intermediary sold and private client
  - Open-end fund net flows of ($1.5) billion improved from ($2.1) billion; positive net flows in small/mid cap and global equity



Metrics						
Net Flows						
($3.3)	($3.4)	($1.9)	$—	($1.5)	($10.0)	($3.4)
Net Flow Rate[1]						
(8.5%)	(9.3%)	(5.1%)	—%	(3.5%)	(7.2%)	(3.1%)

$ in billions

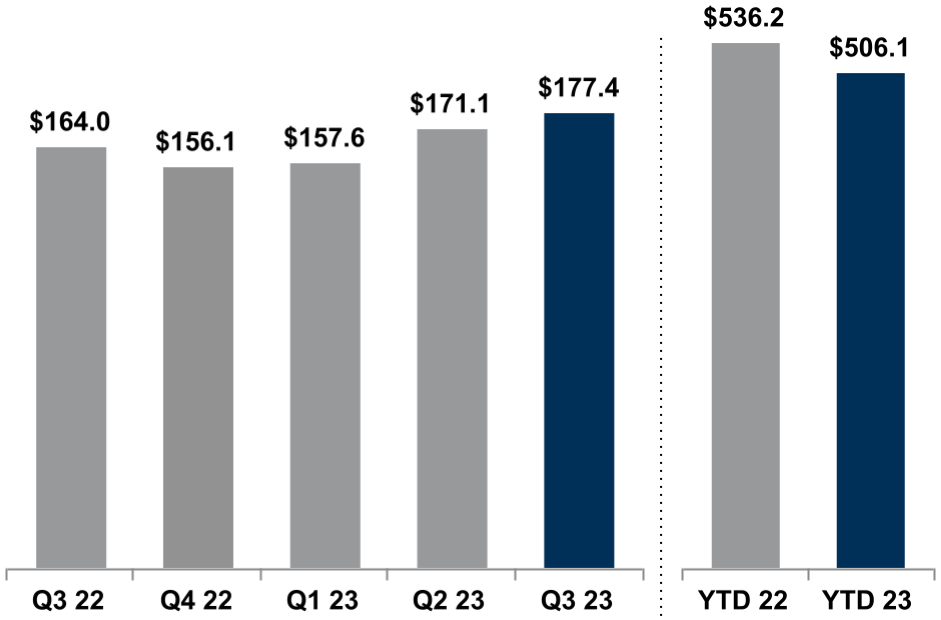
All comparisons to prior quarter unless otherwise noted

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

INVESTMENT MANAGEMENT FEES, AS ADJUSTED

INCREASED AVERAGE ASSETS

- Investment management fees, as adjusted, increased by $6.3 million, or 4%, due to:
  - Higher average AUM
  - Stable average fee rate
- Average fee rate of 42.0 bps compared with 42.2 bps
- Average fee rate by product:
  - Institutional: 30.3 bps, down 1.3 bps
  - Retail separate accounts: 43.3 bps, down 0.8 bps
  - Open-end funds: 51.1 bps, up 1.8 bps



Metrics						
Revenues, as adjusted						
$185.7	$176.3	$176.9	$190.6	$197.5	$606.7	$564.9
Fee Rate[1] – BPS						
41.5	41.7	42.0	42.2	42.0	41.5	42.1
Average AUM						
$157.1	$148.6	$152.4	$163.0	$167.9	$172.9	$161.1

$ in millions, except AUM, which is in billions

All comparisons to prior quarter unless otherwise noted

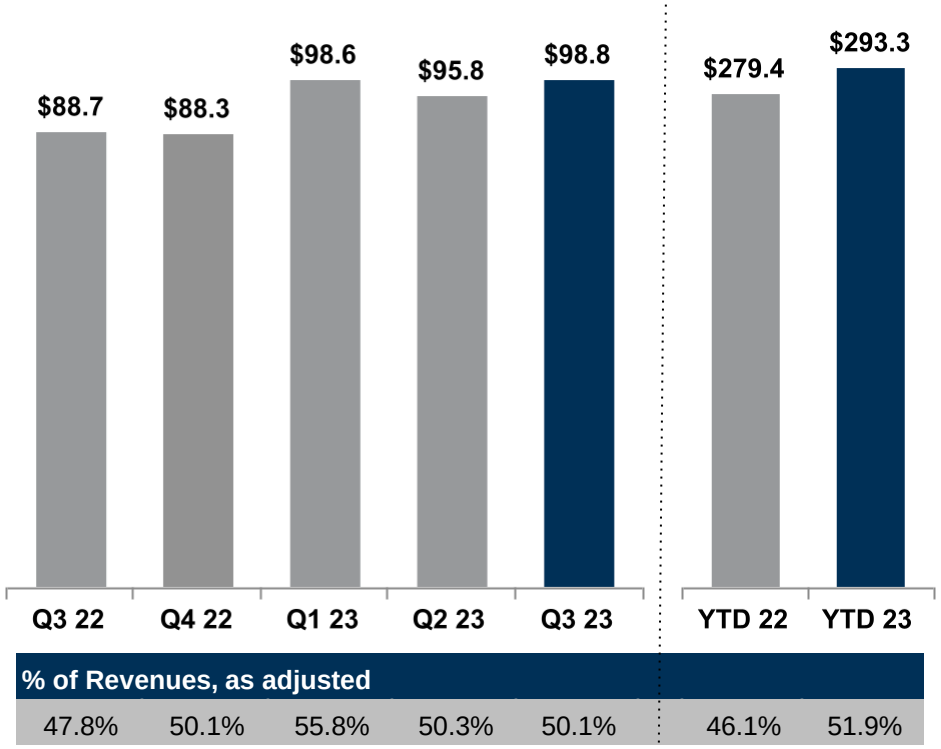
[1] Represents investment management fees, as adjusted, divided by average assets. Investment management fees, as adjusted, exclude those of consolidated investment products and are reduced by revenue-related adjustments on specific agreements to reflect the portion passed-through to third-party client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

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

EMPLOYMENT EXPENSES, AS ADJUSTED

RATIO STABLE SEQUENTIALLY

- Employment expenses, as adjusted, increased by $3.0 million to $98.8 million primarily due to higher:
  - Profit-based affiliate incentive compensation
  - Stock-based performance-related incentive compensation
  - Sales-based incentive compensation
- Employment expenses, as adjusted, as a percentage of revenues, as adjusted, declined to 50.1%



$ in millions

All comparisons to prior quarter unless otherwise noted

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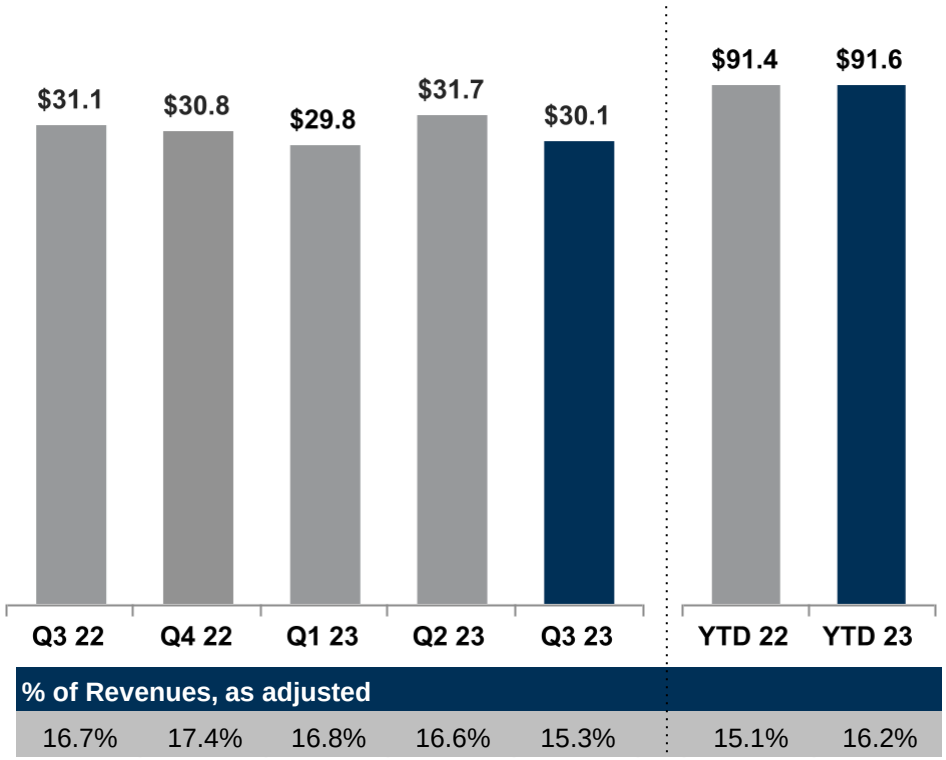
OTHER OPERATING EXPENSES, AS ADJUSTED

REFLECTS EXPENSE MANAGEMENT

- Other operating expenses, as adjusted, of $30.1 million decreased $1.6 million, or 5%, primarily due to:
  - Prior-quarter annual equity grants to Board of Directors
  - Continued close management of all discretionary expenditures
- Other operating expenses, as adjusted, as a percentage of revenues, as adjusted, of 15.3% decreased from 16.6%



$ in millions

All comparisons to prior quarter unless otherwise noted

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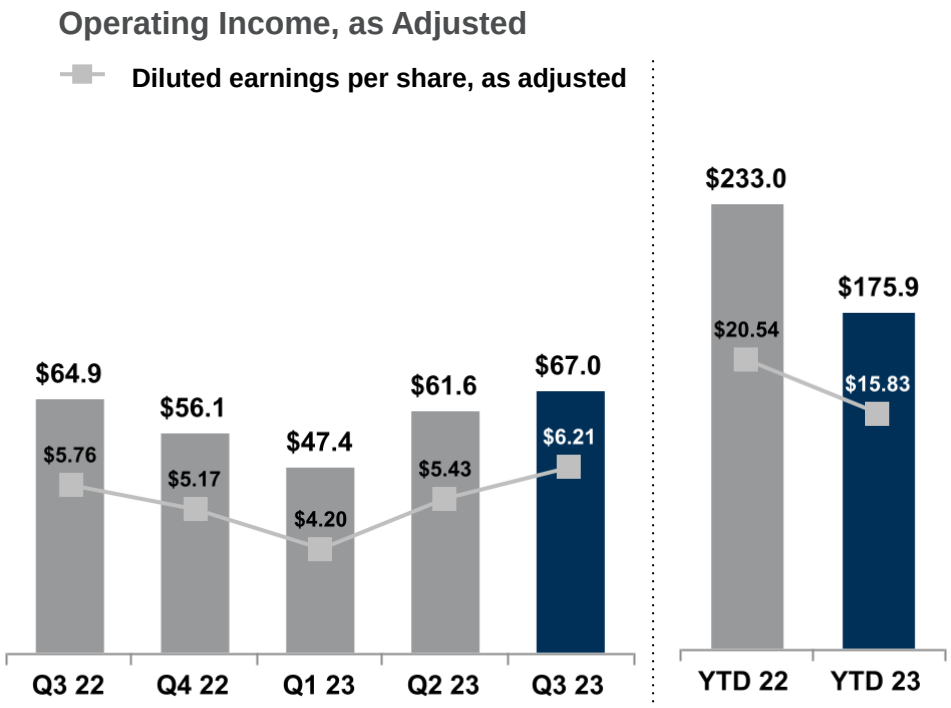
NON-GAAP RESULTS

HIGHER EARNINGS AND MARGIN

- Operating margin, as adjusted, of 33.9% compared with 32.3% due to higher revenues and stable operating expenses
- Interest income increased primarily due to interest on the CLO issued in 4Q22
- Diluted EPS, as adjusted, of $6.21 increased 14% from $5.43



Metrics						
Net Income, as adjusted						
$43.0	$38.3	$31.1	$40.1	$45.8	$156.8	$117.0
Operating Margin, as adjusted						
35.0%	31.8%	26.8%	32.3%	33.9%	38.4%	31.1%

$ in millions, except per share data

All comparisons to prior quarter unless otherwise noted

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

CAPITAL AND SELECT BALANCE SHEET

RETURNED CAPITAL AND REPAID DEBT

- Working capital of $73.4 million compared with $124.0 million; cash earnings were more than offset by:
  - Capital return and debt repayment
  - $26 million to sponsor a new CLO
  - $21 million to increase ownership in affiliate
- Raised quarterly dividend 15% to $1.90 per share and repurchased 74,015 shares for $15.0 million
- Repaid $20.0 million of credit facility; $20.0 million remains outstanding
- Amortization cash tax benefit of ~$19 million annually over 10 years

	9/30/22	12/31/22	3/31/23	6/30/23	9/30/23
Cash and cash equivalents	$309	$338	$213	$201	$195
Investments - seed capital[1]	$120	$128	$128	$126	$126
Investments - other[2]	$73	$95	$105	$117	$145
Gross debt[3]	$262	$262	$261	$300	$280
Contingent consideration[4]	$134	$128	$101	$94	$94
Redeemable noncontrolling interests[5]	$108	$95	$88	$88	$71
Total equity exc. noncontrolling interests	$799	$817	$838	$852	$862
Working capital[6]	$195	$181	$184	$124	$73
Common shares outstanding	*7.232*	*7.182*	*7.288*	*7.255*	*7.183*

Metrics					
Net Debt (Cash)[7]	($47)	($77)	$47	$99	$84
EBITDA[8]	$73	$66	$59	$74	$81
Gross Debt to EBITDA[8]	0.7x	0.8x	0.9x	1.1x	1.0x
Net Debt (Cash)[7] to EBITDA[8]	(0.1x)	(0.2x)	0.2x	0.4x	0.3x

$ and shares in millions

All comparisons to prior quarter unless otherwise noted

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

[2] Represents investments in collateralized loan obligations ("CLOs") and funds that are not seed capital investments

[3] Excludes deferred financing costs

[4] Represents estimates of revenue participation and contingent payments

[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)

	Q3:22	Q4:22	Q1:23	Q2:23	Q3:23	YTD:22	YTD:23
Revenues, As Adjusted							
Investment management fees, as adjusted	$163,997	$156,121	$157,636	$171,097	$177,387	$536,182	$506,120
Administration and shareholder service fees, as adjusted	20,587	19,005	18,389	18,273	19,064	66,961	55,726
Other income and fees, as adjusted	1,102	1,144	884	1,185	1,000	3,516	3,069
Total revenues, as adjusted	$185,686	$176,270	$176,909	$190,555	$197,451	$606,659	$564,915
Operating Expenses, As Adjusted							
Employment expenses, as adjusted	$88,716	$88,313	$98,634	$95,813	$98,844	$279,405	$293,291
Other operating expenses, as adjusted	31,096	30,756	29,765	31,701	30,123	91,381	91,589
Depreciation and other amortization, as adjusted	938	1,088	1,145	1,485	1,504	2,835	4,134
Total operating expenses, as adjusted	$120,750	$120,157	$129,544	$128,999	$130,471	$373,621	$389,014
Operating Income (Loss), As Adjusted	**$64,936**	**$56,113**	**$47,365**	**$61,556**	**$66,980**	**$233,038**	**$175,901**

$ 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. Reconciliations to the most directly comparable U.S. GAAP measures and other important disclosures are provided later in this presentation.

NON-GAAP INFORMATION

INCOME STATEMENT[1] (CONTINUED) (UNAUDITED)

	Q3:22	Q4:22	Q1:23	Q2:23	Q3:23	YTD:22	YTD:23
Other Income (Expense), As Adjusted							
Realized and unrealized gain (loss) on investments, net, as adjusted	($782)	$572	($60)	($220)	($297)	($3,941)	($577)
Other income, net, as adjusted	(659)	(352)	(343)	(847)	128	199	(1,062)
Total other income (expense), as adjusted	($1,441)	$220	($403)	($1,067)	($169)	($3,742)	($1,639)
Interest Income (Expense), As Adjusted							
Interest expense, as adjusted	($3,557)	($4,512)	($5,005)	($6,217)	($6,222)	($8,661)	($17,444)
Interest and dividend income, as adjusted	2,210	3,689	4,257	4,372	5,848	5,515	14,477
Total interest income (expense), net, as adjusted	($1,347)	($823)	($748)	($1,845)	($374)	($3,146)	($2,967)
Pre-Tax Income (Loss), As Adjusted	**$62,148**	**$55,510**	**$46,214**	**$58,644**	**$66,437**	**$226,150**	**$171,295**
Income tax expense (benefit), as adjusted	16,755	15,153	12,925	16,080	18,178	61,234	47,183
Net Income (Loss), As Adjusted	**$45,393**	**$40,357**	**$33,289**	**$42,564**	**$48,259**	**$164,916**	**$124,112**
Noncontrolling interests, as adjusted	(2,393)	(2,018)	(2,185)	(2,481)	(2,436)	(8,093)	(7,102)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc., As Adjusted	**$43,000**	**$38,339**	**$31,104**	**$40,083**	**$45,823**	**$156,823**	**$117,010**
Weighted average shares outstanding - diluted, as adjusted	7,463	7,419	7,410	7,385	7,379	7,636	7,393
Earnings (Loss) Per Share - Diluted, As Adjusted	**$5.76**	**$5.17**	**$4.20**	**$5.43**	**$6.21**	**$20.54**	**$15.83**

$ and shares in thousands

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NON-GAAP INFORMATION

BALANCE SHEET[1] (UNAUDITED)

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023
Assets:					
Cash and cash equivalents	$309,248	$338,234	$213,424	$201,462	$195,403
Investments – seed capital	119,818	128,038	127,707	126,119	126,017
Investments – other	72,547	95,493	104,767	117,265	145,449
Investments – long term	25,111	23,332	35,009	34,028	33,885
Accounts receivable, net	105,958	100,873	100,022	106,812	108,233
Furniture, equipment, and leasehold improvements, net	19,237	19,123	19,440	23,234	25,503
Intangible assets, net	467,476	442,519	428,128	467,783	452,338
Goodwill	348,836	348,836	348,836	397,098	397,098
Deferred taxes, net	24,979	23,171	21,696	23,199	23,659
Other assets	92,532	94,944	90,399	98,787	97,809
Total Assets	**$1,585,742**	**$1,614,563**	**$1,489,428**	**$1,595,787**	**$1,605,394**

$ 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)

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023
Liabilities and Equity					
Liabilities:					
Accrued compensation and benefits	$145,361	$181,805	$69,103	$117,681	$161,745
Accounts payable and accrued liabilities	37,758	33,200	38,564	39,375	32,740
Dividends payable	15,357	15,812	14,822	14,576	16,860
Other liabilities	90,698	87,827	84,945	96,388	93,134
Debt[2]	255,428	255,025	254,621	294,218	273,815
Contingent consideration[3]	133,628	128,400	101,221	94,421	94,421
Total Liabilities	**$678,230**	**$702,069**	**$563,276**	**$656,659**	**$672,715**
Redeemable noncontrolling interests	$108,282	$95,450	$88,211	$87,619	$70,550
Equity:					
Total equity exc. noncontrolling interests	799,230	817,044	837,941	851,509	862,129
Total Liabilities and Equity	**$1,585,742**	**$1,614,563**	**$1,489,428**	**$1,595,787**	**$1,605,394**
Working Capital[4]	**$195,166**	**$180,556**	**$184,354**	**$123,973**	**$73,388**

$ 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 estimates of revenue participation and contingent payments

[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 revenue participation amounts earned as of the balance sheet date and due within 12 months

U.S. GAAP INFORMATION

INCOME STATEMENT (UNAUDITED)

	Q3:22	Q4:22	Q1:23	Q2:23	Q3:23	YTD:22	YTD:23
Revenues							
Investment management fees	$172,850	$163,648	$164,478	$179,979	$184,869	$564,691	$529,326
Distribution and service fees	15,746	14,606	14,153	14,132	14,333	52,912	42,618
Administration and shareholder service fees	20,563	18,973	18,359	18,240	19,069	66,889	55,668
Other income and fees	1,102	1,144	884	1,185	1,000	3,516	3,069
Total revenues	$210,261	$198,371	$197,874	$213,536	$219,271	$688,008	$630,681
Operating Expenses							
Employment expenses	$88,230	$87,676	$98,614	$104,694	$101,587	$283,583	$304,895
Distribution and other asset-based expenses	26,818	24,365	23,715	25,460	24,157	88,247	73,332
Other operating expenses	31,096	31,811	30,730	33,483	30,494	94,367	94,707
Other operating expenses of CIP[1]	538	2,481	700	360	553	1,927	1,613
Restructuring expense	4,015	—	—	—	691	4,015	691
Change in fair value of contingent consideration	—	5,120	—	(6,800)	—	2,900	(6,800)
Depreciation expense	938	1,088	1,145	1,485	1,504	2,835	4,134
Amortization expense	14,609	14,609	14,391	15,808	15,382	43,895	45,581
Total operating expenses	$166,244	$167,150	$169,295	$174,490	$174,368	$521,769	$518,153
Operating Income (Loss)	**$44,017**	**$31,221**	**$28,579**	**$39,046**	**$44,903**	**$166,239**	**$112,528**

$ in thousands

[1] CIP (Consolidated Investment Products) represents the company sponsored and managed investment products for which revenues and expenses are consolidated in the financial statements

U.S. GAAP INFORMATION

INCOME STATEMENT (CONTINUED) *(UNAUDITED)*

	Q3:22	Q4:22	Q1:23	Q2:23	Q3:23	YTD:22	YTD:23
Other Income (Expense)							
Realized and unrealized gain (loss) on investments, net	($2,493)	$3,529	$2,670	$1,717	($1,918)	($16,018)	$2,469
Realized and unrealized gain (loss) of CIP[1], net	(8,440)	4,147	2,596	(4,436)	(1,013)	(43,443)	(2,853)
Other income (expense), net	(659)	(352)	(343)	(847)	128	199	(1,062)
Total other income (expense), net	($11,592)	$7,324	$4,923	($3,566)	($2,803)	($59,262)	($1,446)
Interest Income (Expense)							
Interest expense	($3,557)	($4,512)	($5,005)	($6,217)	($6,222)	($8,661)	($17,444)
Interest and dividend income	1,013	2,578	3,238	2,675	2,872	1,870	8,785
Interest and dividend income of investments of CIP[1]	28,644	35,889	46,814	47,884	49,803	71,436	144,501
Interest expense of CIP[1]	(20,356)	(33,374)	(35,203)	(38,732)	(38,218)	(46,860)	(112,153)
Total interest income (expense), net	$5,744	$581	$9,844	$5,610	$8,235	$17,785	$23,689
Income (Loss) Before Income Taxes	**$38,169**	**$39,126**	**$43,346**	**$41,090**	**$50,335**	**$124,762**	**$134,771**
Income tax expense (benefit)	10,754	13,291	8,703	10,910	12,181	43,969	31,794
Net Income (Loss)	**$27,415**	**$25,835**	**$34,643**	**$30,180**	**$38,154**	**$80,793**	**$102,977**
Noncontrolling interests	4,265	9,565	3,981	77	(7,248)	1,348	(3,190)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	**$31,680**	**$35,400**	**$38,624**	**$30,257**	**$30,906**	**$82,141**	**$99,787**
Weighted average shares outstanding - diluted	7,463	7,419	7,410	7,385	7,379	7,636	7,393
Earnings (Loss) Per Share - Diluted	**$4.25**	**$4.77**	**$5.21**	**$4.10**	**$4.19**	**$10.76**	**$13.50**

$ and shares in thousands

[1] CIP (Consolidated Investment Products) represents the company sponsored and managed investment products for which revenues and expenses are consolidated in the financial statements

ASSETS UNDER MANAGEMENT

BY PRODUCT, ASSET CLASS AND REGION

VIRTUS INVESTMENT PARTNERS

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023
Assets by Product					
U.S. Retail Funds	$49,164	$47,494	$48,111	$50,429	$47,776
Global Funds	3,216	3,443	3,615	4,184	4,140
Exchange Traded Funds	1,262	1,226	1,275	1,337	1,404
Variable Insurance Funds	812	837	864	878	825
Total – Open-End Funds	$54,454	$53,000	$53,865	$56,828	$54,145
Closed-End Funds	$10,146	$10,361	$10,358	$10,166	$9,472
Intermediary Sold Managed Accounts	$27,648	$29,160	$30,675	$31,878	$31,708
Private Client	5,733	6,192	6,722	7,114	6,957
Total – Retail Separate Accounts	$33,381	$35,352	$37,397	$38,992	$38,665
Institutional Separate Accounts	$43,444	$46,908	$49,528	$58,780	$56,613
Structured Products	3,549	3,755	3,701	3,550	3,644
Total – Institutional Accounts	$46,993	$50,663	$53,229	$62,330	$60,257
Total	**$144,974**	**$149,376**	**$154,849**	**$168,316**	**$162,539**
Assets by Asset Class					
Equity	$78,034	$81,894	$87,511	$91,211	$87,984
Fixed Income	36,910	36,903	36,596	38,361	37,352
Multi-Asset[1]	19,364	19,937	20,597	20,914	19,937
Alternatives[2]	10,666	10,642	10,145	17,830	17,266
Total	**$144,974**	**$149,376**	**$154,849**	**$168,316**	**$162,539**
Assets by Region					
U.S.	$123,113	$125,287	$129,675	$139,586	$134,743
Non-U.S.	21,861	24,089	25,174	28,730	27,795
Total	**$144,974**	**$149,376**	**$154,849**	**$168,316**	**$162,539**

$ in millions

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

[2] Consists of managed futures, event-driven, real estate securities, infrastructure, long/short, and other strategies

ASSETS UNDER MANAGEMENT

BY PRODUCT AND ASSET CLASS

	Open-End Funds	Closed-End Funds	Retail Separate Accounts	Institutional Accounts	Total as of 9/30/2023
Equity:					
Domestic Equity	$18,602	$—	$29,446	$21,930	$69,978
International Equity	3,511	—	78	1,433	5,022
Global Equity	1,685	—	387	7,406	9,478
Specialty Equity[1]	2,660	770	76	—	3,506
Total Equity	$26,458	$770	$29,987	$30,769	$87,984
Fixed Income:					
Leveraged Finance	$2,927	$—	$1,395	$4,984	$9,306
Multi-Sector	7,676	138	—	1,251	9,065
Emerging Markets Debt	823	151	—	5,326	6,300
Investment Grade	691	85	415	8,249	9,440
Hybrid	2,081	1,160	—	—	3,241
Total Fixed Income	$14,198	$1,534	$1,810	$19,810	$37,352
Multi-Asset[2]	$5,538	$6,619	$6,867	$913	$19,937
Alternatives[3]	$7,951	$549	$1	$8,765	$17,266
Total	**$54,145**	**$9,472**	**$38,665**	**$60,257**	**$162,539**

$ in millions

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

[2] Consists of strategies and client accounts with substantial holdings in at least two of the following asset classes: equity, fixed income, and alternatives

[3] Consists of managed futures, event-driven, real estate securities, infrastructure, long/short, and other strategies

ASSET FLOWS
TOTAL

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	YTD:22	YTD:23
Total							
Beginning balance	$155,420	$144,974	$149,376	$154,849	$168,316	$187,186	$149,376
Inflows	5,723	7,251	6,234	7,576	5,810	23,042	19,620
Outflows	(9,037)	(10,652)	(8,127)	(7,604)	(7,309)	(33,084)	(23,040)
Net Flows	(3,314)	(3,401)	(1,893)	(28)	(1,499)	(10,042)	(3,420)
Market performance	(6,646)	8,814	7,848	6,285	(3,624)	(45,897)	10,509
Other[1]	(486)	(1,011)	(482)	7,210	(654)	13,727	6,074
Ending Balance - Total	**$144,974**	**$149,376**	**$154,849**	**$168,316**	**$162,539**	**$144,974**	**$162,539**
Inflow Rate[2]	*14.6 %*	*19.8 %*	*16.9 %*	*19.6 %*	*13.7 %*	*16.5 %*	*17.6 %*
Outflow Rate[2]	*(23.1)%*	*(29.1)%*	*(22.0)%*	*(19.6)%*	*(17.2)%*	*(23.7)%*	*(20.7)%*
Net Flow Rate[2]	*(8.5)%*	*(9.3)%*	*(5.1)%*	*— %*	*(3.5)%*	*(7.2)%*	*(3.1)%*

$ 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 of non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), current income or capital returned by structured products and the use of leverage

[2] Annualized flows divided by beginning of period AUM

ASSET FLOWS
BY PRODUCT

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	YTD:22	YTD:23
U.S. Retail Funds							
Beginning balance	$53,838	$49,164	$47,494	$48,111	$50,429	$74,616	$47,494
Inflows	2,494	2,716	2,805	2,128	2,382	10,030	7,315
Outflows	(5,310)	(6,317)	(4,562)	(4,547)	(3,954)	(20,422)	(13,063)
Net Flows	(2,816)	(3,601)	(1,757)	(2,419)	(1,572)	(10,392)	(5,748)
Market performance	(1,678)	2,362	2,470	1,898	(906)	(16,246)	3,462
Other[1]	(180)	(431)	(96)	2,839	(175)	1,186	2,568
Ending Balance	**$49,164**	**$47,494**	**$48,111**	**$50,429**	**$47,776**	**$49,164**	**$47,776**
Global Funds[2]							
Beginning balance	$3,483	$3,216	$3,443	$3,615	$4,184	$1,418	$3,443
Inflows	284	205	61	343	172	510	576
Outflows	(283)	(327)	(79)	(74)	(99)	(837)	(252)
Net Flows	1	(122)	(18)	269	73	(327)	324
Market performance	(267)	350	190	171	(116)	(1,181)	245
Other[1]	(1)	(1)	—	129	(1)	3,306	128
Ending Balance	**$3,216**	**$3,443**	**$3,615**	**$4,184**	**$4,140**	**$3,216**	**$4,140**

$ 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 of non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), current income or capital returned by structured products and the use of leverage

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

ASSET FLOWS
BY PRODUCT (CONTINUED)

	12/31/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	YTD:22	YTD:23
Exchange Traded Funds							
Beginning balance	$1,287	$1,262	$1,226	$1,275	$1,337	$1,479	$1,226
Inflows	91	98	137	70	124	353	331
Outflows	(63)	(163)	(119)	(41)	(52)	(330)	(212)
Net Flows	28	(65)	18	29	72	23	119
Market performance	(30)	47	60	59	18	(169)	137
Other[1]	(23)	(18)	(29)	(26)	(23)	(71)	(78)
Ending Balance	**$1,262**	**$1,226**	**$1,275**	**$1,337**	**$1,404**	**$1,262**	**$1,404**
Variable Insurance Funds							
Beginning balance	$871	$812	$837	$864	$878	$1,193	$837
Inflows	11	10	8	9	9	63	26
Outflows	(33)	(32)	(32)	(30)	(32)	(121)	(94)
Net Flows	(22)	(22)	(24)	(21)	(23)	(58)	(68)
Market performance	(37)	47	51	35	(30)	(323)	56
Other[1]	—	—	—	—	—	—	—
Ending Balance	**$812**	**$837**	**$864**	**$878**	**$825**	**$812**	**$825**
Total Open-End Funds							
Beginning balance	$59,479	$54,454	$53,000	$53,865	$56,828	$78,706	$53,000
Inflows	2,880	3,029	3,011	2,550	2,687	10,956	8,248
Outflows	(5,689)	(6,839)	(4,792)	(4,692)	(4,137)	(21,710)	(13,621)
Net Flows	(2,809)	(3,810)	(1,781)	(2,142)	(1,450)	(10,754)	(5,373)
Market performance	(2,012)	2,806	2,771	2,163	(1,034)	(17,919)	3,900
Other[1]	(204)	(450)	(125)	2,942	(199)	4,421	2,618
Ending Balance	**$54,454**	**$53,000**	**$53,865**	**$56,828**	**$54,145**	**$54,454**	**$54,145**

$ 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 of non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), current income or capital returned by structured products and the use of leverage

ASSET FLOWS
BY PRODUCT (CONTINUED)

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	YTD:22	YTD:23
Closed-End Funds							
Beginning balance	$10,645	$10,146	$10,361	$10,358	$10,166	$12,068	$10,361
Inflows	157	2	4	20	—	189	24
Outflows	—	—	—	—	—	—	—
Net Flows	157	2	4	20	—	189	24
Market performance	(531)	631	205	(1)	(504)	(1,977)	(300)
Other[1]	(125)	(418)	(212)	(211)	(190)	(134)	(613)
Ending Balance	**$10,146**	**$10,361**	**$10,358**	**$10,166**	**$9,472**	**$10,146**	**$9,472**

$ 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 of non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), current income or capital returned by structured products and the use of leverage

ASSET FLOWS
BY PRODUCT (CONTINUED)

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	YTD:22	YTD:23
Intermediary Sold Managed Accounts							
Beginning balance	$29,425	$27,648	$29,160	$30,675	$31,878	$37,621	$29,160
Inflows	886	889	1,021	1,065	1,661	3,750	3,747
Outflows	(1,252)	(1,404)	(1,159)	(1,268)	(1,353)	(4,257)	(3,780)
Net Flows	(366)	(515)	(138)	(203)	308	(507)	(33)
Market performance	(1,411)	2,027	1,653	1,406	(478)	(9,466)	2,581
Other[1]	—	—	—	—	—	—	—
Ending Balance	**$27,648**	**$29,160**	**$30,675**	**$31,878**	**$31,708**	**$27,648**	**$31,708**
Private Client							
Beginning balance	$5,823	$5,733	$6,192	$6,722	$7,114	$6,917	$6,192
Inflows	293	332	346	281	188	739	815
Outflows	(166)	(247)	(129)	(166)	(171)	(532)	(466)
Net Flows	127	85	217	115	17	207	349
Market performance	(217)	374	313	277	(174)	(1,391)	416
Other[1]	—	—	—	—	—	—	—
Ending Balance	**$5,733**	**$6,192**	**$6,722**	**$7,114**	**$6,957**	**$5,733**	**$6,957**
Total Retail Separate Accounts							
Beginning balance	$35,248	$33,381	$35,352	$37,397	$38,992	$44,538	$35,352
Inflows	1,179	1,221	1,367	1,346	1,849	4,489	4,562
Outflows	(1,418)	(1,651)	(1,288)	(1,434)	(1,524)	(4,789)	(4,246)
Net Flows	(239)	(430)	79	(88)	325	(300)	316
Market performance	(1,628)	2,401	1,966	1,683	(652)	(10,857)	2,997
Other[1]	—	—	—	—	—	—	—
Ending Balance	**$33,381**	**$35,352**	**$37,397**	**$38,992**	**$38,665**	**$33,381**	**$38,665**

$ 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 of non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), current income or capital returned by structured products and the use of leverage

ASSET FLOWS
BY PRODUCT (CONTINUED)

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	YTD:22	YTD:23
Institutional Separate Accounts							
Beginning balance	$46,440	$43,444	$46,908	$49,528	$58,780	$48,140	$46,908
Inflows	1,507	2,724	1,852	3,660	1,002	7,408	6,514
Outflows	(1,930)	(2,162)	(2,047)	(1,478)	(1,648)	(6,585)	(5,173)
Net Flows	(423)	562	(195)	2,182	(646)	823	1,341
Market performance	(2,512)	2,926	2,834	2,384	(1,497)	(15,244)	3,721
Other[1]	(61)	(24)	(19)	4,686	(24)	9,725	4,643
Ending Balance	**$43,444**	**$46,908**	**$49,528**	**$58,780**	**$56,613**	**$43,444**	**$56,613**
Structured Products							
Beginning balance	$3,608	$3,549	$3,755	$3,701	$3,550	$3,734	$3,755
Inflows	—	275	—	—	272	—	272
Outflows	—	—	—	—	—	—	—
Net Flows	—	275	—	—	272	—	272
Market performance	37	50	72	56	63	100	191
Other[1]	(96)	(119)	(126)	(207)	(241)	(285)	(574)
Ending Balance	**$3,549**	**$3,755**	**$3,701**	**$3,550**	**$3,644**	**$3,549**	**$3,644**
Total Institutional Accounts							
Beginning balance	$50,048	$46,993	$50,663	$53,229	$62,330	$51,874	$50,663
Inflows	1,507	2,999	1,852	3,660	1,274	7,408	6,786
Outflows	(1,930)	(2,162)	(2,047)	(1,478)	(1,648)	(6,585)	(5,173)
Net Flows	(423)	837	(195)	2,182	(374)	823	1,613
Market performance	(2,475)	2,976	2,906	2,440	(1,434)	(15,144)	3,912
Other[1]	(157)	(143)	(145)	4,479	(265)	9,440	4,069
Ending Balance	**$46,993**	**$50,663**	**$53,229**	**$62,330**	**$60,257**	**$46,993**	**$60,257**

$ 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 of non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), current income or capital returned by structured products and the use of leverage

ASSET FLOWS
BY ASSET CLASS

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	YTD:22	YTD:23
Domestic Equity							
Beginning balance	$65,797	$61,537	$64,948	$69,253	$71,984	$87,889	$64,948
Inflows	1,871	3,090	2,988	2,066	2,731	9,092	7,785
Outflows	(3,019)	(4,024)	(3,141)	(3,103)	(3,109)	(11,630)	(9,353)
Net Flows	(1,148)	(934)	(153)	(1,037)	(378)	(2,538)	(1,568)
Market performance	(3,083)	4,560	4,458	3,778	(1,618)	(23,789)	6,618
Other[1]	(29)	(215)	0	(10)	(10)	(25)	(20)
Ending Balance	**$61,537**	**$64,948**	**$69,253**	**$71,984**	**$69,978**	**$61,537**	**$69,978**
International Equity							
Beginning balance	$6,456	$5,537	$5,400	$5,676	$5,590	$10,720	$5,400
Inflows	682	317	351	184	273	1,687	808
Outflows	(921)	(1,011)	(387)	(419)	(566)	(3,630)	(1,372)
Net Flows	(239)	(694)	(36)	(235)	(293)	(1,943)	(564)
Market performance	(678)	563	312	143	(273)	(3,235)	182
Other[1]	(2)	(6)	0	6	(2)	(5)	4
Ending Balance	**$5,537**	**$5,400**	**$5,676**	**$5,590**	**$5,022**	**$5,537**	**$5,022**

$ 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 of non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), current income or capital returned by structured products and the use of leverage

ASSET FLOWS
BY ASSET CLASS (CONTINUED)

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	YTD:22	YTD:23
Global Equity							
Beginning balance	$8,701	$7,519	$8,292	$9,013	$9,835	$11,658	$8,292
Inflows	156	604	419	415	182	1,524	1,016
Outflows	(868)	(462)	(438)	(249)	(367)	(2,109)	(1,054)
Net Flows	(712)	142	(19)	166	(185)	(585)	(38)
Market performance	(470)	634	741	655	(172)	(3,550)	1,224
Other[2]	0	(3)	(1)	1	—	(4)	0
Ending Balance	**$7,519**	**$8,292**	**$9,013**	**$9,835**	**$9,478**	**$7,519**	**$9,478**
Specialty Equity[1]							
Beginning balance	$3,800	$3,441	$3,254	$3,569	$3,802	$6,279	$3,254
Inflows	100	74	100	114	96	439	310
Outflows	(371)	(279)	(178)	(203)	(195)	(1,278)	(576)
Net Flows	(271)	(205)	(78)	(89)	(99)	(839)	(266)
Market performance	(82)	60	414	335	(189)	(2,073)	560
Other[2]	(6)	(42)	(21)	(13)	(8)	74	(42)
Ending Balance	**$3,441**	**$3,254**	**$3,569**	**$3,802**	**$3,506**	**$3,441**	**$3,506**
Total Equity							
Beginning balance	$84,754	$78,034	$81,894	$87,511	$91,211	$116,546	$81,894
Inflows	2,809	4,085	3,858	2,779	3,282	12,742	9,919
Outflows	(5,179)	(5,776)	(4,144)	(3,974)	(4,237)	(18,647)	(12,355)
Net Flows	(2,370)	(1,691)	(286)	(1,195)	(955)	(5,905)	(2,436)
Market performance	(4,313)	5,817	5,925	4,911	(2,252)	(32,647)	8,584
Other[2]	(37)	(266)	(22)	(16)	(20)	40	(58)
Ending Balance	**$78,034**	**$81,894**	**$87,511**	**$91,211**	**$87,984**	**$78,034**	**$87,984**

$ 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 of non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), current income or capital returned by structured products and the use of leverage

ASSET FLOWS
BY ASSET CLASS (CONTINUED)

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	YTD:22	YTD:23
Leveraged Finance							
Beginning balance	$10,816	$10,363	$10,196	$9,836	$9,247	$12,069	$10,196
Inflows	397	700	278	238	544	1,870	1,060
Outflows	(809)	(1,020)	(758)	(765)	(366)	(2,878)	(1,889)
Net Flows	(412)	(320)	(480)	(527)	178	(1,008)	(829)
Market performance	77	285	271	166	132	(703)	569
Other[1]	(118)	(132)	(151)	(228)	(251)	5	(630)
Ending Balance	**$10,363**	**$10,196**	**$9,836**	**$9,247**	**$9,306**	**$10,363**	**$9,306**
Multi-Sector							
Beginning balance	$10,551	$9,851	$9,697	$10,037	$9,231	$9,633	$9,697
Inflows	763	540	775	416	438	1,734	1,629
Outflows	(906)	(1,021)	(720)	(503)	(504)	(2,574)	(1,727)
Net Flows	(143)	(481)	55	(87)	(66)	(840)	(98)
Market performance	(481)	355	290	97	(52)	(1,961)	335
Other[1]	(76)	(28)	(5)	(816)	(48)	3,019	(869)
Ending Balance	**$9,851**	**$9,697**	**$10,037**	**$9,231**	**$9,065**	**$9,851**	**$9,065**
Emerging Markets Debt							
Beginning balance	$7,353	$6,543	$6,648	$6,297	$6,698	$—	$6,648
Inflows	61	180	100	507	63	797	670
Outflows	(470)	(694)	(599)	(226)	(294)	(2,186)	(1,119)
Net Flows	(409)	(514)	(499)	281	(231)	(1,389)	(449)
Market performance	(388)	641	164	124	(169)	(2,450)	119
Other[1]	(13)	(22)	(16)	(4)	2	10,382	(18)
Ending Balance	**$6,543**	**$6,648**	**$6,297**	**$6,698**	**$6,300**	**$6,543**	**$6,300**

$ 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 of non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), current income or capital returned by structured products and the use of leverage

ASSET FLOWS
BY ASSET CLASS (CONTINUED)

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	YTD:22	YTD:23
Investment Grade							
Beginning balance	$6,865	$6,649	$7,029	$7,041	$9,827	$7,177	$7,029
Inflows	372	584	222	2,295	191	673	2,708
Outflows	(331)	(289)	(347)	(208)	(229)	(1,355)	(784)
Net Flows	41	295	(125)	2,087	(38)	(682)	1,924
Market performance	(227)	147	176	(80)	(342)	(823)	(246)
Other[1]	(30)	(62)	(39)	779	(7)	977	733
Ending Balance	**$6,649**	**$7,029**	**$7,041**	**$9,827**	**$9,440**	**$6,649**	**$9,440**
Hybrid							
Beginning balance	$3,737	$3,504	$3,333	$3,385	$3,358	$5,382	$3,333
Inflows	135	128	137	126	113	581	376
Outflows	(258)	(219)	(159)	(101)	(106)	(1,289)	(366)
Net Flows	(123)	(91)	(22)	25	7	(708)	10
Market performance	(41)	72	113	101	(89)	(996)	125
Other[1]	(69)	(152)	(39)	(153)	(35)	(174)	(227)
Ending Balance	**$3,504**	**$3,333**	**$3,385**	**$3,358**	**$3,241**	**$3,504**	**$3,241**
Total Fixed Income							
Beginning balance	$39,322	$36,910	$36,903	$36,596	$38,361	$34,261	$36,903
Inflows	1,728	2,132	1,512	3,582	1,349	5,655	6,443
Outflows	(2,774)	(3,243)	(2,583)	(1,803)	(1,499)	(10,282)	(5,885)
Net Flows	(1,046)	(1,111)	(1,071)	1,779	(150)	(4,627)	558
Market performance	(1,060)	1,500	1,014	408	(520)	(6,933)	902
Other[1]	(306)	(396)	(250)	(422)	(339)	14,209	(1,011)
Ending Balance	**$36,910**	**$36,903**	**$36,596**	**$38,361**	**$37,352**	**$36,910**	**$37,352**

$ 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 of non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), current income or capital returned by structured products and the use of leverage

ASSET FLOWS
BY ASSET CLASS (CONTINUED)

	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	YTD:22	YTD:23
Multi-Asset[1]							
Beginning balance	$20,261	$19,364	$19,937	$20,597	$20,914	$24,853	$19,937
Inflows	599	413	480	301	319	1,559	1,100
Outflows	(515)	(693)	(462)	(461)	(412)	(1,815)	(1,335)
Net Flows	84	(280)	18	(160)	(93)	(256)	(235)
Market performance	(861)	1,105	804	565	(704)	(4,776)	665
Other[2]	(120)	(252)	(162)	(88)	(180)	(457)	(430)
Ending Balance	**$19,364**	**$19,937**	**$20,597**	**$20,914**	**$19,937**	**$19,364**	**$19,937**
Alternatives[3]							
Beginning balance	$11,083	$10,666	$10,642	$10,145	$17,830	$11,526	$10,642
Inflows	587	621	384	914	860	3,086	2,158
Outflows	(569)	(940)	(938)	(1,366)	(1,161)	(2,344)	(3,465)
Net Flows	18	(319)	(554)	(452)	(301)	742	(1,307)
Market performance	(412)	392	105	401	(148)	(1,540)	358
Other[2]	(23)	(97)	(48)	7,736	(115)	(62)	7,573
Ending Balance	**$10,666**	**$10,642**	**$10,145**	**$17,830**	**$17,266**	**$10,666**	**$17,266**

$ in millions

[1] Consists of strategies and client accounts 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 of non-sales related activities such as asset acquisitions/(dispositions), seed capital investments/(withdrawals), current income or capital returned by structured products and the use of leverage

[3] Consists of managed futures, event-driven, real estate securities, infrastructure, long/short, and other strategies

INVESTMENT MANAGEMENT FEES

AVERAGE ASSETS[1] BY PRODUCT

	Q3:22	Q4:22	Q1:23	Q2:23	Q3:23	YTD:22	YTD:23
U.S. Retail Funds	$54,563	$49,752	$48,747	$50,048	$50,000	$61,165	$49,598
Global Funds	3,355	3,032	3,210	3,939	4,261	3,567	3,804
Exchange Traded Funds	1,371	1,243	1,316	1,278	1,382	1,398	1,325
Variable Insurance Funds	896	843	868	855	868	975	864
Total – Open-End Funds	$60,185	$54,870	$54,141	$56,120	$56,511	$67,105	$55,591
Closed-End Funds	$10,971	$10,389	$10,424	$10,224	$10,001	$11,379	$10,216
Intermediary Sold Managed Accounts	$29,425	$27,647	$29,160	$30,675	$31,878	$33,798	$30,571
Private Client	5,823	5,734	6,192	6,722	7,114	6,406	6,676
Total – Retail Separate Accounts	$35,248	$33,381	$35,352	$37,397	$38,992	$40,203	$37,247
Institutional Separate Accounts	$47,127	$46,325	$48,761	$55,691	$58,958	$50,566	$54,470
Structured Products	3,541	3,656	3,683	3,557	3,410	3,599	3,550
Total – Institutional Accounts	$50,668	$49,981	$52,444	$59,248	$62,368	$54,166	$58,020
Total	**$157,072**	**$148,621**	**$152,361**	**$162,989**	**$167,872**	**$172,853**	**$161,074**

$ 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)

	Q3:22	Q4:22	Q1:23	Q2:23	Q3:23	YTD:22	YTD:23
U.S. Retail Funds	49.0	48.7	49.2	51.8	53.2	48.0	51.4
Global Funds	25.8	39.3	38.4	30.3	40.8	32.4	36.5
Exchange Traded Funds	8.6	5.2	8.4	9.5	10.1	9.9	9.4
Variable Insurance Funds	50.8	47.6	51.1	50.5	50.1	51.0	50.6
Total – Open-End Funds	46.8	47.2	47.6	49.3	51.1	46.4	49.4
Closed-End Funds	57.0	57.1	57.1	57.6	58.2	57.4	57.6
Intermediary Sold Managed Accounts	35.5	35.4	36.8	37.0	36.4	36.3	36.8
Private Client	76.2	76.9	79.2	76.3	74.0	78.0	76.4
Total – Retail Separate Accounts	42.2	42.6	44.2	44.1	43.3	42.9	43.9
Institutional Separate Accounts[2]	31.0	31.7	31.3	31.2	29.9	30.8	30.8
Structured Products	34.7	35.8	38.0	37.5	37.8	35.3	37.7
Total – Institutional Accounts[3]	31.3	32.0	31.8	31.6	30.3	31.1	31.2
Total[4]	**41.5**	**41.7**	**42.0**	**42.2**	**42.0**	**41.5**	**42.1**

$ in millions

[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 for the three months ended 09/30/22, 12/31/22, 03/31/23, 06/30/23, and 09/30/23 that increased the fee rate by 0.3, 0.4, 0.2, 0.2 and 0.4 bps, respectively

[3] Includes incentive fees for the three months ended 09/30/22, 12/31/22, 03/31/23, 06/30/23, and 09/30/23 that increased the fee rate by 0.2, 0.4, 0.2, 0.2 and 0.4 bps, respectively

[4] Includes incentive fees for the three months ended 09/30/22, 12/31/22, 03/31/23, 06/30/23, and 09/30/23 that increased the fee rate by 0.1, 0.1, 0.1, 0.1 and 0.1 bps, respectively

RECONCILIATION: U.S. GAAP TO NON-GAAP

Q3 2023 (UNAUDITED)

VIRTUS INVESTMENT PARTNERS

		Reclassification	Other adjustments							
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Amortization of intangible assets	Restructuring expense	Seed capital and CLO investments	Deferred compensation and related investments	Acquisition and integration	Other	Non-GAAP Basis
Revenues										
Investment management fees	184,869	2,341	(9,823)	—	—	—	—	—	—	177,387
Distribution and service fees	14,333	1	(14,334)	—	—	—	—	—	—	—
Administration and shareholder service fees	19,069	(5)	—	—	—	—	—	—	—	19,064
Other income and fees	1,000	—	—	—	—	—	—	—	—	1,000
Total revenues	219,271	2,337	(24,157)	—	—	—	—	—	—	197,451
Operating Expenses										
Employment expenses	101,587	—	—	—	—	—	278	(2,642)	(379)	98,844
Distribution and other asset-based expenses	24,157	—	(24,157)	—	—	—	—	—	—	—
Other operating expenses	30,494	—	—	—	—	—	—	(371)	—	30,123
Operating expenses of CIP	553	(553)	—	—	—	—	—	—	—	—
Restructuring expense	691	—	—	—	(691)	—	—	—	—	—
Depreciation expense	1,504	—	—	—	—	—	—	—	—	1,504
Amortization expense	15,382	—	—	(15,382)	—	—	—	—	—	—
Total operating expenses	174,368	(553)	(24,157)	(15,382)	(691)	—	278	(3,013)	(379)	130,471
Operating Income (Loss)	44,903	2,890	—	15,382	691	—	(278)	3,013	379	66,980
Other Income (Expense)										
Realized and unrealized gain (loss) on investments, net	(1,918)	4,249	—	—	—	(3,146)	518	—	—	(297)
Realized and unrealized gain (loss) of CIP, net	(1,013)	1,013	—	—	—	—	—	—	—	—
Other income (expense), net	128	—	—	—	—	—	—	—	—	128
Total other income (expense), net	(2,803)	5,262	—	—	—	(3,146)	518	—	—	(169)
Interest Income (Expense)										
Interest expense	(6,222)	—	—	—	—	—	—	—	—	(6,222)
Interest and dividend income	2,872	3,004	—	—	—	—	(28)	—	—	5,848
Interest and dividend income of CIP	49,803	(49,803)	—	—	—	—	—	—	—	—
Interest expense of CIP	(38,218)	38,218	—	—	—	—	—	—	—	—
Total interest income (expense), net	8,235	(8,581)	—	—	—	—	(28)	—	—	(374)
Income (Loss) Before Income Taxes	50,335	(429)	—	15,382	691	(3,146)	212	3,013	379	66,437
Income tax expense (benefit)	12,181	—	—	4,209	189	441	58	824	276	18,178
Net Income (Loss)	38,154	(429)	—	11,173	502	(3,587)	154	2,189	103	48,259
Noncontrolling interests	(7,248)	429	—	(570)	—	—	—	—	4,953	(2,436)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	30,906	—	—	10,603	502	(3,587)	154	2,189	5,056	45,823
Earnings (Loss) Per Share - Diluted	4.19									6.21
Weighted Average Shares Outstanding - Diluted	7,379									7,379

$ and share counts in thousands, except per share data; See notes to reconciliations that follow

RECONCILIATION: U.S. GAAP TO NON-GAAP

Q2 2023 (UNAUDITED)

		Reclassification	Other adjustments						
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Amortization of intangible assets	Seed capital and CLO investments	Deferred compensation and related investments	Acquisition and integration	Other	Non-GAAP Basis
Revenues									
Investment management fees	179,979	2,444	(11,326)	—	—	—	—	—	171,097
Distribution and service fees	14,132	2	(14,134)	—	—	—	—	—	—
Administration and shareholder service fees	18,240	33	—	—	—	—	—	—	18,273
Other income and fees	1,185	—	—	—	—	—	—	—	1,185
Total revenues	213,536	2,479	(25,460)	—	—	—	—	—	190,555
Operating Expenses									
Employment expenses	104,694	—	—	—	—	(747)	(8,183)	49	95,813
Distribution and other asset-based expenses	25,460	—	(25,460)	—	—	—	—	—	—
Other operating expenses	33,483	—	—	—	—	—	(1,782)	—	31,701
Operating expenses of CIP	360	(360)	—	—	—	—	—	—	—
Change in fair value of contingent consideration	(6,800)	—	—	—	—	—	6,800	—	—
Depreciation expense	1,485	—	—	—	—	—	—	—	1,485
Amortization expense	15,808	—	—	(15,808)	—	—	—	—	—
Total operating expenses	174,490	(360)	(25,460)	(15,808)	—	(747)	(3,165)	49	128,999
Operating Income (Loss)	39,046	2,839	—	15,808	—	747	3,165	(49)	61,556
Other Income (Expense)									
Realized and unrealized gain (loss) on investments, net	1,717	432	—	—	(1,057)	(1,312)	—	—	(220)
Realized and unrealized gain (loss) of CIP, net	(4,436)	4,436	—	—	—	—	—	—	—
Other income (expense), net	(847)	—	—	—	—	—	—	—	(847)
Total other income (expense), net	(3,566)	4,868	—	—	(1,057)	(1,312)	—	—	(1,067)
Interest Income (Expense)									
Interest expense	(6,217)	—	—	—	—	—	—	—	(6,217)
Interest and dividend income	2,675	1,728	—	—	—	(31)	—	—	4,372
Interest and dividend income of CIP	47,884	(47,884)	—	—	—	—	—	—	—
Interest expense of CIP	(38,732)	38,732	—	—	—	—	—	—	—
Total interest income (expense), net	5,610	(7,424)	—	—	—	(31)	—	—	(1,845)
Income (Loss) Before Income Taxes	41,090	283	—	15,808	(1,057)	(596)	3,165	(49)	58,644
Income tax expense (benefit)	10,910	—	—	4,334	(497)	(163)	868	628	16,080
Net Income (Loss)	30,180	283	—	11,474	(560)	(433)	2,297	(677)	42,564
Noncontrolling interests	77	(283)	—	(699)	—	—	—	(1,576)	(2,481)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	30,257	—	—	10,775	(560)	(433)	2,297	(2,253)	40,083
Earnings (Loss) Per Share - Diluted	4.10								5.43
Weighted Average Shares Outstanding - Diluted	7,385								7,385

$ and share counts in thousands, except per share data; See notes to reconciliations that follow

RECONCILIATION: U.S. GAAP TO NON-GAAP

Q1 2023 (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	164,478	2,719	(9,561)	—	—	—	—	157,636
Distribution and service fees	14,153	1	(14,154)	—	—	—	—	—
Administration and shareholder service fees	18,359	30	—	—	—	—	—	18,389
Other income and fees	884	—	—	—	—	—	—	884
Total revenues	197,874	2,750	(23,715)	—	—	—	—	176,909
Operating Expenses								
Employment expenses	98,614	—	—	—	—	—	592	98,634
Distribution and other asset-based expenses	23,715	—	(23,715)	—	—	—	—	—
Other operating expenses	30,730	—	—	—	—	(965)	—	29,765
Operating expenses of CIP	700	(700)	—	—	—	—	—	—
Change in fair value of contingent consideration	—	—	—	—	—	—	—	—
Depreciation expense	1,145	—	—	—	—	—	—	1,145
Amortization expense	14,391	—	—	(14,391)	—	—	—	—
Total operating expenses	169,295	(700)	(23,715)	(14,391)	—	(965)	592	129,544
Operating Income (Loss)	28,579	3,450	—	14,391	—	965	(592)	47,365
Other Income (Expense)								
Realized and unrealized gain (loss) on investments, net	2,670	8,317	—	—	(10,140)	—	—	(60)
Realized and unrealized gain (loss) of CIP, net	2,596	(2,596)	—	—	—	—	—	—
Other income (expense), net	(343)	—	—	—	—	—	—	(343)
Total other income (expense), net	4,923	5,721	—	—	(10,140)	—	—	(403)
Interest Income (Expense)								
Interest expense	(5,005)	—	—	—	—	—	—	(5,005)
Interest and dividend income	3,238	1,028	—	—	—	—	—	4,257
Interest and dividend income of CIP	46,814	(46,814)	—	—	—	—	—	—
Interest expense of CIP	(35,203)	35,203	—	—	—	—	—	—
Total interest income (expense), net	9,844	(10,583)	—	—	—	—	—	(748)
Income (Loss) Before Income Taxes	43,346	(1,412)	—	14,391	(10,140)	965	(592)	46,214
Income tax expense (benefit)	8,703	—	—	4,025	(1,722)	270	1,745	12,925
Net Income (Loss)	34,643	(1,412)	—	10,366	(8,418)	695	(2,337)	33,289
Noncontrolling interests	3,981	1,412	—	(679)	—	—	(6,899)	(2,185)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	38,624	—	—	9,687	(8,418)	695	(9,236)	31,104
Earnings (Loss) Per Share - Diluted	5.21							4.20
Weighted Average Shares Outstanding - Diluted	7,410							7,410

$ and share counts in thousands, except per share data; See notes to reconciliations that follow

RECONCILIATION: U.S. GAAP TO NON-GAAP

Q4 2022 (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	163,648	2,231	(9,758)	—	—	—	—	156,121
Distribution and service fees	14,606	1	(14,607)	—	—	—	—	—
Administration and shareholder service fees	18,973	32	—	—	—	—	—	19,005
Other income and fees	1,144	—	—	—	—	—	—	1,144
Total revenues	198,371	2,264	(24,365)	—	—	—	—	176,270
Operating Expenses								
Employment expenses	87,676	—	—	—	—	—	637	88,313
Distribution and other asset-based expenses	24,365	—	(24,365)	—	—	—	—	—
Other operating expenses	31,811	—	—	—	—	(1,055)	—	30,756
Operating expenses of CIP	2,481	(2,481)	—	—	—	—	—	—
Change in fair value of contingent consideration	5,120	—	—	—	—	(5,120)	—	—
Depreciation expense	1,088	—	—	—	—	—	—	1,088
Amortization expense	14,609	—	—	(14,609)	—	—	—	—
Total operating expenses	167,150	(2,481)	(24,365)	(14,609)	—	(6,175)	637	120,157
Operating Income (Loss)	31,221	4,745	—	14,609	—	6,175	(637)	56,113
Other Income (Expense)								
Realized and unrealized gain (loss) on investments, net	3,529	365	—	—	(3,322)	—	—	572
Realized and unrealized gain (loss) of CIP, net	4,147	(4,147)	—	—	—	—	—	—
Other income (expense), net	(352)	—	—	—	—	—	—	(352)
Total other income (expense), net	7,324	(3,782)	—	—	(3,322)	—	—	220
Interest Income (Expense)								
Interest expense	(4,512)	—	—	—	—	—	—	(4,512)
Interest and dividend income	2,578	1,111	—	—	—	—	—	3,689
Interest and dividend income of CIP	35,889	(35,889)	—	—	—	—	—	—
Interest expense of CIP	(33,374)	33,374	—	—	—	—	—	—
Total interest income (expense), net	581	(1,404)	—	—	—	—	—	(823)
Income (Loss) Before Income Taxes	39,126	(441)	—	14,609	(3,322)	6,175	(637)	55,510
Income tax expense (benefit)	13,291	—	—	3,988	(46)	1,686	(3,766)	15,153
Net Income (Loss)	25,835	(441)	—	10,621	(3,276)	4,489	3,129	40,357
Noncontrolling interests	9,565	441	—	(679)	—	—	(11,345)	(2,018)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	35,400	—	—	9,942	(3,276)	4,489	(8,216)	38,339
Earnings (Loss) Per Share - Diluted	4.77							5.17
Weighted Average Shares Outstanding - Diluted	7,419							7,419

$ and share counts in thousands, except per share data; See notes to reconciliations that follow

RECONCILIATION: U.S. GAAP TO NON-GAAP

Q3 2022 (UNAUDITED)

		Reclassification	Other adjustments					
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Amortization of intangible assets	Restructuring expense	Seed capital and CLO investments	Other	Non-GAAP Basis
Revenues								
Investment management fees	172,850	2,217	(11,070)	—	—	—	—	163,997
Distribution and service fees	15,746	2	(15,748)	—	—	—	—	—
Administration and shareholder service fees	20,563	24	—	—	—	—	—	20,587
Other income and fees	1,102	—	—	—	—	—	—	1,102
Total revenues	210,261	2,243	(26,818)	—	—	—	—	185,686
Operating Expenses								
Employment expenses	88,230	—	—	—	—	—	486	88,716
Distribution and other asset-based expenses	26,818	—	(26,818)	—	—	—	—	—
Other operating expenses	31,096	—	—	—	—	—	—	31,096
Operating expenses of CIP	538	(538)	—	—	—	—	—	—
Restructuring expense	4,015	—	—	—	(4,015)	—	—	—
Depreciation expense	938	—	—	—	—	—	—	938
Amortization expense	14,609	—	—	(14,609)	—	—	—	—
Total operating expenses	166,244	(538)	(26,818)	(14,609)	(4,015)	—	486	120,750
Operating Income (Loss)	44,017	2,781	—	14,609	4,015	—	(486)	64,936
Other Income (Expense)								
Realized and unrealized gain (loss) on investments, net	(2,493)	(3,652)	—	—	—	5,363	—	(782)
Realized and unrealized gain (loss) of CIP, net	(8,440)	8,440	—	—	—	—	—	—
Other income (expense), net	(659)	—	—	—	—	—	—	(659)
Total other income (expense), net	(11,592)	4,788	—	—	—	5,363	—	(1,441)
Interest Income (Expense)								
Interest expense	(3,557)	—	—	—	—	—	—	(3,557)
Interest and dividend income	1,013	1,197	—	—	—	—	—	2,210
Interest and dividend income of CIP	28,644	(28,644)	—	—	—	—	—	—
Interest expense of CIP	(20,356)	20,356	—	—	—	—	—	—
Total interest income (expense), net	5,744	(7,091)	—	—	—	—	—	(1,347)
Income (Loss) Before Income Taxes	38,169	478	—	14,609	4,015	5,363	(486)	62,148
Income tax expense (benefit)	10,754	—	—	3,939	1,082	370	610	16,755
Net Income (Loss)	27,415	478	—	10,670	2,933	4,993	(1,096)	45,393
Noncontrolling interests	4,265	(478)	—	(718)	—	—	(5,462)	(2,393)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	31,680	—	—	9,952	2,933	4,993	(6,558)	43,000
Earnings (Loss) Per Share - Diluted	4.25							5.76
Weighted Average Shares Outstanding - Diluted	7,463							7,463

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RECONCILIATION: U.S. GAAP TO NON-GAAP

YTD 2023 (UNAUDITED)

		Reclassification	Other adjustments							
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Amortization of intangible assets	Restructuring expense	Seed capital and CLO investments	Deferred compensation and related investments	Acquisition and integration	Other	Non-GAAP Basis
Revenues										
Investment management fees	529,326	7,504	(30,710)	—	—	—	—	—	—	506,120
Distribution and service fees	42,618	4	(42,622)	—	—	—	—	—	—	—
Administration and shareholder service fees	55,668	58	—	—	—	—	—	—	—	55,726
Other income and fees	3,069	—	—	—	—	—	—	—	—	3,069
Total revenues	630,681	7,566	(73,332)	—	—	—	—	—	—	564,915
Operating Expenses										
Employment expenses	304,895	—	—	—	—	—	(1,041)	(10,825)	262	293,291
Distribution and other asset-based expenses	73,332	—	(73,332)	—	—	—	—	—	—	—
Other operating expenses	94,707	—	—	—	—	—	—	(3,118)	—	91,589
Operating expenses of CIP	1,613	(1,613)	—	—	—	—	—	—	—	—
Restructuring expense	691	—	—	—	(691)	—	—	—	—	—
Change in fair value of contingent consideration	(6,800)	—	—	—	—	—	—	6,800	—	—
Depreciation expense	4,134	—	—	—	—	—	—	—	—	4,134
Amortization expense	45,581	—	—	(45,581)	—	—	—	—	—	—
Total operating expenses	518,153	(1,613)	(73,332)	(45,581)	(691)	—	(1,041)	(7,143)	262	389,014
Operating Income (Loss)	112,528	9,179	—	45,581	691	—	1,041	7,143	(262)	175,901
Other Income (Expense)										
Realized and unrealized gain (loss) on investments, net	2,469	12,998	—	—	—	(14,343)	(1,701)	—	—	(577)
Realized and unrealized gain (loss) of CIP, net	(2,853)	2,853	—	—	—	—	—	—	—	—
Other income (expense), net	(1,062)	—	—	—	—	—	—	—	—	(1,062)
Total other income (expense), net	(1,446)	15,851	—	—	—	(14,343)	(1,701)	—	—	(1,639)
Interest Income (Expense)										
Interest expense	(17,444)	—	—	—	—	—	—	—	—	(17,444)
Interest and dividend income	8,785	5,760	—	—	—	—	(68)	—	—	14,477
Interest and dividend income of CIP	144,501	(144,501)	—	—	—	—	—	—	—	—
Interest expense of CIP	(112,153)	112,153	—	—	—	—	—	—	—	—
Total interest income (expense), net	23,689	(26,588)	—	—	—	—	(68)	—	—	(2,967)
Income (Loss) Before Income Taxes	134,771	(1,558)	—	45,581	691	(14,343)	(728)	7,143	(262)	171,295
Income tax expense (benefit)	31,794	—	—	12,568	189	(1,778)	(201)	1,962	2,649	47,183
Net Income (Loss)	102,977	(1,558)	—	33,013	502	(12,565)	(527)	5,181	(2,911)	124,112
Noncontrolling interests	(3,190)	1,558	—	(1,948)	—	—	—	—	(3,522)	(7,102)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	99,787	—	—	31,065	502	(12,565)	(527)	5,181	(6,433)	117,010
Earnings (Loss) Per Share - Diluted	13.50									15.83
Weighted Average Shares Outstanding - Diluted	7,393									7,393

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RECONCILIATION: U.S. GAAP TO NON-GAAP

YTD 2022 (UNAUDITED)

VIRTUS INVESTMENT PARTNERS

		Reclassification	Other adjustments						
	U.S. GAAP Basis	Consolidated investment products	Revenue related	Amortization of intangible assets	Restructuring expense	Seed capital and CLO investments	Acquisition and integration	Other	Non-GAAP Basis
Revenues									
Investment management fees	564,691	6,823	(35,332)	—	—	—	—	536,182	536,182
Distribution and service fees	52,912	3	(52,915)	—	—	—	—	—	—
Administration and shareholder service fees	66,889	72	—	—	—	—	—	66,961	66,961
Other income and fees	3,516	—	—	—	—	—	—	3,516	3,517
Total revenues	688,008	6,898	(88,247)	—	—	—	—	606,659	606,660
Operating Expenses									
Employment expenses	283,583	—	—	—	—	—	364	279,405	279,404
Distribution and other asset-based expenses	88,247	—	(88,247)	—	—	—	—	—	—
Other operating expenses	94,367	—	—	—	—	—	—	91,381	91,382
Operating expenses of CIP	1,927	(1,927)	—	—	—	—	—	—	—
Restructuring expense	4,015	—	—	—	(4,015)	—	—	—	—
Change in fair value of contingent consideration	2,900	—	—	—	—	—	—	—	—
Depreciation expense	2,835	—	—	—	—	—	—	2,835	2,835
Amortization expense	43,895	—	—	(43,895)	—	—	—	—	—
Total operating expenses	521,769	(1,927)	(88,247)	(43,895)	(4,015)	—	364	373,621	373,622
Operating Income (Loss)	166,239	8,825	—	43,895	4,015	—	(364)	233,038	233,038
Other Income (Expense)									
Realized and unrealized gain (loss) on investments, net	(16,018)	(28,931)	—	—	—	41,008	—	(3,941)	(3,942)
Realized and unrealized gain (loss) of CIP, net	(43,443)	43,443	—	—	—	—	—	—	—
Other income (expense), net	199	—	—	—	—	—	—	199	199
Total other income (expense), net	(59,262)	14,512	—	—	—	41,008	—	(3,742)	(3,742)
Interest Income (Expense)									
Interest expense	(8,661)	—	—	—	—	—	—	(8,661)	(8,660)
Interest and dividend income	1,870	3,645	—	—	—	—	—	5,515	5,514
Interest and dividend income of CIP	71,436	(71,436)	—	—	—	—	—	—	—
Interest expense of CIP	(46,860)	46,860	—	—	—	—	—	—	—
Total interest income (expense), net	17,785	(20,931)	—	—	—	—	—	(3,146)	(3,146)
Income (Loss) Before Income Taxes	124,762	2,406	—	43,895	4,015	41,008	(364)	226,150	226,150
Income tax expense (benefit)	43,969	—	—	11,883	1,082	(1,930)	3,402	61,234	61,234
Net Income (Loss)	80,793	2,406	—	32,012	2,933	42,938	(3,766)	164,916	164,916
Noncontrolling interests	1,348	(2,406)	—	(2,190)	—	—	(4,845)	(8,093)	(8,093)
Net Income (Loss) Attributable to Virtus Investment Partners, Inc.	82,141	—	—	29,822	2,933	42,938	(8,611)	156,823	156,823
Earnings (Loss) Per Share - Diluted	10.76								20.54
Weighted Average Shares Outstanding - Diluted	7,636								7,636

$ and share counts in thousands, except per share data; See notes to reconciliations that follow

FOOTNOTES

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.

Other adjustments:

Revenue related

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.

Expense Related:

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 expense* - 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. *Deferred compensation and related investments* - Compensation expense, gains and losses (realized and unrealized), and interest and dividend income related to market performance of deferred compensation plans and related balance sheet investments. Market performance of deferred compensation plans and related investments can vary significantly from period to period. Management believes that making this adjustment aids in comparing the Company's operating results with prior periods.
7. *Acquisition and integration expenses* - Expenses that are directly related to acquisition and integration activities. Acquisition expenses include certain transaction related employment expenses, transaction closing costs, change in fair value of contingent consideration, 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.
8. *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. Management believes that making these adjustments aids in comparing the company's operating results with prior periods.

Seed Capital and CLO Related:

9. *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:

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	YTD:22	YTD:23
Acquisition and Integration Expenses							
Employment expenses	$—	$—	$—	$8,183	$2,642	$4,542	$10,825
Other operating expenses	—	1,055	965	1,782	371	2,986	3,118
Change in fair value of contingent consideration	—	5,120	—	(6,800)	—	2,900	(6,800)
Total Acquisition and Integration Operating Expenses	**$0**	**$6,175**	**$965**	**$3,165**	**$3,013**	**$10,428**	**$7,143**

	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	YTD:22	YTD:23
Other							
Employment expense fair value adjustments	$(486)	$(637)	$(592)	$(49)	$379	$(364)	$(262)
Tax impact of adjustments	131	174	166	13	(104)	98	75
Other discrete tax adjustments	(741)	3,592	(1,911)	(641)	(172)	(3,500)	(2,724)
Affiliate minority interest fair value adjustments	(5,462)	(11,345)	(6,899)	(1,576)	4,953	(4,845)	(3,522)
Total Other	**$(6,558)**	**$(8,216)**	**$(9,236)**	**$(2,253)**	**$5,056**	**$(8,611)**	**$(6,433)**

$ in thousands


VIRTUS
INVESTMENT PARTNERS